

TRANSMITTAL

0220-05291-0942

TO
The City Council

DATE
03/17/21

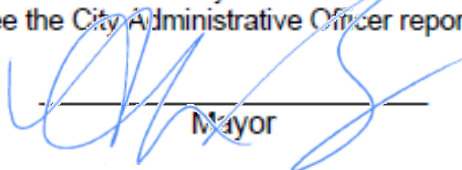
COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT
All

Proposed contracts for primary, secondary, and/or post-judgement debt collection services with AllianceOne Receivables Management, Inc. and Account Control Technology, Inc. and ratification of executed agreements with Caine & Weiner (C-137455), Harris & Harris (C-137456), and Linebarger Goggan Blair Sampson, LLP (C-137454)

Transmitted for your consideration.
Please see the City Administrative Officer report attached.



(Ana Guerrero for)

Mayor

RHL:AG:09210112

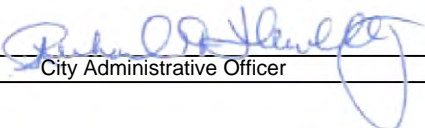
Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 03-10-21	C.D. No. All	CAO File No.: 0220-05291-0942				
Contracting Department/Bureau: Office of Finance		Contact: Andrew Kaplan, (213) 978-3129					
Reference: Transmittal from the Mayor's Office dated February 9, 2021.							
Purpose of Contracts: Primary, secondary, and/or post-judgement debt collection services to the City to supplement internal collection efforts by City departments.							
Type of Contract: (X) New contracts () Amendment		Contract Term Dates: December 1, 2020 – November 30, 2023 ; 3-year term with two additional one-year periods.					
Contract/Amendment Amount: Compensation is based on a contingency fee. See Attachment A for contingency fee rates.							
Source of funds: Contingency fees collected by the Contractors from the debtor.							
Name and Address of Contractors:							
1. Account Control Technology, Inc.: 5300 Kings Island Drive, Suite 103, Mason, OH 45040 2. AllianceOne Receivables Management, Inc. 3. Caine & Weiner: 5805 Sepulveda Blvd., 4 th Floor, Sherman Oaks, CA 91411 4. Harris & Harris: 111 West Jackson Blvd., Suite 400, Chicago, IL 60604 5. Linebarger Goggan Blair & Sampson, LLP: 18000 Studebaker Road, Suite 700, Cerritos, CA 90703							
	Yes	No	N/A	Contractor has complied with:	Yes	No	N/A
1. Council has approved the purpose	X			8. Business Inclusion Program	X		
2. Appropriated funds are available			X	9. Equal Benefits & First Source Hiring Ordinances	X		
3. Charter Section 1022 findings completed	X			10. Contractor Responsibility Ordinance	X		
4. Proposals have been requested	X			11. Disclosure Ordinances	X		
5. Risk Management review completed	X			12. Bidder Certification CEC Form 50	X		
6. Standard Provisions for City Contracts included	X			13. Prohibited Contributors (Bidders) CEC Form 55	X		
7. Workforce that resides in the City: See table included in this report.				14. California Iran Contracting Act of 2010	X		

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor, authorize the Director of the Office of Finance, or designee, to:

1. Execute contracts with AllianceOne Receivables Management, Inc. and Account Control Technology, Inc. for a period of three (3) years with option to extend for two (2) additional one-year periods, subject to final review of the proposed contract by the Office of the City Attorney;
2. Ratify the currently executed agreements with Caine & Weiner (C-137455), Harris & Harris (C-137456), and Linebarger Goggan Blair & Sampson, LLP (C-137454) for a period of three (3) years with option to extend for two (2) additional one-year periods; and
3. Authorize the Director of Finance to exercise the options included in the agreement with Caine & Weiner, Harris & Harris, Linebarger Goggan Blair & Sampson, AllianceOne Receivables Management, Inc., and Account Control Technology to extend the terms for an additional two years, in one-year increments, so long as all other terms and conditions remain the same and all other legal requirements are met.

Augusto Gutierrez			 City Administrative Officer
AG	Analyst	0220-05291-0942	

SUMMARY

The Office of Finance (Finance) requests authority to execute contracts with AllianceOne Receivables Management, Inc. and Account Control Technology, Inc. and ratify executed agreements with Caine & Weiner (C-137455), Harris & Harris (C-137456), and Linebarger Goggan Blair & Sampson, LLP (C-137454) for primary, secondary, and/or post-judgement outside collection services on the City's delinquent accounts receivable. The term of the agreements is for a period of three (3) years with an option to extend for two (2) additional one-year periods, from December 1, 2020 through November 30, 2023.

City departments use outside collection services to supplement their respective internal collection efforts. The services provided by the outside collection agencies (OCAs, also referred as the Contractors) include locating debtors using skip-tracing techniques, contacting debtors by telephone, working through inquiries and disputes, conducting asset searches, arranging for payments, filing delinquent notifications with credit bureaus, and verifying assets, among other services. In 2019-20, the City's OCAs collected a combined \$6.73 million.

The Contractors have nine months from the date that the account is referred to them by a City department to effect collection on primary accounts. Thereafter, Contractors have six months after the referral date to effect collection on delinquent accounts that are referred for secondary collection services. If the Contractors are unable to collect on the account within the allotted time, the Contractors return the account to the City and end all collection efforts. The City intends to also implement a post-judgment collection pilot program. Post-judgement account collections are collections for accounts that have remained uncollected with a current court judgement in favor of the City.

The Contractors are responsible for monthly deliveries to the referring City department of all of the monies collected during the previous month. The Contractors are also responsible for providing monthly reports to Finance and referring City departments regarding, among other things, collection activities for the previous month. Compensation to the Contractors is paid on a contingency fee basis, calculated as a percentage of the value of the account (see table below). The Contractors are paid monthly on amounts collected during the previous month. If no recovery is made on an account referred to the Contractor by the City, there is no compensation.

Commission Rates				% of Workforce in City
Agency Name	Primary Rate	Secondary Rate	Post-Judgement Rate	
Account Control Technology, Inc.	14.0%	19.7%	21%	11.6%
AllianceOne Receivables Management, Inc.	19.5%	N/A	\$0.20 per hit for batch service	0%
Caine & Weiner	17.0%	27.0%	\$250/account for skip-tracing/asset location	50%
Harris & Harris	14.9%	21.9%	\$9/account for skiptracing/asset location	0%
Linebarger Goggan Blair & Sampson, LLP	20.0%	31.0%	N/A	0%

The Contractors were selected through a competitive procurement process. In May 2019, Finance issued a Request for Proposals (RFP) for OCA services and received 14 proposals. An RFP evaluation committee comprised of five members from the Housing and Community Investment Department, the Fire Department, and Finance reviewed and ranked the proposals based on the criteria outlined in the RFP. The top five most responsive bids were selected and are recommended for contracting.

Previously, the City contracted with six OCAs, including AllianceOne Receivables Management, Inc., Caine & Werner, and Harris & Harris. The term of the previous OCA contracts ended on May 31, 2020.

In accordance with Charter Section 1022, the Office of the City Administrative Officer has determined that the work proposed to be contracted can be performed more feasibly by a contractor than by City employees because there is insufficient existing City staff to perform the work. Furthermore, Section 5.181 of the Administrative Code provides for the referral of delinquent accounts to OCAs. The Contractors have complied with all City contracting requirements.

Cost Containment Memo Compliance

In accordance with the Mayor's Cost Containment Memo dated June 24, 2020, the execution of new contracts are suspended unless the contracts are: 1) essential to public health and safety, 2) revenue generating, or 3) legally mandated. These agreements qualify for an exception to the suspension of contracting as OCA services are revenue generating and entirely funded by collections.

FISCAL IMPACT STATEMENT

There is no General Fund impact as funding is provided to the Contractors on a contingency fee basis from revenues recovered.

FINANCIAL POLICIES STATEMENT

The action recommended in this report complies with the City's Financial Policies in that ongoing expenditures will be funded by ongoing revenues.

RHL:AG:09210112

Attachment: Request from the Office of Finance dated February 5, 2021, which incorporates a copy of the RFP and the contracts recommended for approval.

DIANA MANGIOGLU
DIRECTOR of FINANCE
CITY TREASURER

CITY OF LOS ANGELES
CALIFORNIA

OFFICE OF FINANCE
200 N. SPRING ST.
ROOM 101 – CITY HALL
LOS ANGELES, CA 90012



ERIC GARCETTI
MAYOR

(844) 663-4411

February 5, 2021

The Honorable Eric Garcetti
Mayor, City of Los Angeles
200 North Spring Street, Room 303
Los Angeles, California 90012

Attention: Heleen Ramirez, Legislative Coordinator

APPROVAL TO EXECUTE CONTRACTS WITH OUTSIDE COLLECTION AGENCIES

Dear Mayor Garcetti:

In accordance with the Mayor's Executive Directive No. 3, the Office of Finance (Finance) requests approval to execute the attached two new proposed contracts and to ratify three already executed agreements with outside collection agencies. The terms of all five agreements are the same, they are all for a period of three (3) years with an option to renew for two (2) additional one-year periods and compensation that is based on a contingency fee. The attached contracts have been reviewed by the Office of the City Attorney.

SUMMARY

During the past several years, the City has entered into agreements with the Outside Collection Agencies (OCAs) to provide primary and secondary collection services to the City. City departments use outside collection services to augment their respective internal collection efforts.

The OCAs that are contracted employ industry best practices, such as state-of-the-art skip-tracing techniques, automated dialers, public and private database searches, and mailing collection notices. They provide enhanced technology, resources, and expertise that maximize the recovery of monies owed to the City. The OCAs also provide the City with the ability to work with a debtor to facilitate payments, work through inquiries and disputes, and facilitate remedies.

Departments have the sole discretion to refer, retract, or redistribute accounts among primary and secondary OCAs, if the department is unable to collect outstanding balances on an account. The OCAs are given nine months to effect collection for primary accounts or referrals, after which, the accounts are assigned to another OCA for secondary collection effort for six months. If the OCA is unable to collect on the account within the allotted time, they are required to return the account to the

City and cease all collection efforts. The OCAs can only perform primary or secondary services on an account but are not permitted to perform both on the same account.

The OCAs are required to submit standardized monthly reports to Finance and the departments regarding their collection activities. These reports include the overall status of the accounts, lists of delinquent debtors, and performance measures.

Compensation for the OCA collection activities are paid on a contingency fee basis, calculated as a percentage of the value of the account. The additional OCA fee is collected on top of the amount due to the City and is based on actual collections. The OCAs then submit an invoice to the Office of Finance or the appropriate City department for commission owed on amounts collected during the previous month. If no recovery is made on an account, the City is not obligated to provide compensation to the OCA for that account.

REQUEST FOR PROPOSAL

In May, 2019, Finance issued a Request for Proposal (RFP) for the following services:

- Primary account collection for accounts referred by Departments after the established period of delinquency,
- Secondary account collection for accounts that have been returned uncollected by the primary collection agencies, and
- Pilot post-judgement account collection for accounts that have remained uncollected with a current court judgement in favor of the City.

The RFP was posted on the City's Business Assistance Virtual Network (BAVN) on May 17, 2019. For reference, a copy of the RFP is enclosed with this report. A mandatory Proposers' Conference conducted via-telephone was on June 7 with an added conference on June 25, 2019, for those that missed the June 7 conference due to technical issues. A total of seventeen firms participated in the conferences and Finance received fourteen proposals.

SELECTION PROCESS

An RFP evaluation committee of five members was established to review the proposals submitted. Members of the committee included staff from the Housing and Community Investment Department, the Fire Department, and the Office of Finance. Each member of the committee conducted a formal review of the proposals and scored them in accordance with the criteria specified in the RFP. The evaluation criteria used by the evaluation committee for comparing and ranking proposals included:

- Proper submission of proposal according to the RFP (5 Points)
- Firm's stability and past experience (10 Points)
- Ability to provide and meet specifications as set forth in this RFP (40 Points)
- The proposed fees for services that, in the judgment of the City, will provide the most comprehensive service at the most reasonable cost to the City (10 Points)
- The quality of the firm's standard statements and reports (20 Points)
- Accessibility, availability and professional qualifications of the individuals that will be assigned to the City's account (15 Points)

Previously, the City contracted with six (6) OCAs for primary and secondary collection services of delinquent accounts. The bidders were informed that the City intended to select multiple agencies for the provision of the services advertised in this RFP.

Based on the scores from the evaluation committee's thorough review and consideration of the proposals, the proposals were ranked as follows:

Proposer	Rank
Caine & Weiner	1
Harris & Harris	2
Linebarger Goggan Blair & Sampson	3
Account Control Technology	4
AllianceOne	5
RSI Enterprises	6
Professional Credit	7
Cedar Financial	8
ARS National Services	9
Gila LLC dba MSB	10
IC System	11
Client Services Inc.	12
Integral Recoveries	13
Vericred Solutions	14

On April 27, 2020, Finance mailed notices to all proposers informing them of the committee's recommendation for Finance to enter into an agreement with the top five ranked proposers listed above. The non-selected firms were afforded an opportunity to appeal as provided for in the RFP. No appeals were received.

FISCAL IMPACT

There is no impact to the General Fund. The OCAs are compensated on a contingency fee basis added to the assigned amount owed and to be paid by the debtor. If an agency does not collect on an account that is referred to it for collection, then no payment is received by the collection agency.

RECOMMENDATIONS

Finance respectfully requests that the Mayor:

1. Authorize the Director of Finance to execute contracts with AllianceOne Receivables Management, Inc., and Account Control Technology for a period of three (3) years with option to extend for two (2) additional one-year periods, subject to final review of the proposed contract by the Office of the City Attorney.
2. Ratify the currently executed agreements with Caine & Weiner, Harris & Harris, and Linebarger Goggan Blair & Sampson, for a period of three (3) years with option to extend for two (2) additional one-year periods.
3. Authorize the Director of Finance to exercise the options included in the agreement with Caine & Weiner, Harris & Harris, Linebarger Goggan Blair & Sampson, AllianceOne Receivables Management, Inc., and Account Control Technology to extend the terms for an additional two years, in one-year increments, so long as all other terms and conditions remain the same and all other legal requirements are met.

If you have any questions, please contact Andrew Kaplan, Revenue Manager at (213) 978-3129 or by e-mail at andrew.kaplan@lacity.org.

Sincerely,



Diana Mangioglu
Director of Finance / City Treasurer

Attachments: Collection Agency RFP
Proposed Contracts

cc: Jeanne Holm, Office of the Mayor
Jane Chung, Office of the Mayor
Ha To, Office of the City Administrative Officer
Augusto Gutierrez, Office of the City Administrative Officer



CITY OF LOS ANGELES
REQUEST FOR PROPOSAL (RFP)
FOR
PRIMARY AND SECONDARY DELINQUENT
ACCOUNT COLLECTION SERVICES

MAY 17, 2019

Request for Proposal (RFP) at a Glance – Primary and Secondary Delinquent Account Collection Services

Release Date	May 17, 2019
RFP Submission Deadline	July 25, 2019 No later than 5:00 PM Pacific Standard Time
Submission Address	City of Los Angeles, Office of Finance Administrative Services Division 200 North Spring Street, Room 220 Los Angeles, California 90012 Attention: Sharon Loudd
Number of Required Copies and Format	One (1) original signature complete copy along with five (5) hard copies; One (1) electronic copy of its proposal on a CD, DVD, or USB Flash Drive in PDF format; and One (1) electronic copy of the proposal in the electronic format proscribed above with redacted confidential business information. This copy may be available for public records requests.
Proposers' Conference	10:00 a.m., June 25, 2019 Room 351, Office of the Controller Conference Room 200 North Main Street Los Angeles, CA 90012 The Pre-Proposal Conference is mandatory for all Bidders/Proposers desiring to submit proposals for this RFP. Failure to attend will result in disqualification of your proposal from further consideration. Please note that the conference will not be available via telephone, teleconferencing or the web. If you are not able to attend, please send a representative).
Request for Technical Assistance Deadline	June 28, 2019 Submit by email only to: Finance.OCARFP@lacity.org All questions and answers will be made available to all proposers on the LABAVN website at: www.labavn.org
Evaluation Criteria	<ol style="list-style-type: none"> 1. Proper submission of proposal according to RFP (5 Points) 2. Firm's stability and past experience (10 Points) 3. Ability to provide and meet specifications as set forth in this RFP (40 Points) 4. The proposed fees for services, in the judgment of the City, which will provide the most comprehensive service at the most reasonable cost to the City (10 Points) 5. The quality of the firm's standard statements and reports (20 Points)

	<p>6. Accessibility, availability and professional qualifications of the individuals that will be assigned to the City's account (15 Points)</p> <p>Total Evaluation Criteria Points: (100 Points)</p>
Protest Filing Deadline and Address	Five (5) Days after Notification of Results are mailed (i.e., postmark date)

It is the policy of the City of Los Angeles to provide access to its programs and services for persons with disabilities in accordance with Title II of the Americans with Disabilities Act (ADA) of 1990, as amended. As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities.

For more information on the City's business outreach opportunities, visit www.labavn.org

Proposal Checklist

SUBMISSION ITEM	Appendix	Submit with Proposal	Upload to LABAVN	15 Days Prior to RFP Deadline	Before Contract Execution
Cover Letter		√			
Business Organization		√			
Project Personnel		√			
Firm Qualifications, Experience and References		√			
Statement of the Program		√			
Project Approach and Work Plan		√			
Optional Materials/Services		√			
Project Management		√			
Cost		√			
Statements Responsive to Evaluation Criteria		√			
Contractor Responsibility Ordinance Questionnaire & Pledge of Compliance	A	√			
Municipal Lobbying Ordinance CEC Form 50	B	√			
Municipal Campaign Finance Ordinance CEC Form 55	C	√			
Equal Benefits Ordinance/First Source Hiring Ordinance Compliance Affidavits	D		√		
Slavery Disclosure Ordinance / Disclosure of Border Wall Contracting Ordinance/ Disclosure of Contracts and Sponsorship of the National Rifle Association	E		√		

SUBMISSION ITEM	Appendix	Submit with Proposal	Upload to LABAVN	15 Days Prior to RFP Deadline	Before Contract Execution
Living Wage Ordinance and Service Contractor Worker Retention Ordinance, if applying for exemption		√			
Affidavit of Non-Collusion	F	√			
Workforce Residence Information	G	√			
Business Inclusion Program				√	
Iran Contracting Act of 2010	H	√			
Prior Contracts with the City	I	√			
Certification of Compliance with Child Support Obligations	J	√			
Compliance with Americans with Disabilities Act	K	√			
Local Business Preference Program			√		
Standard Provisions	L				√
Insurance Certificates					√

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I. Background

A. About the City of Los Angeles and Office of Finance/City Treasurer

The City of Los Angeles, California (City) is the second most populous city in the United States that had an estimated population of 3.9 million residents in 2017. Los Angeles is the principal city of a metropolitan region stretching from the City of Ventura to the north, the City of San Clemente to the south, the City of San Bernardino to the east, and the Pacific Ocean to the west. With an area of 465 square miles and 7,366 miles of streets, the City in which you will be a potential stakeholder is engaged in business exceeding several billion dollars a year. Both the City and its surrounding metropolitan region have continued to experience growth in population and in economic diversity.

On an annual basis, the Office of Finance (Finance) is responsible for the collection of over \$3 billion in revenue from various sources including taxes, licenses, fees, and permits which pay for numerous essential municipal and public safety services to the City's residents and businesses. Finance is the custodian of all money deposited in the City Treasury and all securities bought by the City. This includes actively managing the City's \$11 billion General and Special Pool investment portfolio, and processing of over \$40 billion through treasury services.

B. Overview

The responsibility for the collection and enforcement of various business tax ordinances of the City rests with Finance, pursuant to the Los Angeles Administrative Code (LAAC). Prior to 2000, the authority to collect and/or refer delinquent accounts to outside collection agencies was vested with the Office of the City Attorney. In 2000, the Los Angeles City Charter (LACC) and related ordinances created the Office of Finance and authorized the Director of Finance certain powers and duties, including the collection of revenues. LAAC Article 1, Chapter 11, Section 5.181 authorizes the referral of delinquent accounts from the Director of Finance, as well as City Departments and Offices (except the Los Angeles World Airports, the Port of Los Angeles, and the Los Angeles Department of Water and Power) that are equal or less than \$5,000 to an outside collection agency for the collection of outstanding receivables.

The Office of Finance, as contract administrator, previously contracted with six (6) outside collection agencies (OCAs) for primary and secondary collection services of delinquent accounts. It is expected that the Contractor(s) selected through this RFP process will provide the City with the required delinquent account collection services under separate.

Accounts referred to the OCAs for primary and/or secondary services delinquent collection services are based on statutory fees and typically include, but are not limited to, the following type of accounts:

- Building and Safety Inspection Fees
- Auto Repair/Junkyard
- Miscellaneous City Inspections
- Noncompliance
- Business Improvement District (BID) Fees
- Business Tax

- Communication User Tax
- Construction Permits - Deficits
- Los Angeles Police Department - DUI Cost Recovery Charges
- Los Angeles Police Department - Excessive False Alarm Charges
- Housing Department - Code Enforcement Fees
- Illegal Sign Postings
- Los Angeles Fire Department - Emergency Medical Services (which are subject to all Health Insurance Portability and Accountability Act (HIPAA) regulations and requirements)
- Los Angeles Fire Department - Inspection Fees
- Los Angeles Department of Transportation - Parking Citations
- Parking Occupancy Taxes
- Property Damage Claims
- Returned Checks
- Department of Public Works, Bureau of Sanitation - Industrial Waste Fees
- Department of Public Works, Bureau of Sanitation - Industrial/Commercial Pollution Control and Education Program Fees
- Transient Occupancy Taxes
- Various other taxes and fees

Both emergency services and parking citation accounts are subject to additional account processing times prior to collection agency referral.

The City anticipates initial account referrals of delinquent debt that range in age from forty six (46) days to three (3) years old, based on the delinquency standards established by Departments. At the end of fiscal year 2018, delinquent non tax accounts receivables that were eligible for forwarding from Departments to OCAs and anticipated to be collected totaled approximately \$153 million. Additional financial information for the City is available at: <https://controllerdata.lacity.org/>.

II. RFP Specifications

A. Services Solicited

This Request for Proposal (RFP) is being issued by the City for delinquent account collection services. The purpose and intent of this RFP is to solicit proposals from qualified professional OCAs to provide delinquent account collection services for the Finance and other Departments. The services to be provided by successful Bidder(s)/Proposer(s) will supplement existing delinquent account collection services currently provided by Finance and other City staff. Services to be provided by the successful Bidder(s)/Proposer(s) are as follows:

- *Primary account collection*, i.e. accounts referred by Departments after the established period of delinquency; and/or,
- *Secondary account collection*, i.e. accounts that have been returned uncollected by City's primary agencies); and/or,
- *Pilot post-judgement account collection*, i.e., accounts that have remained uncollected with a current court judgement in favor of the City.

Performance and service requirements are provided in Section II B, Scope of Work.

Bidder(s)/Proposer(s) responding to this RFP shall be prepared to deliver services and perform the work necessary to develop and deploy the systems modifications or software products and training support within 60 days of the issuance of a contract. The City anticipates entering into agreements with multiple OCAs for one or more of the aforementioned delinquent account collection services as a result of this RFP process. The City reserves the right to contract with one or more companies if it determines, at its sole discretion that it is in the best interest of the City.

The following acronyms and definitions shall apply to this RFP:

Accounts receivable	A claim for payment to the City for goods supplied and/or services rendered that customers and/or constituents have ordered and/or received that have not yet been paid.
Assignment, assigned, referral or referred accounts	Accounts that have been transferred to an OCA for delinquent collection activity by a City department. The assigned or referred amount of the account does not include any OCA contracted commission.
BAVN	Business assistance virtual network
BBB	Better Business Bureau
Bid	Response to a City solicitation pursuant to the Los Angeles City Charter, Section 371
Bidder, Proposer	The entity that is submitting a response to the this RFP
BIP	Business Inclusion Program
CFPB	Consumer Finance Protection Bureau
City	City of Los Angeles
Contract	A written agreement involving consideration in excess of \$150,000.00 for the purchase of goods, equipment of services, by or for the benefit of the City or its residents
Contractor, Vendor	An entity that has been awarded a contract by the City
Debtor	An individual or entity who owes money to the City as a result of non-payment
Department(s)	All City departments, offices
EMS	Emergency medical service(s)
FCRA	Fair Credit Reporting Act, 15 USC § 1681 et seq
FDCPA	Fair Debt Collection Practices Act, also known as The Rosenthal Fair Debt Collection Practices Act, California Civil Code § 1788 et seq
Finance	Office of Finance
FMS	Financial Management System
HIPAA	Heath Insurance Portability and Accountability Act of 1996, also known as the Kennedy-Kassebaum bill
LAAC	Los Angeles Administrative Code
LACC	Los Angeles City Charter
LADOT	Los Angeles Department of Transportation
LAFD	Los Angeles Fire Department
LAMC	Los Angeles Municipal Code
LAPD	Los Angeles Police Department
OCA	Outside collection agency
OCC	City of Los Angeles, Department of Public Works, Office of Contract Compliance

PCI, PCI-DSS	Payment card industry data security standards which refers to proprietary information security standard for the handling of branded credit card schemes
Proprietary departments	The City departments that do not rely on the General Fund for the City of Los Angeles to support its activities. These departments are the Los Angeles World Airports (LAWA), the Harbor Department or Port of Los Angeles (POLA), and the Los Angeles Department of Water and Power (LADWP).
RFP	Request for Proposal
SCRA	Service members Civil Relief Act of 2003, and amended in 2008
Service(s), contract service(s), scope	Work that is required to be provided as specified in this RFP
TCPA	Telephone Consumer Protection Act of 1991, codified under 47 U.S.C § 227

B. Scope of Work

General Conditions

The successful Bidder(s)/Proposer(s) shall provide delinquent account collection services to the City with the following general conditions and guidelines:

- Perform any and all work and services awarded as a result of this RFP as an independent Contractor that is separate and distinct from the City;
- Provide all labor, materials, supervision, tools, transportation, and equipment necessary to furnish collection services;
- Bear all expenses and costs incurred to effect collection of any account referred by the City;
- Agree that payment for delinquent account collection services from the City will be in the form of monthly reimbursements, based upon an agreed upon a contracted commission or rate structure;
- Perform any and all work and services awarded as a result of this RFP in full compliance with all applicable local, state, and federal rules, regulations and policies governing the collection industry;
- Strictly adhere to the confidentiality provisions specified by federal, state, local laws, rules, regulations and policies;
- Ensure PCI compliance for all credit card and electronic payments;
- Maximize efforts for successful professional delinquent revenue collection services that are lawful and ethical;
- Ensure the capability to accept and securely send data via the communication technology used by the City at the time of contract signing. All costs associated with the development of said systems shall be borne by the Contractor;

- Agree that any information provided by Departments pertaining to delinquent accounts will be used solely for the purpose of collection, held in the strictest of confidence and used for no other purpose;
- Collect only amounts authorized by the City and shall not add or collect any amounts not authorized by the City;
- Comply with any special collection campaigns authorized by the City, wherein selected account types may be targeted for specified reductions in balances owed, e.g., offer in compromise and debt amnesty programs;
- Provide timely reports, documents, etc., as specified by the City;
- Provide liaison staff available to resolve issues that may develop in the performance of any contract that is awarded as a result of this RFP;
- Contractor must be available to meet with City representatives on a quarterly basis to discuss issues relating to City accounts;
- Provide secure online access from the Contractor's delinquent account collection system to designated Finance and other City staff for accounts referred from the City for the purpose of delinquent account review, performance and ad hoc reporting purposes;
- Provide debt collection services on a non-exclusive basis. The City makes no assurances or guarantees regarding the value, number or percentage of delinquent collection accounts placed with the successful Bidder(s)/Proposer(s);
- Shall not subcontract, assign, refer or transfer any account referred by the City or otherwise assign its rights or delegate its duties to any other person or entity, including any attorney, without the express written consent of the City;
- The Contractor must retain said records for three (3) years following the final payment under the proposed contract;
- The City shall have the right to inspect the records relating to the City's accounts kept by the Contractor at the Contractor's place of business.

Summary of Work

- The successful Bidder(s)/Proposers of this RFP will provide (1) primary; and/or, (2) secondary collection; and/or (3) pilot post judgement (optional) delinquent account collection services consistent with the provisions of the proposed contract.
- For primary collection services, the Contractor will have a period of nine (9) months to effect collection on these delinquent accounts, at which time the uncollected accounts will be deemed closed or cancelled by the contractor and returned to the City unless the City, at its sole discretion, elects to extend the time that the Contractor may retain said

account(s).

- For secondary collection services, the Contractor will have a period of six (6) months to effect collection on these delinquent accounts, at which time the uncollected accounts will be deemed closed or cancelled by the contractor and returned to the City unless the City, at its sole discretion, elects to extend the time that the Contractor may retain said account(s).
- The City intends to implement a post-judgment collection pilot program. This collection work may include, but not limited to, asset searches, examination of debtor's financial situation, wage levies, and bank restitutions. The post-judgment collection work shall **not** include legal activities or the collection agency representing the City in a legal capacity.
- The LACC prohibits Contractors from instituting any legal action on behalf of the City against any debtor or performing any service that would constitute the practice of law in the State of California. If the Contractor or City determines that legal action or legal services are required, Contractor must return the account to the City. Under this circumstance, the Contractor may communicate to debtor that the matter is being returned to the City with a recommendation to consider further legal recourse.
- Departments shall reserve the right to determine which, if any, accounts will be referred to a successful Bidder(s)/Proposer(s) for primary, secondary, or post judgement delinquent account collection services.
- Finance shall provide a contract administrator who will assist in the resolutions of any issues or discrepancies that arise between a Department and a contracted OCA.
- The City shall have the right, at any time during regular business hours, to inspect the records relating to the City's accounts kept by the Contractor at the Contractor's place of business, with reasonable advance notification.
- The Contractor must retain said records for three (3) years following the final payment under the proposed contract. Contractor must also be available to meet with City representatives on a quarterly basis to discuss issues relating to City accounts.
- The City retains the right to recall for any reason from a contracted OCA, without charge or penalty, any accounts assigned to the contracted OCA. Upon recall by the City, no further collection efforts on recalled accounts will be undertaken by the contracted OCA.
- Upon remitting payments to the City on referred subject accounts, Contractor shall receive the contracted reimbursement in accordance with the contracted provisions. Contractor will also be reimbursed for monies paid directly to the City on subject accounts as a result of the Contractor's collection activities, subject to restrictions set forth in the proposed contract.
- The City retains the right to establish Contractor performance benchmarks and incentives relative to collections on City accounts with selected vendor(s) to be incorporated into any contract with City. Performance benchmarks will include periodic tracking and grading a

Contractor's compliance with contractual obligations such as the generation of ad hoc, routine, specialized/custom reports, responsiveness to department requests, practice of loading of referred accounts in a timely manner, and adherence to City administrative requirements. In addition, City reserves the right to publish the Contractor grades and rates of recovery on City accounts for departments use via City's Intranet or to be shared with City's collection vendors under contract for information, incentive and competitive purposes.

Minimum Work Requirements

The successful Bidder(s)/Proposer(s) will provide delinquent account collection services using innovative approaches and promotion of best practices for process improvement and enhanced revenue collection. Following are the minimum provisions and limitations that are deemed necessary in order to effectively perform delinquent account collections required by this RFP. These do not represent a complete listing of the work deemed necessary in the execution of this RFP.

LEGAL AND PROFESSIONAL COMPLIANCE PROVISIONS

Provide any and all work and services awarded as a result of this RFP in full compliance with the City of Los Angeles Taxpayer Bill of Rights, HIPAA, FDCPA, TCPA, FCRA, SCRA, the New York Settlement Agreement and all other federal, state or locally required collection practices and confidentiality provisions, including, but not limited to, *California Civil Code Sections 1788 et. seq.*, as well as Title 45 of the Code of Federal Regulations (Parts 160, 162 and 164) and the American Recovery and Reinvestment Act of 2009 which added the Health Information Technology for Economic and Clinical Health Act of 2009 (Section 13400 et seq.) relating to LAFD EMS accounts, if applicable.

CITY COLLECTION SYSTEMS

The Contractor must be able to accept data via the communication technology in use by the City at the time of contract signing, whether paper-based, digital or electronic. Contractor must work with individual Departments that refer delinquent accounts to develop system interfaces for efficient and secured data transfer.

Currently accounts receivables/collections management is decentralized and a variety of accounts receivable, tracking and collections systems are used in the City. Finance currently utilizes the Collections, Solution Software, Inc. and LATAX to pursue delinquent accounts. In addition, some Departments are using the City's Financial Management System (FMS) for billing and collection other Departments may use other digital or electronic means for monitoring their delinquent accounts, including, but not limited to:

- Building and Department Financial Services System or FSS;
- Housing & Community Investment Department Billing Management Information System or HIMS;
- Los Angeles Fire Department (LAFD) Intermedix (IMX) and NGBrush (used for brush clearance), Advanced Data Processing Inc., (ADPI) Emergency Medical Services billing & collection system (used for emergency medical services);
- Los Angeles Police Department (LAPD) CryWolf (used for excessive false alarms);
- Department of Public Works, Bureau of Sanitation (BOS) Pre-Treatment Information Management System (PIMS);

- Department of Public Works, Bureau of Sanitation (BOS) Industrial Waste Billing System (IWBS);
- Los Angeles Department of Transportation (LADOT) eTIMS (used for parking citations)

Also, other Departments may use other custom off the shelf (COTS), Microsoft Excel, Comma Separated Values (csv), Text (txt) based programs or other digital or electronic means of managing their delinquent accounts. The Contractor must work with the individual Departments to expeditiously develop system interfaces for efficient and secure data transfer of City accounts.

DEPARTMENT AGREEMENTS

The successful Bidder(s)/Proposer(s) of this RFP will be required to enter into separate agreements directly with departments prior to receiving any accounts for delinquent account collections.

Some delinquent accounts referred by departments may require access to non-City programs and systems (i.e., handling of parking citations requires a Requestor Code from State of California, Department of Motor Vehicle in order to access registration information). The successful Bidder(s)/Proposer(s) must bear any and all expenses, if any, associated with obtaining access to the associated non-City programs and systems.

Bidder(s)/Proposer(s) desiring to provide delinquent account collection services for EMS accounts must: (1) have experience with medical billing and collections; and, (2) be in compliance with all Health Insurance Portability and Accountability Act (HIPAA) regulations and requirements as set forth in Title 45 of the Code of Federal Regulation (Parts 160, 162 and 164) and the American Recovery and Reinvestment Act of 2009 which added the Health Information Technology for Economic and Clinical Health Act of 2009 (Sections 13400 et seq.) throughout the extent of any awarded contract. The successful Bidder(s)/Proposer(s) will be required to implement a systems interface that insures secure transmission of account data.

ACCOUNT ASSIGNMENT/REFERRAL

The Contractor(s) must possess the capability to accept assigned accounts referred from Departments by means of electronic transmission, digital or electronic file, or in writing. The assignment will include the following information, if available, and any other relevant information in the City's possession at the time of referral as deemed appropriate:

- Name(s)
- Address
- Type of Account
- Unpaid balance outstanding

In addition, the successful Contractor will be required to abide by the provisions and limitations set forth in the proposed contract which include, but are not limited to, the following:

SUBCONTRACTING

The Contractor may not transfer, subcontract or assign the subject accounts, or otherwise assign its rights or delegate its duties under this Agreement, to any third party, including any attorney, without the expressed written consent of the City.

COLLECTION INITIATION

The Contractor(s) must initiate standard industry accepted collection procedures no later than seven (7) days from the date of assignment (phone calls, written correspondence, skip tracing, etc.). The collection procedures utilized by the Contractor must be documented for each assigned account from the City.

PRIMARY AND SECONDARY ACCOUNT COLLECTION PERIODS

Contractor(s) will have nine (9) months after the assigned/referral date to effect collection on delinquent accounts that are referred for primary collection services. After 9 months, the Contractor must automatically return accounts that remain uncollected back to the City, unless the City, at its sole discretion, elects to extend the time that the Contractor may retain said account(s).

Contractor(s) will have a period six (6) months after the assigned/referral date to effect collection on delinquent accounts that are referred for secondary collection services. After 6 months the contracted OCA must automatically return accounts that remain uncollected back to the City unless the City, at its sole discretion, elects to extend the time that the contracted OCA may retain said account(s).

SECONDARY COLLECTION RESTRICTION

The Contractor will not handle any City account under a contract for secondary collection services that was previously assigned to Contractor under a City contract for primary collection services and was returned to the City as uncollectible.

ACCOUNT RETURN

The Contractor shall automatically return any and all accounts that are deemed uncollectible due to bankruptcy, receivership or if the debtor is deceased.

Contractor shall immediately return all accounts still pending upon termination of a Final Agreement by any party.

DEBTOR CORRESPONDENCE

Contractors must obtain approval from the City as to form and content for all letters used by the Contractor to effect collection prior to use.

All letters between the Contractor and City debtors shall be sent by first class mail.

LEGAL NOTICE RESTRICTIONS

The Contractor(s) shall not take any legal action against the City debtors. The Contractor(s) may not send any letter or other message, written or verbal, which is intended to convey, or which conveys to the customer directly or indirectly, that the Contractor intends any legal action against the customer. The Contractor may not send letters or other written message on law firm letterhead to City debtors.

PAYMENT PLANS

The Contractor(s) may engage in payment plans, when deemed appropriate, with City debtors for a term of no longer than one (1) year/ or the maximum time allotted for delinquent collection activity based on the account type (primary or secondary). Payment plans in excess of one year require approval from the referring Department.

DEBT SETTLEMENTS

The Contractor(s) shall not initiate, negotiate, or reach settlements on any subject account referred to it, and shall not imply either directly or indirectly that it has such authority. However, from time to time, the City may authorize special collection campaigns where selected account types may be targeted for specified reductions in balances owed under the compromise offer authority granted to the Director of Finance by the Council and/or in the LAAC or LAMC.

AUTHORIZED COLLECTION AMOUNT

The Contractor(s) shall only collect on amounts authorized by the City and shall not add or collect any amounts not authorized by the City. The Contractor(s) shall not collect more than the amount of the unpaid closing amount shown on the final invoice or amount assigned plus any accrued amounts authorized by City. This closing amount may include both the principal amount and any penalties or interest on the unpaid principal amount. The Contractor(s) will be expected to collect any penalties and interest accruing on the unpaid amount after the date of assignment in addition to collection and contingency fees, if the City authorizes such amount. The Contractor(s) cannot add and or collect penalties, interest or fees not authorized by the City.

CUSTOMER PAYMENT OPTIONS

The Contractors(s) must offer traditional payment options (e.g., postal mail, telephonic) and technologically enhanced payment options to debtors (e.g., online payment portals that accept credit and/or debit card, e-check, ACH, etc.), as well as other City-approved methods utilized by the collection industry.

CUSTOMER SUPPORT

The Contractor(s) must minimally have the capability to provide live customer support service (e.g., payment acceptance, account and payment status, etc.) to City debtors from Monday through Friday (8 am to 8 pm, Pacific Standard Time) via a toll free telephone number.

The Contractor(s) must minimally have the capability to provide twenty four (24) hour, seven (7) days per week telephonic and/or online customer support service (payment acceptance, account and payment status, etc.) to City debtors.

MONIES COLLECTED

The Contractor(s) must deposit all monies collected for the City into a special trust fund which shall be kept separate and not commingled with other funds of the Contractor or other clients of the Contractor. If the trust fund is an interest accruing account, such accruals must be credited to City.

All monies collected by the Contractor(s) for the City shall be remitted to the City on a monthly basis, as defined by the City, no later than the fifteenth (15th) of each month of collection. Payments made by debtors for any account referred to any Contractor for delinquent account collection for the City shall not be withheld for any reason and shall be delivered promptly to the City as specified in the contract.

BILLING

The Contractor(s) shall provide an invoice, in duplicate, and a remittance report that will accompany all monies remitted to the City. The invoice and remittance report must specify payments received for delinquent collection accounts from the prior month from City debtors, and the commission owed.

The remittance report shall also include additional information regarding debtor payments, as specified by the City. An electronic version of the monthly remittance report shall also be submitted to the Citywide Revenue Manager.

CONTRACTOR COMPENSATION

Compensation to the selected Contractor(s) shall be on a reimbursement basis. The reimbursement is a commission payment reflective of the actual payments received from debtors and submitted to the City. Payment of the commission will be based on a proportionate methodology to ensure that the City and the OCA will receive their proportionate share of each actual payment amount collected (including add-on commission) regardless of whether a debtor pays a part or the entire amount owed.

REPORTING

The Contractor(s) must provide regular and ad hoc digital or electronic reports to the City in the manner prescribed by the City. Required reports are due to the City's Contract Administrator within five (5) working days from the close of the prior month. The City reserves the right to modify the monthly reporting requirements as deemed appropriate and the Contractor(s) shall comply with any request changes to the monthly reporting requirements within thirty (30) days of being notified by the City of the requested modification. Required monthly reporting as defined by the City, may include, but not be limited to:

- Activity reports
- Batch reports
- Overall status of accounts referred (EMS accounts should not include confidential data)
- List of delinquent debtors
- Performance reports
- Stair step reports
- Status of complaints

Contractor(s) shall be required to disclose any complaints that take longer than thirty (30) days to resolve within five (5) City business days of the close of the prior month and shall immediately notify the City of any litigation and/or investigations taken against the Contractor(s) relative to the handling or collection of any City account, or which may have other relevance to the City as a business partner. The City may, at its sole discretion, modify the time period that the Contractor(s) shall regularly report on the status of matters under litigation. This requirement shall apply through the life of the contract and any contract extensions.

The Contractor(s) also shall provide monthly digital or electronic reports to the Department(s) from which an account has been referred in the manner prescribed by the City. Required reports are due to the department coordinator with five (5) working days from the close of the prior month. The City reserves the right to modify the monthly reporting requirements as deemed appropriate and the Contractor(s) shall comply with any request changes to the monthly reporting requirements within thirty (30) days of being notified by the City of the requested modification. Required monthly reporting as defined by the City, may include, but not be limited to:

- (a) Status of accounts referred by the department
- (b) Returned closed accounts

- (c) Retained accounts
- (d) Remittance report

Upon receipt of a referral from a department, the Contractor(s) shall provide an acknowledgement report to the Department from which the account has been referred within one (1) business day from the assignment to verify account placement.

In addition to these requirements, the Contractor(s) must agree to create ad hoc reports requested by the City within five (5) business days unless otherwise agreed to by the requesting Department in writing.

The City reserves the right to modify report requirements as needed and the Contractor(s) must agree to comply with changes within thirty (30) days after the modification.

SHARING COLLECTION INDUSTRY PRACTICES

Upon request, Contractor(s) will provide to City staff available data and information relative to collections, industry trends, best practices, projections and any other relevant materials to assist in revenue collections management and analysis.

C. Eligible Proposers

It is preferable that the Contractor possess prior experience in providing similar primary and/or secondary collection services to other municipalities or public agencies, including the collection of delinquent self-reported gross receipts taxes, inspections, non-compliance fees, license fees, parking citations and other statutory fees as well as property damage recovery.

D. Customer References

Provide a representative list of governmental agencies or private enterprises for whom the Contractor is performing or has performed similar services, as outlined in Section II B, Scope of Work, within the last five (5) years detailing dates of service, a description of those efforts and the name, title, address, and phone number of an informed individual to contact. It is preferred that this list be limited to other municipalities. The City may, at its option, contact other known Proposer's customers for references.

E. Past Failure to Complete Work Awarded

If the Proposer has had a contract terminated for default during the past five (5) years, all such incidents must be described. Termination for default is defined as notice to stop performance due to the Proposer's non-performance or poor performance and the issue was either not litigated; or litigated and such litigation determined the Proposer to be in default. Submit full details of all termination for default experienced by the Proposer during the past five (5) years including the other party's name, address, telephone number, and email address. Present the Proposer's position on the matter. The City will evaluate the facts and may, at its sole discretion, reject the Proposer's proposal if the facts discovered indicate that completion of a contract resulting from this RFP may be jeopardized by selection of the proposer. If the Proposer has experienced no termination for default in the past five (5) years, so indicate. Describe any incidents during which the Proposer was found to have failed to abide by laws, ethics and regulations as prescribed by

licensing boards and government bodies.

F. Contract Term

Finance, subject to the approval of the City Council, anticipates negotiating contract(s) with an initial term of three (3) years, during which time the cost outlined in the successful proposal shall remain fixed. The contract may be extended for up to two (2) additional years, if both parties agree to the extension. If the City seeks to exercise the option to extend the term, the successful contractor(s) shall submit a schedule of proposed fees no less than 180 days prior to the expiration date of the initial term of the contract.

G. Preliminary Schedule

Dates for the Release of RFP, Deadline for Submission of Written Questions, Pre-Proposal Conferences, and Proposal Due Date are specified in the RFP at a Glance section.

<u>Event</u>	<u>Date</u>
Release of RFP	May 17, 2019
Deadline for submission of written questions for Pre-Proposal Conference	June 7, 2019
Pre-Proposal Conference*	June 25, 2019
Proposal Due Date	July 25, 2019

H. Proposers' Conference

The City has scheduled a mandatory Proposers' Conference to provide assistance to prospective proposers in the interpretation of the RFP, scope, or any other terms and conditions. The City will make a presentation and respond to proposers' questions. City staff will not provide assistance regarding a proposer's individual proposal. The Proposers' conference will be on the following:

10:00 a.m., June 25, 2019
Room 351, Office of the Controller Conference Room
200 North Main Street
Los Angeles, CA 90012

BRING YOUR OWN COPY OF THE RFP. NO COPIES WILL BE PROVIDED AT THE CONFERENCE.

The City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services, and activities. Please contact the Administrative Services Division at finance.admin@lacity.org seventy-two (72) hours prior to the date of the conference to ensure proper accommodations.

I. Technical Assistance

With the exception of the Proposers' Conference, all technical assistance questions must be submitted by email to Finance.OCARFP@lacity.org. Please identify the RFP title on the email

subject line to ensure prompt attention from the appropriate City staff. To ensure a fair and consistent distribution of information, all questions will be answered by a Question-and-Answer (Q&A) document available on the Los Angeles Business Assistance Virtual Network (LABAVN) website at: www.labavn.org. No individual answers will be given. The Q&A document will be updated on a regular basis to ensure the prompt delivery of information.

J. Deadline for Submission of Proposals

Proposals must be hand or courier-delivered in a sealed package to the address listed below before **June 25, 2019, 5:00 p.m., PST**:

City of Los Angeles, Office of Finance
Administrative Services Division
200 North Spring Street, Room 220
Los Angeles, California 90012
Attention: Sharon Loudd

The proposal designated as original must be marked "ORIGINAL" on the cover letter and must bear the actual "wet" signature of the person(s) authorized to sign the proposal. Proposers must also submit two electronic versions in a properly labeled CD, DVD or memory stick with their proposal. One copy of the electronic proposals will be redacted with information that the proposer deems to be confidential business information, while the other will follow the format proscribed within this RFP. The redacted version of the proposal may be available for public records requests to all interested parties.

Persons who hand-deliver proposals will have their original proposal date and time stamped and will be issued a "Notice of Receipt of Proposal." Proposers are encouraged to submit proposals well in advance of the proposal due date and time to ensure that proposals receive a time and date stamp of earlier than the submission deadline. Please allow sufficient time for traffic, parking, and security checks when entering the building.

Timely submission of proposals is the sole responsibility of the proposer. The City reserves the right to determine the timeliness of all submissions. **ALL PROPOSALS DELIVERED AFTER THE SPECIFIED SUBMISSION DEADLINE WILL NOT BE ACCEPTED, REVIEWED, EVALUATED OR RETAINED.**

K. Evaluation Criteria

An Evaluation Committee, appointed by the Director of Finance, will evaluate each proposal in accordance with the RFP's requirements. Proposals shall be determined eligible for review and scoring based on the responsiveness and factuality or verifiability of the proposal documentation and information. If further information is desired, proposers may be requested to make additional written submissions to the Director of Finance, or may be requested to make oral presentations to the Evaluation Committee. The evaluation will be based on the proximity of a proposal's prices to competitive market values and relative to other proposers' pricing, the quality of responses to the RFP, and reasonableness of the proposer's costs relative to other proposers' costs. Proposals shall be evaluated based on the following criteria:

1. Proper submission of proposal according to RFP **(5 Points)**
2. Firm's stability and past experience **(10 Points)**
3. Ability to provide and meet specifications as set forth in this RFP **(40 Points)**
4. The proposed fees for services, in the judgment of the City, which will provide the most comprehensive service at the most reasonable cost to the City **(10 Points)**
5. The quality of the firm's standard statements and reports **(20 Points)**
6. Accessibility, availability and professional qualifications of the individuals that will be assigned to the City's account **(15 Points)**

Total Evaluation Criteria Points: **(100 Points)**

The City reserves the right to require a pre-award interview, site inspection and/or telephone conference call with proposers. The City reserves the right to select more than one contractor.

The City's decision to award a contract(s) will be based on the stated evaluation criteria. The City reserves the right to modify the City's objectives and requirements at any point during the period prior to submittal deadlines (by RFP addendum), without liability, obligation, or commitment to any party, firm, or organization for costs incurred in responding to this RFP, RFP addendums, or subsequent modifications of the City's terms and conditions prior to execution of a contract.

Proposals will be evaluated against others proposing to provide the same services and to independent cost estimates. Awards are not restricted to the lowest offer or bid. The lowest cost proposer may not be determined to be the best proposer when all the evaluation factors have been considered.

L. Assigned Personnel

If a RFP requires assignment of personnel to implement and manage a program/project, Proposer must provide the names of key personnel whom the Proposer employs or hires through subcontract to perform the requested services. For each person listed, the following information should be provided:

1. Description of the work he or she will perform.
2. Amount of time he or she will be assigned to work on the project.
3. Resumes for all core team members, including relevant work experience in years.
4. The City reserves the right to approve/accept key personnel. Proposer must notify City if personnel cannot continue on project. The City must approve replacements.

M. Proposal Review Process

The proposal review process shall include the following major activities to ensure that the procurement meets audit standards:

1. All proposals shall be reviewed to determine that the minimum eligibility requirements are

- met. Ineligible proposers will be informed in writing;
2. All eligible proposals shall be reviewed, scored, and ranked;
 3. Each eligible proposal shall be reviewed for costs that are reasonable, allowable, necessary, and competitive, as measured by a review of the proposed fees, and its competitive standing as compared to all other proposals;
 4. A proposal's fee schedule pricing will be judged based on its proximity to the City's competitive market value pricing and other proposers' pricing;
 5. At the City's sole discretion, oral interviews may be held with top-scoring proposers.

N. Proposal Appeal Process

1. Appeal Rights

The City will notify all proposers of the results of the proposal evaluations and of their right to file an appeal. Proposers may appeal procedural issues only.

2. Letters of Appeal

Appeals shall be hand or courier delivered to the City no later than five (5) days after the Notification of Results are mailed. Applicants may submit a written appeal specifying the basis of the appeal to the address specified on the cover of this RFP.

Written appeals may not be more than three (3) typewritten pages and shall request an appeals review be granted. Written appeals must include the following information:

- a. The name, address, and telephone number of the proposer
- b. The name/title of RFP to which the organization responded
- c. Detailed statement of the grounds for appeal

Written appeals may not include any new or additional information that was not submitted with the original proposal. Only one appeal per proposal will be permitted. All appeals and protests must be submitted within the time limits set forth in the above paragraphs.

3. Review Panel

A panel composed of selected staff will review the appeal for this RFP. The decision of the panel will be the City's final recommendation.

O. Disclaimer

The City is not responsible for representations made by any of its officers or employees prior to the approval of an agreement by the Los Angeles City Council unless such understanding or

representation is included in this RFP or in subsequent written addenda. The City is responsible only for that which is expressly stated in this solicitation document and any authorized written addenda thereto.

III. General RFP Information

A. General Proposal Conditions

1. Costs Incurred by Proposers

All costs of proposal preparation shall be borne by the proposer. The City shall not, in any event, be liable for any pre-contractual expenses incurred by proposers in the preparation and/or submission of the proposals. Proposals shall not include any such expenses as part of the proposed budget.

2. Best Offer

The proposal shall include the proposer's best terms and conditions. Submission of the proposal shall constitute a firm and fixed offer to the City that will remain open and valid for a minimum of one hundred fifty (150) days from the submission deadline.

3. Accuracy and Completeness

The proposal must set forth accurate and complete information as required in this RFP. Unclear, incomplete, and/or inaccurate documentation may not be considered. Falsification of any information may result in disqualification.

If the proposer knowingly and willfully submits false performance or other data, the City reserves the right to reject that proposal. If it is determined that a contract was awarded as a result of false performance or other data submitted in response to this RFP, the City reserves the right to terminate the contract.

Unnecessarily elaborate or lengthy proposals or other presentations beyond those needed to give a sufficient, clear response to all the RFP requirements are not desired.

4. Omissions and/or Deviations

Any omissions and/or deviations from this proposal must be listed with complete explanations.

Proposals will be considered for materials or services deviating from the specifications if such products comply substantially with the specifications. Each deviation from the specifications must be stated in a letter attached to your proposal. If provisions of the specifications restrict proposer/bidder from bidding, proposer/bidder may request in writing that the specifications be modified. Such request must be received by the Office of Finance Contract Contact at least fifteen (15) working days before the RFP due date. All proposers/bidders will be notified by Addendum of any approved change in the specifications.

The City of Los Angeles shall be the sole determiner of substantial compliance with the specification. Failure to submit or disclose deviations from the RFP specifications will make your proposal non-responsive.

Proposals shall be based only on the material contained in the RFP, Proposers' Conference responses, amendments, addenda and other material published by the City relating to the RFP. The proposer shall disregard any previous draft material and oral representations that may have been obtained by the proposer. Proposals shall be submitted in accordance with the requirements set in this RFP.

5. Withdrawal of Proposals

Proposals may be withdrawn by written request of the authorized signatory on the proposer's letterhead or by email at any time prior to the submission deadline.

6. General City Reservations

Submission Deadline - The City reserves the right to extend the submission deadline should this be in the interest of the City. Proposers have the right to revise their proposals in the event that the deadline is extended.

Withdrawal of RFP - The City reserves the right to withdraw this RFP at any time without prior notice. The City makes no representation that any contract will be awarded to any proposer responding to the RFP. The City reserves the right to reject any or all submissions.

Reissue of RFP - If an inadequate number of proposals is received or the proposals received are deemed non-responsive, not qualified or not cost effective, the City may at its sole discretion reissue the RFP or execute a sole-source contract with a vendor.

Changes to Proposals - The City shall review and rate submitted proposals. The proposer may not make any changes or additions after the deadline for receipt of proposals. The City reserves the right to request additional information or documentation, as it deems necessary.

Verification of Proposal Information - The City reserves the right to verify all information in the proposal. If the information cannot be verified, and if the errors are not willful, the City reserves the right to reduce the rating points awarded.

Pre-award Interview - The City reserves the right to require a pre-award interview and/or site inspection.

Minor Defects - The City reserves the right to waive minor defects in the proposal in accordance with the City Charter.

Program Personnel - If the selection of the proposer is based in part on the qualifications of specific key individuals named in the proposal, the City must approve in advance any

changes in the key individuals or the percentage of time they spend on the project. The City reserves the right to have the contractor replace any project personnel.

Rejection of Proposals - The City reserves the right to reject any or all proposals, to waive any minor defects in proposals received; to reject unapproved alternate proposal(s); and reserve the right to reject the proposal of any proposer who has previously failed to perform competently in any prior business relationship with the City. The rejection of any or all proposals shall not render the City liable for costs or damages.

7. Contract Negotiations

Proposers approved for funding shall be required to negotiate a contract with the City on an offer/counter-offer basis. The best terms and conditions originally offered in the proposal shall bind the negotiations. The City reserves the right to make a contract award contingent upon the satisfactory completion by the proposer of certain special conditions. The contract offer of the City may contain additional terms or terms different from those set forth herein.

8. Standing of Proposer

Regardless of the merits of the proposal submitted, a proposer may not be recommended for award if it has a history of contract non-compliance with the City or any other funding source, poor past or current contract performance with the City or any other funding source, or current disputed or disallowed costs with the City or any other funding source.

The City will enter into an agreement only with entities that are in good standing with the California Secretary of State.

9. Proprietary Interests of the City

The City reserves the right to retain all submitted proposals, which shall then become the property of the City and a matter of public record. Any department or agency of the City has the right to use any or all ideas presented in the proposal without any change or limitation. Selection or rejection of a proposal does not affect these rights. All proposals will be considered public documents, subject to review and inspection by the public at the City's discretion, in accordance with the California Public Records Act.

Proposers must identify all copyrighted material, trade secrets, or other proprietary information claimed to be exempt from disclosure under the California Public Records Act (California Government Code Sections 6250 et seq. In the event such an exemption is claimed, the proposal must state: "(Name of Proposer) shall indemnify the City and hold it and its officers, employees and agents harmless from any claim or liability and defend any action brought against the City for its refusal to disclose copyrighted material, trade secrets or other proprietary information to any person making a request therefor." Failure to include such a statement shall constitute a waiver of the proposer's right to exemption from disclosure.

All information contained in the redacted RFP, which comply with the exemption from disclosure provisions under the California Public Records Act, is considered confidential and not open to the public or competing proposers/bidders until allowed by the law.

10. Discount Terms

Proposers agree to offer the City any discount terms that are offered to its best customers for the goods and services to be provided herein, and apply such discount to payments made under this agreement, which meet the discount terms.

11. Proposer's Responsibility

Before submitting a proposal, each proposer shall make all investigations and examinations necessary to ascertain all conditions and requirements affecting the full performance of the contract. Ignorance of such conditions and requirements resulting from failure to make such investigations and examinations will not relieve the successful Proposer from any obligation to comply with every detail and with all provisions and requirements of the contract documents, and will not be accepted as a basis for any claim whatsoever for any monetary consideration on the part of the proposer.

Proposer is liable for all errors or omissions incurred by Proposer in preparing the proposal. Proposer will not be allowed to alter proposal documents after the due date for submission.

12. Cost Schedule

The proposer's cost schedule shall be submitted at the same time and at the same location as the proposal. All costs are to be contained in the proposal and shall also include payment terms required for services rendered.

Do not include California State sales tax in prices quoted unless otherwise requested. If requested, sales tax must be identified as being included in the pricing.

13. Conflicts of Interest

All proposers must disclose with their proposal the name(s) of any officer, director, agent or immediate family member (spouse, parent, sibling, and child) who is also an employee of the City of Los Angeles. No City employee shall own, either directly or indirectly, more than five percent (5%) of the successful proposer's firm or its affiliate(s).

14. Validity of Proposals

Proposed services and related pricing and warranties contained in the proposal must be valid for the period specified in the RFP Cover Page.

15. Relationship to the City of Los Angeles

It is the intent of the parties hereto that the successful proposer legally be considered as an independent contractor and that neither the Proposer nor the Proposer's employees and agents shall, under any circumstances, be considered employees or agents of the City.

16. Financial Stability and Strength

The proposer/bidder must be able to demonstrate a good record of performance and have sufficient financial resources to ensure that the required services can be provided satisfactorily.

Any proposer/bidder that, at the time of proposal/bid submission, is involved in an ongoing bankruptcy as a debtor, or in a reorganization, liquidation, or dissolution proceeding, or has a trustee or receiver which has been appointed over all or a substantial portion of the property of the proposer under federal bankruptcy law or any state insolvency, may be declared non-responsive.

17. Right to Reject Proposals

The City reserves the right to reject any and all proposals, cancel all or part of this RFP or waive any minor irregularities.

18. RFP Postponement/Cancellation/Rejection

The City may, at its sole and absolute discretion, reject any and all, or parts of any and all, proposals; re-advertise this RFP; postpone or cancel, at any time, this RFP process; or waive any irregularities in this RFP, or in any proposals received as a result of this RFP.

19. Execution of Agreement

If a firm is unable to execute an agreement within ninety (90) calendar days after being notified of selection, the City reserves the right to select the next most qualified firm or call for new proposals, whichever the City deems most appropriate.

20. Incorporation of RFP/Proposal

This RFP and the firm's response, including all promises, warranties, commitments and representations made in the successful proposal, may become binding contractual obligations and may be incorporated by reference in any agreement between the City and the firm.

21. Acceptance of Gifts, Favors, Services

Proposer shall not offer any gratuities, favors, or anything of value to any official, employee, or agent of the City, for the purpose of influencing consideration of this proposal.

B. Statements Required with Proposal

1. Appendix A - Contractor Responsibility Ordinance (CRO) Questionnaire and Pledge of Compliance

Bidders/Proposers are advised that any contract awarded pursuant to this procurement process shall be subject to the provisions of Los Angeles Administrative Code Section

10.40 et seq., Contractor Responsibility Ordinance (CRO). Bidders/Proposers shall refer to Appendix A, "Contractor Responsibility Ordinance," for further information regarding the requirements of the Ordinance. All Bidders/Proposers shall complete and return, with their proposal, the Responsibility Questionnaire included in the Appendix A. Failure to return the completed Questionnaire may result in a Bidder/Proposer being deemed non-responsive.

THIS QUESTIONNAIRE IS REQUIRED WITH THE PROPOSAL.

2. Appendix B - Municipal Lobbying Ordinance Bidder Certification CEC Form 50

Any bidder for a contract, as those terms are defined in Los Angeles Administrative Code Section 10.40.1, shall submit with its bid a certification that the bidder acknowledges and agrees to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance (LAMLO), Los Angeles Municipal Code §§ 48.01 et seq., if the bidder qualifies as a lobbying entity under Section 48.02 of the LAMLO. Respondents to this RFP must submit the *Bidder Certification Form CEC 50*, attached as Appendix B, to comply with this requirement.

THIS CERTIFICATION IS REQUIRED WITH THE PROPOSAL.

3. Appendix C - Municipal Campaign Finance Ordinance CEC Form 55

Proposers who submit a response to this solicitation (proposers/bidders) are subject to Charter Section 470(c)(12) and related ordinances. As a result, proposers/bidders may not make campaign contributions to and or engage in fundraising for certain elected City officials or candidates for elected City office from the time they submit the response until either the contract is approved or, for successful proposers/bidders, 12 months after the contract is signed. The proposer's/bidder's principals and subcontractors performing \$100,000 or more in work on the contract, as well as the principals of those subcontractors, are also subject to the same limitations on campaign contributions and fundraising.

Proposers/Bidders must submit CEC Form 55 to the awarding authority at the same time the response is submitted. The form requires proposers/bidders to identify their principals, their subcontractors performing \$100,000 or more in work on the contract, and the principals of those subcontractors. Proposers/Bidders must also notify their principals and subcontractors in writing of the restrictions and include the notice in contracts with subcontractors. Responses submitted without a completed CEC Form 55 shall be deemed nonresponsive. Proposers/Bidders who fail to comply with City law may be subject to penalties, termination of contract, and debarment. Additional information regarding these restrictions and requirements may be obtained from the City Ethics Commission at (213) 978-1960 or ethics.lacity.org.

THIS CERTIFICATION IS REQUIRED WITH THE PROPOSAL.

4. Appendix D - Equal Benefits Ordinance/First Source Hiring Ordinance Compliance Affidavits

All proposers/bidders are advised that any contract awarded pursuant to this procurement

process shall be subject to the applicable provisions of Los Angeles Administrative Code Section 10.8.2.1, Equal Benefits Ordinance (EBO) and the Los Angeles Administrative Code Sections 10.44 et seq., First Source Hiring Ordinance (FSHO).

If a contract is subject to the Equal Benefits Ordinance (EBO) and/or the First Source Hiring Ordinance (FSHO), Bidders/Proposers are required to complete an EBO/FSHO Compliance Affidavit web application form that is located on the City of Los Angeles' Business Assistance Virtual Network (BAVN) at www.labavn.org. Bidders/Proposers are responsible for creating a BAVN profile and completing and submitting the affidavit. A sample affidavit is provided as Appendix D. See below for additional details about the EBO and the FSHO.

Equal Benefits Ordinance

Bidders/Proposers are advised that any contract awarded pursuant to this procurement process shall be subject to the applicable provisions of Los Angeles Administrative Code Section 10.8.2.1, Equal Benefits Ordinance (EBO). All Bidders/Proposers shall complete and submit the Equal Benefits Ordinance Compliance Affidavit, available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) residing at www.labavn.org, prior to award of a City contract that exceeds \$25,000. The affidavit shall be valid for a period of three years from the date it is first uploaded onto the City's BAVN. Bidders/Proposers do not need to submit supporting documentation with their bids or proposals. However, the City may request supporting documentation to verify that the benefits are provided equally as specified on the EBO Affidavit. Bidders/Proposers seeking additional information regarding the requirements of the Equal Benefits Ordinance may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

First Source Hiring Ordinance

Unless approved for an exemption, contractors under contracts primarily for the furnishing of services to or for the City, the value of which exceeds \$25,000 with a term of at least three (3) months, and certain recipients of City Loans or Grants, shall comply with the provisions of Los Angeles Administrative Code Sections 10.44 et seq., First Source Hiring Ordinance (FSHO). All Bidders/Proposers shall complete and electronically sign the FSHO Compliance Affidavit available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) residing at www.labavn.org prior to award of a City contract. The affidavit shall be valid for a period of three years from the date it is first uploaded on the City's BAVN. Bidders/Proposers seeking additional information regarding the requirements of the First Source Hiring Ordinance may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

THIS STATEMENT IS REQUIRED WITH THE PROPOSAL ONLINE at www.labavn.org.

5. Appendix E - Slavery Disclosure Ordinance/Disclosure of Border Wall Contracting Ordinance/Disclosure of Contracts and Sponsorship of the National Rifle Association

Unless otherwise exempt by the provisions of the Slavery Disclosure Ordinance (SDO), Disclosure of Border Wall Contracting Ordinance (DBWCO), and Disclosure of Contracts and Sponsorship of the National Rifle Association (NRA Disclosure Ordinance), any

contract awarded under this RFP will be subject to the SDO, Section 10.41 of the Los Angeles Administrative Code, the DBWCO, Section 10.50 of the Los Angeles Administrative Code, and the NRA Disclosure Ordinance, Section 10.52 of the Los Angeles Administrative Code. You must register on LABAVN (www.labavn.org) to access the updated Disclosure Ordinances Affidavit web form. The web form can be found by clicking on the "Profiles" tab. Scroll to the "Company Profile" section and click on "Compliance Documents". The web form should be completed and submitted by the time of RFP submission. The web form will be verified by the Bureau of Contract Administration (BCA) only if your company is the successful Proposer/Bidder selected for contract award. Proposers/Bidders seeking additional information regarding the requirements of the SDO, DBWCO and the NRA Disclosure Ordinance may visit the Bureau of Contract Administration's website at <http://bca.lacity.org>.

THIS AFFIDAVIT IS REQUIRED WITH THE PROPOSAL ONLINE at www.labavn.org.

6. Living Wage Ordinance and Service Contractor Worker Retention Ordinance

Unless approved for an exemption, contractors under contracts primarily for the furnishing of services to or for the City and that involve an expenditure in excess of \$25,000 and a contract term of at least three (3) months, lessees and licensees of City property, and certain recipients of City financial assistance, shall comply with the provisions of Los Angeles Administrative Code Sections 10.37 et seq., Living Wage Ordinance (LWO) and 10.36 et seq., Worker Retention Ordinance (WRO). Bidders/Proposers who believe that they meet the qualifications for one of the exemptions shall apply for exemption from the Ordinance by completing and submitting the appropriate Exemption/Non-Coverage Application form with their proposal. Application forms are as follows: Exemption Application (Form LW-10), Small Business Exemption Application (Form LW-26), 501(c)(3) Non-profit Exemption Application (Form OCC/LW-28), and Non-Coverage Determination Application (Form OCC/LW-29). These forms and more detailed information about the ordinances are available on the Bureau of Contract Administration's website at <https://bca.lacity.org>.

7. Appendix F – Affidavit of Non-Collusion

Pursuant to Los Angeles Administrative Code Section 10.15 (d), each proposal must include a *Statement of Non-Collusion* signed on behalf of the Respondent by a person(s) authorized to bind the proposer. A copy of the Non-Collusion affidavit is provided in Appendix D. Any bid or proposal made without this affidavit shall not be considered.

THIS STATEMENT IS REQUIRED WITH THE PROPOSAL.

8. Appendix G – Workforce Residence Information

It is the policy of the City of Los Angeles to encourage businesses to locate or remain in the City of Los Angeles. Therefore, the City Council requires all City departments to gather information from Respondents to this RFP with the information requested in Appendix E *Los Angeles Workforce Residence Information*.

THIS INFORMATION IS REQUIRED WITH THE PROPOSAL.

9. Appendix H – Iran Contracting Act of 2010

The State of California Legislature adopted the Iran Contracting Act of 2010 (California Public Contract Code (PCC) Sections 2200-2208). The Iran Contracting Act prohibits Respondents and bidders engaged in investment activities in Iran from bidding on, submitting proposals for, or entering into or renewing contracts with public entities for goods and services of one million dollars (\$1,000,000) or more (PCC § 2203 (a)). To comply with the Iran Contracting Act of 2010, successful bidders shall complete the *Iran Contracting Act of 2010 Compliance Affidavit* included as Appendix F.

THIS AFFIDAVIT IS REQUIRED WITH THE PROPOSAL.

10. Appendix I - Prior Contracts with the City

The Los Angeles City Council established a policy requiring that all City entities soliciting qualifications and/ or bids require as part of the information supplied by all Respondents to include information regarding the Respondent's contractual history with the City. All Respondents must include a list of **all** contracts with the City of Los Angeles for the past ten (10) years using the *City of Los Angeles Contract History* form provided in this RFP as Appendix G.

THIS INFORMATION IS REQUIRED WITH THE PROPOSAL.

11. Appendix J – Certification of Compliance with Child Support Obligations

The City of Los Angeles has adopted an ordinance requiring that all contractors and subcontractors performing work for the City comply with all reporting requirements and wage and earning assignments relative to legally mandated child support.

This Contract award is subject to the Child Support Obligations Ordinance, Los Angeles Administrative Code Section 10.10 et seq. Proposers shall complete and return with their proposal, the *Certification of Compliance with Child Support Obligations*, which is attached hereto as Appendix H.

THIS CERTIFICATION IS REQUIRED WITH THE PROPOSAL.

12. Appendix K - Compliance with Americans with Disabilities Act

As covered under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its proposals, programs, services and activities. If an individual with a disability requires accommodations to attend a pre-proposal conference, site examination or proposal opening, please contact the Contract Administrator at least five (5) working days prior to the scheduled event. All bidders and proposers are required to complete the attached Certification of Compliance with Child

Support Obligations attached hereto as Appendix I.

THIS CERTIFICATION IS REQUIRED WITH THE PROPOSAL.

13. Local Business Preference Program

Proposers may be eligible for additional evaluation points if located within the City of Los Angeles under the Local Business Preference Program. This program is based on City of Los Angeles Ordinance No. 181910 - Local Business Preference Program that became effective November 28, 2011. It encourages businesses to compete for City contracting opportunities, to locate operations in the City of Los Angeles, and to encourage existing local businesses to refrain from relocating to different, less expensive area.

Qualifications for Local Business Enterprise (LBE):

- Applicant must have a workspace within LA County
- Applicant is in compliance with all applicable laws relating to licensing and is not delinquent on any Los Angeles City or Los Angeles County taxes
- Can demonstrate:
 - at least 50 of its full-time employees perform work within the boundaries of the County at least 60 percent of their total hours worked on annual basis; or
 - at least half of its full-time employees work within the boundaries of the County at a minimum of 60 percent of their total regular hours worked on annual basis; or
 - it is headquartered in the County of Los Angeles. Headquartered means that the business physically conducts and manages all of its operations from a location in the County.

Register your firm at <https://www.labavn.org> and upload a completed Affidavit of Eligibility.

C. Contract Execution Requirements

The selected Proposer(s) will be required to enter into a written contract with the City of Los Angeles in a form approved by the City Attorney. A copy of this RFP with all attachments and the successful proposal(s) will remain on file and will constitute a part of the contract. However, the City reserves the right to further negotiate the terms and conditions of the contract(s) with the selected contractor(s). The final contract offer of the City may contain additional terms or terms different from those set herein.

1. Appendix L - Standard Provisions for City Contracts

The Standard Provisions for City Personal Services Contracts (Rev. 10/2017 v.3) **will be incorporated into any contract(s) awarded pursuant to this RFP.** Review this Appendix carefully. Compliance with these requirements and submission of necessary forms is mandatory at the time of submission of a proposal, prior to award of contract, or both. Failure to comply with the requirements will render proposals non-responsive and eliminate them from consideration.

2. Insurance Certificates

Contractors may be required to maintain insurance at a level to be determined by the City's Risk Manager, with the City named as an additional insured. Contractors who do not have the required insurance should include the cost of insurance in their proposal/bid. Contractors will be required to provide insurance at the time of contract execution.

Review this Appendix carefully. Compliance with these requirements and submission of necessary forms is mandatory at the time of submission of a proposal, prior to award of contract, or both. Failure to comply with the requirements will render proposals non-responsive and eliminate them from consideration.

For those proposers/bidders wishing to bid on City projects but are experiencing difficulty obtaining the required bid, performance and payment bonds, the City of Los Angeles provides bonding assistance through the Los Angeles Bond Assistance Program (BAP LA). For more information regarding the BAP LA, please go to the City's Risk Management website at <http://cao.lacity.org/risk>.

3. Secretary of State Documentation

All contractors are required to submit one copy of their Articles of Incorporation, partnership, or other business organizational documents (as appropriate) filed with the Secretary of the State. Organizations must be in good standing and authorized to do business in California, as registered contractors with the State of California. Visit the Secretary of State's website for more information at <https://sos.ca.gov>.

4. Corporate Documents

All contractors who are organized as a corporation or a limited liability company are required to submit a Secretary of State Corporate Number, DUNS number, a copy of its By-Laws, a current list of its Board of Directors, and a Resolution of Executorial Authority with a Signature Specimen.

5. City Business License Number

All contractors are required to submit one copy of their City of Los Angeles Business License, Tax Registration Certificate or Vendor Registration Number. To obtain a Business Tax Registration Certificate (BTRC), call the Office of Finance at (844) 663-4411 and pay the respective business taxes. The address is: Los Angeles City Office of Finance, Customer Support Division, City Hall, 200 N. Spring Street, Room 101, Los Angeles, CA 90012. Visit the Office of Finances website for more information at: www.finance.lacity.org.

6. Proof of IRS Number (W-9)

All contractors are required to complete and submit Proof of IRS Number (W-9) form. (Refer to link: <http://www.irs.gov/pub/irs-Ddf/fw9.pdf> Request for Taxpayer Identification Number (Form W-9).

7. Certifications

Contractor shall provide copies of the following documents to the City:

- a. A Certificate Regarding Ineligibility, Suspension and Debarment as required by Executive Order 12549;
- b. Certification and Disclosure Regarding Lobbying (not required for contracts under \$100,000). Contractor shall also file a Disclosure Form, at the end of each calendar quarter during which any event occurs requiring disclosure, or which materially affects the accuracy of the information contained in any previously filed Disclosure Form; and
- c. A Certificate Regarding Drug-Free Workplace Requirements, if applicable.

8. Collaboration

The City may, at its discretion, require two or more proposers to collaborate as a condition to contract execution.

9. Non-Discrimination/Equal Employment Practices/Affirmative Action

Effective July 1, 2016 the Non-Discrimination/Equal Employment Practices and Affirmative Action (ND/EEP and AA) provisions were amended to eliminate the need for contractors to complete affidavits on BAVN. By affixing its signature to a contract, the contractor agrees to adhere to the ND/EEP and AA for the duration of the contract. When a contractor signs the contract, they will also be acknowledging their responsibility to comply with both the ND/EEP and AA provisions. The AA provisions will now apply to all construction contracts and all non-construction contracts of \$25,000 or more.

Proposers/Bidders seeking additional information regarding the requirements of the City's Non-Discrimination Clause, Equal Employment Practices and Affirmative Action Program may visit the Bureau of Contract Administration's website at <http://bca.lacity.org>.

10. Fair Chance Initiative for Hiring Ordinance

Any contract awarded pursuant to this RFB/RFP/RFQ will be subject to the Fair Chance Initiative for Hiring Ordinance (FCIHO), Section 10.48 of the Los Angeles Administrative Code. The Ordinance provides, among other things, that contractors/subcontractors with at least 10 employees are: prohibited from seeking a job applicant's criminal history information until after a job offer is made; must post FCIHO information in conspicuous places at worksites; and cannot withdraw a job offer based on an applicant's criminal history unless a link has effectively been made between the applicant's criminal history and the duties of the job position. Proposers/Bidders seeking additional information regarding the requirements of the Fair Chance Initiative for Hiring Ordinance may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

11. Los Angeles Municipal Code - Sec. 21.17 – Confidential Character of Information Obtained – Disclosure Unlawful

"It shall be unlawful for the Director of Finance or any person having an administrative duty under the provisions of this Article or Article 1.6 to make known in any manner whatever

the business affairs, and operations of, or the nature, amount or source of income, profits, losses, expenditures, net worth, or any particular thereof, or any other information set forth in any statement or return or obtained by an investigation of records and equipment of any person required to obtain a business tax registration certificate or sales or use tax permit, or pay business, sales or use tax or any other person visited or examined in the discharge of official duty, or to permit any statement or return, or copy of either, or any book containing any abstract or particulars thereof to be seen or examined by any person...”

All personnel that are involved in the Program will be required to execute City Confidentiality Statements and acknowledge that misuse of confidential information is prohibited under LAMC Section 21.17.

D. Contractor Evaluation Ordinance

At the end of the contract, the City will conduct an evaluation of the contractor’s performance. The City may also conduct evaluations of the contractor’s performance during the term of the contract. As required by Section 10.39.2 of the Los Angeles Administrative Code, evaluations will be based on a number of criteria, including the quality of work product or service performed the timeliness of performance, the contractor’s compliance with budget requirements, and the expertise of personnel that the contractor assigns to the contract. A copy of the Contractor Evaluation Form is available upon request. The contractor will be provided with a copy of the final City evaluation and allowed fourteen (14) calendar days to respond. The City will use the final City evaluation, and any response from the contractor, to evaluate proposals and to conduct reference checks when awarding other contracts.

IV. Proposal Package

A. General Preparation Guidelines

If a proposer does not follow these instructions and/or information is omitted or a required attachment is not submitted, the /proposer/bidder may be determined to be ineligible and excluded from the review.

1. The proposal must be submitted in the legal name of the firm or corporation and the corporate seal must be embossed on the original proposal. An authorized representative of the proposer organization who has legal authority to bind the organization in contract with the City must sign the proposal. Consortiums, joint ventures, or teams submitting proposals will not be considered responsive unless it is established that all contractual responsibility rests solely with one Proposer or one legal entity. The proposal must identify the responsible entity;
2. Proposers must submit originals and copies as specified in the Proposal Submission Instructions, Section IV B;
3. All proposals must be accompanied by a cover letter that should be limited to **one page**. The letter must:
 - a. Include the title, address, telephone number, fax number, and email of the person(s) who

will be authorized to represent the proposer and each collaborator;

- b. Be signed by the person(s) authorized to bind the agency to all commitments made in the proposal and, if applicable, be accompanied by a copy of the Board Resolution authorizing the person(s) to submit the proposal. If a Board Resolution cannot be obtained prior to proposal submission, it may be submitted no later than **one (1) calendar week** after the proposal submission deadline;
 - c. Identify the individual or firm, which prepared or assisted in preparing the proposal. If that individual or firm will not participate in the implementation of the project, describe how the transfer of responsibility will occur to ensure timely implementation;
4. Proposals must be submitted in the English language. Numerical data must be in the English measurement system; costs must be in United States dollars;
 5. Narratives are limited to the number of pages as indicated per narrative question and must follow these standards:
 - a. Font size – 12 points
 - b. Margins – At least one (1) inch on all sides
 - c. Line spacing – Single spaced
 - d. Double-sided, plain white paper

Pages in excess of the stated limits will not be read and will not be considered in scoring.

6. Each page of the proposal, including attachments, must be numbered sequentially at the bottom of the page to indicate Page__of__;
7. The material and documents in response to this RFP should be arranged in the same order as presented in this RFP. Headings and subheadings should be easy to locate (i.e., separated by tabs, clear markings, etc.).
8. Use the indicative mood (will, shall, etc.) in narratives rather than the subjective (would, should, etc.) so that proposals can be easily converted to contract form;
9. The Proposal Checklist (Page iii lists all narratives, attachments and certifications that must be included in the proposal. In assembling the completed proposal, please insert the attachments and certifications where they are indicated in the Proposal Checklist. The Proposal Checklist will serve as your Table of Contents;
10. Answers should be as concise as possible while providing all the information requested; and
11. In completing the narratives and attachments, including the fee schedule, please include and clearly identify the services to be provided by and the demonstrated ability of subcontractors, if any.

B. Proposal Submission Instructions

Proposers must complete and submit all of the attachments and certification forms listed. Do not assume that any document is not applicable. If the proposer does not follow all the instructions and/or requirements in this RFP, the proposer may be determined to be ineligible and excluded from the review. Use the Proposal Checklist as a guide.

Only written responses to this RFP will be considered. All written responses to this RFP must be accompanied by a complete digital (CD/DVD, flash drive, etc.) version of the submission and an optional complete digital (CD/DVD, flash drive, etc.) version with the financial information of the Bidder/Proposer redacted. To be considered complete, responses to this RFP must consist of the following:

1. A single clearly identified bound, signed, original;
2. A single unbound, signed copy;
3. Four (4) bound, signed copies;
4. One digital (CD/DVD, flash drive, etc.) version of the complete submission in Microsoft Office or a Microsoft Office compatible format. This digital (CD/DVD, flash drive, etc.) version should be an identical version of the hard copy response; and,
5. One (1) digital or electronic version of the complete submission with the financial information of the Bidder/Proposer redacted on a CD-ROM or flash drive in Microsoft Office or a Microsoft Office compatible format. This digital (CD/DVD, flash drive, etc.) version should be an identical version of the hard copy response with the financial information of the Bidder/Proposer redacted. This optional version is requested to facilitate responses to any California Public Records Act (CPRA) requests.

The response to this RFP must be signed by the person(s) who can legally bind the Bidder/Proposer.

All responses must be submitted in an enclosed single sealed package (box or envelope) that is clearly marked as “**Response to City of Los Angeles RFP For Primary And Secondary Delinquent Account Collection Services**”. The City is not responsible for proposal responses that have been mishandled as a result of improperly secured packaging.

Please note that the City reserves the right to revise the RFP after it has been issued, but prior to the required response date. In the event of a revision, an addendum will be sent to all parties known to have received a copy of the original RFP. Additionally, the revised RFP will be posted on <http://www.labavn.org>. Bidder(s)/Proposer(s) are responsible for insuring that any response conforms to the most recent version of this RFP.

1. Proposal Cover Sheet

The response to this proposal shall include a cover sheet that indicates the name and address

of the Bidder/Proposer. The cover sheet must be entitled "Response to City of Los Angeles Request for Proposal (RFP) For Primary and Secondary Delinquent Account Collection Services".

2. Cover Letter

Submit a cover letter according to instructions in above.

3. Transmittal Letter

The response to this proposal shall include a transmittal letter that includes the number of pages in the response.

4. Table of Contents

The response to this proposal shall include a table of contents that clearly identifies the organization of the proposal by section and corresponding page number.

5. Business Organization

a. CONTACT INFORMATION

- 1) Provide the name, address, phone number, fax number, and e-mail addresses of the Chief Executive Officer and primary contact person for this proposal response.
- 2) Indicate whether the entity responding to this RFP operates as an individual, partnership, or corporation. If a corporation, include the State in which the entity is incorporated.
- 3) Provide copies of any license(s) and/or registration(s) which indicate that bidder/proposer is licensed and/or registered to operate in the State of California and the City of Los Angeles.

b. COMPANY DESCRIPTION

- 1) Provide a description of the qualifications of the Bidder/Proposer as stated in Section IV B (7). Include the following information:
 - a) Brief description of the Bidder/Proposer
 - b) Delinquent account collection industry experience
 - c) Length of time providing delinquent account collection services to federal, state or local governments
 - d) Size of the operation (number of employees)
 - e) Areas of specialization
 - f) Caseload per collection agent.

c. PHYSICAL LOCATION

- 1) Provide headquarters location of the bidder/proposer and any proposed locations that will be utilized to handle accounts assigned from the City.
- 2) Provide a statement describing your company's collection procedures and policies. This statement should explain your general approach to accomplishing the tasks described in Section II B, Scope of Work. If you cannot perform one or more of the tasks indicated, describe how you will accommodate such deviation successfully.

d. FINANCIAL INFORMATION

- 1) Provide the most recent, audited annual report of the Bidder/Proposer. In addition, explain Bidder's/Proposer's financial history for the past five years. If the proposal includes subcontractors, this requirement is also applicable to those organizations. Documentation submitted will be used as an indicator of the ability of the contractor (and subcontractors, if any) to provide the requested services over the full term of the contract.
- 2) The City will require a fidelity bond to be obtained by any firm that will handle or manage City funds.

6. Project Personnel

Provide a list of all management and supervisory personnel that will be assigned to this project, including their years of experience in collections industry, as well as the qualifications of collection staff. Upon award of contract and throughout the term, any proposed changes in personnel assigned to this project must be approved by City.

7. Firm Qualifications and Experience

Contractor(s) performing delinquent account collection services for the City must meet the following standards. Bidder(s)/Proposer(s) not meeting each and all of these standards will not be considered to be qualified for a contract award to provide delinquent account collection services for the City.

- a. Bidder/Proposer is licensed, registered, and authorized to collect debt throughout the United States;
- b. Bidder/Proposer has at least three (3) collection programs for which it provides the same of similar services;
- c. Bidder/Proposer has at least two (2) collection programs for public sector clients;
- d. Bidder/Proposer is able to comply with the City's contract requirements.
- e. Bidder(s)/Proposer(s) must provide at least three (3) client references that includes the following:
 - Contact names and information about each client reference
 - Nature of debt collected, including amounts referred, amounts collected, and amounts returned as uncollectible per client

- Average gross collection rate for each client reference
- Method of calculation for the rate (formula) and show the calculation in an example.

8. Client References

Provide a representative list of governmental agencies or private enterprises for whom the Contractor is performing or has performed similar services, within the last five years, a description of those efforts and the name, title, address, and phone number of an informed individual to contact. It is preferred that this list be limited to other municipalities.

Report the average gross collection rate for each of your client references and the nature of debt collected, including amounts referred, amounts collected, and amounts returned as uncollectible per client. Provide method of calculation for the rate (formula) and show the calculation in an example.

9. Statement of the Program

A brief description of the proposed services to be provided. The proposal must clearly state whether proposed services are for:

- Primary collection services, and/or;
- Secondary Collection Services, and/or;
- Optional Post-Judgment Collection Services

10. Credit Bureaus

Provide a list of all credit bureaus to which your firm reports and whether or not you actively report to these bureaus and debt types reported. Please specify whether or not your proposal includes reporting delinquent City accounts to one or more credit bureaus.

11. Membership Organizations/Associations

Provide a list of all memberships in debt collection organizations (e.g., American Collector's Association, California Association of Collectors, or other similar organizations) that provide interstate and intrastate service and utilize collection techniques, which are consistent with the Code of Ethics and standards of said organizations. Selected Contractor(s) will be required, at a minimum, to maintain membership in the current professional collection organizations throughout the term of the contract.

12. Privacy Policy

Describe your information privacy policies pertaining to your collection accounts. The description should include a statement that specifies that debtor information will not be used for any other purpose aside from the collection of money owed to the City.

13. Project Approach and Work Plan

Provide the following information pertaining to the services proposed to be provided:

COLLECTION STATEMENT

Describe the collection processes and procedures for each service proposed to be provided. This statement should explain the approach(es) to accomplishing the tasks described in the Scope of Work. Include a workflow of the collection process utilized by the Bidder/Proposer for each service proposed to be provided.

ACCOUNT ACCESS AND INFORMATION

Provide the name of the software program currently utilized to effect delinquent account collections. Describe the work flow utilized by this program.

Describe how authorized City and Finance staff will be able to securely access this system to obtain account activity information for delinquent account review, performance and ad hoc reporting purposes. Describe security utilized to ensure appropriate access levels.

DEBTOR COMMUNICATION

Briefly describe communication methods utilized to interact with debtors. Describe processes utilized to communicate with non- English speaking debtors.

DATE REPORTING AND REPORTING METHODOLOGY

Please Provide sample reports in the City's prescribed format. Explain how your proposed solution will provide the City knowledge of referred account status and specify the timing of the receipt of reporting information. Include an explanation of your company's reporting methodology along with sample reports. The solution should also address processes available to City staff for remote access to account and collections data for report generating purposes. Provide contacts for facilitating access to remote account access.

REGULATORY COMPLIANCE

Describe policies and procedures utilized by the Bidder/Proposer to minimize violations of the City of Los Angeles Taxpayer Bill of Rights, HIPAA, TCPA, FDCPA, FCRA, SCRA, New York Settlement Agreement, and all other applicable Federal, State and local rules, regulations and locally required collection practices and confidentiality provisions.

COMPLAINT HANDLING

Describe policies and procedures utilized by the Bidder/Proposer to handle debtor complaints and complaints received by the BBB, CFPB and other consumer agencies.

PENDING MATTERS

Bidder/Proposer shall notify the City of any ongoing investigations, pending legal matters and/or current or prior complaints against them relative to the violations of FDCPA.

The Bidder/Proposer shall indicate whether there have been any complaints in the past 5 (five) years relative to the City of Los Angeles Taxpayer Bill of Rights, HIPAA, TCPA, FCRA, and all other applicable Federal, State and local rules, regulations and locally required collection practices and confidentiality provisions

Subsequently, Contractors shall be required to disclose any complaints that take longer than

30 days to within five (5) City business days of the close of the prior month. Contactors shall immediately notify the City of any litigation and/or investigations taken against the Contractor relative to the handling or collection of any City account, or which may have other relevance to the City as a business partner. The City may, at its sole discretion, modify the time period that the Contractor shall regularly report on the status of matters under litigation. This requirement shall apply through the life of the contract and the two possible one-year extensions.

PARTIAL COLLECTION POLICY

Explain the method(s) utilized to resolve partial account collections. Describe and quantify improvements/successes obtained utilizing the methods described. Indicate the scope of the problem as a percentage of total accounts, the improvement as a percentage, and implementation date of these methods.

POST-JUDGMENT COLLECTION (optional)

Explain how collection on post-judgment collection accounts is/will be processed. Provide current and valid documentation to demonstrate that the Bidder/Proposer is licensed to perform consumer (small and large value) and commercial post-judgment debt collection services in California. Identify the types of post-judgment collection services the company provides.

14. Optional Materials/Services

Proposers are encouraged to offer materials and/or services, directly related to the specifications within this RFP but not included in it, which will enhance the project in the fulfillment of the goal(s) of this RFP. Optional materials/services should be clearly delineated as optional in the proposal and separate pricing/cost identified as appropriate. These options may be included in the resultant contract.

15. Project Management

Describe how your firm intends to manage all aspects of the work to be performed, including schedules for completion of tasks/subtasks, procedures for scheduling and cost control.

16. Compensation

Bidder/Proposer must provide compensation pricing proposal(s) that clearly differentiates all fee(s)/commission structure(s) based on the type of delinquent collection accounts (primary accounts, and/or secondary accounts, and/or optional post judgement accounts). All proposed fee(s) and proposed commission structure(s) must be explained, in detail. Examples of the proposed fees and commission structure based on type of account and payment timeframes (e.g., single payment or multiple payments that may be negotiated in a payment plan) must be included.

Submission of pricing proposal(s) that reflect multiple rates for the same type of account (e.g., multiple rates for secondary collections) may result in disqualification. The pricing proposal(s) must indicate whether Bidder/Proposer has limitations regarding the age, value and/or volume level of delinquent collection account referrals that will be accepted.

17. Statements Responsive to Evaluation Criteria

Provide narrative responses to questions set forth in the Evaluation Criteria of the RFP at a Glance section.

18. Appendices A – L

Submit the completed Appendix A through Appendix L with your proposals as listed in the Proposal Checklist.

CITY OF LOS ANGELES
PRIMARY AND SECONDARY DELINQUENT ACCOUNT COLLECTION SERVICES
REQUEST FOR PROPOSALS

APPENDICES

CITY OF LOS ANGELES
PRIMARY AND SECONDARY DELINQUENT ACCOUNT COLLECTION SERVICES
REQUEST FOR PROPOSALS

APPENDIX A
CONTRACTOR RESPONSIBILITY ORDINANCE AND RESPONSIBILITY
QUESTIONNAIRE

ORDINANCE NO. 173677

An ordinance amending Chapter 1 of Division 10 of the Los Angeles Administrative Code to add Article 14 in order to implement a contractor responsibility program.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. A new Article 14 is hereby added to Chapter 1 of Division 10 of the Los Angeles Administrative Code to read:

ARTICLE 14

CONTRACTOR RESPONSIBILITY PROGRAM

Sec. 10.40. Purpose.

Each year the City spends millions of dollars contracting for the delivery of products and services from private sector contractors. The prudent expenditure of public dollars requires that the City's procurement process result in the selection of qualified and responsible contractors who have the capability to perform the contract. Further, many lessees or licensees of City property perform services that affect the proprietary interests of City government in that their performance impacts the success of City operations. The City also provides financial assistance and funding to others for a variety of purposes. The City expends grant funds under programs created by federal and state government. The City intends that the procurement procedures set forth in this Article guide the expenditure of federal and state grant funds to the extent permitted by federal or state procurement regulations.

Sec. 10.40.1 Definitions.

(a) **"Awarding Authority"** means any Board or Commission of the City of Los Angeles, or any employee or officer of the City of Los Angeles, that is authorized to award or enter into any contract as defined herein, on behalf of the City of Los Angeles, and shall include departments having control of their own funds and which adopt policies consonant with the provisions of this Article.

(b) **"Contract"** means any agreement for the performance of any work or service, the provision of any goods, equipment, materials or supplies, or the rendition of any service to the City or to the public, or the grant of City financial assistance or a public lease or license, which is let, awarded or entered into by, or on behalf of, the City

of Los Angeles. Contracts for services which are less than three months and less than Twenty-Five Thousand Dollars (\$25,000.00) are not covered by this Article. Contracts for purchasing goods and products which are less than One Hundred Thousand Dollars (\$100,00.00) are not covered by this Article, unless they are contracts for the purchase of garments such as uniforms or other apparel, in which case they are only exempt from this Article if they are less than Twenty-Five Thousand Dollars (\$25,000.00). Construction contracts are covered by this Article without regard to threshold amount.

(c) **“Contractor”** means any person, firm, corporation, partnership, association or any combination thereof, which enters into a Contract with any awarding authority of the City of Los Angeles and includes a recipient of City financial assistance and a public lessee or licensee.

(d) **“Subcontractor”** means any person not an employee who enters into a contract with a contractor to assist the contractor in performing a contract, including a contractor or subcontractor of a public lessee or licensee or sublessee or sublicensee. to perform or assist in performing services on the leased or licensed premises. The term subcontractor does not include vendors or suppliers to City purchasing contractors, unless the purchasing contract is for the purchase of garments such as uniforms or other apparel.

(e) **“Bidder”** means any person or entity that applies for any contract whether or not the application process is through an Invitation for Bid, Request for Proposal, Request for Qualifications or other procurement process.

(f) **“Bid”** means any application submitted by a bidder in response to an Invitation for Bid, Request for Proposal or Request for Qualifications or other procurement process.

(g) **“Invitation for Bid”** means the process through which the City solicits Bids including Requests for Proposals and Requests for Qualifications.

(h) **“City Financial Assistance Recipient** means any person who receives from the City discrete financial assistance in the amount of One Hundred Thousand Dollars (\$100,000.00) or more for economic development or job growth expressly articulated and identified by the City, as contrasted with generalized financial assistance such as through tax legislation.

Categories of such assistance shall include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance

for purposes of this Article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7672(f). A recipient shall not be deemed to include lessees and sublessees.

(i) **“Public Lease or License”** means a lease or license of City property as defined in the Living Wage Ordinance, Section 10.37 et seq. of Article 11, Chapter I of Division 10 of the Los Angeles Administrative Code.

(j) **“Designated Administrative Agency (DAA)”** means the City department(s), board(s), or office(s) designated by City Council to bear administrative responsibilities under this Article. The City Clerk shall maintain a record of such designation.

Sec. 10.40.2 Determination of Contractor Responsibility

(a) Prior to awarding a contract, the City shall make a determination that the prospective contractor is one that has the necessary quality, fitness and capacity to perform the work set forth in the contract. Responsibility will be determined by each awarding authority from reliable information concerning a number of criteria, including but not limited to: management expertise; technical qualifications; experience; organization, material, equipment and facilities necessary to perform the work; financial resources; satisfactory performance of other contracts; satisfactory record of compliance with relevant laws and regulations; and satisfactory record of business integrity.

(b) Every bidder for a City contract must complete and submit with its bid a questionnaire developed by the DAA which will provide information the awarding authority needs in order to determine if the bidder meets the criteria set forth in paragraph (a) of this Section. If no bid is required, the prospective contractor must submit a questionnaire. The response to the questionnaire must be signed under penalty of perjury. If, **after** execution of a contract, the City learns that the contractor submitted false information on the questionnaire, the City may terminate the contract and pursue the remedies set forth in Section 10.40.6 of this Article. The contractor shall be obligated to update its responses to the questionnaire during the term of the contract within thirty calendar days after any change to the responses previously provided if such change would affect contractors fitness and ability to continue performing the contract. The City may consider failure of the contractor to update the questionnaire with this information as a material breach of the contract and invoke the remedies set forth in Section 10.40.6 of this Article.

(c) There shall be a period of no fewer than fourteen calendar days between the date for receipt of bids and the award of the contract in order to allow full review of questionnaires submitted by bidders. If no bid is required, the prospective contractor must submit a questionnaire no fewer than fourteen calendar days prior to execution of the contract in order to allow full review of the questionnaire. Questionnaires will be public records and information contained therein will be available for public review, except to the extent that such information is exempt from disclosure pursuant to applicable law. The awarding authority may rely on responses to the questionnaire, information from compliance and regulatory agencies and/or independent investigation to determine bidder responsibility.

(d) Before being declared non-responsible, a bidder shall be notified of the proposed determination of non-responsibility, served with a summary of the information upon which the awarding authority is relying and provided with an opportunity to be heard in accordance with applicable law. At the responsibility hearing, the bidder will be allowed to rebut adverse information and to present evidence that it has the necessary quality, fitness and capacity to perform the work. The bidder must exercise its right to request a hearing within five calendar days after receipt of such notice. Failure to submit a written request for a hearing within the time frame set forth in this Section, will be deemed a waiver of the right to such a hearing and the awarding authority may proceed to determine whether or not the award of the contract should be made to another bidder or whether or not the bidder is non-responsible for this and future contracts. The determination by an awarding authority that the bidder is non-responsible shall be final and constitute exhaustion of the bidder's administrative remedies.

(e) A list of individuals and entities which have been determined to be non-responsible by the City shall be maintained by the DAA. After two years from the date the individual or entity has been determined to be non-responsible, the individual or entity may request removal from the list by the awarding authority. If the individual or entity can satisfy the awarding authority that it has the necessary quality, fitness, and capacity to perform work in accordance with the criteria set forth in paragraph (a) of this Section, its name shall be removed from the list. Unless otherwise removed from the list by the awarding authority, names shall remain on the list for five years from the date of being declared non-responsible.

(f) Contractors shall ensure that their subcontractors meet the criteria for responsibility as set forth in paragraph (a) of this Section, unless the subcontract is below the threshold requirements for contracts contained in Section 10.40.1 (b).

Sec. 10.40.3 Compliance with all laws.

(a) Contractors shall comply with all applicable federal, state and local

laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.

(b) Contractors shall notify the awarding authority within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the contractor is not in compliance with paragraph (a) of this Section. Initiation of an investigation is not, by itself, a basis for a determination of non-responsibility by an awarding authority.

(c) Contractors shall notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the contractor has violated paragraph (a) of this Section.

(d) Upon award of a contract, contractors shall complete a Pledge of Compliance attesting under penalty of perjury to compliance with paragraph (a) of this Section. Whenever any contract, which was not initially subject to this Article is amended, the contractor shall complete a Pledge of Compliance attesting under penalty of perjury to compliance with paragraph (a) of this Section.

(e) Contractors shall ensure that their subcontractors complete a Pledge of Compliance attesting under penalty of perjury to compliance with paragraph (a) of this Section, unless the subcontract is below the threshold requirements for Contracts contained in Section 10.40.1 (b).

(f) Contractors shall ensure that their subcontractors comply with paragraphs (b) and (c) of this Section, unless the subcontract is below the threshold requirements for contracts contained in Section 10.40.1 (b).

Sec.10.40.4. Exemptions.

(a) In order to promote the purposes of this Article and to protect the City's interests, the following contracts are exempt from its application:

(1) Contracts with a governmental entity such as the United States of America, the State of California, a county, city or public agency of such entities, or a public or quasi-public corporation located therein and declared by law to have such public status.

(2) Contracts for the investment of trust moneys or agreements relating to the management of trust assets.

(3) Banking contracts entered into by the Treasurer pursuant to California Government Code Section 53630 et seq.

(b) In order to promote the purposes of this Article and to protect the City's interests, the following contracts are exempt from application of Section 10.40.2 of this Article:

(1) Contracts awarded on the basis of exigent circumstances whenever any awarding authority finds that the City would suffer a financial loss or that City operations would be adversely impacted unless exempted from the provisions of Section 10.40.2 of this Article. This finding must be approved by the DAA prior to contract execution.

(2) Contracts awarded on the basis of urgent necessity in accordance with Charter Section 371(e) (5).

(3) Contracts entered into pursuant to Charter Section 371 (e) (6).

(4) Contracts entered into pursuant to Charter Section 371 03 (7).

(5) Contracts entered into pursuant to Charter Section 371 (e) (8).

(6) Contracts where the goods or services are proprietary or only available from a single source.

Sec.10.40.5 Administration

(a) The DAA shall promulgate rules and regulations for implementation of this Article. Said rules shall be submitted to City Council for consideration within sixty days after the effective date of this Ordinance.

(b) The DAA shall develop a questionnaire to be used by awarding authorities for determining bidder responsibility within sixty days after the effective date of this Ordinance.

(c) The DAA shall monitor compliance with this Article including investigation of alleged violations.

Sec.10.40.6. Enforcement

(a) Contracts shall provide that violation of this Article shall constitute a material breach thereof and entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(b) Compliance with Section 10.40.3 of this Article shall be required in contract amendments, if the initial contract was not subject to the provisions of this Article. Contract amendments shall provide that violation of Section 10.40.3 shall constitute a material breach thereof and entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(c) Violations of this Article may be reported to the DAA which shall investigate such complaint. Whether based upon such complaint or otherwise, if the DAA has determined that the contractor has violated any provision of this Article, the DAA shall issue a written notice to the contractor that the violation is to be corrected within ten calendar days from receipt of notice. In the event the contractor has not corrected the violation, or taken reasonable steps to correct the violation within ten calendar days, then the DAA may:

1. Request the awarding authority to declare a material breach of the contract and exercise its contractual remedies thereunder, which are to include but not be limited to termination of the contract.
2. Request the awarding authority to declare the contractor to be non-responsible in accordance with the procedures set forth in Section 10.40.2 of this Article.

Sec. 10.40.7. Application of This Article.

(a) This Article shall be applicable to Invitations for Bids issued after the rules and regulations have been adopted by City Council.

(b) This Article shall be applicable to contracts entered into after the rules and regulations have been adopted by City Council, unless the contract is awarded pursuant to an Invitation for Bid issued prior to adoption of the rules and regulations by City Council.

(c) Section 10.40.3 of this Article shall be applicable to contract amendments, entered into after the rules and regulations have been adopted by City Council if the initial contract was not subject to the provisions of this Article.

Sec. 10.40.8. Consistency with Federal or State Law

The provisions of this Article shall not be applicable to those instances in which its application would be prohibited by federal or state law or where the application would violate or be inconsistent with the terms or condition of a grant or contract with an agency of the United States, the State of California or the instruction of an authorized representative of any such agency with respect to any such grant or contract.

Sec. 10.40.9. Severability

If any provision of this Article is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

Sec. 2. The City Clerk shall certify to the passage of this ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, at its meeting of NOV 21 2000

J. MICHAEL CAREY, City Clerk

By *Samuel Carter*
Deputy

Approved _____

Approved as to Form and Legality

JAMES K. HAHN, City Attorney

By *Noreen Vincent*
NOREEN VINCENT
Assistant City Attorney

Said ordinance was presented to the Mayor on November 27, 2000; the Mayor returned said ordinance to the City Clerk on December 8, 2000 without his approval or his objections in writing, being more than ten days after the same was presented to the Mayor.

Said ordinance shall become effective and be as valid as if the Mayor had approved and signed it. (Section 250(b), City Charter)

**CITY OF LOS ANGELES
RESPONSIBILITY QUESTIONNAIRE**

RESPONSES TO THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE MUST BE SUBMITTED ON THIS FORM. In responding to the Questionnaire, neither the City form, nor any of the questions contained therein, may be retyped, recreated, modified, altered, or changed in any way, in whole or in part. Bidders or Proposers that submit responses on a form that has been retyped, recreated, modified, altered, or changed in any way shall be deemed non-responsive.

The signatory of this Questionnaire guarantees the truth and accuracy of all statements and answers to the questions herein. Failure to complete and return this questionnaire, any false statements, or failure to answer (a) question(s) when required, may render the bid/proposal non-responsive. All responses must be typewritten or printed in ink. Where an explanation is required or where additional space is needed to explain an answer, use the Responsibility Questionnaire Attachments. Submit the completed form and all attachments to the awarding authority. Retain a copy of this completed form for future reference. Contractors must submit updated information to the awarding authority if changes have occurred that would render any of the responses inaccurate in any way. Updates must be submitted to the awarding authority within 30 days of the change(s).

A. CONTACT INFORMATION

CITY DEPARTMENT INFORMATION

City Department/Division Awarding Contract	City Contact Person	Phone
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City Bid or Contract Number (if applicable) and Project Title

BIDDER/CONTRACTOR INFORMATION

Bidder/Proposer Business Name

Street Address	City	State	Zip
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Contact Person, Title	Phone	Fax
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TYPE OF SUBMISSION:

The Questionnaire being submitted is:

- An initial submission of a completed Questionnaire.
- An update of a prior Questionnaire dated ____/____/____.
- No change. I certify under penalty of perjury under the laws of the State of California that there has been no change to any of the responses since the last Responsibility Questionnaire dated ____/____/____ was submitted by the firm. Attach a copy of that Questionnaire and sign below.

Print Name, Title	Signature	Date
-------------------	-----------	------

TOTAL NUMBER OF PAGES SUBMITTED, INCLUDING ALL ATTACHMENTS: _____

B. BUSINESS ORGANIZATION/STRUCTURE

Indicate the organizational structure of your firm. "Firm" includes a sole proprietorship, corporation, joint venture, consortium, association, or any combination thereof.

Corporation: Date incorporated: ____/____/____ State of incorporation: _____

List the corporation's current officers.

President: _____

Vice President: _____

Secretary: _____

Treasurer: _____

Check the box only if your firm is a publicly traded corporation.

List those who own 5% or more of the corporation's stocks. Use Attachment A if more space is needed. Publicly traded corporations need not list the owners of 5% or more of the corporation's stocks.

Limited Liability Company: Date of formation: ____/____/____ State of formation: _____

List members who own 5% or more of the company. Use Attachment A if more space is needed.

Partnership: Date formed: ____/____/____ State of formation: _____

List all partners in your firm. Use Attachment A if more space is needed.

Sole Proprietorship: Date started: ____/____/____

List any firm(s) that you have been associated with as an owner, partner, or officer for the last five years. Use Attachment A if more space is needed. Do not include ownership of stock in a publicly traded company in your response to this question.

Joint Venture: Date formed: ____/____/____

List: (1) each firm that is a member of the joint venture and (2) the percentage of ownership the firm will have in the joint venture. Use Attachment A if more space is needed. **Each member of the Joint Venture must complete a separate Questionnaire for the Joint Venture's submission to be considered as responsive to the invitation.**

C. OWNERSHIP AND NAME CHANGES

1. Is your firm a subsidiary, parent, holding company, or affiliate of another firm?

Yes No

If **Yes**, explain on Attachment A the relationship between your firm and the associated firms. Include information about an affiliated firm only if one firm owns 50% or more of another firm, or if an owner, partner or officer of your firm holds a similar position in another firm.

2. Has any of the firm's owners, partners, or officers operated a similar business in the past five years?

Yes No

If **Yes**, list on Attachment A the names and addresses of all such businesses, and the person who operated the business. Include information about a similar business only if an owner, partner or officer of your firm holds a similar position in another firm.

3. Has the firm changed names in the past five years?

Yes No

If **Yes**, list on Attachment A all prior names, addresses, and the dates they were used. Explain the reason for each name change in the last five years.

4. Are any of your firm's licenses held in the name of a corporation or partnership?

Yes No

If **Yes**, list on Attachment A the name of the corporation or partnership that actually holds the license.

Bidders/Contractors must continue on to Section D and answer all remaining questions contained in this Questionnaire.

The responses in this Questionnaire will not be made available to the public for review. This is not a public document. [CPCC §20101(a)]

D. FINANCIAL RESOURCES AND RESPONSIBILITY

5. Is your firm now, or has it ever been at any time in the last five years, the debtor in a bankruptcy case?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

6. Is your company in the process of, or in negotiations toward, being sold?

Yes No

If **Yes**, explain the circumstances on Attachment B.

E. PERFORMANCE HISTORY

7. How many years has your firm been in business? _____ Years.

8. Has your firm ever held any contracts with the City of Los Angeles or any of its departments?

Yes No

If, **Yes**, list on an Attachment B all contracts your firm has had with the City of Los Angeles for the last 10 years. For each contract listed in response to this question, include: (a) entity name; (b) purpose of contract; (c) total cost; (d) starting date; and (e) ending date.

9. List on Attachment B all contracts your firm has had with any private or governmental entity (other than the City of Los Angeles) over the last five years that are similar to the work to be performed on the contract for which you are bidding or proposing. For each contract listed in response to this question, include: (a) entity name; (b) purpose of contract; (c) total cost; (d) starting date; and (e) ending date.

Check the box if you have not had any similar contracts in the last five years

10. In the past five years, has a governmental or private entity or individual terminated your firm's contract prior to completion of the contract?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

11. In the past five years, has your firm used any subcontractor to perform work on a government contract when you knew that the subcontractor had been debarred by a governmental entity?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

12. In the past five years, has your firm been debarred or determined to be a non-responsible bidder or contractor?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

F. DISPUTES

13. In the past five years, has your firm been the defendant in court on a matter related to any of the following issues? For parts (a) and (b) below, check **Yes** even if the matter proceeded to arbitration without court litigation. For part (c), check **Yes** only if the matter proceeded to court litigation. If you answer **Yes** to any of the questions below, explain the circumstances surrounding each instance on Attachment B. You must include the following in your response: the name of the plaintiffs in each court case, the specific causes of action in each case; the date each case was filed; and the disposition/current status of each case.

(a) Payment to subcontractors?

Yes No

(b) Work performance on a contract?

Yes No

(c) Employment-related litigation brought by an employee?

Yes No

14. Does your firm have any outstanding judgements pending against it?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance.

15. In the past five years, has your firm been assessed liquidated damages on a contract?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance and identify all such projects, the amount assessed and paid, and the name and address of the project owner.

G. COMPLIANCE

16. In the past five years, has your firm or any of its owners, partners or officers, ever been investigated, cited, assessed any penalties, or been found to have violated any laws, rules, or regulations enforced or administered, by any of the governmental entities listed on Attachment C (Page 9)? For this question, the term "owner" does not include owners of stock in your firm if your firm is a publicly traded corporation.

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance, including the entity that was involved, the dates of such instances, and the outcome.

17. If a license is required to perform any services provided by your firm, in the past five years, has your firm, or any person employed by your firm, been investigated, cited, assessed any penalties, subject to any disciplinary action by a licensing agency, or found to have violated any licensing laws?

Yes No

If **Yes**, explain on Attachment B the circumstances surrounding each instance in the last five years.

18. In the past five years, has your firm, any of its owners, partners, or officers, ever been penalized or given a letter of warning by the City of Los Angeles for failing to obtain authorization from the City for the substitution of a Minority-owned (MBE), Women-owned (WBE), or Other (OBE) business enterprise?

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance in the last five years.

H. BUSINESS INTEGRITY

19. For questions (a), (b), and (c) below, check Yes if the situation applies to your firm. For these questions, the term "firm" includes any owners, partners, or officers in the firm. The term "owner" does not include owners of stock in your firm if the firm is a publicly traded corporation. If you check Yes to any of the questions below, explain on Attachment B the circumstances surrounding each instance.

(a) Is a governmental entity or public utility currently investigating your firm for making (a) false claim(s) or material misrepresentation(s)?

Yes No

(b) In the past five years, has a governmental entity or public utility alleged or determined that your firm made (a) false claim(s) or material misrepresentation(s)?

Yes No

(c) In the past five years, has your firm been convicted or found liable in a civil suit for, making (a) false claim(s) or material misrepresentation(s) to any governmental entity or public utility?

Yes No

20. In the past five years, has your firm or any of its owners or officers been convicted of a crime involving the bidding of a government contract, the awarding of a government contract, the performance of a government contract, or the crime of fraud, theft, embezzlement, perjury, bribery? For this question, the term "owner" does not include those who own stock in a publicly traded corporation.

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance.

CERTIFICATION UNDER PENALTY OF PERJURY

I certify under penalty of perjury under the laws of the State of California that I have read and understand the questions contained in this questionnaire and the responses contained on all Attachments. I further certify that I have provided full and complete answers to each question, and that all information provided in response to this Questionnaire is true and accurate to the best of my knowledge and belief.

Print Name, Title

Signature

Date

ATTACHMENT A FOR SECTIONS A THROUGH C

Where additional information or an explanation is required, use the space below to provide the information or explanation. Information submitted on this sheet must be typewritten or printed in ink. Include the number of the question for which you are submitting additional information. Make copies of this Attachment if additional pages are needed.

Page _____

ATTACHMENT B FOR SECTIONS D THROUGH H

Where additional information or an explanation is required, use the space below to provide the information or explanation. Information submitted on this sheet must be typewritten or printed in ink. Include the number of the question for which you are submitting additional information. Make copies of this Attachment if additional pages are needed.

Page _____

ATTACHMENT C: GOVERNMENTAL ENTITIES FOR QUESTION NO. 16

Check **Yes** in response to Question No. 16 if your firm or any of its owners, partners or officers, have ever been investigated, cited, assessed any penalties, or found to have violated any laws, rules, or regulations enforced or administered, by any of the governmental entities listed below (or any of its subdivisions), including but not limited to those examples specified below. The term "owner" does not include owners of stock in your firm if your firm is a publicly traded corporation. If you answered **Yes**, provide an explanation on Attachment B of the circumstances surrounding each instance, including the entity involved, the dates of such instances, and the outcome.

FEDERAL ENTITIES**Federal Department of Labor**

- American with Disabilities Act
- Immigration Reform and Control Act
- Family Medical Leave Act
- Fair Labor Standards Act
- Davis-Bacon and laws covering wage requirements for federal government contract workers
- Migrant and Seasonal Agricultural Workers Protection Act
- Immigration and Naturalization Act
- Occupational Safety and Health Act
- anti-discrimination provisions applicable to government contractors and subcontractors
- whistleblower protection laws

Federal Department of Justice

- Civil Rights Act
- American with Disabilities Act
- Immigration Reform and Control Act of 1986
- bankruptcy fraud and abuse

Federal Department of Housing and Urban Development (HUD)

- anti-discrimination provisions in federally subsidized/assisted/sponsored housing programs
- prevailing wage requirements applicable to HUD related programs

Federal Environmental Protection Agency

- Environmental Protection Act

National Labor Relations Board

- National Labor Relations Act

Federal Equal Employment Opportunity Commission

- Civil Rights Act
- Equal Pay Act
- Age Discrimination in Employment Act
- Rehabilitation Act
- Americans with Disabilities Act

STATE ENTITIES**California's Department of Industrial Relations**

- wage and labor standards, and licensing and registration
- occupational safety and health standards
- workers' compensation self insurance plans
- Workers' Compensation Act
- wage, hour, and working standards for apprentices
- any provision of the California Labor Code

California's Department of Fair Employment and Housing

- California Fair Employment and Housing Act
- Unruh Civil Rights Act
- Ralph Civil Rights Act

California Department of Consumer Affairs

- licensing, registration, and certification requirements
- occupational licensing requirements administered and/or enforced by any of the Department's boards, including the Contractors' State Licensing Board

California's Department of Justice**LOCAL ENTITIES**

City of Los Angeles or any of its subdivisions for violations of any law, ordinance, code, rule, or regulation administered and/or enforced by the City, including any letters of warning or sanctions issued by the City of Los Angeles for an unauthorized substitution of subcontractors, or unauthorized reductions in dollar amounts subcontracted.

OTHERS

Any other federal, state, local governmental entity for violation of any other federal, state, or local law or regulation relating to wages, labor, or other terms and conditions of employment.

CITY OF LOS ANGELES
PRIMARY AND SECONDARY DELINQUENT ACCOUNT COLLECTION SERVICES
REQUEST FOR PROPOSALS

APPENDIX B

MUNICIPAL LOBBYING ORDINANCE BIDDER CERTIFICATION FORM CEC FORM 50



City Ethics Commission
 200 N Spring Street
 City Hall — 24th Floor
 Los Angeles, CA 90012
 Mail Stop 129
 (213) 978-1960

Bidder Certification CEC Form 50

This form must be submitted to the awarding authority with your bid or proposal for the contract noted below. Please write legibly.

Original filing Amended filing (original signed on _____; last amendment signed on _____)

Bid/Contract/BAVN Number:

Awarding Authority (Department):

Name of Bidder:

Phone:

Address:

Email:

CERTIFICATION

I certify the following on my own behalf or on behalf of the entity named above, which I am authorized to represent:

- A. I am a person or entity that is applying for a contract with the City of Los Angeles.
- B. The contract for which I am applying is an agreement for one of the following:
 - 1. The performance of work or service to the City or the public;
 - 2. The provision of goods, equipment, materials, or supplies;
 - 3. Receipt of a grant of City financial assistance for economic development or job growth, as further described in Los Angeles Administrative Code § 10.40.1(h); or
 - 4. A public lease or license of City property where both of the following apply, as further described in Los Angeles Administrative Code § 10.37.1(l):
 - a. I provide services on the City property through employees, sublessees, sublicensees, contractors, or subcontractors, and those services:
 - i. Are provided on premises that are visited frequently by substantial numbers of the public; or
 - ii. Could be provided by City employees if the awarding authority had the resources; or
 - iii. Further the proprietary interests of the City, as determined in writing by the awarding authority.
 - b. I am not eligible for exemption from the City's living wage ordinance, as eligibility is described in Los Angeles Administrative Code § 10.37.1(l)(b).
- C. The value and duration of the contract for which I am applying is one of the following:
 - 1. For goods or services contracts—a value of more than \$25,000 and a term of at least three months;
 - 2. For financial assistance contracts—a value of at least \$100,000 and a term of any duration; or
 - 3. For construction contracts, public leases, or licenses—any value and duration.
- D. I acknowledge and agree to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if I qualify as a lobbying entity under Los Angeles Municipal Code § 48.02.

I certify under penalty of perjury under the laws of the City of Los Angeles and the state of California that the information in this form is true and complete.

Date: _____

Signature: _____

Name: _____

Title: _____

Los Angeles Administrative Code § 10.40.1

- (h) **"City Financial Assistance Recipient"** means any person who receives from the City discrete financial assistance in the amount of One Hundred Thousand Dollars (\$100,000.00) or more for economic development or job growth expressly articulated and identified by the City, as contrasted with generalized financial assistance such as through tax legislation.

Categories of such assistance shall include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees.

Los Angeles Administrative Code § 10.37.1

- (l) **"Public lease or license"**.

- (a) Except as provided in (l)(b), "Public lease or license" means a lease or license of City property on which services are rendered by employees of the public lessee or licensee or sublessee or sublicensee, or of a contractor or subcontractor, but only where any of the following applies:
- (1) The services are rendered on premises at least a portion of which is visited by substantial numbers of the public on a frequent basis (including, but not limited to, airport passenger terminals, parking lots, golf courses, recreational facilities); or
 - (2) Any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources; or
 - (3) The DAA has determined in writing that coverage would further the proprietary interests of the City.
- (b) A public lessee or licensee will be exempt from the requirements of this article subject to the following limitations:
- (1) The lessee or licensee has annual gross revenues of less than the annual gross revenue threshold, three hundred fifty thousand dollars (\$350,000), from business conducted on City property;
 - (2) The lessee or licensee employs no more than seven (7) people total in the company on and off City property;
 - (3) To qualify for this exemption, the lessee or licensee must provide proof of its gross revenues and number of people it employs in the company's entire workforce to the awarding authority as required by regulation;
 - (4) Whether annual gross revenues are less than three hundred fifty thousand dollars (\$350,000) shall be determined based on the gross revenues for the last tax year prior to application or such other period as may be established by regulation;
 - (5) The annual gross revenue threshold shall be adjusted annually at the same rate and at the same time as the living wage is adjusted under section 10.37.2 (a);
 - (6) A lessee or licensee shall be deemed to employ no more than seven (7) people if the company's entire workforce worked an average of no more than one thousand two-hundred fourteen (1,214) hours per month for at least three-fourths (3/4) of the time period that the revenue limitation is measured;
 - (7) Public leases and licenses shall be deemed to include public subleases and sublicenses;
 - (8) If a public lease or license has a term of more than two (2) years, the exemption granted pursuant to this section shall expire after two (2) years but shall be renewable in two-year increments upon meeting the requirements therefor at the time of the renewal application or such period established by regulation.

CITY OF LOS ANGELES
PRIMARY AND SECONDARY DELINQUENT ACCOUNT COLLECTION SERVICES
REQUEST FOR PROPOSALS

APPENDIX C

MUNICIPAL CAMPAIGN FINANCE ORDINANCE PROHIBITED CONTRIBUTORS
(BIDDERS) CEC FORM 55



Ethics Commission
 200 N Spring Street
 City Hall — 24th Floor
 Los Angeles, CA 90012
 (213) 978-1960
 ethics.lacity.org

Prohibited Contributors (Bidders)

Form 55

This form must be completed in its entirety and submitted with your bid or proposal to the City department that is awarding the contract. Failure to submit a completed form may affect your bid or proposal. If you have questions about this form, please contact the Ethics Commission.

Original filing Amended filing (original signed on _____; last amendment signed on _____)

Reference Number (bid or contract number, if applicable): _____

Date Bid Submitted: _____

Description of Contract (title of RFP and services to be provided): _____

City Department Awarding the Contract: _____

BIDDER INFORMATION

Name: _____

Address: _____

Email: _____ Phone: _____

SCHEDULE SUMMARY

Please complete all three of the following:

1. SCHEDULE A — Bidder's Principals (check one)

- The bidder is the individual listed above and has no other principals (Schedule A is not required).
- The bidder is the individual listed above or an entity and has other principals, who are listed on the attached Schedule A pages.

2. SCHEDULE B — Subcontractors and Their Principals (check one)

- The bidder has no subcontractors on this bid or proposal whose subcontracts are worth \$100,000 or more (Schedule B is not required).
- The bidder has one or more subcontractors on this bid or proposal with subcontracts worth \$100,000 or more, and those subcontractors and their principals are listed on the attached Schedule B pages.

3. TOTAL NUMBER OF PAGES SUBMITTED (including this cover page): _____

BIDDER'S CERTIFICATION

I certify that I understand, will comply with, and have notified my principals and subcontractors of the requirements and restrictions in Los Angeles City Charter section 470(c)(12) and any related ordinances. I certify under penalty of perjury under the laws of the City of Los Angeles and the state of California that the information provided on this form and the attached pages is true and complete to the best of my knowledge and belief.

Date: _____ Signature: _____

Name: _____

Title: _____



Ethics Commission
200 N Spring Street
City Hall — 24th Floor
Los Angeles, CA 90012
(213) 978-1960
ethics.lacity.org

Prohibited Contributors (Bidders) Form 55

SCHEDULE A — BIDDER'S PRINCIPALS

Please identify the names and titles of all of the bidder's principals (attach additional sheets if necessary). Principals include a bidder's board chair, president, chief executive officer, chief operating officer, and individuals who serve in the functional equivalent of one or more of those positions. Principals also include individuals who hold an ownership interest in the bidder of at least 20 percent and employees of the bidder who are authorized by the bid or proposal to represent the bidder before the City.

Check this box if additional Schedule A pages are attached.

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____



Ethics Commission
200 N Spring Street
City Hall — 24th Floor
Los Angeles, CA 90012
(213) 978-1960
ethics.lacity.org

Prohibited Contributors (Bidders) Form 55

SCHEDULE B — SUBCONTRACTORS AND THEIR PRINCIPALS

Please identify all subcontractors whose subcontracts are worth \$100,000 or more. Separate Schedule B pages are required for each subcontractor who meets that threshold.

Subcontractor: _____

Address: _____

Check one of the following:

- The subcontractor listed above is an individual and has no other principals.
- The subcontractor listed above is an individual or an entity and has principals, and their names and titles are identified below (attach additional sheets if necessary). Principals include a subcontractor's board chair, president, chief executive officer, chief operating officer, and individuals who serve in the functional equivalent of one or more of those positions. Principals also include individuals who hold an ownership interest in the subcontractor of at least 20 percent and employees of the subcontractor who are authorized by the bid or proposal to represent the subcontractor before the City.

Check this box if additional Schedule B pages are attached.

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

CITY OF LOS ANGELES
PRIMARY AND SECONDARY DELINQUENT ACCOUNT COLLECTION SERVICES
REQUEST FOR PROPOSALS

APPENDIX D

EQUAL BENEFITS ORDINANCE COMPLIANCE AFFIDAVIT

EBO/FSHO COMPLIANCE

City of Los Angeles
Department of Public Works
Bureau of Contract Administration
Office of Contract Compliance
1149 S. Broadway, Suite 300, Los Angeles, CA 90015
Phone: (213) 847-2625 E-mail: bca.eoae@lacity.org

EQUAL BENEFITS ORDINANCE COMPLIANCE AFFIDAVIT

Prime contractors must certify compliance with Los Angeles Administrative Code (LACC) Section 10.8.2.1 et seq. prior to the execution of a City agreement subject to the Equal Benefits Ordinance (EBO).

SECTION 1. CONTACT INFORMATION

BAVN Company Id: _____ EIN/TIN: _____
Company Name: _____
Company Address: _____
City: _____ State: _____ Zip: _____
Contact Person: _____ Phone: _____ E-mail: _____
Approximate Number of Employees in the United States: _____
Approximate Number of Employees in the City of Los Angeles: _____

SECTION 2. EBO REQUIREMENTS

The EBO requires City Contractors who provide benefits to employees with spouses to provide the same benefits to employees with domestic partners. Domestic Partner means any two adults, of the same or different sex, who have registered as domestic partners with a governmental entity pursuant to state or local law authorizing this registration, or with an internal registry maintained by the employer of at least one of the domestic partners.

Unless otherwise exempt, the contractor is subject to and shall comply with the EBO as follows:

- A. The Contractor's operations located within the City limits, regardless of whether there are employees at those locations performing work on the City Contract; and
- B. The Contractor's operations located outside of the City limits if the property is owned by the City or the City has a right to occupy the property, and if the contractor's presence at or on the property is connected to a Contract with the City and
- C. The Contractor's employees located elsewhere in the United States, but outside of the City Limits, if those employees are performing work on the City Contract.

A Contractor must post a copy of the following statement in conspicuous places at its place of business available to employees and applicants for employment:

"During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners."

SECTION 3. COMPLIANCE OPTIONS

I have read and understand the provisions of the Equal Benefits Ordinance and have determined that this company will comply as indicated below:

- I have no employees.
- I provide no benefits.
- I provide benefits to employees only. Employees are prohibited from enrolling their spouse or domestic partner.
- I provide equal benefits as required by the City of Los Angeles EBO.
- I provide employees with a "Cash Equivalent." Note: The "Cash Equivalent" is the amount of money equivalent to what your company pays for spousal benefits that are unavailable for domestic partners, or vice versa.
- All or some employees are covered by a collective bargaining agreement (CBA) or union trust fund. Consequently, I will provide Equal Benefits to all non-union represented employees, subject to the EBO, and will propose to the affected unions that they incorporate the requirements of the EBO into their CBA upon amendment, extension, or other modification of the CBA.
- Health benefits currently provided do not comply with the EBO. However, I will make the necessary changes to provide Equal Benefits upon my next Open Enrollment period which begins on (Date)

- Our current company policies, i.e., family leave, bereavement leave, etc., do not comply with the provisions of the EBO. However, I will make the necessary modifications within three (3) months from the date of this affidavit.

FIRST SOURCE HIRING ORDINANCE COMPLIANCE AFFIDAVIT

Contractors (including loan or grant recipients) participating on a City contract that is subject to the First Source Hiring Ordinance (FSHO) are required to certify their compliance prior to contract execution.

As part of their obligations under the FSHO, Contractors must provide the Awarding Department a list of anticipated employment opportunities that they and their subcontractors expect to fill in order to perform the services under the contract. The FSHO-1 form (available at <http://bca.lacity.org>) should be utilized to inform the Awarding Authority of any such opportunities. If no opportunities are anticipated, contractors do not need to submit the FSHO-1 form prior to contract award, but must report any subsequent employment opportunities on the FSHO-3 form (available at <http://bca.lacity.org>) as described below.

During the term of the contract, the contractor and their subcontractors shall:

1. At least seven business days prior to making an announcement of a specific employment opportunity, provide notification of that employment opportunity by submitting the FSHO-3 form to the Community Development Department;
2. Interview qualified individuals referred by the City's referral resources; and
3. Prior to filling any employment opportunity, inform the Office of Contract Compliance of the names of the referral resources used, the names of the individuals referred, and the names of the referred individuals who were interviewed. If the referred individuals were not hired, the contractor should also provide the reasons they were not hired.

DECLARATION UNDER PENALTY OF PERJURY

I understand that I am required to permit the City of Los Angeles access to and upon request, must provide certified copies of all company records pertaining to benefits, policies and practices for the purpose of investigation or to ascertain compliance. Furthermore, I understand that failure to comply may be deemed a material breach of any City contract by the Awarding Authority. The Awarding Authority may cancel, terminate or suspend in whole or in part, the contract; monies due or to become due under a contract may be retained by the City until compliance is achieved. The City may also pursue any and all other remedies at law or in equity for any breach. The City may use the failure to comply as evidence against the Contractor in actions taken pursuant to the provisions of the LAAC Section 10.40, et seq., Contractor Responsibility Ordinance.

TERMS OF ACCEPTANCE AND SIGNATURE:

I, _____, the requestor for this "EBO/FSHO Affidavit", warrant the truthfulness of the information provided in the document.

Electronic Signature:*

Signature

Date

- I understand that checking this box constitutes a legal signature confirming that I acknowledge and agree to the above Terms of Acceptance.

Execution of document by E-signature. By clicking on the check box it indicates an electronic signature. This is considered the legal equivalent of a manual or "wet" signature. Once signed electronically, this document is considered original and legally binding.

CITY OF LOS ANGELES
PRIMARY AND SECONDARY DELINQUENT ACCOUNT COLLECTION SERVICES
REQUEST FOR PROPOSALS

APPENDIX E

SLAVERY DISCLOSURE ORDINANCE / DISCLOSURE OF BORDER WALL
CONTRACTING ORDINANCE / DISCLOSURE OF CONTRACTS AND SPONSORSHIP OF
THE NATIONAL RIFLE ASSOCIATION

CITY OF LOS ANGELES - DISCLOSURE ORDINANCES

This Affidavit must only be submitted once on LABAVN (www.labavn.org), but contractors are responsible for updating their Affidavit if changes occur to any information contained therein.

Questions regarding this Affidavit may be directed to the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance. Website: <http://bca.lacity.org/index.cfm>; Phone: (213) 847-2625; E-mail: bca.eeoe@lacity.org.

AFFIDAVIT DISCLOSING SLAVERY ERA PARTICIPATION, INVESTMENTS OR PROFITS

1. I, [name] _____ am authorized to bind contractually the Company identified below.

2. Information about the Company entering into a Contract with the City is as follows:

[company id] BAVN Company Id	[tax id] EIN/TIN		
[company name] Company Name			
[company address] Street Address	[city] City	[state] State	[zip] Zip
[phone] Phone	[email] Email		

3. The company came into existence in [year] _____ (year).

4. The Company has searched its records and those of any Predecessor Companies for information relating to Participation or Investments in, or Profits derived from Slavery or Slaveholder Insurance Policies. Based on that research, the Company represents that: (mark only the option(s) that apply):

- The Company found no records that the Company or any of its Predecessor Companies had any Participation or Investments in, or derived Profits from, Slavery or Slaveholder Insurance Policies during the Slavery Era.
- The Company found records that the Company or its Predecessor Companies Participated or Invested in, or derived Profits from Slavery during the Slavery Era. A description of the nature of that Participation, Investment, or Profit is required and should be sent to bca.eeoe@lacity.org.
- The Company found records that the Company or its Predecessor Companies bought, sold, or derived Profits from Slaveholder Insurance Policies during the Slavery Era. A list of names of any Enslaved Persons or Slaveholders under the Policies is required and should be sent to bca.eeoe@lacity.org.

5. The Person/Company has searched its records for information relating and based on that research, the Person/Company represents that (mark only the option(s) that apply):

- The Person/Company found no records that the Company has participated in contracts, bids, or proposals to provide goods or services for the design, construction, operation, or maintenance of a federally funded wall, fence or other barrier, including prototypes of a wall, fence or other barrier along the border between the United States and Mexico on or after March 17, 2017.
- The Person/Company found records that the Company has participated in contracts, bids, or proposals to provide goods or services for the design, construction, operation, or maintenance of a federally funded wall, fence or other barrier, including prototypes of a wall, fence or other barrier along the border between the United States and Mexico on or after March 17, 2017. A description of the nature of that Participation is required and should be sent to bca.eeoe@lacity.org.

6. The Person/Company has searched its records for information relating and based on that research, the Person/Company represents that: (mark only the option(s) that apply):

- The Person found no records that the Company and its Subsidiaries, if any, have participated in contracts or sponsorships with the National Rifle Association.
- The Person found records that the Company and its Subsidiaries, if any, have participated in contracts or sponsorships with the National Rifle Association. A description of the nature of that Participation is required and should be sent to bca.eeoe@lacity.org.

CITY OF LOS ANGELES

PRIMARY AND SECONDARY DELINQUENT ACCOUNT COLLECTION SERVICES
REQUEST FOR PROPOSALS

APPENDIX F

AFFIDAVIT OF NON-COLLUSION

STATEMENT OF NON-COLLUSION

I, _____ (name of proposer), declare:

1. That I am authorized to submit this bid or proposal on behalf of
_____ (name of contractor), and,
2. That the bid is genuine, not a sham, or collusive, nor is it made in the interest of, or on behalf of, any person not herein named; and no one has directly or indirectly induced or solicited any other bidder or proposer to put in a sham bid, or any other person, firm or corporation to refrain from bidding; and no one has in any manner sought by collusion to secure for himself/herself an advantage over any other bidder or proposer.

I declare under penalty of perjury that the forgoing is true and correct.

Signature

Executed this _____ day of _____, _____ at
(month) (year)

(print name of city)

(state)

CITY OF LOS ANGELES
PRIMARY AND SECONDARY DELINQUENT ACCOUNT COLLECTION SERVICES
REQUEST FOR PROPOSALS

APPENDIX G

CITY OF LOS ANGELES WORKFORCE RESIDENCE INFORMATION

LOS ANGELES WORKFORCE RESIDENCE INFORMATION

The City Council in consideration of the importance of preserving and enhancing the economic base and well-being of the City, encourages businesses to locate or remain within the City of Los Angeles. This is important because of the jobs businesses generate and for the business taxes they remit. The City Council, on January 7, 1992, adopted a motion that requires proposers to state their headquarters address as well as the percentage of their workforce residing in the City of Los Angeles.

Organization: _____

Corporate or Main Office Address: _____

Total Number of Employees in Organization: _____

Number of Employees who are Los Angeles City Residents: _____

Percentage of Employees who are Los Angeles City Residents: _____%

CITY OF LOS ANGELES
PRIMARY AND SECONDARY DELINQUENT ACCOUNT COLLECTION SERVICES
REQUEST FOR PROPOSALS

APPENDIX H

IRAN CONTRACTING ACT OF 2010 COMPLIANCE AFFIDAVIT

IRAN CONTRACTING ACT OF 2010 COMPLIANCE AFFIDAVIT

(California Public Contract Code Sections 2200-2208)

The California Legislature adopted the Iran Contracting Act of 2010 to respond to policies of Iran in a uniform fashion (PCC § 2201(q)). The Iran Contracting Act prohibits bidders engaged in investment activities in Iran from bidding on, submitting proposals for, or entering into or renewing contracts with public entities for goods and services of one million dollars (\$1,000,000) or more (PCC § 2203(a)). A bidder who "engages in investment activities in Iran" is defined as either:

1. A bidder providing goods or services of twenty million dollars (\$20,000,000) or more in the energy sector of Iran, including provision of oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran; or
2. A bidder that is a financial institution (as that term is defined in 50 U.S.C. § 1701) that extends twenty million dollars (\$20,000,000) or more in credit to another person, for 45 days or more, if that person will use the credit to provide goods or services in the energy sector in Iran and is identified on a list created by the California Department of General Services (DGS) pursuant to PCC § 2203(b) as a person engaging in the investment activities in Iran.

The bidder shall certify that at the time of submitting a bid for new contract or renewal of an existing contract, the bidder is **not** identified on the DGS list of ineligible businesses or persons and that the bidder is **not** engaged in investment activities in Iran in violation of the Iran Contracting Act of 2010.

California law establishes penalties for providing false certifications, including civil penalties equal to the greater of \$250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts (PCC § 2205).

To comply with the Iran Contracting Act of 2010, the bidder shall provide its vendor or financial institution name, and City Business Tax Registration Certificate (BRTC) if available, in completing **ONE** of the options shown below.

OPTION #1: CERTIFICATION

I, the official named below, certify that I am duly authorized to execute this certification on behalf of the bidder or financial institution identified below, and that the bidder or financial institution identified below is **not** on the current DGS list of persons engaged in investment activities in Iran and is **not** a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person or vendor, for 45 days or more, if that other person or vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current DSG list of persons engaged in investment activities in Iran.

Vendor Name/Financial Institution (printed)		BTRC (or n/a)
By (Authorized Signature)		
Print Name and Title of Person Signing		
Date Executed	City Approval (Signature)	(Print Name)

OPTION #2: EXEMPTION

Pursuant to PCC § 2203(c) and (d), a public entity may permit a bidder or financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enter into, or renew, a contract for goods and services. If the bidder or financial institution identified below has obtained an exemption from the certification requirement under the Iran Contracting Act of 2010, the bidder or financial institution shall complete and sign below and attach documentation demonstrating the exemption approval.

Vendor Name/Financial Institution (printed)		BTRC (or n/a)
By (Authorized Signature)		
Print Name and Title of Person Signing		
Date Executed	City Approval (Signature)	(Print Name)

CITY OF LOS ANGELES
PRIMARY AND SECONDARY DELINQUENT ACCOUNT COLLECTION SERVICES
REQUEST FOR PROPOSALS

APPENDIX I

CITY OF LOS ANGELES CONTRACT HISTORY

CITY OF LOS ANGELES CONTRACT HISTORY

The City Council passed a resolution on July 21, 1998 requiring that all proposed vendors supply in their proposal or bid a list of all City of Los Angeles contracts held by the bidder or any affiliated entity during the preceding 10 years. Use the space below to list all such contracts. Include the dates of the contract, the services or goods provided, the amount of the contract, and the contract number. If the bidder or any affiliated entity has held no City of Los Angeles contracts during the preceding 10 years, state so in the space below. Use the back of the page and additional pages as needed.

Were any contracts held with City of Los Angeles in the last 10 years? Yes No

Department With Which Contract Held	Contract Dates	Services/Goods Provided	Contract Amount	Contract No.

Name of Organization: _____

Signature: _____ Print Name: _____

Title: _____ Date: _____

CITY OF LOS ANGELES
PRIMARY AND SECONDARY DELINQUENT ACCOUNT COLLECTION SERVICES
REQUEST FOR PROPOSALS

APPENDIX J

CERTIFICATION OF COMPLIANCE WITH CHILD SUPPORT OBLIGATIONS

CERTIFICATION OF COMPLIANCE WITH CHILD SUPPORT OBLIGATIONS

This document must be returned with the Proposal/Bid Response

The undersigned hereby agrees that _____ will:

Name of Business/Borrower

1. Fully comply with all applicable State and Federal employment reporting requirements for its employees.
2. Fully comply with and implement all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment.
3. Certify that the principal owner(s) of the business/the Borrower are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally.
4. Certify that the business/Borrower will maintain such compliance throughout the term of the contract.
5. This certification is a material representation of fact upon which reliance was placed when the parties entered into this transaction.
6. The undersigned shall require that the language of this Certification be included in all subcontracts and that all subcontractors shall certify and disclose accordingly.

To the best of my knowledge, I declare under penalty of perjury that the foregoing is true and was executed at :

City/County/State

Date

Name of Business Address

Signature of Authorized Officer or Representative Print Name

Title Telephone Number

CITY OF LOS ANGELES
PRIMARY AND SECONDARY DELINQUENT ACCOUNT COLLECTION SERVICES
REQUEST FOR PROPOSALS

APPENDIX K

COMPLIANCE WITH AMERICANS WITH DISABILITIES ACT

**CERTIFICATION REGARDING COMPLIANCE WITH THE
AMERICANS WITH DISABILITIES ACT**

The undersigned certifies, that to the best of his/her knowledge and belief, that:

1. The Contractor/Borrower/Agency (hereafter Contractor) is in compliance with and will continue to comply with the Americans with Disabilities Act 42 U.S.C. 12101 et seq. and its implementing regulations.
2. The Contractor will provide for reasonable accommodations to allow qualified individuals with disabilities to have access to and participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act.
3. The Contractor will not discriminate against persons with disabilities nor against persons due to their relationship or association with a person with a disability.
4. The Contractor will require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative Contracts) and that all subrecipients shall certify and disclose accordingly.
5. This certification is a material representation of fact upon which reliance was placed when the parties entered into this transaction.

Contract NUMBER _____

CONTRACTOR/BORROWER/AGENCY

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE _____

SIGNATURE _____

DATE _____

CITY OF LOS ANGELES
PRIMARY AND SECONDARY DELINQUENT ACCOUNT COLLECTION SERVICES
REQUEST FOR PROPOSALS

APPENDIX L

STANDARD PROVISIONS FOR CITY CONTRACTS (Rev. 10/17)[v.3]

STANDARD PROVISIONS FOR CITY CONTRACTS

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STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. Construction of Provisions and Titles Herein

All titles, subtitles, or headings in this Contract have been inserted for convenience, and shall not be deemed to affect the meaning or construction of any of the terms or provisions of this Contract. The language of this Contract shall be construed according to its fair meaning and not strictly for or against **CITY** or **CONTRACTOR**. The word "**CONTRACTOR**" includes the party or parties identified in this Contract. The singular shall include the plural and if there is more than one **CONTRACTOR**, unless expressly stated otherwise, their obligations and liabilities shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

PSC-2. Applicable Law, Interpretation and Enforcement

Each party's performance shall comply with all applicable laws of the United States of America, the State of California, and **CITY**, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing. This Contract shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. **CONTRACTOR** shall comply with new, amended, or revised laws, regulations, or procedures that apply to the performance of this Contract with no additional compensation paid to **CONTRACTOR**.

In any action arising out of this Contract, **CONTRACTOR** consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.

If any part, term or provision of this Contract is held void, illegal, unenforceable, or in conflict with any federal, state or local law or regulation, the validity of the remaining parts, terms or provisions of this Contract shall not be affected.

PSC-3. Time of Effectiveness

Unless otherwise provided, this Contract shall take effect when all of the following events have occurred:

- A. This Contract has been signed on behalf of **CONTRACTOR** by the person or persons authorized to bind **CONTRACTOR**;
- B. This Contract has been approved by the City Council or by the board, officer or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this Contract as to form; and
- D. This Contract has been signed on behalf of **CITY** by the person designated by the City Council, or by the board, officer or employee authorized to enter into this Contract.

PSC-4. Integrated Contract

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter of this Contract, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only as provided for in the provisions of PSC-5 hereof.

PSC-5. Amendment

All amendments to this Contract shall be in writing and signed and approved pursuant to the provisions of PSC-3.

PSC-6. Excusable Delays

Neither party shall be liable for its delay or failure to perform any obligation under and in accordance with this Contract, if the delay or failure arises out of fires, floods, earthquakes, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by the party or any of the party's Subcontractors), freight embargoes, terrorist acts, insurrections or other civil disturbances, or other similar events to those described above, but in each case the delay or failure to perform must be beyond the control and without any fault or negligence of the party delayed or failing to perform (these events are referred to in this provision as "Force Majeure Events").

Notwithstanding the foregoing, a delay or failure to perform by a Subcontractor of **CONTRACTOR** shall not constitute a Force Majeure Event, unless the delay or failure arises out of causes beyond the control of both **CONTRACTOR** and Subcontractor, and without any fault or negligence of either of them. In such case, **CONTRACTOR** shall not be liable for the delay or 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 perform timely. As used in this Contract, the term "Subcontractor" means a subcontractor at any tier.

In the event **CONTRACTOR'S** delay or failure to perform arises out of a Force Majeure Event, **CONTRACTOR** agrees to use commercially reasonable best efforts to obtain the goods or services from other sources, and to otherwise mitigate the damages and reduce the delay caused by the Force Majeure Event.

PSC-7. Waiver

A waiver of a default of any part, term or provision of this Contract shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

PSC-8. Suspension

At **CITY'S** sole discretion, **CITY** may suspend any or all services provided under this Contract by providing **CONTRACTOR** with written notice of suspension. Upon receipt of the notice of suspension, **CONTRACTOR** shall immediately cease the services suspended and shall not incur any additional obligations, costs or expenses to **CITY** until **CITY** gives written notice to recommence the services.

PSC-9. Termination

A. Termination for Convenience

CITY may terminate this Contract for **CITY'S** convenience at any time by providing **CONTRACTOR** thirty days written notice. Upon receipt of the notice of termination, **CONTRACTOR** shall immediately take action not to incur any additional obligations, costs or expenses, except as may be necessary to terminate its activities. **CITY** shall pay **CONTRACTOR** its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by **CONTRACTOR** to effect the termination. Thereafter, **CONTRACTOR** shall have no further claims against **CITY** under this Contract. All finished and unfinished documents and materials procured for or produced under this Contract, including all intellectual property rights **CITY** is entitled to, shall become **CITY** property upon the date of the termination. **CONTRACTOR** agrees to execute any documents necessary for **CITY** to perfect, memorialize, or record **CITY'S** ownership of rights provided herein.

B. Termination for Breach of Contract

1. Except as provided in PSC-6, if **CONTRACTOR** fails to perform any of the provisions of this Contract or so fails to make progress as to endanger timely performance of this Contract, **CITY** may give **CONTRACTOR** written notice of the default. **CITY'S** default notice will indicate whether the default may be cured and the time period to cure the default to the sole satisfaction of **CITY**. Additionally, **CITY'S** default notice may offer **CONTRACTOR** an opportunity to provide **CITY** with a plan to cure the default, which shall be submitted to **CITY** within the time period allowed by **CITY**. At **CITY'S** sole discretion, **CITY** may accept or reject **CONTRACTOR'S** plan. If the default cannot be cured or if **CONTRACTOR** fails to cure within the period allowed by **CITY**, then **CITY** may terminate this Contract due to **CONTRACTOR'S** breach of this Contract.
2. If the default under this Contract is due to **CONTRACTOR'S** failure to maintain the insurance required under this Contract, **CONTRACTOR** shall immediately: (1) suspend performance of any services under this Contract for which insurance was required; and (2) notify its employees and Subcontractors of the loss of insurance coverage and Contractor's obligation to suspend performance of

services. **CONTRACTOR** shall not recommence performance until **CONTRACTOR** is fully insured and in compliance with **CITY'S** requirements.

3. If a federal or state proceeding for relief of debtors is undertaken by or against **CONTRACTOR**, or if **CONTRACTOR** makes an assignment for the benefit of creditors, then **CITY** may immediately terminate this Contract.
4. If **CONTRACTOR** engages in any dishonest conduct related to the performance or administration of this Contract or violates **CITY'S** laws, regulations or policies relating to lobbying, then **CITY** may immediately terminate this Contract.
5. Acts of Moral Turpitude
 - a. **CONTRACTOR** shall immediately notify **CITY** if **CONTRACTOR** or any Key Person, as defined below, is charged with, indicted for, convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, any act which constitutes an offense involving moral turpitude under federal, state, or local laws ("Act of Moral Turpitude").
 - b. If **CONTRACTOR** or a Key Person is convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, an Act of Moral Turpitude, **CITY** may immediately terminate this Contract.
 - c. If **CONTRACTOR** or a Key Person is charged with or indicted for an Act of Moral Turpitude, **CITY** may terminate this Contract after providing **CONTRACTOR** an opportunity to present evidence of **CONTRACTOR'S** ability to perform under the terms of this Contract.
 - d. Acts of Moral Turpitude include, but are not limited to: violent felonies as defined by Penal Code Section 667.5, crimes involving weapons, crimes resulting in serious bodily injury or death, serious felonies as defined by Penal Code Section 1192.7, and those crimes referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2); in addition to and including acts of murder, rape, sexual assault, robbery, kidnapping, human trafficking, pimping, voluntary manslaughter, aggravated assault, assault on a peace officer, mayhem, fraud, domestic abuse, elderly abuse, and child abuse, regardless of whether such acts are punishable by felony or misdemeanor conviction.

- e. For the purposes of this provision, a Key Person is a principal, officer, or employee assigned to this Contract, or owner (directly or indirectly, through one or more intermediaries) of ten percent or more of the voting power or equity interests of **CONTRACTOR**.
6. In the event **CITY** terminates this Contract as provided in this section, **CITY** may procure, upon such terms and in the manner as **CITY** may deem appropriate, services similar in scope and level of effort to those so terminated, and **CONTRACTOR** shall be liable to **CITY** for all of its costs and damages, including, but not limited to, any excess costs for such services.
7. If, after notice of termination of this Contract under the provisions of this section, it is determined for any reason that **CONTRACTOR** was not in default under the provisions of this section, or that the default was excusable under the terms of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to PSC-9(A) Termination for Convenience.
8. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
- C. In the event that this Contract is terminated, **CONTRACTOR** shall immediately notify all employees and Subcontractors, and shall notify in writing all other parties contracted with under the terms of this Contract within five working days of the termination.

PSC-10. Independent Contractor

CONTRACTOR is an independent contractor and not an agent or employee of **CITY**. **CONTRACTOR** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of **CITY**.

PSC-11. Contractor's Personnel

Unless otherwise approved by **CITY**, **CONTRACTOR** shall use its own employees to perform the services described in this Contract. **CITY** has the right to review and approve any personnel who are assigned to work under this Contract. **CONTRACTOR** shall remove personnel from performing work under this Contract if requested to do so by **CITY**.

CONTRACTOR shall not use Subcontractors to assist in performance of this Contract without the prior written approval of **CITY**. If **CITY** permits the use of Subcontractors, **CONTRACTOR** shall remain responsible for performing all aspects of this Contract and paying all Subcontractors. **CITY** has the right to approve **CONTRACTOR'S** Subcontractors, and **CITY** reserves the right to request replacement of any

Subcontractor. **CITY** does not have any obligation to pay **CONTRACTOR'S** Subcontractors, and nothing herein creates any privity of contract between **CITY** and any Subcontractor.

PSC-12. Assignment and Delegation

CONTRACTOR may not, unless it has first obtained the written permission of **CITY**:

- A. Assign or otherwise alienate any of its rights under this Contract, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties under this Contract.

PSC-13. Permits

CONTRACTOR and its directors, officers, partners, agents, employees, and Subcontractors, shall obtain and maintain all licenses, permits, certifications and other documents necessary for **CONTRACTOR'S** performance of this Contract. **CONTRACTOR** shall immediately notify **CITY** of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents that relate to **CONTRACTOR'S** performance of this Contract.

PSC-14. Claims for Labor and Materials

CONTRACTOR shall promptly pay when due all amounts owed for labor and materials furnished in the performance of this Contract so as to prevent any lien or other claim under any provision of law from arising against any **CITY** property (including reports, documents, and other tangible or intangible matter produced by **CONTRACTOR** hereunder), and shall pay all amounts due under the Unemployment Insurance Act or any other applicable law with respect to labor used to perform under this Contract.

PSC-15. Current Los Angeles City Business Tax Registration Certificate Required

For the duration of this Contract, **CONTRACTOR** shall maintain valid Business Tax Registration Certificate(s) as required by **CITY'S** Business Tax Ordinance, Section 21.00 *et seq.* of the Los Angeles Municipal Code ("LAMC"), and shall not allow the Certificate to lapse or be revoked or suspended.

PSC-16. Retention of Records, Audit and Reports

CONTRACTOR shall maintain all records, including records of financial transactions, pertaining to the performance of this Contract, in their original form or as otherwise approved by **CITY**. These records shall be retained for a period of no less than three years from the later of the following: (1) final payment made by **CITY**, (2) the expiration of this Contract or (3) termination of this Contract. The records will be subject to examination and audit by authorized **CITY** personnel or **CITY'S** representatives at any time. **CONTRACTOR** shall provide any reports requested by **CITY** regarding

performance of this Contract. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

In lieu of retaining the records for the term as prescribed in this provision, **CONTRACTOR** may, upon **CITY'S** written approval, submit the required information to **CITY** in an electronic format, e.g. USB flash drive, at the expiration or termination of this Contract.

PSC-17. Bonds

All bonds required by **CITY** shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Los Angeles Administrative Code ("LAAC") Sections 11.47 *et seq.*, as amended from time to time.

PSC-18. Indemnification

Except for the active negligence or willful misconduct of **CITY**, or any of its boards, officers, agents, employees, assigns and successors in interest, **CONTRACTOR** shall defend, indemnify and hold harmless **CITY** and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including **CONTRACTOR'S** employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of an act, error, or omission by **CONTRACTOR**, Subcontractors, or their boards, officers, agents, employees, assigns, and successors in interest. The rights and remedies of **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

PSC-19. Intellectual Property Indemnification

CONTRACTOR, at its own expense, shall defend, indemnify, and hold harmless the **CITY**, and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity, and proprietary information: (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by **CONTRACTOR**, or its Subcontractors, in performing the work under this Contract; or (2) as a result of **CITY'S** actual or intended use of any Work Product (as defined in PSC-21) furnished by **CONTRACTOR**, or its Subcontractors, under this Contract. The rights and remedies of **CITY** provided in this section shall not be exclusive

and are in addition to any other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

PSC-20. Intellectual Property Warranty

CONTRACTOR represents and warrants that its performance of all obligations under this Contract does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information.

PSC-21. Ownership and License

Unless otherwise provided for herein, all finished and unfinished works, tangible or not, created under this Contract including, without limitation, documents, materials, data, reports, manuals, specifications, artwork, drawings, sketches, blueprints, studies, memoranda, computation sheets, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas, matters and combinations thereof, and all forms of intellectual property originated and prepared by **CONTRACTOR** or its Subcontractors under this Contract (each a "Work Product"; collectively "Work Products") shall be and remain the exclusive property of **CITY** for its use in any manner **CITY** deems appropriate. **CONTRACTOR** hereby assigns to **CITY** all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared under this Contract. **CONTRACTOR** further agrees to execute any documents necessary for **CITY** to perfect, memorialize, or record **CITY'S** ownership of rights provided herein.

CONTRACTOR agrees that a monetary remedy for breach of this Contract may be inadequate, impracticable, or difficult to prove and that a breach may cause **CITY** irreparable harm. **CITY** may therefore enforce this requirement by seeking injunctive relief and specific performance, without any necessity of showing actual damage or irreparable harm. Seeking injunctive relief or specific performance does not preclude **CITY** from seeking or obtaining any other relief to which **CITY** may be entitled.

For all Work Products delivered to **CITY** that are not originated or prepared by **CONTRACTOR** or its Subcontractors under this Contract, **CONTRACTOR** shall secure a grant, at no cost to **CITY**, for a non-exclusive perpetual license to use such Work Products for any **CITY** purposes.

CONTRACTOR shall not provide or disclose any Work Product to any third party without prior written consent of **CITY**.

Any subcontract entered into by **CONTRACTOR** relating to this Contract shall include this provision to contractually bind its Subcontractors performing work under this Contract such that **CITY'S** ownership and license rights of all Work Products are preserved and protected as intended herein.

PSC-22. Data Protection

- A. **CONTRACTOR** shall protect, using the most secure means and technology that is commercially available, **CITY**-provided data or consumer-provided data acquired in the course and scope of this Contract, including but not limited to customer lists and customer credit card or consumer data, (collectively, the "City Data"). **CONTRACTOR** shall notify **CITY** in writing as soon as reasonably feasible, and in any event within twenty-four hours, of **CONTRACTOR'S** discovery or reasonable belief of any unauthorized access of City Data (a "Data Breach"), or of any incident affecting, or potentially affecting City Data related to cyber security (a "Security Incident"), including, but not limited to, denial of service attack, and system outage, instability or degradation due to computer malware or virus. **CONTRACTOR** shall begin remediation immediately. **CONTRACTOR** shall provide daily updates, or more frequently if required by **CITY**, regarding findings and actions performed by **CONTRACTOR** until the Data Breach or Security Incident has been effectively resolved to **CITY'S** satisfaction. **CONTRACTOR** shall conduct an investigation of the Data Breach or Security Incident and shall share the report of the investigation with **CITY**. At **CITY'S** sole discretion, **CITY** and its authorized agents shall have the right to lead or participate in the investigation. **CONTRACTOR** shall cooperate fully with **CITY**, its agents and law enforcement.
- B. If **CITY** is subject to liability for any Data Breach or Security Incident, then **CONTRACTOR** shall fully indemnify and hold harmless **CITY** and defend against any resulting actions.

PSC-23. Insurance

During the term of this Contract and without limiting **CONTRACTOR'S** obligation to indemnify, hold harmless and defend **CITY**, **CONTRACTOR** shall provide and maintain at its own expense a program of insurance having the coverages and limits not less than the required amounts and types as determined by the Office of the City Administrative Officer of Los Angeles, Risk Management (template Form General 146 in Exhibit 1 hereto). The insurance must: (1) conform to **CITY'S** requirements; (2) comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 1 hereto); and (3) otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. **CONTRACTOR** shall comply with all Insurance Contractual Requirements shown on Exhibit 1 hereto. Exhibit 1 is hereby incorporated by reference and made a part of this Contract.

PSC-24. Best Terms

Throughout the term of this Contract, **CONTRACTOR**, shall offer **CITY** the best terms, prices, and discounts that are offered to any of **CONTRACTOR'S** customers for similar goods and services provided under this Contract.

PSC-25. Warranty and Responsibility of Contractor

CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within **CONTRACTOR'S** profession, doing the same or similar work under the same or similar circumstances.

PSC-26. Mandatory Provisions Pertaining to Non-Discrimination in Employment

Unless otherwise exempt, this Contract is subject to the applicable non-discrimination, equal benefits, equal employment practices, and affirmative action program provisions in LAAC Section 10.8 et seq., as amended from time to time.

- A. **CONTRACTOR** shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and **CITY**. In performing this Contract, **CONTRACTOR** shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.
- B. The requirements of Section 10.8.2.1 of the LAAC, the Equal Benefits Ordinance, and the provisions of Section 10.8.2.1(f) are incorporated and made a part of this Contract by reference.
- C. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this Contract by reference and will be known as the "Equal Employment Practices" provisions of this Contract.
- D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this Contract by reference and will be known as the "Affirmative Action Program" provisions of this Contract.

Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-27. Child Support Assignment Orders

CONTRACTOR shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, **CONTRACTOR** shall fully comply with all applicable State and Federal employment reporting requirements. Failure of **CONTRACTOR** to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of **CONTRACTOR** to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the **CONTRACTOR** under this Contract. Failure of **CONTRACTOR** or principal owner to cure

the default within 90 days of the notice of default will subject this Contract to termination for breach. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-28. Living Wage Ordinance

CONTRACTOR shall comply with the Living Wage Ordinance, LAAC Section 10.37 *et seq.*, as amended from time to time. **CONTRACTOR** further agrees that it shall comply with federal law proscribing retaliation for union organizing. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-29. Service Contractor Worker Retention Ordinance

CONTRACTOR shall comply with the Service Contractor Worker Retention Ordinance, LAAC Section 10.36 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-30. Access and Accommodations

CONTRACTOR represents and certifies that:

- A. **CONTRACTOR** shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 *et seq.*, the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 *et seq.*, the Fair Housing Act, and its implementing regulations and any subsequent amendments, and California Government Code Section 11135;
- B. **CONTRACTOR** shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;
- C. **CONTRACTOR** shall provide reasonable accommodation upon request to ensure equal access to **CITY**-funded programs, services and activities;
- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. The buildings and facilities used to provide services under this Contract are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

CONTRACTOR understands that **CITY** is relying upon these certifications and representations as a condition to funding this Contract. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-31. Contractor Responsibility Ordinance

CONTRACTOR shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 *et seq.*, as amended from time to time.

PSC-32. Business Inclusion Program

Unless otherwise exempted prior to bid submission, **CONTRACTOR** shall comply with all aspects of the Business Inclusion Program as described in the Request for Proposal/Qualification process, throughout the duration of this Contract. **CONTRACTOR** shall utilize the Business Assistance Virtual Network ("BAVN") at <https://www.labavn.org/>, to perform and document outreach to Minority, Women, and Other Business Enterprises. **CONTRACTOR** shall perform subcontractor outreach activities through BAVN. **CONTRACTOR** shall not change any of its designated Subcontractors or pledged specific items of work to be performed by these Subcontractors, nor shall **CONTRACTOR** reduce their level of effort, without prior written approval of **CITY**.

PSC-33. Slavery Disclosure Ordinance

CONTRACTOR shall comply with the Slavery Disclosure Ordinance, LAAC Section 10.41 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-34. First Source Hiring Ordinance

CONTRACTOR shall comply with the First Source Hiring Ordinance, LAAC Section 10.44 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-35. Local Business Preference Ordinance

CONTRACTOR shall comply with the Local Business Preference Ordinance, LAAC Section 10.47 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-36. Iran Contracting Act

In accordance with California Public Contract Code Sections 2200-2208, all contractors entering into, or renewing contracts with **CITY** for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit."

PSC-37. Restrictions on Campaign Contributions and Fundraising in City Elections

Unless otherwise exempt, if this Contract is valued at \$100,000 or more and requires approval by an elected **CITY** office, **CONTRACTOR**, **CONTRACTOR'S** principals, and **CONTRACTOR'S** Subcontractors expected to receive at least \$100,000 for performance under the Contract, and the principals of those Subcontractors (the "Restricted Persons")

shall comply with Charter Section 470(c)(12) and LAMC Section 49.7.35. Failure to comply entitles **CITY** to terminate this Contract and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected **CITY** officials or candidates for elected **CITY** office for twelve months after this Contract is signed. Additionally, a **CONTRACTOR** subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any **CONTRACTOR** subject to Charter Section 470(c)(12) shall include the following notice in any contract with any Subcontractor expected to receive at least \$100,000 for performance under this Contract:

“Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections

You are a subcontractor on City of Los Angeles Contract #_____. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles (“**CITY**”) officials and candidates for elected **CITY** office for twelve months after the **CITY** contract is signed. You are required to provide the names and contact information of your principals to the **CONTRACTOR** and to amend that information within ten business days if it changes during the twelve month time period. Failure to comply may result in termination of this Contract and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960.”

PSC-38. Contractors’ Use of Criminal History for Consideration of Employment Applications

CONTRACTOR shall comply with the City Contractors’ Use of Criminal History for Consideration of Employment Applications Ordinance, LAAC Section 10.48 *et seq.*, as amended from time to time. Any subcontract entered into by **CONTRACTOR** for work to be performed under this Contract must include an identical provision.

PSC-39. Limitation of City’s Obligation to Make Payment to Contractor

Notwithstanding any other provision of this Contract, including any exhibits or attachments incorporated therein, and in order for **CITY** to comply with its governing legal requirements, **CITY** shall have no obligation to make any payments to **CONTRACTOR** unless **CITY** shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in this Contract. **CONTRACTOR** agrees that any services provided by **CONTRACTOR**, purchases made by **CONTRACTOR** or expenses incurred by **CONTRACTOR** in excess of the appropriation(s) shall be free and without charge to **CITY** and **CITY** shall have no obligation to pay for the services, purchases or expenses. **CONTRACTOR** shall have no obligation to provide any services,

provide any equipment or incur any expenses in excess of the appropriated amount(s) until **CITY** appropriates additional funds for this Contract.

PSC-40. Compliance with Identity Theft Laws and Payment Card Data Security Standards

CONTRACTOR shall comply with all identity theft laws including without limitation, laws related to: (1) payment devices; (2) credit and debit card fraud; and (3) the Fair and Accurate Credit Transactions Act (“FACTA”), including its requirement relating to the content of transaction receipts provided to Customers. **CONTRACTOR** also shall comply with all requirements related to maintaining compliance with Payment Card Industry Data Security Standards (“PCI DSS”). During the performance of any service to install, program or update payment devices equipped to conduct credit or debit card transactions, including PCI DSS services, **CONTRACTOR** shall verify proper truncation of receipts in compliance with FACTA.

PSC-41. Compliance with California Public Resources Code Section 5164

California Public Resources Code Section 5164 prohibits a public agency from hiring a person for employment or as a volunteer to perform services at any park, playground, or community center used for recreational purposes in a position that has supervisory or disciplinary authority over any minor, if the person has been convicted of certain crimes as referenced in the Penal Code, and articulated in California Public Resources Code Section 5164(a)(2).

If applicable, **CONTRACTOR** shall comply with California Public Resources Code Section 5164, and shall additionally adhere to all rules and regulations that have been adopted or that may be adopted by **CITY**. **CONTRACTOR** is required to have all employees, volunteers and Subcontractors (including all employees and volunteers of any Subcontractor) of **CONTRACTOR** working on premises to pass a fingerprint and background check through the California Department of Justice at **CONTRACTOR’S** sole expense, indicating that such individuals have never been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2), if the individual will have supervisory or disciplinary authority over any minor.

PSC-42. Possessory Interests Tax

Rights granted to **CONTRACTOR** by **CITY** may create a possessory interest. **CONTRACTOR** agrees that any possessory interest created may be subject to California Revenue and Taxation Code Section 107.6 and a property tax may be levied on that possessory interest. If applicable, **CONTRACTOR** shall pay the property tax. **CONTRACTOR** acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.

PSC-43. Confidentiality

All documents, information and materials provided to **CONTRACTOR** by **CITY** or developed by **CONTRACTOR** pursuant to this Contract (collectively "Confidential Information") are confidential. **CONTRACTOR** shall not provide or disclose any Confidential Information or their contents or any information therein, either orally or in writing, to any person or entity, except as authorized by **CITY** or as required by law. **CONTRACTOR** shall immediately notify **CITY** of any attempt by a third party to obtain access to any Confidential Information. This provision will survive expiration or termination of this Contract.

EXHIBIT 1

INSURANCE CONTRACTUAL REQUIREMENTS

CONTACT For additional information about compliance with City Insurance and Bond requirements, contact the Office of the City Administrative Officer, Risk Management at (213) 978-RISK (7475) or go online at www.lacity.org/cao/risk. The City approved Bond Assistance Program is available for those contractors who are unable to obtain the City-required performance bonds. A City approved insurance program may be available as a low cost alternative for contractors who are unable to obtain City-required insurance.

CONTRACTUAL REQUIREMENTS

CONTRACTOR AGREES THAT:

1. Additional Insured/Loss Payee. The CITY must be included as an Additional Insured in applicable liability policies to cover the CITY'S liability arising out of the acts or omissions of the named insured. The CITY is to be named as an Additional Named Insured and a Loss Payee As Its Interests May Appear in property insurance in which the CITY has an interest, e.g., as a lien holder.

2. Notice of Cancellation. All required insurance will be maintained in full force for the duration of its business with the CITY. By ordinance, all required insurance must provide at least thirty (30) days' prior written notice (ten (10) days for non-payment of premium) directly to the CITY if your insurance company elects to cancel or materially reduce coverage or limits prior to the policy expiration date, for any reason except impairment of an aggregate limit due to prior claims.

3. Primary Coverage. CONTRACTOR will provide coverage that is primary with respect to any insurance or self-insurance of the CITY. The CITY'S program shall be excess of this insurance and non-contributing.

4. Modification of Coverage. The CITY reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving CONTRACTOR ninety (90) days' advance written notice of such change. If such change should result in substantial additional cost to CONTRACTOR, the CITY agrees to negotiate additional compensation proportional to the increased benefit to the CITY.

5. Failure to Procure Insurance. All required insurance must be submitted and approved by the Office of the City Administrative Officer, Risk Management prior to the inception of any operations by CONTRACTOR.

CONTRACTOR'S failure to procure or maintain required insurance or a self-insurance program during the entire term of this Contract shall constitute a material breach of this Contract under which the CITY may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance to protect the CITY'S interests and pay any and all premiums in connection therewith and recover all monies so paid from CONTRACTOR.

6. Workers' Compensation. By signing this Contract, CONTRACTOR hereby certifies that it is aware of the provisions of Section 3700 *et seq.*, of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake

self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all time during the performance of the work pursuant to this Contract.

7. California Licensee. All insurance must be provided by an insurer admitted to do business in California or written through a California-licensed surplus lines broker or through an insurer otherwise acceptable to the CITY. Non-admitted coverage must contain a **Service of Suit** clause in which the underwriters agree to submit as necessary to the jurisdiction of a California court in the event of a coverage dispute. Service of process for this purpose must be allowed upon an agent in California designated by the insurer or upon the California Insurance Commissioner.

8. Aggregate Limits/Impairment. If any of the required insurance coverages contain annual aggregate limits, CONTRACTOR must give the CITY written notice of any pending claim or lawsuit which will materially diminish the aggregate within thirty (30) days of knowledge of same. You must take appropriate steps to restore the impaired aggregates or provide replacement insurance protection within thirty (30) days of knowledge of same. The CITY has the option to specify the minimum acceptable aggregate limit for each line of coverage required. No substantial reductions in scope of coverage which may affect the CITY'S protection are allowed without the CITY'S prior written consent.

9. Commencement of Work. For purposes of insurance coverage only, this Contract will be deemed to have been executed immediately upon any party hereto taking any steps that can be considered to be in furtherance of or towards performance of this Contract. The requirements in this Section supersede all other sections and provisions of this Contract, including, but not limited to, PSC-3, to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

Required Insurance and Minimum Limits

Name: _____

Date: _____

Agreement/Reference: _____

Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

Limits

___ **Workers' Compensation (WC) and Employer's Liability (EL)**

WC _____
Statutory
EL _____

Waiver of Subrogation in favor of City

Longshore & Harbor Workers

Jones Act

___ **General Liability**

Products/Completed Operations

Sexual Misconduct

Fire Legal Liability

___ **Automobile Liability** (for any and all vehicles used for this contract, other than commuting to/from work)

___ **Professional Liability** (Errors and Omissions)

Discovery Period _____

___ **Property Insurance** (to cover replacement cost of building - as determined by insurance company)

All Risk Coverage

Boiler and Machinery

Flood

Builder's Risk

Earthquake

___ **Pollution Liability**

___ **Surety Bonds - Performance and Payment (Labor and Materials) Bonds**

___ **Crime Insurance**

Other: _____

AGREEMENT
between
THE CITY OF LOS ANGELES
and
ACCOUNT CONTROL TECHNOLOGY, INC.
FOR COLLECTION SERVICES OF THE CITY'S
DELINQUENT ACCOUNTS RECEIVABLE

AGREEMENT NO. _____

This Agreement is made and entered into and between the City of Los Angeles (hereinafter referred to as the "City"), a municipal corporation, acting by and through its Office of Finance (hereinafter referred to as "Finance") and Account Control Technology, Inc., (hereinafter referred to as the "Contractor").

WITNESSETH:

WHEREAS, City utilizes outside collection agency services as a best practice in delinquent debt collection and revenue generator to the City; and

WHEREAS, City prepared and released a Request for Proposals (RFP) for Primary and/or Secondary Collection Services to pursue collection of the City's delinquent accounts; and

WHEREAS, the Contractor recognizes that the City may contract with multiple agencies for collection services and may utilize any account allocation process that it deems appropriate; and

WHEREAS, the RFP Evaluation Committee has evaluated the proposals received and recommended approval of the Contractor to the City Council; and

WHEREAS, the City Council has approved the Contractor as one of the agencies for collection services to pursue collection of the City's delinquent accounts; and

WHEREAS, the parties hereto wish to enter into an Agreement by which the Contractor will perform the work and furnish all labor, materials, supervision, tools, transportation, and equipment necessary to recover the monies due the City as a result of active pursuit of outstanding accounts receivables.

NOW THEREFORE, in consideration of the above premises and the covenants, representations and agreements herein contained, the parties hereby covenant and agree as follows:

ARTICLE I – SERVICES TO BE PROVIDED

The Contractor is an independent organization that will provide primary, secondary, and/or post-judgment collection services on delinquent accounts referred to it by City departments, bureaus or offices (hereinafter referred to as "City departments") pursuant to the terms and conditions of this Agreement.

Services to be performed by the Contractor for primary and/or secondary collection services herein include, but are not limited to, locating debtors, arranging for payments, mailing dunning notices, skip-tracing delinquent accounts, contacting debtors by telephone, filing delinquent notifications with credit bureaus and verifying assets. All correspondence between the Contractor and the City debtors shall be sent by first class mail.

Primary collection services include collection efforts on initial referrals of delinquent accounts to a contracted collection agency by a City department. Generally, delinquent accounts referred at the primary level are at least 45 days past due, except for emergency medical services (EMS) accounts referred by the Los Angeles Fire Department (LAFD). LAFD may refer delinquent EMS accounts at the time reasonable collection efforts have failed, but not later than nine (9) months from the date of initial billing.

For primary level services, the Contractor shall have a period of nine (9) months to effect collection. If the Contractor is unable to collect on the referred account within nine (9) months from assignment, the Contractor shall return the account to the City department that referred it and cease all collection efforts. For the purposes of this Agreement, the term "assignment" means the date that the account is referred to the Contractor. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the City. In limited circumstances, the City may, at its sole discretion, elect to extend the time that the Contractor may retain said account in writing.

Secondary collection services include collection efforts on referrals of delinquent accounts that were previously assigned to a collection agency at the primary level and were returned to the City department by the primary level agency after at least nine (9) months from initial assignment and uncollected. For secondary level collection services, the Contractor shall have a period of six (6) months to effect collection. If the Contractor is not able to collect on the referred account within six (6) months from assignment, the Contractor shall return the account to the City department that referred it and cease all collection efforts. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the City. In limited circumstances, the City may, at its sole discretion, elect to extend the time that the Contractor may retain said account in writing.

The Contractor shall only perform primary level or secondary level collection services on any particular account that is referred to it and shall not under any circumstance perform both primary and secondary level collections on the same account.

The Contractor is prohibited from instituting any legal action on behalf of the City against any debtor or performing any service that would constitute the practice of law in the State of California. The Contractor is also prohibited from using any threats of legal action. The Contractor may only inform the debtor of consequences of non-payment, such as reporting to credit bureaus. If the Contractor determines that legal action or legal services are required, the Contractor shall make a recommendation for such action and return the account to the City. Under this circumstance, the Contractor may communicate to debtor that the matter is being returned to the City with a recommendation to consider further legal recourse.

In the event an account assigned to the Contractor is determined to be uncollectible, by City or Contractor, for reasons that include, but are not limited to, a debtor's bankruptcy filing, court-ordered receivership is granted over debtor's business, debtor is deceased or decedent's estate does not have sufficient assets to satisfy the indebtedness, the Contractor shall cease all collection efforts on said account upon receipt of this information and return the account to the City with notification of the reason(s) for return of the account, as detailed in Article V of this Agreement.

ARTICLE II – REFERRAL PROCESS

Prior to referring any accounts to the Contractor, a City department must forward to the Contractor a Participation Document. The Participation Document includes key information regarding the City department to facilitate referral of accounts to the Contractor. Under no circumstance shall the Contractor initiate collection on behalf of a City department prior to receiving a completed and signed Participation Document from the City department for which it will effect collection. Receipt of a completed Participation Document from a City department does not obligate or guarantee that the City department will actually refer any accounts to the Contractor. At any time, the City department may, at its sole discretion, utilize the services of the Contractor or another contracted agency. Information in the Participation Document includes:

- Specific Department Information
- Type of Accounts to be Referred
- Liaison for Account Inquiries and Technical Issues
- Method to Transmit Accounts
- Specific Reporting/Remittance Requirements

City departments may use various means/methods to assign accounts to the Contractor, that includes electronic transmission, electronic file, or in writing. For the purposes of this Agreement, the term "assign" means the transfer of accounts by a City department to the Contractor to effect collection. Assigned accounts will include the following information, if available, and any other relevant information that the City department may have at the time of referral as deemed appropriate:

- Debtor Name(s)
- Debtor Address
- Type of Account
- Unpaid Balance Outstanding

ARTICLE III – PERFORMANCE REQUIREMENTS

- A. In performing collection services for the City, the Contractor shall adhere to the highest legal, ethical, and professional standards. The Contractor shall comply with the Taxpayer Bill of Rights and perform services in a manner that is consistent with all federal and state fair debt collection practices, acts and confidentiality provisions, including, but not limited to California Civil Code Sections 1788 et seq. In addition, all information and data received by the Contractor from the City shall be regarded as confidential under Section 21.17 of the Los Angeles Municipal Code.

Moreover, for collection of LAFD EMS accounts, the Contractor shall be in compliance with all Health Insurance Portability and Accountability Act (HIPAA) regulations and requirements as set forth in Title 45 of the Code of Federal Regulation (Parts 160, 162 and 164) and the American Recovery and Reinvestment Act of 2009 which added the Health Information Technology for Economic and Clinical Health Act of 2009 (Sections 13400 et seq.) throughout the term of the contract and sign a Business Associate Agreement with the Fire Department prior to receiving any EMS accounts for collection. The Contractor shall be required to integrate with existing City HIPAA compliant systems to ensure secure electronic transfer of EMS related records.

In addition, in performing the services requested, the Contractor shall:

1. Perform its work as an independent contractor and shall, at all times, inform the debtors that it is acting as a collection agency for the City but that it is an entity separate and distinct from the City;
2. Collect on only amounts authorized by the City and shall not add or collect any amounts not authorized by the City;
3. Deposit all monies collected for the City into a special trust fund which shall be kept separate and not commingled with other funds of the Contractor or other clients of the Contractor. If the trust fund is an interest accruing account, such accruals must be credited to the City. All monies collected by the Contractor for the City shall be remitted to the City on a monthly basis; as defined in this Article and Article V of this Agreement;
4. Deliver to the referring City department on or before the fifteenth (15th) of each month all monies collected during the previous month. The Contractor shall not, for any reason, withhold monies collected during the previous month on any account referred to the Contractor by the City and shall promptly deliver said payments to the City as specified above. Together with the monthly delivery of monies collected during the previous month, the Contractor shall submit an invoice in duplicate for commission owed and a remittance report summarizing detailed information for payments received in accordance with the requirements outlined in Article V of this Agreement;
5. Obtain approval from the City as to form and content for all letters used by the Contractor to effect collection before use;
6. Engage in payment plans, when determined appropriate, with the City debtors for a term of no longer than one year. Payment plans in excess of one year require approval from the referring City department;

7. Agree that any information provided by the City departments on delinquent accounts will be used solely for the purpose of collection, held in the strictest of confidence and used for no other purpose;
8. Maintain all City information and records separate from information and records related to other clients;
9. Bear all expenses and costs incurred to effect collection of any account referred by the City;
10. Report City department accounts to credit bureaus within 45 days of assignment, except for instances when the City has approved in writing a change in this time frame. The account may remain on a credit bureau report for the duration of the time in which the account is assigned with the Contractor and any written extension granted by the City, but upon return of the account to the City, the Contractor will instruct credit bureaus to remove any negative data reported relative to the account;
11. Provide electronic payment options to debtors including online, credit or debit card, e-check, ACH, as well as other City-approved methods;
12. Return to the referring City department, in automated format or other manner specified by City department, all accounts that remain uncollected by the Contractor upon nine (9) months from assignment for primary collection and six (6) months from assignment for secondary collection, and shall cease all collection efforts, except for instances where payment plans are in affect and active payments are made in accordance with the plan or in limited circumstances where the City may, at its sole discretion, elect to extend the time that the Contractor may retain said account in writing. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the City. The Contractor shall report to the referring City department; as outlined in Article V of this Agreement; on any account returned prior to or retained past the allotted time specified by the City to effect collection in this Agreement;
13. Be able to accept account data through various communication methods employed by the City, whether paper-based or electronic. The Contractor must work with the individual City departments to develop systems interfaces for efficient and secured data transfer of their accounts. All costs associated with the development of said systems will be borne by the Contractor;
14. Comply with any special collection campaigns authorized by the City, wherein selected account types may be targeted for specified reductions in balances owed, for example, offer in compromise and debt amnesty programs.

Moreover, in performing the services requested, the Contractor shall not:

15. Subcontract, assign, refer or transfer any account referred to it by the City, or otherwise assign its rights or delegate its duties under this Agreement to any other person or entity, including any attorney, without the express written consent of the City;
16. Collect more than the amount of the assigned debt and any applicable contingency fees authorized by the City to be added to the assigned amount. The City's assigned debt may include both the principal amount and any penalties or interest on the unpaid principal amount, including any accrued amounts authorized by the City. The Contractor shall not add and/or collect penalties, interest or fees not authorized by the City in writing. Any additional authorized or unauthorized amounts collected by the Contractor shall be remitted to the City, as defined in Article V of this Agreement;
17. Threaten or intimidate debtors under any circumstances in the collection of the City's accounts or violate any applicable government laws or regulations;
18. Use or display the official seal of the City of Los Angeles on any of its letterheads or communications with any debtor for any reason;
19. State or suggest, in any verbal or written communication, that the Contractor intends to pursue legal action against the debtor, or imply that it has any authority to do so;
20. Take any legal action against a debtor on a City account;
21. Initiate, negotiate, or reach settlements on any account assigned to it for collection nor directly or indirectly imply that it has such authority, unless authorized by the City in writing;
22. Recommend to debtors the use of "payday" loans to satisfy City accounts, or any loans through a lender wherein the Contractor has any financial interest in the lender or where the Contractor would realize any additional financial gain through referral of business to the lender;
23. Perform secondary level collection services on any account in which it has previously performed primary collection services under this Agreement.

B. Recall of Accounts

The City departments shall have the right at their sole discretion to recall from the Contractor without charge or penalty any account(s) assigned to the Contractor. For purposes of this Agreement, the term "recall" means the demand return of an assigned account to the City. Upon recall by the City departments, the Contractor shall undertake no further collection efforts on recalled account(s). The Contractor shall also instruct credit bureaus to remove any negative data reported relative to the account(s) recalled.

The Contractor shall not be entitled to any contingency fees for payments received by the City on any account after the date of recall except where the debtor has contacted the City to engage in settlement of the account prior to the date of recall. In any attempt by a debtor to pay on a City account no longer assigned to the Contractor, the Contractor shall not accept payment and direct the debtor to contact the City.

C. Quality Assurance

The Contractor's performance will be evaluated according to contract standards and other performance measures deemed appropriate by the City, including, but not limited to, establishing contractor performance benchmarks and incentives relative to collection on City accounts. Performance benchmarks will include periodic tracking and grading a Contractor's compliance with contractual obligations such as the generation of ad hoc, routine, specialized/custom reports, responsiveness to department requests, practice of loading of referred accounts in a timely manner, and adherence to City administrative requirements. In addition, City reserves the right to publish the Contractor grades and rates of recovery on City accounts for departments use via City's Intranet or to be shared with City's collection vendors under contract for information, incentive and competitive purposes. The City may use a variety of inspection methods to determine Contractor's compliance with terms of this Agreement and evaluate performance level. The methods of inspection may include, but are not limited to:

- Random sampling
- Reports, (monthly and as needed)
- Periodic inspection of output items

The City shall have the right at any time during regular business hours to inspect records relative to City department accounts maintained by the Contractor at its place of business, with reasonable advance notification. Said records shall be retained by the Contractor three (3) years following final payment under this Agreement for non-EMS accounts. For LAFD EMS accounts, the Contractor shall retain records as required by HIPAA and the terms of the Business Associate Agreement between the Contractor and LAFD.

The Contractor must also be available to meet with representatives of the City on a quarterly basis, or as deemed appropriate by the City, to discuss any issues or concerns relating to the contract and/or City accounts. Upon request by the City for an impromptu meeting with the Contractor, the Contractor shall coordinate with the City an amicable time; however, if the City deems the matter requires immediate attention, the Contractor shall make itself available to meet with the City within two (2) business days from the day of the City's request.

D. Account Redistribution

City departments shall have sole discretion at any time without reason the right to distribute or redistribute accounts among the City's contracted collection agencies. For those accounts assigned to the Contractor wherein payments are being made and/or

subject to a current, agreed upon payment plan, the City departments may permit these accounts to remain with the Contractor while collections continue according to the arranged payment amount and schedule.

For any account assigned to the Contractor and recalled by the City to pursue other measures to collect, including redistribution to another contracted collection agency, the Contractor will not be due any commission after the date of recall by the City except where debtor has contacted the City to engage in settlement of the account prior to the date of recall. The Contractor shall direct the debtor to contact the City on any attempt by a debtor to pay on a City account that has been recalled by the City or is no longer assigned to the Contractor.

E. Membership in Professional Organizations

The Contractor shall maintain, at no cost to the City, membership in the American Collectors Association International, California Association of Collectors or similar professional organizations that provide interstate and intrastate services and utilize collection techniques consistent with the Code of Ethics and standards adopted by said associations.

F. Tax Certificate

The Contractor agrees to have and maintain a valid City of Los Angeles Business Tax Registration Certificate for the term of the Agreement, at no cost to the City.

G. Automation Support

The Contractor shall provide information technology/systems support to the City as deemed necessary by the referring City departments to establish and maintain account referral protocols, information exchanges and reports. Such information technology/systems support services are to be provided by the Contractor at no expense to the City.

H. Client Assistance

The Contractor shall provide to the referring City departments and offices as needed on-site customer assistance during, but not limited to, the first thirty (30) days of contract implementation. Client assistance services are to be provided by the Contractor at no expense to the City.

I. Training

The Contractor shall provide to the City on-site training relative to collection processes and procedures as deemed necessary by the referring City departments at no cost to the City.

J. Consulting

The Contractor shall provide to the City, upon request of management and supervisory level personnel, consulting services relative to collection and revenue enhancement processes and procedures as deemed necessary by the referring City department at no cost to the City. The Contractor shall provide to City management and supervisory level staff data and information relative to collections, industry trends, best practices, projections and any other relevant materials, upon request, to assist City staff in revenue collection management and analysis.

K. Access to Accounts

The Contractor shall provide to City departments remote access to its accounts assigned to the Contractor through an internet website or similar process. The Contractor shall also provide City departments with technical assistance, training and requirements needed to establish and use remote access privileges to its accounts, if needed, and at no cost to the City. Furthermore, the Contractor shall provide secure online access from the Contractor's delinquent account collection system to designated Finance and other City staff for accounts referred from the City for the purpose of delinquent account review, performance, and ad hoc reporting purposes.

L. Complaint Response and Handling

The Contractor shall acknowledge and respond to all written and oral complaints received relative to City accounts or City debtors. For written complaints, the Contractor shall acknowledge receipt of the complaint in writing within two (2) business days from the day the written complaint is received. Complaints and/or inquiries by telephone shall be received by the Contractor's personnel during regular business hours. During non-business hours, the Contractor shall provide a means for debtors to leave a message regarding their complaint and/or inquiry. All phone messages regarding City accounts shall be responded to by the Contractor no later than the next business day from the day that the message was left.

All complaints shall be directed to qualified customer service staff or manager who shall take responsibility for resolving the matter. The Contractor shall conduct any necessary investigations and take appropriate steps to resolve complaints within thirty (30) calendar days from receipt of the complaint, or other time frame, if deemed appropriate and specified in writing by the City. The Contractor shall notify complainant of the resolution of their complaint in writing and provide written notification of said resolution to the City, as defined in Article V of this Agreement. In circumstances when a complaint requires more than thirty (30) calendar days to resolve, the Contractor shall inform the City of the additional time needed, basis for the delay and estimated time when a resolution is expected.

The Contractor shall document and maintain records of all complaints initiated, including information regarding the person(s) that filed the complaint, specific details

regarding the nature of the complaint, all parties involved, steps taken to resolve the matter, final disposition and the name and title of staff that handled the matter.

At its sole discretion, the City may require the Contractor to take further steps to resolve a complaint if determined by the City that the Contractor did not address the complaint in a manner satisfactory to the City. The Contractor shall provide to the City any record(s) relative to a complaint upon request of the City, and said record(s) shall be made available to the City within two (2) business days of the City's request.

The Contractor shall immediately notify the City of any legal actions initiated against the Contractor regarding any City account, or which may have any relevance to the City as a business partner. The Contractor shall within one (1) week of giving notice to the City of a legal action, submit a comprehensive written report, including any supporting documentation, to the City to acquaint the City of pertinent details regarding the legal matter. The City may, at its discretion, require the Contractor to provide said report sooner than one (1) week if deemed appropriate. The Contractor shall keep the City informed on the status of any litigation matter at least on a quarterly basis, and shall immediately inform the City of any key developments with regard to the legal proceeding. The City may, at its sole discretion, modify the Contractor's reporting requirement regarding a legal matter as deemed appropriate. The Contractor shall assume all costs related to any litigation and the City shall be held harmless for any liabilities or damages that may result from litigation against the Contractor on any City account.

M. Telework/Remote Workforce

Contractor may choose to utilize Telecommuters or Remote Worker employees as part of this engagement to perform any and all obligations and duties under this Agreement through the use of Telecommuting or Remote employees. Parties agree that upon mutual agreement by both Parties, the use of Telecommuting or a Remote Workforce will be permissible, as part of the ordinary course of business under this Agreement,

ARTICLE IV - COMMISSION PAYMENTS

The City agrees to compensate the Contractor on a contingency fee basis for services to the City performed under this Agreement. If no recovery is made on an account referred to the Contractor by the City, there is no compensation due to the Contractor. The commission due the Contractor shall be based on the Contractor's applicable commission rate approved by the City and any recovery made on an account that has been assigned to the Contractor, up to, but not to exceed the City's assigned amount. For compensation purposes, the assigned amount is the amount of the debt referred to the Contractor, including any City authorized adjustments to the amount referred after assignment, i.e., interest accruing on the unpaid balance or a reduction in the debt from an audit performed on the account.

Any adjustments made to an assigned amount shall be authorized by the City, and upon adjustment, the Contractor shall be entitled to commission on amounts recovered up to the final adjusted

assigned amount. The Contractor is not entitled to commission on amounts recovered that exceed the City’s assigned amount, i.e., the Contractor’s contingency fees authorized by the City to be added to the assigned amount and collected by the Contractor.

The Contractor’s approved commission rate for actual amounts recovered on accounts referred, up to, but not exceeding the assigned amount of the referral, shall be:

Contractor’s Approved Commission Rates

Collection Level	Assigned Amount	Commission Rate
<i>Primary Rate</i>	<i>N/A</i>	14%
<i>Secondary Rate</i>	<i>N/A</i>	19.7%
<i>Post Judgment Rate</i>	<i>N/A</i>	21%

The Contractor shall not be compensated in any other method than that prescribed in this Article. An invoice shall be submitted to the appropriate referring City department for commission owed the Contractor on amounts collected during the previous month, as detailed in Article III and Article V of this Agreement.

Any money paid directly to the City on any account assigned to the Contractor shall be deemed to have been collected by the Contractor, and the Contractor will be entitled to receive a commission on the payment, **unless: 1)** payment is received by the City or postmarked on or prior to the date of the City’s receipt of the Contractor Acknowledgement Report as set forth in Article V of this Agreement **or; 2)** collection activity, such as dunning notice sent or telephone contact with debtor, by the Contractor has not begun, in which case the Contractor would not be due any commission. The City shall promptly notify the Contractor regarding any payment made directly to the City on an account assigned to the Contractor.

ARTICLE V - REPORTING

A. Required Monthly Reports to City Contract Administrator

The Contractor shall provide to the Contract Administrator in the Office of Finance, monthly electronic reports regarding collection activities, overall and specific to individual City departments, performed by the Contractor during the previous month and from inception of the Agreement. Required monthly reports are due to the City’s Contract Administrator within five (5) working days of the close of the prior month. The City reserves the right to modify the Contractor’s monthly reporting requirements as deemed appropriate and the Contractor shall comply with any requested changes to monthly reporting requirements within one (1) month of being notified by City of the requested modification. Required monthly reporting, as defined by the City, may include, but are not limited to the following reports:

- Activity Reports
- Batch Reports
- Overall Status of Accounts Referred
- Lists of Delinquent Debtors
- Performance Reports
- Stair-Step Reports
- Status of Complaints, as defined in Article III of this Agreement

B. Required Monthly Reports to Referring City Departments

The Contractor shall also provide monthly electronic reports to each City department that refers accounts. Monthly reports shall include information relative to collection activities specific to accounts referred to the Contractor by that City department and include information for the prior month and aggregate from the time department initiated referring accounts to the Contractor. Required monthly reports are due to City departments within five (5) working days of the close of prior month. City departments reserve the right to modify Contractor's monthly reporting requirements as deemed appropriate. The Contractor shall comply with any requested changes in monthly reporting within one (1) month of receiving notification from the department. Required monthly reporting to referring City departments on accounts assigned to the Contractor may include, but are not limited to the following:

- Status of Accounts Referred by the City department
- Returned/Closed Accounts
- Retained Accounts
- Remittance Report

C. Acknowledgement Report

Upon receipt of a referral from a City department, the Contractor shall provide an Acknowledgment Report to the referring City department within one City business day from the assignment to verify account placement. Timely submission of the Acknowledgment Report by the Contractor is essential in order for the Contractor to be entitled any commission for monies collected on a referred account, as set forth in Article IV of this Agreement. The referring City department shall specify to the Contractor the method for receipt of the Acknowledgment Report. Information in the report shall include, but not be limited to the following on each account received:

- City Account Number
- Debtor Name
- Assignment Date
- Assignment Amount

D. Returned Accounts Report

The Contractor is required to furnish to City departments when applicable, a report on accounts returned to the City. Reasons that an assigned account may be returned to the City include, but are not limited to:

- Contractor was unable to collect the unpaid amounts within the time period allotted by the City to effect collection
- Court-ordered receivership is granted over debtor's business
- Debtor bankruptcy filing
- Debtor is deceased
- Decedent's estate lacks sufficient assets to satisfy the indebtedness
- City recalled the account

The contractor must state in its report the reason(s) for the return of the account and be able to provide detailed information regarding all efforts undertaken by the Contractor to collect on the account prior to its return. The format for the report on returned accounts shall be specified by the City departments and shall accompany any returned accounts. At a minimum, information contained in the report shall include the following for each account returned:

- City Account Number
- Contractor Assigned Account Number
- Debtor Name
- Assignment Date
- Assigned Amount
- Amount Collected
- Remaining Balance Due
- Detailed Reason for Return

E. Retained Accounts Report

The Contractor is required to furnish to City departments when applicable, a report on accounts retained by the Contractor beyond the approved nine (9) months for primary collection and six (6) months for secondary collection. Reporting on retained accounts shall begin no later than the date that these accounts would normally have been returned to the City due to the time period allotted by the City to effect collection has expired. The Contractor shall continue to report on retained accounts, on a monthly basis, until said accounts are paid in full or returned to the City department.

City accounts shall not be retained by the Contractor unless authorized in writing by the referring City department or where payment plans are in effect and debtors are making active payments under the payment plan that will extend beyond the allotted time period to effect collection as specified under this Agreement.

At any time the City may, at its sole discretion and for any reason, recall an account from the Contractor, as set forth in Article III of this Agreement. However, this action

would not preclude payment obligations to the Contractor of contingency fees in the event an account with a payment plan in effect is taken over by the City and successfully collected by the City. The retained accounts report shall include at least the following information for each account retained:

- City Account Number
- Debtor Name
- Assignment Date
- Assigned Amount
- Amount Collected
- Remaining Balance Due
- Reason(s) Account has been Retained

F. Remittance Report

The Contractor is required to furnish to City departments when applicable, a remittance report setting forth the details from any monies collected from debtors on City assigned accounts during the previous month. This report shall accompany the monthly delivery of monies, as defined in Article III of this Agreement, and shall be delivered to the referring City department on or before the fifteenth (15th) of each month that the Contractor collected payments on assigned accounts during the previous month. Automated remittance processes may be implemented upon written agreement between the City department and the Contractor. Specific information required in the report shall include, but not be limited to:

- Contract Number
- Contractor Assigned Vendor Code Number
- City Account Number
- Debtor Name
- Batch Number
- Amount Collected
- Remaining Balance Due
- Contractor Commission

G. Customized, Ad Hoc and Specialized As Needed Reports

On an occasional basis, the Contractor shall be required to provide to the City Contract Administrator or referring City department customized, ad hoc or specialized as needed reports. The Contractor shall furnish said reports within five (5) business days from receipt of a written request, or other timeframe specified in writing, from the City Contract Administrator or referring City department. Specific details regarding the content and format of the specialized report shall be provided by the requesting party; however the content or format(s) requested may not force Contractor to obtain licenses for or develop unique software or other technology the Contractor did not already use or possess rights to use at the time of contracting.

ARTICLE VI - TERM

- A. The term of this Agreement shall commence on December 1, 2020, and continue through November 30, 2023, unless terminated earlier as provided herein or amended as elsewhere provided herein. The Parties may extend the term of this agreement and any terms and conditions via an Amendment signed by both Parties.
- B. Compensation: During the term of this Amendment to the Supplemental Agreement, the City will pay the Contractor in accordance with Article IV – Commission Payments.
- C. Additional expenses: During the term of this Amendment to the Supplemental Agreement, the Contractor is responsible for the following additional costs for services rendered by CSS Impact (these costs do not apply if there are no services rendered by CSS Impact):
 - a. One time/agency fee for: On boarding, provisioning and training - \$7,500 (Seven thousand, five hundred dollars).
 - i. For this Agreement “on boarding” refers to the process of migrating an external system to the platform utilized by CSS Impact for the City in order to provide collection services for delinquent accounts; all of the activities that pertain to the migration of data and processes from a legacy system to the CSS Impact system for the City to provide collection services for delinquent accounts.
 - ii. For this Agreement “provisioning” refers to the act of configuring or setting up a process such as letters, reports, workflows, EDIs, dashboards, etc. for the City in order to provide collection services for delinquent accounts.
 - b. One time/agency fee for: Cloud infrastructure - \$4,995 (Four thousand, nine hundred, ninety five dollars).
 - c. Monthly agency fee for: Enterprise access with 10 (ten) users - \$4,995/month (Four thousand, nine hundred, ninety five dollars) and \$495/month (Four hundred ninety five dollars) for each additional user.
 - i. For this Agreement “enterprise” refers to the CSS Impact platform, and means that this platform provides large-scale functionality across all instances of Contractor legacy systems with an organization-wide feature set to potentially accommodate all Contractor current and future business processes.
 - d. Monthly agency fee for: Enterprise access with limited users (minimum 2 users) - \$1,250/month (One thousand, two hundred, fifty dollars).

ARTICLE VII - MANAGEMENT, ORGANIZATION AND RESPONSIBILITIES

- A. City Contract Administrator

The City hereby appoints the Director of the Office of Finance, or his/her designee, as the City Contract Administrator with respect to overall management, amendments or other matters directly related to this Agreement, provided; however, that any matters which will increase the City's financial obligation hereunder shall be presented to the

City Council for its consideration and approval or otherwise approved as provided in the City's Charter or Administrative Codes.

Each City department shall be primarily responsible for matters regarding their assigned accounts or referrals. The Contractor shall direct any communications and/or inquires regarding any assigned accounts to the City department that referred the said accounts in accordance with the Participation Document and other directives from the City department. City departments shall provide written notice to the Contractor with regard to any changes in the Participation Document or management of their referred accounts.

B. City Representations and Warranties

- a. The City and each respective department are responsible for referring to Contractor accounts that truly represent, at the time of referral, valid debts owed to the City by the debtor indicated as the "debtor" in each account referred. City also agrees to provide Contractor with its true and correct legal name and the true and correct legal name for any associated entities that will send accounts to Contractor, to the best of the City's knowledge and ability.
- b. The City represents and warrants that any interest or additional charges added to any account by the City, or which the City directs Contractor to add, are authorized by contract or are otherwise authorized by law. In addition, the City also represents that the name that it provides to Contractor as its name is its true and correct legal name, to the best of the City's knowledge and ability. The City understands and acknowledges it is aware that Contractor will rely on this representation and utilize this name as the name of the current creditor in collection letters to consumers.
- c. Contractor may choose to incorporate text and email consumer communications at cellular telephone numbers and email addresses City obtained from the consumer/consumer and subsequently provides to Contractor, and at cellular telephone numbers and email addresses that Contractor obtains directly from the consumer/consumer. Parties agree that upon mutual agreement by both Parties, the use of text and email communications will be permissible, as part of the ordinary course of business under this Agreement.

B. Contractor's Representative

The Contractor hereby appoints Barbara Lucas, VP, Government Contracts, to represent the Contractor with respect to amendments or other matters to this Agreement.

ARTICLE VIII - NOTICES

Notices and all other communications to the City or the Contractor required by or regarding this Agreement shall be in writing and delivered personally or sent by first class mail or fax as follows:

- A. City Address:
Office of Finance
200 N. Spring Street, Room 1225
Los Angeles, California 90012
Attn: Andrew Kaplan, City Contract Administrator
Telephone: (213) 978-3129
Fax: (213) 978-3666
Email: andrew.kaplan@lacity.org

- B. Contractor's Address:
Account Control Technology, Inc.
5300 Kings Island Drive, Suite 103
Mason, OH 45040
Attn: Barbara Lucas, VP Government Contracts
Telephone: (540) 848-1556
Fax: (855) 654-7300
Email: barb.lucas@accountcontrol.com

Any change by either party with regard to notices and all other communications to the City or the Contractor shall be made through written notice to the other party in accordance with this Article.

ARTICLE IX - TERMINATION

The City may terminate the Agreement, or any part hereof, for its convenience, effective as of any date upon at least thirty (30) days written notification to the Contractor. Contractor may terminate the Agreement in total, effective 60 days from the date written notification is tendered to the City.

Upon termination of the Agreement, all accounts shall be deemed automatically reassigned by the Contractor to the City. In-process collections may be considered waived from reassignment upon written consent from the City. For the purpose of this Agreement, in-process collections are instances where payment plans are in affect and active payments are being made by the debtor in accordance with the plan. Contract terms and conditions will stay in effect with regard to accounts that remain with the Contractor for in-process collections, with no additional account referrals to the Contractor by the City.

If any provision of this Agreement is held unenforceable, then such provision may be modified by mutual agreement to reflect the parties' intention. All remaining provisions of this Agreement shall remain in full force and effect.

ARTICLE X - INCORPORATION BY REFERENCE

The Contractor agrees to comply with all terms and conditions set forth in the City's "Standard Provisions for City Contracts" (revised October 2017), a copy of which is attached hereto as Appendix A and incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective duly authorized representatives.

Approved Corporate Signature Methods:

- a) Two signatures: one by Chairman of Board of Directors, President, or Vice President; and one by Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer.
- b) One signature by corporate designated individual together with properly attested resolution of Board of Directors authorizing person to sign on the company's behalf.

THE CITY OF LOS ANGELES

ACCOUNT CONTROL TECHNOLOGY,
INC.

By _____
DIANA MANGIOGLU
Director of Finance/City Treasurer

By _____
Name _____

Date _____

Title _____

Date _____

By _____

Name _____

Title _____

Date _____

APPROVED AS TO FORM AND
LEGALITY:

ATTEST:

MICHAEL N. FEUER,
City Attorney

HOLLY L. WOLCOTT,
City Clerk

By _____

By _____

Date _____

Date _____

AGREEMENT
between
THE CITY OF LOS ANGELES
and
ALLIANCEONE RECEIVABLES MANAGEMENT, INC.
FOR COLLECTION SERVICES OF THE CITY'S
DELINQUENT ACCOUNTS RECEIVABLE

AGREEMENT NO. _____

This Agreement is made and entered into and between the City of Los Angeles (hereinafter referred to as the "City"), a municipal corporation, acting by and through its Office of Finance (hereinafter referred to as "Finance") and AllianceOne Receivables Management, Inc., (hereinafter referred to as the "Contractor").

WITNESSETH:

WHEREAS, City utilizes outside collection agency services as a best practice in delinquent debt collection and revenue generator to the City; and

WHEREAS, City prepared and released a Request for Proposals (RFP) for Primary and/or Secondary Collection Services to pursue collection of the City's delinquent accounts; and

WHEREAS, the Contractor recognizes that the City may contract with multiple agencies for collection services and may utilize any account allocation process that it deems appropriate; and

WHEREAS, the RFP Evaluation Committee has evaluated the proposals received and recommended approval of the Contractor to the City Council; and

WHEREAS, the City Council has approved the Contractor as one of the agencies for collection services to pursue collection of the City's delinquent accounts; and

WHEREAS, the parties hereto wish to enter into an Agreement by which the Contractor will perform the work and furnish all labor, materials, supervision, tools, transportation, and equipment necessary to recover the monies due the City as a result of active pursuit of outstanding accounts receivables.

NOW THEREFORE, in consideration of the above premises and the covenants, representations and agreements herein contained, the parties hereby covenant and agree as follows:

ARTICLE I – SERVICES TO BE PROVIDED

The Contractor is an independent organization that will provide primary, secondary, and/or post-judgment collection services on delinquent accounts referred to it by City departments, bureaus or offices (hereinafter referred to as "City departments") pursuant to the terms and conditions of this Agreement.

Services to be performed by the Contractor for primary and/or secondary collection services herein include, but are not limited to, locating debtors, arranging for payments, mailing dunning notices, skip-tracing delinquent accounts, contacting debtors by telephone and verifying assets. All correspondence between the Contractor and the City debtors shall be sent by first class mail.

Primary collection services include collection efforts on initial referrals of delinquent accounts to a contracted collection agency by a City department. Generally, delinquent accounts referred at the primary level are at least forty-five (45) days past due, except for emergency medical services (EMS) accounts referred by the Los Angeles Fire Department (LAFD). LAFD may refer delinquent EMS accounts at the time reasonable collection efforts have failed, but not later than nine (9) months from the date of initial billing.

For primary level services, the Contractor shall have a period of nine (9) months to effect collection. If the Contractor is unable to collect on the referred account within nine (9) months from assignment, the Contractor shall return the account to the City department that referred it and cease all collection efforts. For the purposes of this Agreement, the term "assignment" means the date that the account is referred to the Contractor. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the City. In limited circumstances, the City may, at its sole discretion, elect to extend the time that the Contractor may retain said account in writing.

Secondary collection services include collection efforts on referrals of delinquent accounts that were previously assigned to a collection agency at the primary level and were returned to the City department by the primary level agency after at least nine (9) months from initial assignment and uncollected. For secondary level collection services, the Contractor shall have a period of six (6) months to effect collection. If the Contractor is not able to collect on the referred account within six (6) months from assignment, the Contractor shall return the account to the City department that referred it and cease all collection efforts. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the City. In limited circumstances, the City may, at its sole discretion, elect to extend the time that the Contractor may retain said account in writing.

The Contractor shall only perform primary level or secondary level collection services on any particular account that is referred to it and shall not under any circumstance perform both primary and secondary level collections on the same account.

The Contractor is prohibited from instituting any legal action on behalf of the City against any debtor or performing any service that would constitute the practice of law in the State of California. The Contractor is also prohibited from using any threats of legal action. The Contractor may only inform the debtor of consequences of non-payment. If the Contractor determines that legal action or legal services are required, the Contractor shall make a recommendation for such action and return the account to the City. Under this circumstance, the Contractor may communicate to the debtor that the matter is being returned to the City with a recommendation to consider further legal recourse.

In the event an account assigned to the Contractor is determined to be uncollectible, by City or Contractor, for reasons that include, but are not limited to, a debtor's bankruptcy filing, court-ordered receivership is granted over debtor's business, debtor is deceased or decedent's estate does not have sufficient assets to satisfy the indebtedness, the Contractor shall cease all collection efforts on said account upon receipt of this information and return the account to the City with notification of the reason(s) for return of the account, as detailed in Article V of this Agreement.

ARTICLE II – REFERRAL PROCESS

Prior to referring any accounts to the Contractor, a City department must forward to the Contractor a Participation Document. The Participation Document includes key information regarding the City department to facilitate referral of accounts to the Contractor. Under no circumstance shall the Contractor initiate collection on behalf of a City department prior to receiving a completed and signed Participation Document from the City department for which it will effect collection. Receipt of a completed Participation Document from a City department does not obligate or guarantee that the City department will actually refer any accounts to the Contractor. At any time, the City department may, at its sole discretion, utilize the services of the Contractor or another contracted agency. Information in the Participation Document includes:

- Specific Department Information
- Type of Accounts to be Referred
- Liaison for Account Inquiries and Technical Issues
- Method to Transmit Accounts
- Specific Reporting/Remittance Requirements

City departments may use various means/methods to assign accounts to the Contractor, that includes electronic transmission, electronic file, or in writing. For the purposes of this Agreement, the term "assign" means the transfer of accounts by a City department to the Contractor to effect collection. Assigned accounts will include the following information, if available, and any other relevant information that the City department may have at the time of referral as deemed appropriate:

- Debtor Name(s)
- Debtor Address
- Type of Account
- Unpaid Balance Outstanding

ARTICLE III – PERFORMANCE REQUIREMENTS

- A. In performing collection services for the City, the Contractor shall adhere to the highest legal, ethical, and professional standards. The Contractor shall comply with the Taxpayer Bill of Rights and perform services in a manner that is consistent with all federal and state fair debt collection practices, acts and confidentiality provisions, including, but not limited to California Civil Code Sections 1788 et seq. In addition, all information and data received by the Contractor from the City shall be regarded as confidential under Section 21.17 of the Los Angeles Municipal Code.

Moreover, for collection of LAFD EMS accounts, the Contractor shall be in compliance with all Health Insurance Portability and Accountability Act (HIPAA) regulations and requirements as set forth in Title 45 of the Code of Federal Regulation (Parts 160, 162 and 164) and the American Recovery and Reinvestment Act of 2009 which added the Health Information Technology for Economic and Clinical Health Act of 2009 (Sections 13400 et seq.) throughout the term of the contract and sign a Business Associate Agreement with the Fire Department prior to receiving any EMS accounts for collection. The Contractor shall be required to integrate with existing City HIPAA compliant systems to ensure secure electronic transfer of EMS related records.

In addition, in performing the services requested, the Contractor shall:

1. Perform its work as an independent contractor and shall, at all times, inform the debtors that it is acting as a collection agency for the City but that it is an entity separate and distinct from the City;
2. Collect on only amounts authorized by the City and shall not add or collect any amounts not authorized by the City;
3. Deposit all monies collected for the City into a special trust fund which shall be kept separate and not commingled with other funds of the Contractor or other clients of the Contractor. If the trust fund is an interest accruing account, such accruals must be credited to the City. All monies collected by the Contractor for the City shall be remitted to the City on a monthly basis; as defined in this Article and Article V of this Agreement;
4. Deliver to the referring City department on or before the fifteenth (15th) of each month all monies collected during the previous month. The Contractor shall not, for any reason, withhold monies collected during the previous month on any account referred to the Contractor by the City and shall promptly deliver said payments to the City as specified above. Together with the monthly delivery of monies collected during the previous month, the Contractor shall submit an invoice in duplicate for commission owed and a remittance report summarizing detailed information for payments received in accordance with the requirements outlined in Article V of this Agreement;
5. Obtain approval from the City as to form and content for all letters used by the Contractor to effect collection before use;
6. Engage in payment plans, when determined appropriate, with the City debtors for a term of no longer than one year. Payment plans in excess of one year require approval from the referring City department;

7. Agree that any information provided by the City departments on delinquent accounts will be used solely for the purpose of collection, held in the strictest of confidence and used for no other purpose;
8. Maintain all City information and records separate from information and records related to other clients;
9. Bear all expenses and costs incurred to effect collection of any account referred by the City;
10. Provide electronic payment options to debtors including online, credit or debit card, e-check, ACH, as well as other City-approved methods;
11. Return to the referring City department, in automated format or other manner specified by City department, all accounts that remain uncollected by the Contractor upon nine (9) months from assignment for primary collection and six (6) months from assignment for secondary collection, and shall cease all collection efforts, except for instances where payment plans are in affect and active payments are made in accordance with the plan or in limited circumstances where the City may, at its sole discretion, elect to extend the time that the Contractor may retain said account in writing. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the City. The Contractor shall report to the referring City department; as outlined in Article V of this Agreement; on any account returned prior to or retained past the allotted time specified by the City to effect collection in this Agreement;
12. Be able to accept account data through various communication methods employed by the City, whether paper-based or electronic. The Contractor must work with the individual City departments to develop systems interfaces for efficient and secured data transfer of their accounts. All costs associated with the development of said systems will be borne by the Contractor;
13. Comply with any special collection campaigns authorized by the City, wherein selected account types may be targeted for specified reductions in balances owed, for example, offer in compromise and debt amnesty programs.

Moreover, in performing the services requested, the Contractor shall not:

14. Subcontract, assign, refer or transfer any account referred to it by the City, or otherwise assign its rights or delegate its duties under this Agreement to any other person or entity, including any attorney, without the express written consent of the City;
15. Collect more than the amount of the assigned debt and any applicable contingency fees authorized by the City to be added to the assigned amount. The City's assigned debt may include both the principal amount and any penalties or interest on the

unpaid principal amount, including any accrued amounts authorized by the City. The Contractor shall not add and/or collect penalties, interest or fees not authorized by the City in writing. Any additional authorized or unauthorized amounts collected by the Contractor shall be remitted to the City, as defined in Article V of this Agreement;

16. Threaten or intimidate debtors under any circumstances in the collection of the City's accounts or violate any applicable government laws or regulations;
17. Use or display the official seal of the City of Los Angeles on any of its letterheads or communications with any debtor for any reason;
18. State or suggest, in any verbal or written communication, that the Contractor intends to pursue legal action against the debtor, or imply that it has any authority to do so;
19. Take any legal action against a debtor on a City account;
20. Initiate, negotiate, or reach settlements on any account assigned to it for collection nor directly or indirectly imply that it has such authority, unless authorized by the City in writing;
21. Recommend to debtors the use of "payday" loans to satisfy City accounts, or any loans through a lender wherein the Contractor has any financial interest in the lender or where the Contractor would realize any additional financial gain through referral of business to the lender;
22. Perform secondary level collection services on any account in which it has previously performed primary collection services under this Agreement.

B. Recall of Accounts

The City departments shall have the right at their sole discretion to recall from the Contractor without charge or penalty any account(s) assigned to the Contractor. For purposes of this Agreement, the term "recall" means the demand return of an assigned account to the City. Upon recall by the City departments, the Contractor shall undertake no further collection efforts on recalled account(s). The Contractor shall not be entitled to any contingency fees for payments received by the City on an account after the date of recall except where the debtor has contacted the City to engage in settlement of the account prior to the date of recall. In any attempt by a debtor to pay on a City account no longer assigned to the Contractor, the Contractor shall not accept payment and direct the debtor to contact the City.

C. Quality Assurance

The Contractor's performance will be evaluated according to contract standards and other

performance measures deemed appropriate by the City, including, but not limited to, establishing contractor performance benchmarks and incentives relative to collection on City accounts. Performance benchmarks will include periodic tracking and grading a Contractor's compliance with contractual obligations such as the generation of ad hoc, routine, specialized/custom reports, responsiveness to department requests, practice of loading of referred accounts in a timely manner, and adherence to City administrative requirements. In addition, City reserves the right to publish the Contractor grades and rates of recovery on City accounts for departments use via City's Intranet or to be shared with City's collection vendors under contract for information, incentive and competitive purposes. The City may use a variety of inspection methods to determine Contractor's compliance with terms of this Agreement and evaluate performance level. The methods of inspection may include, but are not limited to:

- Random sampling
- Reports, (monthly and as needed)
- Periodic inspection of output items

The City shall have the right at any time during regular business hours to inspect records relative to City department accounts maintained by the Contractor at its place of business, with reasonable advance notification. Said records shall be retained by the Contractor three (3) years following final payment under this Agreement for non-EMS accounts. For LAFD EMS accounts, the Contractor shall retain records as required by HIPAA and the terms of the Business Associate Agreement between the Contractor and LAFD.

The Contractor must also be available to meet with representatives of the City on a quarterly basis, or as deemed appropriate by the City, to discuss any issues or concerns relating to the contract and/or City accounts. Upon request by the City for an impromptu meeting with the Contractor, the Contractor shall coordinate with the City an amicable time; however, if the City deems the matter requires immediate attention, the Contractor shall make itself available to meet with the City within two (2) business days from the day of the City's request.

D. Account Redistribution

City departments shall have sole discretion at any time without reason the right to distribute or redistribute accounts among the City's contracted collection agencies. For those accounts assigned to the Contractor wherein payments are being made and/or subject to a current, agreed upon payment plan, the City departments may permit these accounts to remain with the Contractor while collections continue according to the arranged payment amount and schedule.

For any account assigned to the Contractor and recalled by the City to pursue other measures to collect, including redistribution to another contracted collection agency, the Contractor will not be due any commission after the date of recall by the City except where debtor has contacted the City to engage in settlement of the account prior to the date of recall. The Contractor shall direct the debtor to contact the City on any attempt

by a debtor to pay on a City account that has been recalled by the City or is no longer assigned to the Contractor.

E. Membership in Professional Organizations

The Contractor shall maintain, at no cost to the City, membership in the American Collectors Association International, California Association of Collectors or similar professional organizations that provide interstate and intrastate services and utilize collection techniques consistent with the Code of Ethics and standards adopted by said associations.

F. Tax Certificate

The Contractor agrees to have and maintain a valid City of Los Angeles Business Tax Registration Certificate for the term of the Agreement, at no cost to the City.

G. Automation Support

The Contractor shall provide information technology/systems support to the City as deemed necessary by the referring City departments to establish and maintain account referral protocols, information exchanges and reports. Such information technology/systems support services are to be provided by the Contractor at no expense to the City.

H. Client Assistance

The Contractor shall provide to the referring City departments and offices as needed on-site customer assistance during, but not limited to, the first thirty (30) days of contract implementation. Client assistance services are to be provided by the Contractor at no expense to the City.

I. Training

The Contractor shall provide to the City on-site training relative to collection processes and procedures as deemed necessary by the referring City departments at no cost to the City.

J. Consulting

The Contractor shall provide to the City, upon request of management and supervisory level personnel, consulting services relative to collection and revenue enhancement processes and procedures as deemed necessary by the referring City department at no cost to the City. The Contractor shall provide to City management and supervisory level staff data and information relative to collections, industry trends, best practices, projections and any other relevant materials, upon request, to assist City staff in revenue collection management and analysis.

K. Access to Accounts

The Contractor shall provide to City departments remote access to its accounts assigned to the Contractor through an internet website or similar process. The Contractor shall also provide City departments with technical assistance, training and requirements needed to establish and use remote access privileges to its accounts, if needed, and at no cost to the City. Furthermore, the Contractor shall provide secure online access from the Contractor's delinquent account collection system to designated Finance and other City staff for accounts referred from the City for the purpose of delinquent account review, performance, and ad hoc reporting purposes.

L. Complaint Response and Handling

The Contractor shall acknowledge and respond to all written and oral complaints received relative to City accounts or City debtors. For written complaints, the Contractor shall acknowledge receipt of the complaint in writing within two (2) business days from the day the written complaint is received. Complaints and/or inquiries by telephone shall be received by the Contractor's personnel during regular business hours. During non-business hours, the Contractor shall provide a means for debtors to leave a message regarding their complaint and/or inquiry. All phone messages regarding City accounts shall be responded to by the Contractor no later than the next business day from the day that the message was left.

All complaints shall be directed to qualified customer service staff or manager who shall take responsibility for resolving the matter. The Contractor shall conduct any necessary investigations and take appropriate steps to resolve complaints within thirty (30) calendar days from receipt of the complaint, or other time frame, if deemed appropriate and specified in writing by the City. The Contractor shall notify complainant of the resolution of their complaint in writing and provide written notification of said resolution to the City, as defined in Article V of this Agreement. In circumstances when a complaint requires more than thirty (30) calendar days to resolve, the Contractor shall inform the City of the additional time needed, basis for the delay and estimated time when a resolution is expected.

The Contractor shall document and maintain records of all complaints initiated, including information regarding the person(s) that filed the complaint, specific details regarding the nature of the complaint, all parties involved, steps taken to resolve the matter, final disposition and the name and title of staff that handled the matter.

At its sole discretion, the City may require the Contractor to take further steps to resolve a complaint if determined by the City that the Contractor did not address the complaint in a manner satisfactory to the City. The Contractor shall provide to the City any record(s) relative to a complaint upon request of the City, and said record(s) shall be made available to the City within two (2) business days of the City's request.

The Contractor shall immediately notify the City of any legal actions initiated against the Contractor regarding any City account, or which may have any relevance to the City as a business partner. The Contractor shall within one (1) week of giving notice to the City of a legal action, submit a comprehensive written report, including any supporting documentation, to the City to acquaint the City of pertinent details regarding the legal matter. The City may, at its discretion, require the Contractor to provide said report sooner than one (1) week if deemed appropriate. The Contractor shall keep the City informed on the status of any litigation matter at least on a quarterly basis, and shall immediately inform the City of any key developments with regard to the legal proceeding. The City may, at its sole discretion, modify the Contractor's reporting requirement regarding a legal matter as deemed appropriate. The Contractor shall assume all costs related to any litigation and the City shall be held harmless for any liabilities or damages that may result from litigation against the Contractor on any City account.

ARTICLE IV - COMMISSION PAYMENTS

The City agrees to compensate the Contractor on a contingency fee basis for services to the City performed under this Agreement. If no recovery is made on an account referred to the Contractor by the City, there is no compensation due to the Contractor. The commission due the Contractor shall be based on the Contractor's applicable commission rate approved by the City and any recovery made on an account that has been assigned to the Contractor, up to, but not to exceed the City's assigned amount. For compensation purposes, the assigned amount is the amount of the debt referred to the Contractor, including any City authorized adjustments to the amount referred after assignment, i.e., interest accruing on the unpaid balance or a reduction in the debt from an audit performed on the account.

Any adjustments made to an assigned amount shall be authorized by the City, and upon adjustment, the Contractor shall be entitled to commission on amounts recovered up to the final adjusted assigned amount. The Contractor is not entitled to commission on amounts recovered that exceed the City's assigned amount, i.e., the Contractor's contingency fees authorized by the City to be added to the assigned amount and collected by the Contractor.

The Contractor's approved commission rate for actual amounts recovered on accounts referred, up to, but not exceeding the assigned amount of the referral, shall be:

Contractor's Approved Commission Rates

Collection Level	Assigned Amount	Commission Rate
<i>Primary Rate</i>	<i>N/A</i>	19.5%
<i>Post Judgment Rate</i>	<i>N/A</i>	\$0.20 per hit for batch services

The Contractor shall not be compensated in any other method than that prescribed in this Article. An invoice shall be submitted to the appropriate referring City department for commission owed

the Contractor on amounts collected during the previous month, as detailed in Article III and Article V of this Agreement.

Any money paid directly to the City on any account assigned to the Contractor shall be deemed to have been collected by the Contractor, and the Contractor will be entitled to receive a commission on the payment, **unless: 1)** payment is received by the City or postmarked on or prior to the date of the City's receipt of the Contractor Acknowledgement Report as set forth in Article V of this Agreement **or; 2)** collection activity, such as dunning notice sent or telephone contact with debtor, by the Contractor has not begun, in which case the Contractor would not be due any commission. The City shall promptly notify the Contractor regarding any payment made directly to the City on an account assigned to the Contractor.

ARTICLE V - REPORTING

A. Required Monthly Reports to City Contract Administrator

The Contractor shall provide to the Contract Administrator in the Office of Finance, monthly electronic reports regarding collection activities, overall and specific to individual City departments, performed by the Contractor during the previous month and from inception of the Agreement. Required monthly reports are due to the City's Contract Administrator within five (5) working days of the close of the prior month. The City reserves the right to modify the Contractor's monthly reporting requirements as deemed appropriate and the Contractor shall comply with any requested changes to monthly reporting requirements within one (1) month of being notified by City of the requested modification. Required monthly reporting, as defined by the City, may include, but are not limited to the following reports:

- Activity Reports
- Batch Reports
- Overall Status of Accounts Referred
- Lists of Delinquent Debtors
- Performance Reports
- Stair-Step Reports
- Status of Complaints, as defined in Article III of this Agreement

B. Required Monthly Reports to Referring City Departments

The Contractor shall also provide monthly electronic reports to each City department that refers accounts. Monthly reports shall include information relative to collection activities specific to accounts referred to the Contractor by that City department and include information for the prior month and aggregate from the time department initiated referring accounts to the Contractor. Required monthly reports are due to City departments within five (5) working days of the close of prior month. City departments reserve the right to modify Contractor's monthly reporting requirements as deemed appropriate. The Contractor shall comply with any requested changes in monthly reporting within one (1) month of receiving notification from the department. Required

monthly reporting to referring City departments on accounts assigned to the Contractor may include, but are not limited to the following:

- Status of Accounts Referred by the City department
- Returned/Closed Accounts
- Retained Accounts
- Remittance Report

C. Acknowledgement Report

Upon receipt of a referral from a City department, the Contractor shall provide an Acknowledgment Report to the referring City department within one City business day from the assignment to verify account placement. Timely submission of the Acknowledgement Report by the Contractor is essential in order for the Contractor to be entitled any commission for monies collected on a referred account, as set forth in Article IV of this Agreement. The referring City department shall specify to the Contractor the method for receipt of the Acknowledgement Report. Information in the report shall include, but not be limited to the following on each account received:

- City Account Number
- Debtor Name
- Assignment Date
- Assignment Amount

D. Returned Accounts Report

The Contractor is required to furnish to City departments when applicable, a report on accounts returned to the City. Reasons that an assigned account may be returned to the City include, but are not limited to:

- Contractor was unable to collect the unpaid amounts within the time period allotted by the City to effect collection
- Court-ordered receivership is granted over debtor's business
- Debtor bankruptcy filing
- Debtor is deceased
- Decedent's estate lacks sufficient assets to satisfy the indebtedness
- City recalled the account

The contractor must state in its report the reason(s) for the return of the account and be able to provide detailed information regarding all efforts undertaken by the Contractor to collect on the account prior to its return. The format for the report on returned accounts shall be specified by the City departments and shall accompany any returned accounts. At a minimum, information contained in the report shall include the following for each account returned:

- City Account Number
- Contractor Assigned Account Number
- Debtor Name
- Assignment Date
- Assigned Amount
- Amount Collected
- Remaining Balance Due
- Detailed Reason for Return

E. Retained Accounts Report

The Contractor is required to furnish to City departments when applicable, a report on accounts retained by the Contractor beyond the approved nine (9) months for primary collection and six (6) months for secondary collection. Reporting on retained accounts shall begin no later than the date that these accounts would normally have been returned to the City due to the time period allotted by the City to effect collection has expired. The Contractor shall continue to report on retained accounts, on a monthly basis, until said accounts are paid in full or returned to the City department.

City accounts shall not be retained by the Contractor unless authorized in writing by the referring City department or where payment plans are in effect and debtors are making active payments under the payment plan that will extend beyond the allotted time period to effect collection as specified under this Agreement.

At any time the City may, at its sole discretion and for any reason, recall an account from the Contractor, as set forth in Article III of this Agreement. However, this action would not preclude payment obligations to the Contractor of contingency fees in the event an account with a payment plan in effect is taken over by the City and successfully collected by the City. The retained accounts report shall include at least the following information for each account retained:

- City Account Number
- Debtor Name
- Assignment Date
- Assigned Amount
- Amount Collected
- Remaining Balance Due
- Reason(s) Account has been Retained

F. Remittance Report

The Contractor is required to furnish to City departments when applicable, a remittance report setting forth the details from any monies collected from debtors on City assigned accounts during the previous month. This report shall accompany the monthly delivery of monies, as defined in Article III of this Agreement, and shall be delivered to the referring City department on or before the fifteenth (15th) of each month that the

Contractor collected payments on assigned accounts during the previous month. Automated remittance processes may be implemented upon written agreement between the City department and the Contractor. Specific information required in the report shall include, but not be limited to:

- Contract Number
- Contractor Assigned Vendor Code Number
- City Account Number
- Debtor Name
- Batch Number
- Amount Collected
- Remaining Balance Due
- Contractor Commission

G. Customized, Ad Hoc and Specialized As Needed Reports

On an occasional basis, the Contractor shall be required to provide to the City Contract Administrator or referring City department customized, ad hoc or specialized as needed reports. The Contractor shall furnish said reports within five (5) business days from receipt of a written request, or other timeframe specified in writing, from the City Contract Administrator or referring City department. Specific details regarding the content and format of the specialized report shall be provided by the requesting party.

ARTICLE VI - TERM

- A. The term of this Agreement shall commence on December 1, 2020, and continue through November 30, 2023, unless terminated earlier as provided herein or amended as elsewhere provided herein. The City may, at its sole discretion, extend the term of this Agreement for two (2) additional years in one (1) year increments under the same prices, terms and conditions for such periods if both parties agree to the extensions.
- B. Compensation: During the term of this Agreement, the City will pay the Contractor in accordance with Article IV – Commission Payments.
- C. Additional expenses: During the term of this Agreement, the Contractor is responsible for the following additional costs for services rendered by CSS Impact (these costs do not apply if there are no services rendered by CSS Impact):
- a. One time/agency fee for: On boarding, provisioning and training - \$7,500 (Seven thousand, five hundred dollars).
 - i. For this Agreement “on boarding” refers to the process of migrating an external system to the platform utilized by CSS Impact for the City in order to provide collection services for delinquent accounts; all of the activities that pertain to the migration of data and processes from a legacy system to the CSS Impact system for the City to provide collection services for delinquent accounts.

- ii. For this Agreement “provisioning” refers to the act of configuring or setting up a process such as letters, reports, workflows, EDIs, dashboards, etc. for the City in order to provide collection services for delinquent accounts.
- b. One time/agency fee for: Cloud infrastructure - \$4,995 (Four thousand, nine hundred, ninety five dollars).
- c. Monthly agency fee for: Enterprise access with 10 (ten) users - \$4,995/month (Four thousand, nine hundred, ninety five dollars) and \$495/month (Four hundred ninety five dollars) for each additional user.
 - i. For this Agreement “enterprise” refers to the CSS Impact platform, and means that this platform provides large-scale functionality across all instances of Contractor legacy systems with an organization-wide feature set to potentially accommodate all Contractor current and future business processes.
- d. Monthly agency fee for: Enterprise access with limited users (minimum 2 users) - \$1,250/month (One thousand, two hundred, fifty dollars).

ARTICLE VII - MANAGEMENT, ORGANIZATION AND RESPONSIBILITIES

A. City Contract Administrator

The City hereby appoints the Director of the Office of Finance, or his/her designee, as the City Contract Administrator with respect to overall management, amendments or other matters directly related to this Agreement, provided; however, that any matters which will increase the City's financial obligation hereunder shall be presented to the City Council for its consideration and approval or otherwise approved as provided in the City's Charter or Administrative Codes.

Each City department shall be primarily responsible for matters regarding their assigned accounts or referrals. The Contractor shall direct any communications and/or inquiries regarding any assigned accounts to the City department that referred the said accounts in accordance with the Participation Document and other directives from the City department. City departments shall provide written notice to the Contractor with regard to any changes in the Participation Document or management of their referred accounts.

B. Contractor's Representative

The Contractor hereby appoints Harry Neerenberg, Chief Financial Officer to represent the Contractor with respect to amendments or other matters to this Agreement.

ARTICLE VIII - NOTICES

Notices and all other communications to the City or the Contractor required by or regarding this Agreement shall be in writing and delivered personally or sent by first class mail or fax as follows:

- A. City Address:
Office of Finance
200 N. Spring Street, Room 1225
Los Angeles, California 90012
Attn: Andrew Kaplan, City Contract Administrator
Telephone: (213) 978-3129
Fax: (213) 978-3666
Email: rushmore.cervantes@lacity.org
- B. Contractor's Address:
AllianceOne Receivables Management, Inc.
4850 East Street Road, Suite 300
Trevose, PA 19053
Attn: Harry Neerenberg, Chief Financial Officer
Telephone: (866) 568-9235
Fax: (215) 354-5514
Email: harry.neerenberg@allianceoneinc.com

Any change by either party with regard to notices and all other communications to the City or the Contractor shall be made through written notice to the other party in accordance with this Article.

ARTICLE IX - TERMINATION

The City may terminate the Agreement, or any part hereof, for its convenience, effective as of any date upon at least thirty (30) days written notification to the Contractor.

Upon termination of the Agreement, all accounts shall be deemed automatically reassigned by the Contractor to the City. In-process collections may be considered waived from reassignment upon written consent from the City. For the purpose of this Agreement, in-process collections are instances where payment plans are in affect and active payments are being made by the debtor in accordance with the plan. Contract terms and conditions will stay in effect with regard to accounts that remain with the Contractor for in-process collections, with no additional account referrals to the Contractor by the City.

If any provision of this Agreement is held unenforceable, then such provision may be modified by mutual agreement to reflect the parties' intention. All remaining provisions of this Agreement shall remain in full force and effect.

ARTICLE X - INCORPORATION BY REFERENCE

The Contractor agrees to comply with all terms and conditions set forth in the City's "Standard Provisions for City Contracts" (revised October 2017), a copy of which is attached hereto as Appendix A and incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective duly authorized representatives.

Approved Corporate Signature Methods:

- a) Two signatures: one by Chairman of Board of Directors, President, or Vice President; and one by Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer.
- b) One signature by corporate designated individual together with properly attested resolution of Board of Directors authorizing person to sign on the company's behalf.

THE CITY OF LOS ANGELES

ALLIANCEONE RECEIVABLES
MANAGEMENT, INC.

By _____
DIANA MANGIOGLU
Director of Finance/City Treasurer

By _____
Name _____

Date _____

Title _____

Date _____

By _____

Name _____

Title _____

Date _____

APPROVED AS TO FORM AND
LEGALITY:

ATTEST:

MICHAEL N. FEUER,
City Attorney

HOLLY L. WOLCOTT,
City Clerk

By _____

By _____

Date _____

Date _____

AGREEMENT
between
THE CITY OF LOS ANGELES
and
CAINE & WEINER
FOR COLLECTION SERVICES OF THE CITY'S
DELINQUENT ACCOUNTS RECEIVABLE

AGREEMENT NO. C-137455

This Agreement is made and entered into and between the City of Los Angeles (hereinafter referred to as the "City"), a municipal corporation, acting by and through its Office of Finance (hereinafter referred to as "Finance") and Caine & Weiner, (hereinafter referred to as the "Contractor").

WITNESSETH:

WHEREAS, City utilizes outside collection agency services as a best practice in delinquent debt collection and revenue generator to the City; and

WHEREAS, City prepared and released a Request for Proposals (RFP) for Primary and/or Secondary Collection Services to pursue collection of the City's delinquent accounts; and

WHEREAS, the Contractor recognizes that the City may contract with multiple agencies for collection services and may utilize any account allocation process that it deems appropriate; and

WHEREAS, the RFP Evaluation Committee has evaluated the proposals received and recommended approval of the Contractor to the City Council; and

WHEREAS, the City Council has approved the Contractor as one of the agencies for collection services to pursue collection of the City's delinquent accounts; and

WHEREAS, the parties hereto wish to enter into an Agreement by which the Contractor will perform the work and furnish all labor, materials, supervision, tools, transportation, and equipment necessary to recover the monies due the City as a result of active pursuit of outstanding accounts receivables.

NOW THEREFORE, in consideration of the above premises and the covenants, representations and agreements herein contained, the parties hereby covenant and agree as follows:

ARTICLE I – SERVICES TO BE PROVIDED

The Contractor is an independent organization that will provide primary, secondary, and/or post-judgement collection services on delinquent accounts referred to it by City departments, bureaus or offices (hereinafter referred to as "City departments") pursuant to the terms and conditions of this Agreement.

Services to be performed by the Contractor for primary and/or secondary collection services herein include, but are not limited to, locating debtors, arranging for payments, mailing dunning notices, skip-tracing delinquent accounts, contacting debtors by telephone, filing delinquent notifications with credit bureaus and verifying assets. All correspondence between the Contractor and the City debtors shall be sent by first class mail.

Primary collection services include collection efforts on initial referrals of delinquent accounts to a contracted collection agency by a City department. Generally, delinquent accounts referred at the primary level are at least 45 days past due, except for emergency medical services (EMS) accounts referred by the Los Angeles Fire Department (LAFD). LAFD may refer delinquent EMS accounts at the time reasonable collection efforts have failed, but not later than nine (9) months from the date of initial billing.

For primary level services, the Contractor shall have a period of nine (9) months to effect collection. If the Contractor is unable to collect on the referred account within nine (9) months from assignment, the Contractor shall return the account to the City department that referred it and cease all collection efforts. For the purposes of this Agreement, the term "assignment" means the date that the account is referred to the Contractor. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the City. In limited circumstances, the City may, at its sole discretion, elect to extend the time that the Contractor may retain said account in writing.

Secondary collection services include collection efforts on referrals of delinquent accounts that were previously assigned to a collection agency at the primary level and were returned to the City department by the primary level agency after at least nine (9) months from initial assignment and uncollected. For secondary level collection services, the Contractor shall have a period of six (6) months to effect collection. If the Contractor is not able to collect on the referred account within six (6) months from assignment, the Contractor shall return the account to the City department that referred it and cease all collection efforts. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the City. In limited circumstances, the City may, at its sole discretion, elect to extend the time that the Contractor may retain said account in writing.

The Contractor shall only perform primary level or secondary level collection services on any particular account that is referred to it and shall not under any circumstance perform both primary and secondary level collections on the same account.

The Contractor is prohibited from instituting any legal action on behalf of the City against any debtor or performing any service that would constitute the practice of law in the State of California. The Contractor is also prohibited from using any threats of legal action. The Contractor may only inform the debtor of consequences of non-payment, such as reporting to credit bureaus. If the Contractor determines that legal action or legal services are required, the Contractor shall make a recommendation for such action and return the account to the City. Under this circumstance, the Contractor may communicate to debtor that the matter is being returned to the City with a recommendation to consider further legal recourse.

In the event an account assigned to the Contractor is determined to be uncollectible, by City or Contractor, for reasons that include, but are not limited to, a debtor's bankruptcy filing, court-ordered receivership is granted over debtor's business, debtor is deceased or decedent's estate does not have sufficient assets to satisfy the indebtedness, the Contractor shall cease all collection efforts on said account upon receipt of this information and return the account to the City with notification of the reason(s) for return of the account, as detailed in Article V of this Agreement.

ARTICLE II – REFERRAL PROCESS

Prior to referring any accounts to the Contractor, a City department must forward to the Contractor a Participation Document. The Participation Document includes key information regarding the City department to facilitate referral of accounts to the Contractor. Under no circumstance shall the Contractor initiate collection on behalf of a City department prior to receiving a completed and signed Participation Document from the City department for which it will effect collection. Receipt of a completed Participation Document from a City department does not obligate or guarantee that the City department will actually refer any accounts to the Contractor. At any time, the City department may, at its sole discretion, utilize the services of the Contractor or another contracted agency. Information in the Participation Document includes:

- Specific Department Information
- Type of Accounts to be Referred
- Liaison for Account Inquiries and Technical Issues
- Method to Transmit Accounts
- Specific Reporting/Remittance Requirements

City departments may use various means/methods to assign accounts to the Contractor, that includes electronic transmission, electronic file, or in writing. For the purposes of this Agreement, the term "assign" means the transfer of accounts by a City department to the Contractor to effect collection. Assigned accounts will include the following information, if available, and any other relevant information that the City department may have at the time of referral as deemed appropriate:

- Debtor Name(s)
- Debtor Address
- Type of Account
- Unpaid Balance Outstanding

ARTICLE III – PERFORMANCE REQUIREMENTS

- A. In performing collection services for the City, the Contractor shall adhere to the highest legal, ethical, and professional standards. The Contractor shall comply with the Taxpayer Bill of Rights and perform services in a manner that is consistent with all federal and state fair debt collection practices, acts and confidentiality provisions, including, but not limited to California Civil Code Sections 1788 et seq. In addition, all information and data received by the Contractor from the City shall be regarded as confidential under Section 21.17 of the Los Angeles Municipal Code.

Moreover, for collection of LAFD EMS accounts, the Contractor shall be in compliance with all Health Insurance Portability and Accountability Act (HIPAA) regulations and requirements as set forth in Title 45 of the Code of Federal Regulation (Parts 160, 162 and 164) and the American Recovery and Reinvestment Act of 2009 which added the Health Information Technology for Economic and Clinical Health Act of 2009 (Sections 13400 et seq.) throughout the term of the contract and sign a Business Associate Agreement with the Fire Department prior to receiving any EMS accounts for collection. The Contractor shall be required to integrate with existing City HIPAA compliant systems to ensure secure electronic transfer of EMS related records.

In addition, in performing the services requested, the Contractor shall:

1. Perform its work as an independent contractor and shall, at all times, inform the debtors that it is acting as a collection agency for the City but that it is an entity separate and distinct from the City;
2. Collect on only amounts authorized by the City and shall not add or collect any amounts not authorized by the City;
3. Deposit all monies collected for the City into a special trust fund which shall be kept separate and not commingled with other funds of the Contractor or other clients of the Contractor. If the trust fund is an interest accruing account, such accruals must be credited to the City. All monies collected by the Contractor for the City shall be remitted to the City on a monthly basis; as defined in this Article and Article V of this Agreement;
4. Deliver to the referring City department on or before the fifteenth (15th) of each month all monies collected during the previous month. The Contractor shall not, for any reason, withhold monies collected during the previous month on any account referred to the Contractor by the City and shall promptly deliver said payments to the City as specified above. Together with the monthly delivery of monies collected during the previous month, the Contractor shall submit an invoice in duplicate for commission owed and a remittance report summarizing detailed information for payments received in accordance with the requirements outlined in Article V of this Agreement;
5. Obtain approval from the City as to form and content for all letters used by the Contractor to effect collection before use;
6. Engage in payment plans, when determined appropriate, with the City debtors for a term of no longer than one year. Payment plans in excess of one year require approval from the referring City department;

7. Agree that any information provided by the City departments on delinquent accounts will be used solely for the purpose of collection, held in the strictest of confidence and used for no other purpose;
8. Maintain all City information and records separate from information and records related to other clients;
9. Bear all expenses and costs incurred to effect collection of any account referred by the City;
10. Report City department accounts to credit bureaus within 45 days of assignment, except for instances when the City has approved in writing a change in this time frame. The account may remain on a credit bureau report for the duration of the time in which the account is assigned with the Contractor and any written extension granted by the City, but upon return of the account to the City, the Contractor will instruct credit bureaus to remove any negative data reported relative to the account;
11. Provide electronic payment options to debtors including online, credit or debit card, e-check, ACH, as well as other City-approved methods;
12. Return to the referring City department, in automated format or other manner specified by City department, all accounts that remain uncollected by the Contractor upon nine (9) months from assignment for primary collection and six (6) months from assignment for secondary collection, and shall cease all collection efforts, except for instances where payment plans are in affect and active payments are made in accordance with the plan or in limited circumstances where the City may, at its sole discretion, elect to extend the time that the Contractor may retain said account in writing. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the City. The Contractor shall report to the referring City department; as outlined in Article V of this Agreement; on any account returned prior to or retained past the allotted time specified by the City to effect collection in this Agreement;
13. Be able to accept account data through various communication methods employed by the City, whether paper-based or electronic. The Contractor must work with the individual City departments to develop systems interfaces for efficient and secured data transfer of their accounts. All costs associated with the development of said systems will be borne by the Contractor;
14. Comply with any special collection campaigns authorized by the City, wherein selected account types may be targeted for specified reductions in balances owed, for example, offer in compromise and debt amnesty programs.

Moreover, in performing the services requested, the Contractor shall not:

15. Subcontract, assign, refer or transfer any account referred to it by the City, or otherwise assign its rights or delegate its duties under this Agreement to any other person or entity, including any attorney, without the express written consent of the City;
16. Collect more than the amount of the assigned debt and any applicable contingency fees authorized by the City to be added to the assigned amount. The City's assigned debt may include both the principal amount and any penalties or interest on the unpaid principal amount, including any accrued amounts authorized by the City. The Contractor shall not add and/or collect penalties, interest or fees not authorized by the City in writing. Any additional authorized or unauthorized amounts collected by the Contractor shall be remitted to the City, as defined in Article V of this Agreement;
17. Threaten or intimidate debtors under any circumstances in the collection of the City's accounts or violate any applicable government laws or regulations;
18. Use or display the official seal of the City of Los Angeles on any of its letterheads or communications with any debtor for any reason;
19. State or suggest, in any verbal or written communication, that the Contractor intends to pursue legal action against the debtor, or imply that it has any authority to do so;
20. Take any legal action against a debtor on a City account;
21. Initiate, negotiate, or reach settlements on any account assigned to it for collection nor directly or indirectly imply that it has such authority, unless authorized by the City in writing;
22. Recommend to debtors the use of "payday" loans to satisfy City accounts, or any loans through a lender wherein the Contractor has any financial interest in the lender or where the Contractor would realize any additional financial gain through referral of business to the lender;
23. Perform secondary level collection services on any account in which it has previously performed primary collection services under this Agreement.

B. Recall of Accounts

The City departments shall have the right at their sole discretion to recall from the Contractor without charge or penalty any account(s) assigned to the Contractor. For purposes of this Agreement, the term "recall" means the demand return of an assigned account to the City. Upon recall by the City departments, the Contractor shall undertake no further collection efforts on recalled account(s). The Contractor shall also instruct credit bureaus to remove any negative data reported relative to the account(s) recalled.

The Contractor shall not be entitled to any contingency fees for payments received by the City on an account after the date of recall except where the debtor has contacted the City to engage in settlement of the account prior to the date of recall. In any attempt by a debtor to pay on a City account no longer assigned to the Contractor, the Contractor shall not accept payment and direct the debtor to contact the City.

C. Quality Assurance

The Contractor's performance will be evaluated according to contract standards and other performance measures deemed appropriate by the City, including, but not limited to, establishing contractor performance benchmarks and incentives relative to collection on City accounts. Performance benchmarks will include periodic tracking and grading a Contractor's compliance with contractual obligations such as the generation of ad hoc, routine, specialized/custom reports, responsiveness to department requests, practice of loading of referred accounts in a timely manner, and adherence to City administrative requirements. In addition, City reserves the right to publish the Contractor grades and rates of recovery on City accounts for departments use via City's Intranet or to be shared with City's collection vendors under contract for information, incentive and competitive purposes. The City may use a variety of inspection methods to determine Contractor's compliance with terms of this Agreement and evaluate performance level. The methods of inspection may include, but are not limited to:

- Random sampling
- Reports, (monthly and as needed)
- Periodic inspection of output items

The City shall have the right at any time during regular business hours to inspect records relative to City department accounts maintained by the Contractor at its place of business, with reasonable advance notification. Said records shall be retained by the Contractor three (3) years following final payment under this Agreement for non-EMS accounts. For LAFD EMS accounts, the Contractor shall retain records as required by HIPAA and the terms of the Business Associate Agreement between the Contractor and LAFD.

The Contractor must also be available to meet with representatives of the City on a quarterly basis, or as deemed appropriate by the City, to discuss any issues or concerns relating to the contract and/or City accounts. Upon request by the City for an impromptu meeting with the Contractor, the Contractor shall coordinate with the City an amicable time; however, if the City deems the matter requires immediate attention, the Contractor shall make itself available to meet with the City within two (2) business days from the day of the City's request.

D. Account Redistribution

City departments shall have sole discretion at any time without reason the right to distribute or redistribute accounts among the City's contracted collection agencies. For those accounts assigned to the Contractor wherein payments are being made and/or

subject to a current, agreed upon payment plan, the City departments may permit these accounts to remain with the Contractor while collections continue according to the arranged payment amount and schedule.

For any account assigned to the Contractor and recalled by the City to pursue other measures to collect, including redistribution to another contracted collection agency, the Contractor will not be due any commission after the date of recall by the City except where debtor has contacted the City to engage in settlement of the account prior to the date of recall. The Contractor shall direct the debtor to contact the City on any attempt by a debtor to pay on a City account that has been recalled by the City or is no longer assigned to the Contractor.

E. Membership in Professional Organizations

The Contractor shall maintain, at no cost to the City, membership in the American Collectors Association International, California Association of Collectors or similar professional organizations that provide interstate and intrastate services and utilize collection techniques consistent with the Code of Ethics and standards adopted by said associations.

F. Tax Certificate

The Contractor agrees to have and maintain a valid City of Los Angeles Business Tax Registration Certificate for the term of the Agreement, at no cost to the City.

G. Automation Support

The Contractor shall provide information technology/systems support to the City as deemed necessary by the referring City departments to establish and maintain account referral protocols, information exchanges and reports. Such information technology/systems support services are to be provided by the Contractor at no expense to the City.

H. Client Assistance

The Contractor shall provide to the referring City departments and offices as needed on-site customer assistance during, but not limited to, the first thirty (30) days of contract implementation. Client assistance services are to be provided by the Contractor at no expense to the City.

I. Training

The Contractor shall provide to the City on-site training relative to collection processes and procedures as deemed necessary by the referring City departments at no cost to the City.

J. Consulting

The Contractor shall provide to the City, upon request of management and supervisory level personnel, consulting services relative to collection and revenue enhancement processes and procedures as deemed necessary by the referring City department at no cost to the City. The Contractor shall provide to City management and supervisory level staff data and information relative to collections, industry trends, best practices, projections and any other relevant materials, upon request, to assist City staff in revenue collection management and analysis.

K. Access to Accounts

The Contractor shall provide to City departments remote access to its accounts assigned to the Contractor through an internet website or similar process. The Contractor shall also provide City departments with technical assistance, training and requirements needed to establish and use remote access privileges to its accounts, if needed, and at no cost to the City. Furthermore, the Contractor shall provide secure online access from the Contractor's delinquent account collection system to designated Finance and other City staff for accounts referred from the City for the purpose of delinquent account review, performance, and ad hoc reporting purposes.

L. Complaint Response and Handling

The Contractor shall acknowledge and respond to all written and oral complaints received relative to City accounts or City debtors. For written complaints, the Contractor shall acknowledge receipt of the complaint in writing within two (2) business days from the day the written complaint is received. Complaints and/or inquiries by telephone shall be received by the Contractor's personnel during regular business hours. During non-business hours, the Contractor shall provide a means for debtors to leave a message regarding their complaint and/or inquiry. All phone messages regarding City accounts shall be responded to by the Contractor no later than the next business day from the day that the message was left.

All complaints shall be directed to qualified customer service staff or manager who shall take responsibility for resolving the matter. The Contractor shall conduct any necessary investigations and take appropriate steps to resolve complaints within thirty (30) calendar days from receipt of the complaint, or other time frame, if deemed appropriate and specified in writing by the City. The Contractor shall notify complainant of the resolution of their complaint in writing and provide written notification of said resolution to the City, as defined in Article V of this Agreement. In circumstances when a complaint requires more than thirty (30) calendar days to resolve, the Contractor shall inform the City of the additional time needed, basis for the delay and estimated time when a resolution is expected.

The Contractor shall document and maintain records of all complaints initiated, including information regarding the person(s) that filed the complaint, specific details

regarding the nature of the complaint, all parties involved, steps taken to resolve the matter, final disposition and the name and title of staff that handled the matter.

At its sole discretion, the City may require the Contractor to take further steps to resolve a complaint if determined by the City that the Contractor did not address the complaint in a manner satisfactory to the City. The Contractor shall provide to the City any record(s) relative to a complaint upon request of the City, and said record(s) shall be made available to the City within two (2) business days of the City's request.

The Contractor shall immediately notify the City of any legal actions initiated against the Contractor regarding any City account, or which may have any relevance to the City as a business partner. The Contractor shall within one (1) week of giving notice to the City of a legal action, submit a comprehensive written report, including any supporting documentation, to the City to acquaint the City of pertinent details regarding the legal matter. The City may, at its discretion, require the Contractor to provide said report sooner than one (1) week if deemed appropriate. The Contractor shall keep the City informed on the status of any litigation matter at least on a quarterly basis, and shall immediately inform the City of any key developments with regard to the legal proceeding. The City may, at its sole discretion, modify the Contractor's reporting requirement regarding a legal matter as deemed appropriate. The Contractor shall assume all costs related to any litigation and the City shall be held harmless for any liabilities or damages that may result from litigation against the Contractor on any City account.

ARTICLE IV - COMMISSION PAYMENTS

The City agrees to compensate the Contractor on a contingency fee basis for services to the City performed under this Agreement. If no recovery is made on an account referred to the Contractor by the City, there is no compensation due to the Contractor. The commission due the Contractor shall be based on the Contractor's applicable commission rate approved by the City and any recovery made on an account that has been assigned to the Contractor, up to, but not to exceed the City's assigned amount. For compensation purposes, the assigned amount is the amount of the debt referred to the Contractor, including any City authorized adjustments to the amount referred after assignment, i.e., interest accruing on the unpaid balance or a reduction in the debt from an audit performed on the account.

Any adjustments made to an assigned amount shall be authorized by the City, and upon adjustment, the Contractor shall be entitled to commission on amounts recovered up to the final adjusted assigned amount. The Contractor is not entitled to commission on amounts recovered that exceed the City's assigned amount, i.e., the Contractor's contingency fees authorized by the City to be added to the assigned amount and collected by the Contractor.

The Contractor's approved commission rate for actual amounts recovered on accounts referred, up to, but not exceeding the assigned amount of the referral, shall be:

Contractor's Approved Commission Rates

Collection Level	Assigned Amount	Commission Rate
<i>Primary Rate</i>	<i>N/A</i>	17%
<i>Secondary Rate</i>	<i>N/A</i>	27%
<i>Post Judgment Rate</i>	<i>N/A</i>	\$250/account for skip-tracing/asset location

The Contractor shall not be compensated in any other method than that prescribed in this Article. An invoice shall be submitted to the appropriate referring City department for commission owed the Contractor on amounts collected during the previous month, as detailed in Article III and Article V of this Agreement.

Any money paid directly to the City on any account assigned to the Contractor shall be deemed to have been collected by the Contractor, and the Contractor will be entitled to receive a commission on the payment, **unless: 1)** payment is received by the City or postmarked on or prior to the date of the City's receipt of the Contractor Acknowledgement Report as set forth in Article V of this Agreement **or; 2)** collection activity, such as dunning notice sent or telephone contact with debtor, by the Contractor has not begun, in which case the Contractor would not be due any commission. The City shall promptly notify the Contractor regarding any payment made directly to the City on an account assigned to the Contractor.

ARTICLE V - REPORTING

A. Required Monthly Reports to City Contract Administrator

The Contractor shall provide to the Contract Administrator in the Office of Finance, monthly electronic reports regarding collection activities, overall and specific to individual City departments, performed by the Contractor during the previous month and from inception of the Agreement. Required monthly reports are due to the City's Contract Administrator within five (5) working days of the close of the prior month. The City reserves the right to modify the Contractor's monthly reporting requirements as deemed appropriate and the Contractor shall comply with any requested changes to monthly reporting requirements within one (1) month of being notified by City of the requested modification. Required monthly reporting, as defined by the City, may include, but are not limited to the following reports:

- Activity Reports
- Batch Reports
- Overall Status of Accounts Referred
- Lists of Delinquent Debtors
- Performance Reports
- Stair-Step Reports
- Status of Complaints, as defined in Article III of this Agreement

B. Required Monthly Reports to Referring City Departments

The Contractor shall also provide monthly electronic reports to each City department that refers accounts. Monthly reports shall include information relative to collection activities specific to accounts referred to the Contractor by that City department and include information for the prior month and aggregate from the time department initiated referring accounts to the Contractor. Required monthly reports are due to City departments within five (5) working days of the close of prior month. City departments reserve the right to modify Contractor's monthly reporting requirements as deemed appropriate. The Contractor shall comply with any requested changes in monthly reporting within one (1) month of receiving notification from the department. Required monthly reporting to referring City departments on accounts assigned to the Contractor may include, but are not limited to the following:

- Status of Accounts Referred by the City department
- Returned/Closed Accounts
- Retained Accounts
- Remittance Report

C. Acknowledgement Report

Upon receipt of a referral from a City department, the Contractor shall provide an Acknowledgment Report to the referring City department within one City business day from the assignment to verify account placement. Timely submission of the Acknowledgement Report by the Contractor is essential in order for the Contractor to be entitled any commission for monies collected on a referred account, as set forth in Article IV of this Agreement. The referring City department shall specify to the Contractor the method for receipt of the Acknowledgement Report. Information in the report shall include, but not be limited to the following on each account received:

- City Account Number
- Debtor Name
- Assignment Date
- Assignment Amount

D. Returned Accounts Report

The Contractor is required to furnish to City departments when applicable, a report on accounts returned to the City. Reasons that an assigned account may be returned to the City include, but are not limited to:

- Contractor was unable to collect the unpaid amounts within the time period allotted by the City to effect collection
- Court-ordered receivership is granted over debtor's business
- Debtor bankruptcy filing

- Debtor is deceased
- Decedent's estate lacks sufficient assets to satisfy the indebtedness
- City recalled the account

The contractor must state in its report the reason(s) for the return of the account and be able to provide detailed information regarding all efforts undertaken by the Contractor to collect on the account prior to its return. The format for the report on returned accounts shall be specified by the City departments and shall accompany any returned accounts. At a minimum, information contained in the report shall include the following for each account returned:

- City Account Number
- Contractor Assigned Account Number
- Debtor Name
- Assignment Date
- Assigned Amount
- Amount Collected
- Remaining Balance Due
- Detailed Reason for Return

E. Retained Accounts Report

The Contractor is required to furnish to City departments when applicable, a report on accounts retained by the Contractor beyond the approved nine (9) months for primary collection and six (6) months for secondary collection. Reporting on retained accounts shall begin no later than the date that these accounts would normally have been returned to the City due to the time period allotted by the City to effect collection has expired. The Contractor shall continue to report on retained accounts, on a monthly basis, until said accounts are paid in full or returned to the City department.

City accounts shall not be retained by the Contractor unless authorized in writing by the referring City department or where payment plans are in effect and debtors are making active payments under the payment plan that will extend beyond the allotted time period to effect collection as specified under this Agreement.

At any time the City may, at its sole discretion and for any reason, recall an account from the Contractor, as set forth in Article III of this Agreement. However, this action would not preclude payment obligations to the Contractor of contingency fees in the event an account with a payment plan in effect is taken over by the City and successfully collected by the City. The retained accounts report shall include at least the following information for each account retained:

- City Account Number
- Debtor Name
- Assignment Date

- Assigned Amount
- Amount Collected
- Remaining Balance Due
- Reason(s) Account has been Retained

F. Remittance Report

The Contractor is required to furnish to City departments when applicable, a remittance report setting forth the details from any monies collected from debtors on City assigned accounts during the previous month. This report shall accompany the monthly delivery of monies, as defined in Article III of this Agreement, and shall be delivered to the referring City department on or before the fifteenth (15th) of each month that the Contractor collected payments on assigned accounts during the previous month. Automated remittance processes may be implemented upon written agreement between the City department and the Contractor. Specific information required in the report shall include, but not be limited to:

- Contract Number
- Contractor Assigned Vendor Code Number
- City Account Number
- Debtor Name
- Batch Number
- Amount Collected
- Remaining Balance Due
- Contractor Commission

G. Customized, Ad Hoc and Specialized As Needed Reports

On an occasional basis, the Contractor shall be required to provide to the City Contract Administrator or referring City department customized, ad hoc or specialized as needed reports. The Contractor shall furnish said reports within five (5) business days from receipt of a written request, or other timeframe specified in writing, from the City Contract Administrator or referring City department. Specific details regarding the content and format of the specialized report shall be provided by the requesting party.

ARTICLE VI - TERM

- A. The term of this Agreement shall commence on December 1, 2020, and continue through November 30, 2023, unless terminated earlier as provided herein or amended as elsewhere provided herein. The City may, at its sole discretion, extend the term of this agreement for two (2) additional years in one (1) year increments under the same prices, terms and conditions for such periods if both parties agree to the extensions.
- B. Compensation: During the term of this Amendment to the Supplemental Agreement, the City will pay the Contractor in accordance with Article IV – Commission Payments.

- C. Additional expenses: During the term of this Amendment to the Supplemental Agreement, the Contractor is responsible for the following additional costs for services rendered by CSS Impact (these costs do not apply if there are no services rendered by CSS Impact):
- a. One time/agency fee for: On boarding, provisioning and training - \$7,500 (Seven thousand, five hundred dollars).
 - i. For this Agreement “on boarding” refers to the process of migrating an external system to the platform utilized by CSS Impact for the City in order to provide collection services for delinquent accounts; all of the activities that pertain to the migration of data and processes from a legacy system to the CSS Impact system for the City to provide collection services for delinquent accounts.
 - ii. For this Agreement “provisioning” refers to the act of configuring or setting up a process such as letters, reports, workflows, EDIs, dashboards, etc. for the City in order to provide collection services for delinquent accounts.
 - b. One time/agency fee for: Cloud infrastructure - \$4,995 (Four thousand, nine hundred, ninety five dollars).
 - c. Monthly agency fee for: Enterprise access with 10 (ten) users - \$4,995/month (Four thousand, nine hundred, ninety five dollars) and \$495/month (Four hundred ninety five dollars) for each additional user.
 - i. For this Agreement “enterprise” refers to the CSS Impact platform, and means that this platform provides large-scale functionality across all instances of Contractor legacy systems with an organization-wide feature set to potentially accommodate all Contractor current and future business processes.
 - d. Monthly agency fee for: Enterprise access with limited users (minimum 2 users) - \$1,250/month (One thousand, two hundred, fifty dollars).

ARTICLE VII - MANAGEMENT, ORGANIZATION AND RESPONSIBILITIES

A. City Contract Administrator

The City hereby appoints the Director of the Office of Finance, or his/her designee, as the City Contract Administrator with respect to overall management, amendments or other matters directly related to this Agreement, provided; however, that any matters which will increase the City's financial obligation hereunder shall be presented to the City Council for its consideration and approval or otherwise approved as provided in the City's Charter or Administrative Codes.

Each City department shall be primarily responsible for matters regarding their assigned accounts or referrals. The Contractor shall direct any communications and/or inquires regarding any assigned accounts to the City department that referred the said accounts in accordance with the Participation Document and other directives from the City department. City departments shall provide written notice to the Contractor with regard to any changes in the Participation Document or management of their referred accounts.

B. Contractor's Representative

The Contractor hereby appoints Greg Cohen, President & CEO, to represent the Contractor with respect to amendments or other matters to this Agreement.

ARTICLE VIII - NOTICES

Notices and all other communications to the City or the Contractor required by or regarding this Agreement shall be in writing and delivered personally or sent by first class mail or fax as follows:

- A. City Address:
Office of Finance
200 N. Spring Street, Room 1225
Los Angeles, California 90012
Attn: Rushmore Cervantes, City Contract Administrator
Telephone: (213) 978-1760
Fax: (213) 978-3666
Email: rushmore.cervantes@lacity.org
- B. Contractor's Address:
Caine & Weiner
5805 Sepulveda Blvd., 4th Floor
Sherman Oaks, CA 91411
Attn: Greg Cohen, President & CEO
Telephone: (818) 226-6000
Fax: (866) 501-1906
Email: greg.cohen@caine-weiner.com

Any change by either party with regard to notices and all other communications to the City or the Contractor shall be made through written notice to the other party in accordance with this Article.

ARTICLE IX - TERMINATION

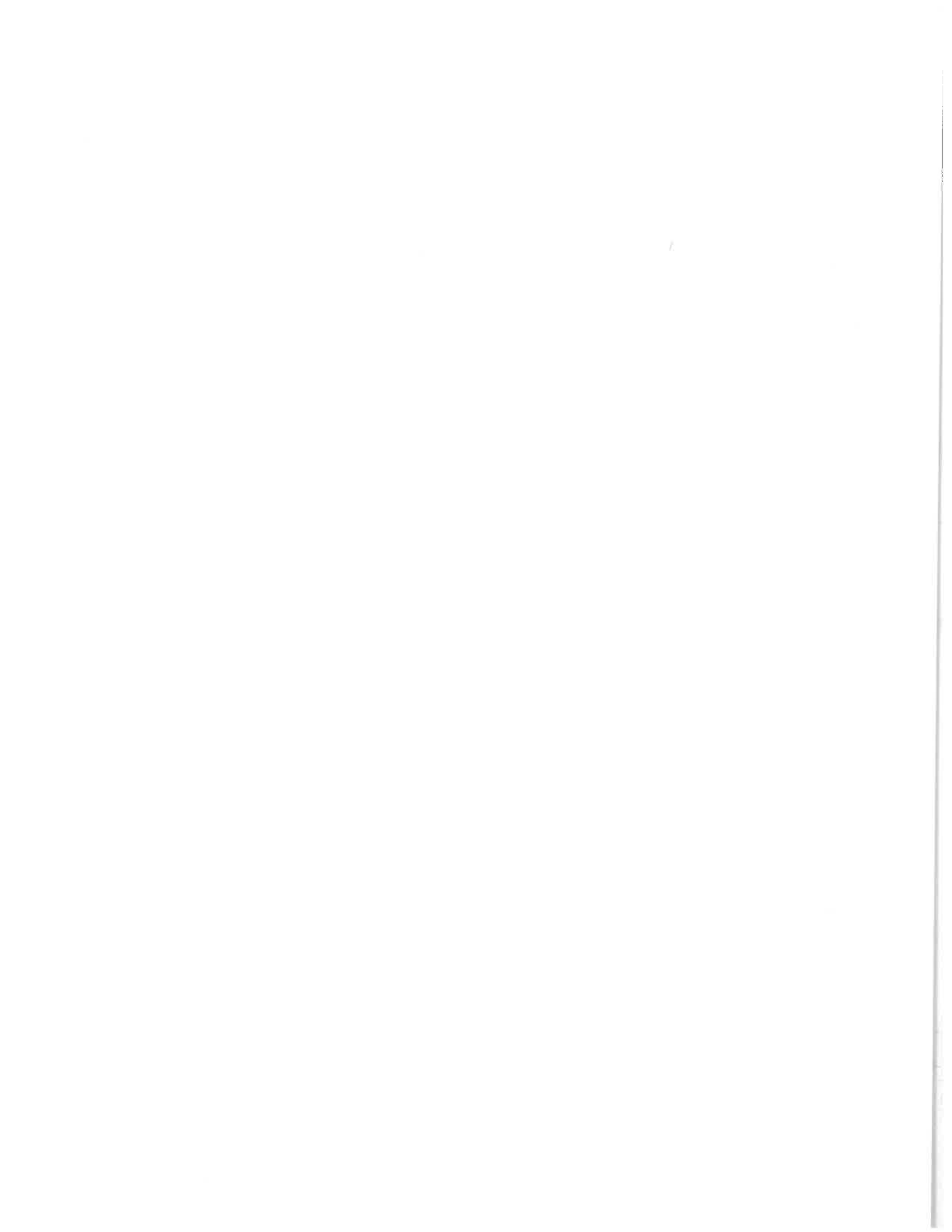
The City may terminate the Agreement, or any part hereof, for its convenience, effective as of any date upon at least thirty (30) days written notification to the Contractor.

Upon termination of the Agreement, all accounts shall be deemed automatically reassigned by the Contractor to the City. In-process collections may be considered waived from reassignment upon written consent from the City. For the purpose of this Agreement, in-process collections are instances where payment plans are in affect and active payments are being made by the debtor in accordance with the plan. Contract terms and conditions will stay in effect with regard to accounts that remain with the Contractor for in-process collections, with no additional account referrals to the Contractor by the City.

If any provision of this Agreement is held unenforceable, then such provision may be modified by mutual agreement to reflect the parties' intention. All remaining provisions of this Agreement shall remain in full force and effect.

ARTICLE X - INCORPORATION BY REFERENCE

The Contractor agrees to comply with all terms and conditions set forth in the City's "Standard Provisions for City Contracts" (revised October 2017), a copy of which is attached hereto as Appendix A and incorporated herein by reference.




IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective duly authorized representatives.

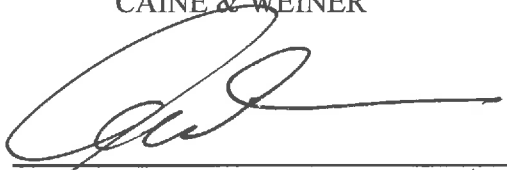
Approved Corporate Signature Methods:


- a) Two signatures: one by Chairman of Board of Directors, President, or Vice President; and one by Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer.
- b) One signature by corporate designated individual together with properly attested resolution of Board of Directors authorizing person to sign on the company's behalf.

THE CITY OF LOS ANGELES

CAINE & WEINER

By 
 DIANA MANGIOGLU
 Director of Finance/City Treasurer
 Date 11/23/20

By 
 Name GREG A. COTTEN
 Title Pass. : CEO
 Date October 23, 2020


By 
 Name Christine A Coken
 Title Sec
 Date October 23 2020


APPROVED AS TO FORM AND LEGALITY:

ATTEST:

MICHAEL N. FEUER,
City Attorney

HOLLY L. WOLCOTT,
City Clerk

By 
 Date 11/24/2020

By 
 Date 11/30/2020





AGREEMENT
between
THE CITY OF LOS ANGELES
and
HARRIS & HARRIS
FOR COLLECTION SERVICES OF THE CITY'S
DELINQUENT ACCOUNTS RECEIVABLE

AGREEMENT NO. C-137456

This Agreement is made and entered into and between the City of Los Angeles (hereinafter referred to as the "City"), a municipal corporation, acting by and through its Office of Finance (hereinafter referred to as "Finance") and Harris & Harris, (hereinafter referred to as the "Contractor").

WITNESSETH:

WHEREAS, City utilizes outside collection agency services as a best practice in delinquent debt collection and revenue generator to the City; and

WHEREAS, City prepared and released a Request for Proposals (RFP) for Primary and/or Secondary Collection Services to pursue collection of the City's delinquent accounts; and

WHEREAS, the Contractor recognizes that the City may contract with multiple agencies for collection services and may utilize any account allocation process that it deems appropriate; and

WHEREAS, the RFP Evaluation Committee has evaluated the proposals received and recommended approval of the Contractor to the City Council; and

WHEREAS, the City Council has approved the Contractor as one of the agencies for collection services to pursue collection of the City's delinquent accounts; and

WHEREAS, the parties hereto wish to enter into an Agreement by which the Contractor will perform the work and furnish all labor, materials, supervision, tools, transportation, and equipment necessary to recover the monies due the City as a result of active pursuit of outstanding accounts receivables.

NOW THEREFORE, in consideration of the above premises and the covenants, representations and agreements herein contained, the parties hereby covenant and agree as follows:

ARTICLE I – SERVICES TO BE PROVIDED

The Contractor is an independent organization that will provide primary, secondary, and/or post-judgement collection services on delinquent accounts referred to it by City departments, bureaus or offices (hereinafter referred to as "City departments") pursuant to the terms and conditions of this Agreement.

Services to be performed by the Contractor for primary and/or secondary collection services herein include, but are not limited to, locating debtors, arranging for payments, mailing dunning notices, skip-tracing delinquent accounts, contacting debtors by telephone, filing delinquent notifications with credit bureaus and verifying assets. All correspondence between the Contractor and the City debtors shall be sent by first class mail.

Primary collection services include collection efforts on initial referrals of delinquent accounts to a contracted collection agency by a City department. Generally, delinquent accounts referred at the primary level are at least 45 days past due, except for emergency medical services (EMS) accounts referred by the Los Angeles Fire Department (LAFD). LAFD may refer delinquent EMS accounts at the time reasonable collection efforts have failed, but not later than nine (9) months from the date of initial billing.

For primary level services, the Contractor shall have a period of nine (9) months to effect collection. If the Contractor is unable to collect on the referred account within nine (9) months from assignment, the Contractor shall return the account to the City department that referred it and cease all collection efforts. For the purposes of this Agreement, the term "assignment" means the date that the account is referred to the Contractor. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the City. In limited circumstances, the City may, at its sole discretion, elect to extend the time that the Contractor may retain said account in writing.

Secondary collection services include collection efforts on referrals of delinquent accounts that were previously assigned to a collection agency at the primary level and were returned to the City department by the primary level agency after at least nine (9) months from initial assignment and uncollected. For secondary level collection services, the Contractor shall have a period of six (6) months to effect collection. If the Contractor is not able to collect on the referred account within six (6) months from assignment, the Contractor shall return the account to the City department that referred it and cease all collection efforts. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the City. In limited circumstances, the City may, at its sole discretion, elect to extend the time that the Contractor may retain said account in writing.

The Contractor shall only perform primary level or secondary level collection services on any particular account that is referred to it and shall not under any circumstance perform both primary and secondary level collections on the same account.

The Contractor is prohibited from instituting any legal action on behalf of the City against any debtor or performing any service that would constitute the practice of law in the State of California. The Contractor is also prohibited from using any threats of legal action. The Contractor may only inform the debtor of consequences of non-payment, such as reporting to credit bureaus. If the Contractor determines that legal action or legal services are required, the Contractor shall make a recommendation for such action and return the account to the City. Under this circumstance, the Contractor may communicate to debtor that the matter is being returned to the City with a recommendation to consider further legal recourse.

In the event an account assigned to the Contractor is determined to be uncollectible, by City or Contractor, for reasons that include, but are not limited to, a debtor's bankruptcy filing, court-ordered receivership is granted over debtor's business, debtor is deceased or decedent's estate does not have sufficient assets to satisfy the indebtedness, the Contractor shall cease all collection efforts on said account upon receipt of this information and return the account to the City with notification of the reason(s) for return of the account, as detailed in Article V of this Agreement.

ARTICLE II – REFERRAL PROCESS

Prior to referring any accounts to the Contractor, a City department must forward to the Contractor a Participation Document. The Participation Document includes key information regarding the City department to facilitate referral of accounts to the Contractor. Under no circumstance shall the Contractor initiate collection on behalf of a City department prior to receiving a completed and signed Participation Document from the City department for which it will effect collection. Receipt of a completed Participation Document from a City department does not obligate or guarantee that the City department will actually refer any accounts to the Contractor. At any time, the City department may, at its sole discretion, utilize the services of the Contractor or another contracted agency. Information in the Participation Document includes:

- Specific Department Information
- Type of Accounts to be Referred
- Liaison for Account Inquiries and Technical Issues
- Method to Transmit Accounts
- Specific Reporting/Remittance Requirements

City departments may use various means/methods to assign accounts to the Contractor, that includes electronic transmission, electronic file, or in writing. For the purposes of this Agreement, the term "assign" means the transfer of accounts by a City department to the Contractor to effect collection. Assigned accounts will include the following information, if available, and any other relevant information that the City department may have at the time of referral as deemed appropriate:

- Debtor Name(s)
- Debtor Address
- Type of Account
- Unpaid Balance Outstanding

ARTICLE III – PERFORMANCE REQUIREMENTS

- A. In performing collection services for the City, the Contractor shall adhere to the highest legal, ethical, and professional standards. The Contractor shall comply with the Taxpayer Bill of Rights and perform services in a manner that is consistent with all federal and state fair debt collection practices, acts and confidentiality provisions, including, but not limited to California Civil Code Sections 1788 et seq. In addition, all information and data received by the Contractor from the City shall be regarded as confidential under Section 21.17 of the Los Angeles Municipal Code.

Moreover, for collection of LAFD EMS accounts, the Contractor shall be in compliance with all Health Insurance Portability and Accountability Act (HIPAA) regulations and requirements as set forth in Title 45 of the Code of Federal Regulation (Parts 160, 162 and 164) and the American Recovery and Reinvestment Act of 2009 which added the Health Information Technology for Economic and Clinical Health Act of 2009 (Sections 13400 et seq.) throughout the term of the contract and sign a Business Associate Agreement with the Fire Department prior to receiving any EMS accounts for collection. The Contractor shall be required to integrate with existing City HIPAA compliant systems to ensure secure electronic transfer of EMS related records.

In addition, in performing the services requested, the Contractor shall:

1. Perform its work as an independent contractor and shall, at all times, inform the debtors that it is acting as a collection agency for the City but that it is an entity separate and distinct from the City;
2. Collect on only amounts authorized by the City and shall not add or collect any amounts not authorized by the City;
3. Deposit all monies collected for the City into a special trust fund which shall be kept separate and not commingled with other funds of the Contractor or other clients of the Contractor. If the trust fund is an interest accruing account, such accruals must be credited to the City. All monies collected by the Contractor for the City shall be remitted to the City on a monthly basis; as defined in this Article and Article V of this Agreement;
4. Deliver to the referring City department on or before the fifteenth (15th) of each month all monies collected during the previous month. The Contractor shall not, for any reason, withhold monies collected during the previous month on any account referred to the Contractor by the City and shall promptly deliver said payments to the City as specified above. Together with the monthly delivery of monies collected during the previous month, the Contractor shall submit an invoice in duplicate for commission owed and a remittance report summarizing detailed information for payments received in accordance with the requirements outlined in Article V of this Agreement;
5. Obtain approval from the City as to form and content for all letters used by the Contractor to effect collection before use;
6. Engage in payment plans, when determined appropriate, with the City debtors for a term of no longer than one year. Payment plans in excess of one year require approval from the referring City department;

7. Agree that any information provided by the City departments on delinquent accounts will be used solely for the purpose of collection, held in the strictest of confidence and used for no other purpose;
8. Maintain all City information and records separate from information and records related to other clients;
9. Bear all expenses and costs incurred to effect collection of any account referred by the City;
10. Report City department accounts to credit bureaus within 45 days of assignment, except for instances when the City has approved in writing a change in this time frame. The account may remain on a credit bureau report for the duration of the time in which the account is assigned with the Contractor and any written extension granted by the City, but upon return of the account to the City, the Contractor will instruct credit bureaus to remove any negative data reported relative to the account;
11. Provide electronic payment options to debtors including online, credit or debit card, e-check, ACH, as well as other City-approved methods;
12. Return to the referring City department, in automated format or other manner specified by City department, all accounts that remain uncollected by the Contractor upon nine (9) months from assignment for primary collection and six (6) months from assignment for secondary collection, and shall cease all collection efforts, except for instances where payment plans are in affect and active payments are made in accordance with the plan or in limited circumstances where the City may, at its sole discretion, elect to extend the time that the Contractor may retain said account in writing. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the City. The Contractor shall report to the referring City department; as outlined in Article V of this Agreement; on any account returned prior to or retained past the allotted time specified by the City to effect collection in this Agreement;
13. Be able to accept account data through various communication methods employed by the City, whether paper-based or electronic. The Contractor must work with the individual City departments to develop systems interfaces for efficient and secured data transfer of their accounts. All costs associated with the development of said systems will be borne by the Contractor;
14. Comply with any special collection campaigns authorized by the City, wherein selected account types may be targeted for specified reductions in balances owed, for example, offer in compromise and debt amnesty programs.

Moreover, in performing the services requested, the Contractor shall not:

15. Subcontract, assign, refer or transfer any account referred to it by the City, or otherwise assign its rights or delegate its duties under this Agreement to any other person or entity, including any attorney, without the express written consent of the City;
16. Collect more than the amount of the assigned debt and any applicable contingency fees authorized by the City to be added to the assigned amount. The City's assigned debt may include both the principal amount and any penalties or interest on the unpaid principal amount, including any accrued amounts authorized by the City. The Contractor shall not add and/or collect penalties, interest or fees not authorized by the City in writing. Any additional authorized or unauthorized amounts collected by the Contractor shall be remitted to the City, as defined in Article V of this Agreement;
17. Threaten or intimidate debtors under any circumstances in the collection of the City's accounts or violate any applicable government laws or regulations;
18. Use or display the official seal of the City of Los Angeles on any of its letterheads or communications with any debtor for any reason;
19. State or suggest, in any verbal or written communication, that the Contractor intends to pursue legal action against the debtor, or imply that it has any authority to do so;
20. Take any legal action against a debtor on a City account;
21. Initiate, negotiate, or reach settlements on any account assigned to it for collection nor directly or indirectly imply that it has such authority, unless authorized by the City in writing;
22. Recommend to debtors the use of "payday" loans to satisfy City accounts, or any loans through a lender wherein the Contractor has any financial interest in the lender or where the Contractor would realize any additional financial gain through referral of business to the lender;
23. Perform secondary level collection services on any account in which it has previously performed primary collection services under this Agreement.

B. Recall of Accounts

The City departments shall have the right at their sole discretion to recall from the Contractor without charge or penalty any account(s) assigned to the Contractor. For purposes of this Agreement, the term "recall" means the demand return of an assigned account to the City. Upon recall by the City departments, the Contractor shall undertake no further collection efforts on recalled account(s). The Contractor shall also instruct credit bureaus to remove any negative data reported relative to the account(s) recalled.

The Contractor shall not be entitled to any contingency fees for payments received by the City on an account after the date of recall except where the debtor has contacted the City to engage in settlement of the account prior to the date of recall. In any attempt by a debtor to pay on a City account no longer assigned to the Contractor, the Contractor shall not accept payment and direct the debtor to contact the City.

C. Quality Assurance

The Contractor's performance will be evaluated according to contract standards and other performance measures deemed appropriate by the City, including, but not limited to, establishing contractor performance benchmarks and incentives relative to collection on City accounts. Performance benchmarks will include periodic tracking and grading a Contractor's compliance with contractual obligations such as the generation of ad hoc, routine, specialized/custom reports, responsiveness to department requests, practice of loading of referred accounts in a timely manner, and adherence to City administrative requirements. In addition, City reserves the right to publish the Contractor grades and rates of recovery on City accounts for departments use via City's Intranet or to be shared with City's collection vendors under contract for information, incentive and competitive purposes. The City may use a variety of inspection methods to determine Contractor's compliance with terms of this Agreement and evaluate performance level. The methods of inspection may include, but are not limited to:

- Random sampling
- Reports, (monthly and as needed)
- Periodic inspection of output items

The City shall have the right at any time during regular business hours to inspect records relative to City department accounts maintained by the Contractor at its place of business, with reasonable advance notification. Said records shall be retained by the Contractor three (3) years following final payment under this Agreement for non-EMS accounts. For LAFD EMS accounts, the Contractor shall retain records as required by HIPAA and the terms of the Business Associate Agreement between the Contractor and LAFD.

The Contractor must also be available to meet with representatives of the City on a quarterly basis, or as deemed appropriate by the City, to discuss any issues or concerns relating to the contract and/or City accounts. Upon request by the City for an impromptu meeting with the Contractor, the Contractor shall coordinate with the City an amicable time; however, if the City deems the matter requires immediate attention, the Contractor shall make itself available to meet with the City within two (2) business days from the day of the City's request.

D. Account Redistribution

City departments shall have sole discretion at any time without reason the right to distribute or redistribute accounts among the City's contracted collection agencies. For those accounts assigned to the Contractor wherein payments are being made and/or

subject to a current, agreed upon payment plan, the City departments may permit these accounts to remain with the Contractor while collections continue according to the arranged payment amount and schedule.

For any account assigned to the Contractor and recalled by the City to pursue other measures to collect, including redistribution to another contracted collection agency, the Contractor will not be due any commission after the date of recall by the City except where debtor has contacted the City to engage in settlement of the account prior to the date of recall. The Contractor shall direct the debtor to contact the City on any attempt by a debtor to pay on a City account that has been recalled by the City or is no longer assigned to the Contractor.

E. Membership in Professional Organizations

The Contractor shall maintain, at no cost to the City, membership in the American Collectors Association International, California Association of Collectors or similar professional organizations that provide interstate and intrastate services and utilize collection techniques consistent with the Code of Ethics and standards adopted by said associations.

F. Tax Certificate

The Contractor agrees to have and maintain a valid City of Los Angeles Business Tax Registration Certificate for the term of the Agreement, at no cost to the City.

G. Automation Support

The Contractor shall provide information technology/systems support to the City as deemed necessary by the referring City departments to establish and maintain account referral protocols, information exchanges and reports. Such information technology/systems support services are to be provided by the Contractor at no expense to the City.

H. Client Assistance

The Contractor shall provide to the referring City departments and offices as needed on-site customer assistance during, but not limited to, the first thirty (30) days of contract implementation. Client assistance services are to be provided by the Contractor at no expense to the City.

I. Training

The Contractor shall provide to the City on-site training relative to collection processes and procedures as deemed necessary by the referring City departments at no cost to the City.

J. Consulting

The Contractor shall provide to the City, upon request of management and supervisory level personnel, consulting services relative to collection and revenue enhancement processes and procedures as deemed necessary by the referring City department at no cost to the City. The Contractor shall provide to City management and supervisory level staff data and information relative to collections, industry trends, best practices, projections and any other relevant materials, upon request, to assist City staff in revenue collection management and analysis.

K. Access to Accounts

The Contractor shall provide to City departments remote access to its accounts assigned to the Contractor through an internet website or similar process. The Contractor shall also provide City departments with technical assistance, training and requirements needed to establish and use remote access privileges to its accounts, if needed, and at no cost to the City. Furthermore, the Contractor shall provide secure online access from the Contractor's delinquent account collection system to designated Finance and other City staff for accounts referred from the City for the purpose of delinquent account review, performance, and ad hoc reporting purposes.

L. Complaint Response and Handling

The Contractor shall acknowledge and respond to all written and oral complaints received relative to City accounts or City debtors. For written complaints, the Contractor shall acknowledge receipt of the complaint in writing within two (2) business days from the day the written complaint is received. Complaints and/or inquiries by telephone shall be received by the Contractor's personnel during regular business hours. During non-business hours, the Contractor shall provide a means for debtors to leave a message regarding their complaint and/or inquiry. All phone messages regarding City accounts shall be responded to by the Contractor no later than the next business day from the day that the message was left.

All complaints shall be directed to qualified customer service staff or manager who shall take responsibility for resolving the matter. The Contractor shall conduct any necessary investigations and take appropriate steps to resolve complaints within thirty (30) calendar days from receipt of the complaint, or other time frame, if deemed appropriate and specified in writing by the City. The Contractor shall notify complainant of the resolution of their complaint in writing and provide written notification of said resolution to the City, as defined in Article V of this Agreement. In circumstances when a complaint requires more than thirty (30) calendar days to resolve, the Contractor shall inform the City of the additional time needed, basis for the delay and estimated time when a resolution is expected.

The Contractor shall document and maintain records of all complaints initiated, including information regarding the person(s) that filed the complaint, specific details

regarding the nature of the complaint, all parties involved, steps taken to resolve the matter, final disposition and the name and title of staff that handled the matter.

At its sole discretion, the City may require the Contractor to take further steps to resolve a complaint if determined by the City that the Contractor did not address the complaint in a manner satisfactory to the City. The Contractor shall provide to the City any record(s) relative to a complaint upon request of the City, and said record(s) shall be made available to the City within two (2) business days of the City's request.

The Contractor shall immediately notify the City of any legal actions initiated against the Contractor regarding any City account, or which may have any relevance to the City as a business partner. The Contractor shall within one (1) week of giving notice to the City of a legal action, submit a comprehensive written report, including any supporting documentation, to the City to acquaint the City of pertinent details regarding the legal matter. The City may, at its discretion, require the Contractor to provide said report sooner than one (1) week if deemed appropriate. The Contractor shall keep the City informed on the status of any litigation matter at least on a quarterly basis, and shall immediately inform the City of any key developments with regard to the legal proceeding. The City may, at its sole discretion, modify the Contractor's reporting requirement regarding a legal matter as deemed appropriate. The Contractor shall assume all costs related to any litigation and the City shall be held harmless for any liabilities or damages that may result from litigation against the Contractor on any City account.

ARTICLE IV - COMMISSION PAYMENTS

The City agrees to compensate the Contractor on a contingency fee basis for services to the City performed under this Agreement. If no recovery is made on an account referred to the Contractor by the City, there is no compensation due to the Contractor. The commission due the Contractor shall be based on the Contractor's applicable commission rate approved by the City and any recovery made on an account that has been assigned to the Contractor, up to, but not to exceed the City's assigned amount. For compensation purposes, the assigned amount is the amount of the debt referred to the Contractor, including any City authorized adjustments to the amount referred after assignment, i.e., interest accruing on the unpaid balance or a reduction in the debt from an audit performed on the account.

Any adjustments made to an assigned amount shall be authorized by the City, and upon adjustment, the Contractor shall be entitled to commission on amounts recovered up to the final adjusted assigned amount. The Contractor is not entitled to commission on amounts recovered that exceed the City's assigned amount, i.e., the Contractor's contingency fees authorized by the City to be added to the assigned amount and collected by the Contractor.

The Contractor's approved commission rate for actual amounts recovered on accounts referred, up to, but not exceeding the assigned amount of the referral, shall be:

Contractor's Approved Commission Rates

Collection Level	Assigned Amount	Commission Rate
<i>Primary Rate</i>	<i>N/A</i>	14.9% add-on
<i>Secondary Rate</i>	<i>N/A</i>	21.9% add-on
<i>Post Judgment Rate</i>	<i>N/A</i>	\$9/account for skip tracing/asset location

The Contractor shall not be compensated in any other method than that prescribed in this Article. An invoice shall be submitted to the appropriate referring City department for commission owed the Contractor on amounts collected during the previous month, as detailed in Article III and Article V of this Agreement.

Any money paid directly to the City on any account assigned to the Contractor shall be deemed to have been collected by the Contractor, and the Contractor will be entitled to receive a commission on the payment, **unless: 1)** payment is received by the City or postmarked on or prior to the date of the City's receipt of the Contractor Acknowledgement Report as set forth in Article V of this Agreement **or; 2)** collection activity, such as dunning notice sent or telephone contact with debtor, by the Contractor has not begun, in which case the Contractor would not be due any commission. The City shall promptly notify the Contractor regarding any payment made directly to the City on an account assigned to the Contractor.

ARTICLE V - REPORTING

A. Required Monthly Reports to City Contract Administrator

The Contractor shall provide to the Contract Administrator in the Office of Finance, monthly electronic reports regarding collection activities, overall and specific to individual City departments, performed by the Contractor during the previous month and from inception of the Agreement. Required monthly reports are due to the City's Contract Administrator within five (5) working days of the close of the prior month. The City reserves the right to modify the Contractor's monthly reporting requirements as deemed appropriate and the Contractor shall comply with any requested changes to monthly reporting requirements within one (1) month of being notified by City of the requested modification. Required monthly reporting, as defined by the City, may include, but are not limited to the following reports:

- Activity Reports
- Batch Reports
- Overall Status of Accounts Referred
- Lists of Delinquent Debtors
- Performance Reports
- Stair-Step Reports
- Status of Complaints, as defined in Article III of this Agreement

B. Required Monthly Reports to Referring City Departments

The Contractor shall also provide monthly electronic reports to each City department that refers accounts. Monthly reports shall include information relative to collection activities specific to accounts referred to the Contractor by that City department and include information for the prior month and aggregate from the time department initiated referring accounts to the Contractor. Required monthly reports are due to City departments within five (5) working days of the close of prior month. City departments reserve the right to modify Contractor's monthly reporting requirements as deemed appropriate. The Contractor shall comply with any requested changes in monthly reporting within one (1) month of receiving notification from the department. Required monthly reporting to referring City departments on accounts assigned to the Contractor may include, but are not limited to the following:

- Status of Accounts Referred by the City department
- Returned/Closed Accounts
- Retained Accounts
- Remittance Report

C. Acknowledgement Report

Upon receipt of a referral from a City department, the Contractor shall provide an Acknowledgement Report to the referring City department within one City business day from the assignment to verify account placement. Timely submission of the Acknowledgement Report by the Contractor is essential in order for the Contractor to be entitled any commission for monies collected on a referred account, as set forth in Article IV of this Agreement. The referring City department shall specify to the Contractor the method for receipt of the Acknowledgement Report. Information in the report shall include, but not be limited to the following on each account received:

- City Account Number
- Debtor Name
- Assignment Date
- Assignment Amount

D. Returned Accounts Report

The Contractor is required to furnish to City departments when applicable, a report on accounts returned to the City. Reasons that an assigned account may be returned to the City include, but are not limited to:

- Contractor was unable to collect the unpaid amounts within the time period allotted by the City to effect collection
- Court-ordered receivership is granted over debtor's business
- Debtor bankruptcy filing

- Debtor is deceased
- Decedent's estate lacks sufficient assets to satisfy the indebtedness
- City recalled the account

The contractor must state in its report the reason(s) for the return of the account and be able to provide detailed information regarding all efforts undertaken by the Contractor to collect on the account prior to its return. The format for the report on returned accounts shall be specified by the City departments and shall accompany any returned accounts. At a minimum, information contained in the report shall include the following for each account returned:

- City Account Number
- Contractor Assigned Account Number
- Debtor Name
- Assignment Date
- Assigned Amount
- Amount Collected
- Remaining Balance Due
- Detailed Reason for Return

E. Retained Accounts Report

The Contractor is required to furnish to City departments when applicable, a report on accounts retained by the Contractor beyond the approved nine (9) months for primary collection and six (6) months for secondary collection. Reporting on retained accounts shall begin no later than the date that these accounts would normally have been returned to the City due to the time period allotted by the City to effect collection has expired. The Contractor shall continue to report on retained accounts, on a monthly basis, until said accounts are paid in full or returned to the City department.

City accounts shall not be retained by the Contractor unless authorized in writing by the referring City department or where payment plans are in effect and debtors are making active payments under the payment plan that will extend beyond the allotted time period to effect collection as specified under this Agreement.

At any time the City may, at its sole discretion and for any reason, recall an account from the Contractor, as set forth in Article III of this Agreement. However, this action would not preclude payment obligations to the Contractor of contingency fees in the event an account with a payment plan in effect is taken over by the City and successfully collected by the City. The retained accounts report shall include at least the following information for each account retained:

- City Account Number
- Debtor Name
- Assignment Date

- Assigned Amount
- Amount Collected
- Remaining Balance Due
- Reason(s) Account has been Retained

F. Remittance Report

The Contractor is required to furnish to City departments when applicable, a remittance report setting forth the details from any monies collected from debtors on City assigned accounts during the previous month. This report shall accompany the monthly delivery of monies, as defined in Article III of this Agreement, and shall be delivered to the referring City department on or before the fifteenth (15th) of each month that the Contractor collected payments on assigned accounts during the previous month. Automated remittance processes may be implemented upon written agreement between the City department and the Contractor. Specific information required in the report shall include, but not be limited to:

- Contract Number
- Contractor Assigned Vendor Code Number
- City Account Number
- Debtor Name
- Batch Number
- Amount Collected
- Remaining Balance Due
- Contractor Commission

G. Customized, Ad Hoc and Specialized As Needed Reports

On an occasional basis, the Contractor shall be required to provide to the City Contract Administrator or referring City department customized, ad hoc or specialized as needed reports. The Contractor shall furnish said reports within five (5) business days from receipt of a written request, or other timeframe specified in writing, from the City Contract Administrator or referring City department. Specific details regarding the content and format of the specialized report shall be provided by the requesting party.

ARTICLE VI - TERM

- A. The term of this Agreement shall commence on December 1, 2020, and continue through November 30, 2023, unless terminated earlier as provided herein or amended as elsewhere provided herein. The City may, at its sole discretion, extend the term of this agreement for two (2) additional years in one (1) year increments under the same prices, terms and conditions for such periods if both parties agree to the extensions.
- B. Compensation: During the term of this Amendment to the Supplemental Agreement, the City will pay the Contractor in accordance with Article IV – Commission Payments.

- C. Additional expenses: During the term of this Amendment to the Supplemental Agreement, the Contractor is responsible for the following additional costs for services rendered by CSS Impact (these costs do not apply if there are no services rendered by CSS Impact):
- a. One time/agency fee for: On boarding, provisioning and training - \$7,500 (Seven thousand, five hundred dollars).
 - i. For this Agreement “on boarding” refers to the process of migrating an external system to the platform utilized by CSS Impact for the City in order to provide collection services for delinquent accounts; all of the activities that pertain to the migration of data and processes from a legacy system to the CSS Impact system for the City to provide collection services for delinquent accounts.
 - ii. For this Agreement “provisioning” refers to the act of configuring or setting up a process such as letters, reports, workflows, EDIs, dashboards, etc. for the City in order to provide collection services for delinquent accounts.
 - b. One time/agency fee for: Cloud infrastructure - \$4,995 (Four thousand, nine hundred, ninety five dollars).
 - c. Monthly agency fee for: Enterprise access with 10 (ten) users - \$4,995/month (Four thousand, nine hundred, ninety five dollars) and \$495/month (Four hundred ninety five dollars) for each additional user.
 - i. For this Agreement “enterprise” refers to the CSS Impact platform, and means that this platform provides large-scale functionality across all instances of Contractor legacy systems with an organization-wide feature set to potentially accommodate all Contractor current and future business processes.
 - d. Monthly agency fee for: Enterprise access with limited users (minimum 2 users) - \$1,250/month (One thousand, two hundred, fifty dollars).

ARTICLE VII - MANAGEMENT, ORGANIZATION AND RESPONSIBILITIES

A. City Contract Administrator

The City hereby appoints the Director of the Office of Finance, or his/her designee, as the City Contract Administrator with respect to overall management, amendments or other matters directly related to this Agreement, provided; however, that any matters which will increase the City's financial obligation hereunder shall be presented to the City Council for its consideration and approval or otherwise approved as provided in the City's Charter or Administrative Codes.

Each City department shall be primarily responsible for matters regarding their assigned accounts or referrals. The Contractor shall direct any communications and/or inquires regarding any assigned accounts to the City department that referred the said accounts in accordance with the Participation Document and other directives from the City department. City departments shall provide written notice to the Contractor with regard to any changes in the Participation Document or management of their referred accounts.

B. Contractor's Representative

The Contractor hereby appoints Arnold S. Harris, Esq., President/CEO, to represent the Contractor with respect to amendments or other matters to this Agreement.

ARTICLE VIII - NOTICES

Notices and all other communications to the City or the Contractor required by or regarding this Agreement shall be in writing and delivered personally or sent by first class mail or fax as follows:

A. City Address:
Office of Finance
200 N. Spring Street, Room 1225
Los Angeles, California 90012
Attn: Rushmore Cervantes, City Contract Administrator
Telephone: (213) 978-1760
Fax: (213) 978-3666
Email: rushmore.cervantes@lacity.org

B. Contractor's Address:
Harris & Harris
111 West Jackson Blvd., Suite 400
Chicago, IL 60604
Attn: Arnold S. Harris, Esq., President/CEO
Telephone: (312) 423-7400
Fax: (312) 803-0020
Email: aharris@harriscollect.com

Any change by either party with regard to notices and all other communications to the City or the Contractor shall be made through written notice to the other party in accordance with this Article.

ARTICLE IX - TERMINATION

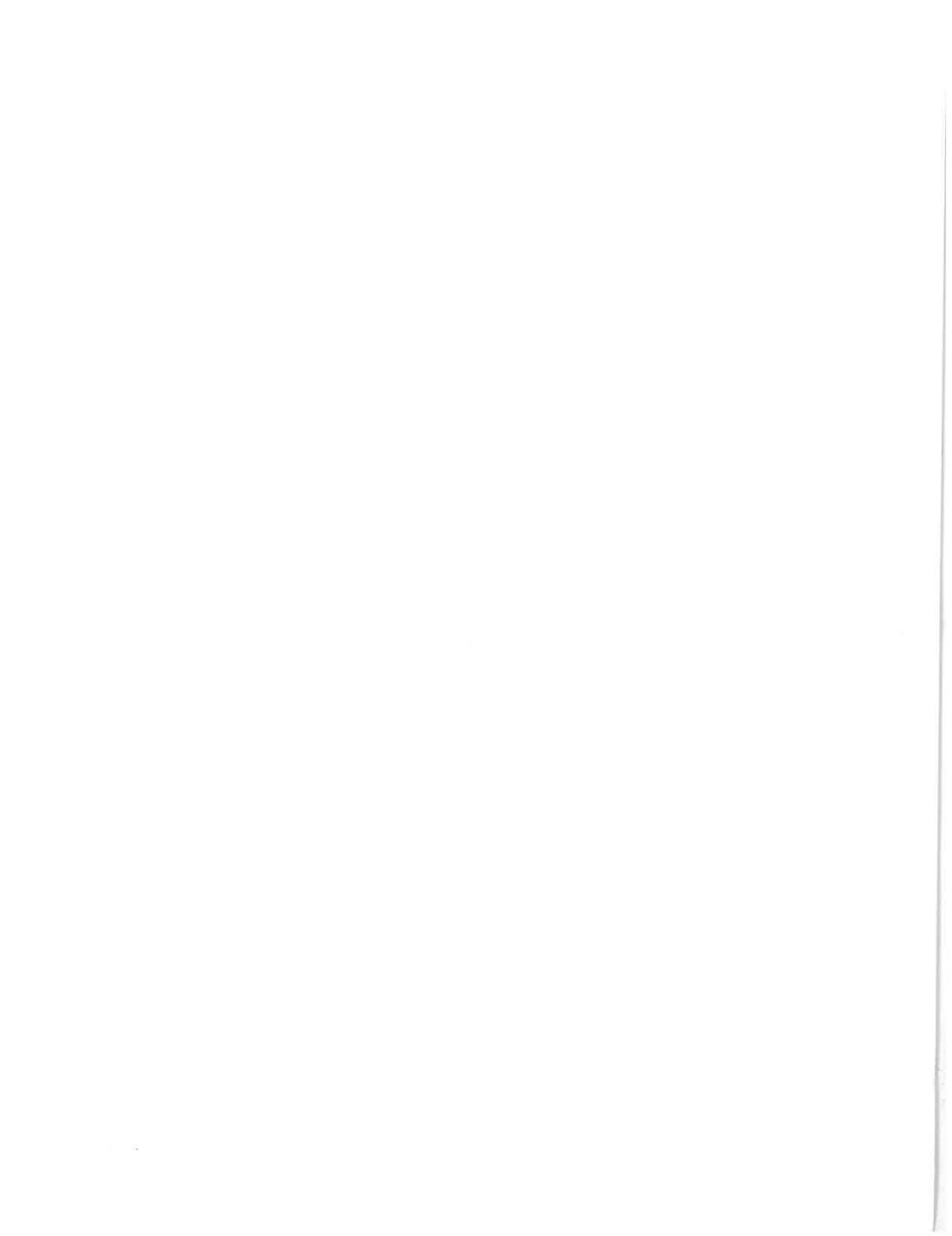
The City may terminate the Agreement, or any part hereof, for its convenience, effective as of any date upon at least thirty (30) days written notification to the Contractor.

Upon termination of the Agreement, all accounts shall be deemed automatically reassigned by the Contractor to the City. In-process collections may be considered waived from reassignment upon written consent from the City. For the purpose of this Agreement, in-process collections are instances where payment plans are in affect and active payments are being made by the debtor in accordance with the plan. Contract terms and conditions will stay in effect with regard to accounts that remain with the Contractor for in-process collections, with no additional account referrals to the Contractor by the City.

If any provision of this Agreement is held unenforceable, then such provision may be modified by mutual agreement to reflect the parties' intention. All remaining provisions of this Agreement shall remain in full force and effect.

ARTICLE X - INCORPORATION BY REFERENCE

The Contractor agrees to comply with all terms and conditions set forth in the City's "Standard Provisions for City Contracts" (revised October 2017), a copy of which is attached hereto as Appendix A and incorporated herein by reference.




IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective duly authorized representatives.


Approved Corporate Signature Methods:


- a) Two signatures: one by Chairman of Board of Directors, President, or Vice President; and one by Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer.
- b) One signature by corporate designated individual together with properly attested resolution of Board of Directors authorizing person to sign on the company's behalf.

THE CITY OF LOS ANGELES

HARRIS & HARRIS

By 
DIANA MANGIOGLU
Director of Finance/City Treasurer
Date 11/23/20

By 
Name Arnold S. Harris
Title CEO
Date 10/26/2020


By 
Name David L. Harris
Title COO
Date 10/26/2020

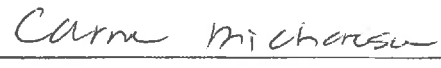
APPROVED AS TO FORM AND LEGALITY:

ATTEST:

MICHAEL N. FEUER,
City Attorney

HOLLY L. WOLCOTT,
City Clerk

By 
Date 11/24/2020

By 
Date 11/30/2020





AGREEMENT
between
THE CITY OF LOS ANGELES
and
LINEBARGER GOGGAN BLAIR & SAMPSON, LLP
FOR COLLECTION SERVICES OF THE CITY'S
DELINQUENT ACCOUNTS RECEIVABLE

AGREEMENT NO. C-137454

This Agreement is made and entered into and between the City of Los Angeles (hereinafter referred to as the "City"), a municipal corporation, acting by and through its Office of Finance (hereinafter referred to as "Finance") and Linebarger Goggan Blair & Sampson, LLP, (hereinafter referred to as the "Contractor").

WITNESSETH:

WHEREAS, City utilizes outside collection agency services as a best practice in delinquent debt collection and revenue generator to the City; and

WHEREAS, City prepared and released a Request for Proposals (RFP) for Primary and/or Secondary Collection Services to pursue collection of the City's delinquent accounts; and

WHEREAS, the Contractor recognizes that the City may contract with multiple agencies for collection services and may utilize any account allocation process that it deems appropriate; and

WHEREAS, the RFP Evaluation Committee has evaluated the proposals received and recommended approval of the Contractor to the City Council; and

WHEREAS, the City Council has approved the Contractor as one of the agencies for collection services to pursue collection of the City's delinquent accounts; and

WHEREAS, the parties hereto wish to enter into an Agreement by which the Contractor will perform the work and furnish all labor, materials, supervision, tools, transportation, and equipment necessary to recover the monies due the City as a result of active pursuit of outstanding accounts receivables.

NOW THEREFORE, in consideration of the above premises and the covenants, representations and agreements herein contained, the parties hereby covenant and agree as follows:

ARTICLE I – SERVICES TO BE PROVIDED

The Contractor is an independent organization that will provide primary, secondary, and/or post-judgement collection services on delinquent accounts referred to it by City departments, bureaus or offices (hereinafter referred to as "City departments") pursuant to the terms and conditions of this Agreement.

Services to be performed by the Contractor for primary and/or secondary collection services herein include, but are not limited to, locating debtors, arranging for payments, mailing dunning notices, skip-tracing delinquent accounts, contacting debtors by telephone, filing delinquent notifications with credit bureaus and verifying assets. All correspondence between the Contractor and the City debtors shall be sent by first class mail.

Primary collection services include collection efforts on initial referrals of delinquent accounts to a contracted collection agency by a City department. Generally, delinquent accounts referred at the primary level are at least 45 days past due, except for emergency medical services (EMS) accounts referred by the Los Angeles Fire Department (LAFD). LAFD may refer delinquent EMS accounts at the time reasonable collection efforts have failed, but not later than nine (9) months from the date of initial billing.

For primary level services, the Contractor shall have a period of nine (9) months to effect collection. If the Contractor is unable to collect on the referred account within nine (9) months from assignment, the Contractor shall return the account to the City department that referred it and cease all collection efforts. For the purposes of this Agreement, the term "assignment" means the date that the account is referred to the Contractor. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the City. In limited circumstances, the City may, at its sole discretion, elect to extend the time that the Contractor may retain said account in writing.

Secondary collection services include collection efforts on referrals of delinquent accounts that were previously assigned to a collection agency at the primary level and were returned to the City department by the primary level agency after at least nine (9) months from initial assignment and uncollected. For secondary level collection services, the Contractor shall have a period of six (6) months to effect collection. If the Contractor is not able to collect on the referred account within six (6) months from assignment, the Contractor shall return the account to the City department that referred it and cease all collection efforts. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the City. In limited circumstances, the City may, at its sole discretion, elect to extend the time that the Contractor may retain said account in writing.

The Contractor shall only perform primary level or secondary level collection services on any particular account that is referred to it and shall not under any circumstance perform both primary and secondary level collections on the same account.

The Contractor is prohibited from instituting any legal action on behalf of the City against any debtor or performing any service that would constitute the practice of law in the State of California. The Contractor is also prohibited from using any threats of legal action. The Contractor may only inform the debtor of consequences of non-payment, such as reporting to credit bureaus. If the Contractor determines that legal action or legal services are required, the Contractor shall make a recommendation for such action and return the account to the City. Under this circumstance, the Contractor may communicate to debtor that the matter is being returned to the City with a recommendation to consider further legal recourse.

In the event an account assigned to the Contractor is determined to be uncollectible, by City or Contractor, for reasons that include, but are not limited to, a debtor's bankruptcy filing, court-ordered receivership is granted over debtor's business, debtor is deceased or decedent's estate does not have sufficient assets to satisfy the indebtedness, the Contractor shall cease all collection efforts on said account upon receipt of this information and return the account to the City with notification of the reason(s) for return of the account, as detailed in Article V of this Agreement.

ARTICLE II – REFERRAL PROCESS

Prior to referring any accounts to the Contractor, a City department must forward to the Contractor a Participation Document. The Participation Document includes key information regarding the City department to facilitate referral of accounts to the Contractor. Under no circumstance shall the Contractor initiate collection on behalf of a City department prior to receiving a completed and signed Participation Document from the City department for which it will effect collection. Receipt of a completed Participation Document from a City department does not obligate or guarantee that the City department will actually refer any accounts to the Contractor. At any time, the City department may, at its sole discretion, utilize the services of the Contractor or another contracted agency. Information in the Participation Document includes:

- Specific Department Information
- Type of Accounts to be Referred
- Liaison for Account Inquiries and Technical Issues
- Method to Transmit Accounts
- Specific Reporting/Remittance Requirements

City departments may use various means/methods to assign accounts to the Contractor, that includes electronic transmission, electronic file, or in writing. For the purposes of this Agreement, the term "assign" means the transfer of accounts by a City department to the Contractor to effect collection. Assigned accounts will include the following information, if available, and any other relevant information that the City department may have at the time of referral as deemed appropriate:

- Debtor Name(s)
- Debtor Address
- Type of Account
- Unpaid Balance Outstanding

ARTICLE III – PERFORMANCE REQUIRMENTS

- A. In performing collection services for the City, the Contractor shall adhere to the highest legal, ethical, and professional standards. The Contractor shall comply with the Taxpayer Bill of Rights and perform services in a manner that is consistent with all federal and state fair debt collection practices, acts and confidentiality provisions, including, but not limited to California Civil Code Sections 1788 et seq. In addition, all information and data received by the Contractor from the City shall be regarded as confidential under Section 21.17 of the Los Angeles Municipal Code.

Moreover, for collection of LAFD EMS accounts, the Contractor shall be in compliance with all Health Insurance Portability and Accountability Act (HIPAA) regulations and requirements as set forth in Title 45 of the Code of Federal Regulation (Parts 160, 162 and 164) and the American Recovery and Reinvestment Act of 2009 which added the Health Information Technology for Economic and Clinical Health Act of 2009 (Sections 13400 et seq.) throughout the term of the contract and sign a Business Associate Agreement with the Fire Department prior to receiving any EMS accounts for collection. The Contractor shall be required to integrate with existing City HIPAA compliant systems to ensure secure electronic transfer of EMS related records.

In addition, in performing the services requested, the Contractor shall:

1. Perform its work as an independent contractor and shall, at all times, inform the debtors that it is acting as a collection agency for the City but that it is an entity separate and distinct from the City;
2. Collect on only amounts authorized by the City and shall not add or collect any amounts not authorized by the City;
3. Deposit all monies collected for the City into a special trust fund which shall be kept separate and not commingled with other funds of the Contractor or other clients of the Contractor. If the trust fund is an interest accruing account, such accruals must be credited to the City. All monies collected by the Contractor for the City shall be remitted to the City on a monthly basis; as defined in this Article and Article V of this Agreement;
4. Deliver to the referring City department on or before the fifteenth (15th) of each month all monies collected during the previous month. The Contractor shall not, for any reason, withhold monies collected during the previous month on any account referred to the Contractor by the City and shall promptly deliver said payments to the City as specified above. Together with the monthly delivery of monies collected during the previous month, the Contractor shall submit an invoice in duplicate for commission owed and a remittance report summarizing detailed information for payments received in accordance with the requirements outlined in Article V of this Agreement;
5. Obtain approval from the City as to form and content for all letters used by the Contractor to effect collection before use;
6. Engage in payment plans, when determined appropriate, with the City debtors for a term of no longer than one year. Payment plans in excess of one year require approval from the referring City department;

7. Agree that any information provided by the City departments on delinquent accounts will be used solely for the purpose of collection, held in the strictest of confidence and used for no other purpose;
8. Maintain all City information and records separate from information and records related to other clients;
9. Bear all expenses and costs incurred to effect collection of any account referred by the City;
10. Report City department accounts to credit bureaus within 45 days of assignment, except for instances when the City has approved in writing a change in this time frame. The account may remain on a credit bureau report for the duration of the time in which the account is assigned with the Contractor and any written extension granted by the City, but upon return of the account to the City, the Contractor will instruct credit bureaus to remove any negative data reported relative to the account;
11. Provide electronic payment options to debtors including online, credit or debit card, e-check, ACH, as well as other City-approved methods;
12. Return to the referring City department, in automated format or other manner specified by City department, all accounts that remain uncollected by the Contractor upon nine (9) months from assignment for primary collection and six (6) months from assignment for secondary collection, and shall cease all collection efforts, except for instances where payment plans are in affect and active payments are made in accordance with the plan or in limited circumstances where the City may, at its sole discretion, elect to extend the time that the Contractor may retain said account in writing. In no event shall the Contractor be entitled to any payment on the account once it has been returned to the City. The Contractor shall report to the referring City department; as outlined in Article V of this Agreement; on any account returned prior to or retained past the allotted time specified by the City to effect collection in this Agreement;
13. Be able to accept account data through various communication methods employed by the City, whether paper-based or electronic. The Contractor must work with the individual City departments to develop systems interfaces for efficient and secured data transfer of their accounts. All costs associated with the development of said systems will be borne by the Contractor;
14. Comply with any special collection campaigns authorized by the City, wherein selected account types may be targeted for specified reductions in balances owed, for example, offer in compromise and debt amnesty programs.

Moreover, in performing the services requested, the Contractor shall not:

15. Subcontract, assign, refer or transfer any account referred to it by the City, or otherwise assign its rights or delegate its duties under this Agreement to any other person or entity, including any attorney, without the express written consent of the City;
16. Collect more than the amount of the assigned debt and any applicable contingency fees authorized by the City to be added to the assigned amount. The City's assigned debt may include both the principal amount and any penalties or interest on the unpaid principal amount, including any accrued amounts authorized by the City. The Contractor shall not add and/or collect penalties, interest or fees not authorized by the City in writing. Any additional authorized or unauthorized amounts collected by the Contractor shall be remitted to the City, as defined in Article V of this Agreement;
17. Threaten or intimidate debtors under any circumstances in the collection of the City's accounts or violate any applicable government laws or regulations;
18. Use or display the official seal of the City of Los Angeles on any of its letterheads or communications with any debtor for any reason;
19. State or suggest, in any verbal or written communication, that the Contractor intends to pursue legal action against the debtor, or imply that it has any authority to do so;
20. Take any legal action against a debtor on a City account;
21. Initiate, negotiate, or reach settlements on any account assigned to it for collection nor directly or indirectly imply that it has such authority, unless authorized by the City in writing;
22. Recommend to debtors the use of "payday" loans to satisfy City accounts, or any loans through a lender wherein the Contractor has any financial interest in the lender or where the Contractor would realize any additional financial gain through referral of business to the lender;
23. Perform secondary level collection services on any account in which it has previously performed primary collection services under this Agreement.

B. Recall of Accounts

The City departments shall have the right at their sole discretion to recall from the Contractor without charge or penalty any account(s) assigned to the Contractor. For purposes of this Agreement, the term "recall" means the demand return of an assigned account to the City. Upon recall by the City departments, the Contractor shall undertake no further collection efforts on recalled account(s). The Contractor shall also instruct credit bureaus to remove any negative data reported relative to the account(s) recalled.

The Contractor shall not be entitled to any contingency fees for payments received by the City on an account after the date of recall except where the debtor has contacted the City to engage in settlement of the account prior to the date of recall. In any attempt by a debtor to pay on a City account no longer assigned to the Contractor, the Contractor shall not accept payment and direct the debtor to contact the City.

C. Quality Assurance

The Contractor's performance will be evaluated according to contract standards and other performance measures deemed appropriate by the City, including, but not limited to, establishing contractor performance benchmarks and incentives relative to collection on City accounts. Performance benchmarks will include periodic tracking and grading a Contractor's compliance with contractual obligations such as the generation of ad hoc, routine, specialized/custom reports, responsiveness to department requests, practice of loading of referred accounts in a timely manner, and adherence to City administrative requirements. In addition, City reserves the right to publish the Contractor grades and rates of recovery on City accounts for departments use via City's Intranet or to be shared with City's collection vendors under contract for information, incentive and competitive purposes. The City may use a variety of inspection methods to determine Contractor's compliance with terms of this Agreement and evaluate performance level. The methods of inspection may include, but are not limited to:

- Random sampling
- Reports, (monthly and as needed)
- Periodic inspection of output items

The City shall have the right at any time during regular business hours to inspect records relative to City department accounts maintained by the Contractor at its place of business, with reasonable advance notification. Said records shall be retained by the Contractor three (3) years following final payment under this Agreement for non-EMS accounts. For LAFD EMS accounts, the Contractor shall retain records as required by HIPAA and the terms of the Business Associate Agreement between the Contractor and LAFD.

The Contractor must also be available to meet with representatives of the City on a quarterly basis, or as deemed appropriate by the City, to discuss any issues or concerns relating to the contract and/or City accounts. Upon request by the City for an impromptu meeting with the Contractor, the Contractor shall coordinate with the City an amicable time; however, if the City deems the matter requires immediate attention, the Contractor shall make itself available to meet with the City within two (2) business days from the day of the City's request.

D. Account Redistribution

City departments shall have sole discretion at any time without reason the right to distribute or redistribute accounts among the City's contracted collection agencies. For those accounts assigned to the Contractor wherein payments are being made and/or

subject to a current, agreed upon payment plan, the City departments may permit these accounts to remain with the Contractor while collections continue according to the arranged payment amount and schedule.

For any account assigned to the Contractor and recalled by the City to pursue other measures to collect, including redistribution to another contracted collection agency, the Contractor will not be due any commission after the date of recall by the City except where debtor has contacted the City to engage in settlement of the account prior to the date of recall. The Contractor shall direct the debtor to contact the City on any attempt by a debtor to pay on a City account that has been recalled by the City or is no longer assigned to the Contractor.

E. Membership in Professional Organizations

The Contractor shall maintain, at no cost to the City, membership in the American Collectors Association International, California Association of Collectors or similar professional organizations that provide interstate and intrastate services and utilize collection techniques consistent with the Code of Ethics and standards adopted by said associations.

F. Tax Certificate

The Contractor agrees to have and maintain a valid City of Los Angeles Business Tax Registration Certificate for the term of the Agreement, at no cost to the City.

G. Automation Support

The Contractor shall provide information technology/systems support to the City as deemed necessary by the referring City departments to establish and maintain account referral protocols, information exchanges and reports. Such information technology/systems support services are to be provided by the Contractor at no expense to the City.

H. Client Assistance

The Contractor shall provide to the referring City departments and offices as needed on-site customer assistance during, but not limited to, the first thirty (30) days of contract implementation. Client assistance services are to be provided by the Contractor at no expense to the City.

I. Training

The Contractor shall provide to the City on-site training relative to collection processes and procedures as deemed necessary by the referring City departments at no cost to the City.

J. Consulting

The Contractor shall provide to the City, upon request of management and supervisory level personnel, consulting services relative to collection and revenue enhancement processes and procedures as deemed necessary by the referring City department at no cost to the City. The Contractor shall provide to City management and supervisory level staff data and information relative to collections, industry trends, best practices, projections and any other relevant materials, upon request, to assist City staff in revenue collection management and analysis.

K. Access to Accounts

The Contractor shall provide to City departments remote access to its accounts assigned to the Contractor through an internet website or similar process. The Contractor shall also provide City departments with technical assistance, training and requirements needed to establish and use remote access privileges to its accounts, if needed, and at no cost to the City. Furthermore, the Contractor shall provide secure online access from the Contractor's delinquent account collection system to designated Finance and other City staff for accounts referred from the City for the purpose of delinquent account review, performance, and ad hoc reporting purposes.

L. Complaint Response and Handling

The Contractor shall acknowledge and respond to all written and oral complaints received relative to City accounts or City debtors. For written complaints, the Contractor shall acknowledge receipt of the complaint in writing within two (2) business days from the day the written complaint is received. Complaints and/or inquiries by telephone shall be received by the Contractor's personnel during regular business hours. During non-business hours, the Contractor shall provide a means for debtors to leave a message regarding their complaint and/or inquiry. All phone messages regarding City accounts shall be responded to by the Contractor no later than the next business day from the day that the message was left.

All complaints shall be directed to qualified customer service staff or manager who shall take responsibility for resolving the matter. The Contractor shall conduct any necessary investigations and take appropriate steps to resolve complaints within thirty (30) calendar days from receipt of the complaint, or other time frame, if deemed appropriate and specified in writing by the City. The Contractor shall notify complainant of the resolution of their complaint in writing and provide written notification of said resolution to the City, as defined in Article V of this Agreement. In circumstances when a complaint requires more than thirty (30) calendar days to resolve, the Contractor shall inform the City of the additional time needed, basis for the delay and estimated time when a resolution is expected.

The Contractor shall document and maintain records of all complaints initiated, including information regarding the person(s) that filed the complaint, specific details

regarding the nature of the complaint, all parties involved, steps taken to resolve the matter, final disposition and the name and title of staff that handled the matter.

At its sole discretion, the City may require the Contractor to take further steps to resolve a complaint if determined by the City that the Contractor did not address the complaint in a manner satisfactory to the City. The Contractor shall provide to the City any record(s) relative to a complaint upon request of the City, and said record(s) shall be made available to the City within two (2) business days of the City's request.

The Contractor shall immediately notify the City of any legal actions initiated against the Contractor regarding any City account, or which may have any relevance to the City as a business partner. The Contractor shall within one (1) week of giving notice to the City of a legal action, submit a comprehensive written report, including any supporting documentation, to the City to acquaint the City of pertinent details regarding the legal matter. The City may, at its discretion, require the Contractor to provide said report sooner than one (1) week if deemed appropriate. The Contractor shall keep the City informed on the status of any litigation matter at least on a quarterly basis, and shall immediately inform the City of any key developments with regard to the legal proceeding. The City may, at its sole discretion, modify the Contractor's reporting requirement regarding a legal matter as deemed appropriate. The Contractor shall assume all costs related to any litigation and the City shall be held harmless for any liabilities or damages that may result from litigation against the Contractor on any City account.

ARTICLE IV - COMMISSION PAYMENTS

The City agrees to compensate the Contractor on a contingency fee basis for services to the City performed under this Agreement. If no recovery is made on an account referred to the Contractor by the City, there is no compensation due to the Contractor. The commission due the Contractor shall be based on the Contractor's applicable commission rate approved by the City and any recovery made on an account that has been assigned to the Contractor, up to, but not to exceed the City's assigned amount. For compensation purposes, the assigned amount is the amount of the debt referred to the Contractor, including any City authorized adjustments to the amount referred after assignment, i.e., interest accruing on the unpaid balance or a reduction in the debt from an audit performed on the account.

Any adjustments made to an assigned amount shall be authorized by the City, and upon adjustment, the Contractor shall be entitled to commission on amounts recovered up to the final adjusted assigned amount. The Contractor is not entitled to commission on amounts recovered that exceed the City's assigned amount, i.e., the Contractor's contingency fees authorized by the City to be added to the assigned amount and collected by the Contractor.

The Contractor's approved commission rate for actual amounts recovered on accounts referred, up to, but not exceeding the assigned amount of the referral, shall be:

Contractor's Approved Commission Rates

Collection Level	Assigned Amount	Commission Rate
Primary Rate	N/A	20%
Secondary Rate	N/A	31%

The Contractor shall not be compensated in any other method than that prescribed in this Article. An invoice shall be submitted to the appropriate referring City department for commission owed the Contractor on amounts collected during the previous month, as detailed in Article III and Article V of this Agreement.

Any money paid directly to the City on any account assigned to the Contractor shall be deemed to have been collected by the Contractor, and the Contractor will be entitled to receive a commission on the payment, **unless: 1)** payment is received by the City or postmarked on or prior to the date of the City's receipt of the Contractor Acknowledgement Report as set forth in Article V of this Agreement **or; 2)** collection activity, such as dunning notice sent or telephone contact with debtor, by the Contractor has not begun, in which case the Contractor would not be due any commission. The City shall promptly notify the Contractor regarding any payment made directly to the City on an account assigned to the Contractor.

ARTICLE V - REPORTING

A. Required Monthly Reports to City Contract Administrator

The Contractor shall provide to the Contract Administrator in the Office of Finance, monthly electronic reports regarding collection activities, overall and specific to individual City departments, performed by the Contractor during the previous month and from inception of the Agreement. Required monthly reports are due to the City's Contract Administrator within five (5) working days of the close of the prior month. The City reserves the right to modify the Contractor's monthly reporting requirements as deemed appropriate and the Contractor shall comply with any requested changes to monthly reporting requirements within one (1) month of being notified by City of the requested modification. Required monthly reporting, as defined by the City, may include, but are not limited to the following reports:

- Activity Reports
- Batch Reports
- Overall Status of Accounts Referred
- Lists of Delinquent Debtors
- Performance Reports
- Stair-Step Reports
- Status of Complaints, as defined in Article III of this Agreement

B. Required Monthly Reports to Referring City Departments

The Contractor shall also provide monthly electronic reports to each City department that refers accounts. Monthly reports shall include information relative to collection

activities specific to accounts referred to the Contractor by that City department and include information for the prior month and aggregate from the time department initiated referring accounts to the Contractor. Required monthly reports are due to City departments within five (5) working days of the close of prior month. City departments reserve the right to modify Contractor's monthly reporting requirements as deemed appropriate. The Contractor shall comply with any requested changes in monthly reporting within one (1) month of receiving notification from the department. Required monthly reporting to referring City departments on accounts assigned to the Contractor may include, but are not limited to the following:

- Status of Accounts Referred by the City department
- Returned/Closed Accounts
- Retained Accounts
- Remittance Report

C. Acknowledgement Report

Upon receipt of a referral from a City department, the Contractor shall provide an Acknowledgment Report to the referring City department within one City business day from the assignment to verify account placement. Timely submission of the Acknowledgement Report by the Contractor is essential in order for the Contractor to be entitled any commission for monies collected on a referred account, as set forth in Article IV of this Agreement. The referring City department shall specify to the Contractor the method for receipt of the Acknowledgement Report. Information in the report shall include, but not be limited to the following on each account received:

- City Account Number
- Debtor Name
- Assignment Date
- Assignment Amount

D. Returned Accounts Report

The Contractor is required to furnish to City departments when applicable, a report on accounts returned to the City. Reasons that an assigned account may be returned to the City include, but are not limited to:

- Contractor was unable to collect the unpaid amounts within the time period allotted by the City to effect collection
- Court-ordered receivership is granted over debtor's business
- Debtor bankruptcy filing
- Debtor is deceased
- Decedent's estate lacks sufficient assets to satisfy the indebtedness
- City recalled the account

The contractor must state in its report the reason(s) for the return of the account and be able to provide detailed information regarding all efforts undertaken by the Contractor to collect on the account prior to its return. The format for the report on returned accounts shall be specified by the City departments and shall accompany any returned accounts. At a minimum, information contained in the report shall include the following for each account returned:

- City Account Number
- Contractor Assigned Account Number
- Debtor Name
- Assignment Date
- Assigned Amount
- Amount Collected
- Remaining Balance Due
- Detailed Reason for Return

E. Retained Accounts Report

The Contractor is required to furnish to City departments when applicable, a report on accounts retained by the Contractor beyond the approved nine (9) months for primary collection and six (6) months for secondary collection. Reporting on retained accounts shall begin no later than the date that these accounts would normally have been returned to the City due to the time period allotted by the City to effect collection has expired. The Contractor shall continue to report on retained accounts, on a monthly basis, until said accounts are paid in full or returned to the City department.

City accounts shall not be retained by the Contractor unless authorized in writing by the referring City department or where payment plans are in effect and debtors are making active payments under the payment plan that will extend beyond the allotted time period to effect collection as specified under this Agreement.

At any time the City may, at its sole discretion and for any reason, recall an account from the Contractor, as set forth in Article III of this Agreement. However, this action would not preclude payment obligations to the Contractor of contingency fees in the event an account with a payment plan in effect is taken over by the City and successfully collected by the City. The retained accounts report shall include at least the following information for each account retained:

- City Account Number
- Debtor Name
- Assignment Date
- Assigned Amount
- Amount Collected
- Remaining Balance Due
- Reason(s) Account has been Retained

F. Remittance Report

The Contractor is required to furnish to City departments when applicable, a remittance report setting forth the details from any monies collected from debtors on City assigned accounts during the previous month. This report shall accompany the monthly delivery of monies, as defined in Article III of this Agreement, and shall be delivered to the referring City department on or before the fifteenth (15th) of each month that the Contractor collected payments on assigned accounts during the previous month. Automated remittance processes may be implemented upon written agreement between the City department and the Contractor. Specific information required in the report shall include, but not be limited to:

- Contract Number
- Contractor Assigned Vendor Code Number
- City Account Number
- Debtor Name
- Batch Number
- Amount Collected
- Remaining Balance Due
- Contractor Commission

G. Customized, Ad Hoc and Specialized As Needed Reports

On an occasional basis, the Contractor shall be required to provide to the City Contract Administrator or referring City department customized, ad hoc or specialized as needed reports. The Contractor shall furnish said reports within five (5) business days from receipt of a written request, or other timeframe specified in writing, from the City Contract Administrator or referring City department. Specific details regarding the content and format of the specialized report shall be provided by the requesting party.

ARTICLE VI - TERM

- A. The term of this Agreement shall commence on December 1, 2020, and continue through November 30, 2023, unless terminated earlier as provided herein or amended as elsewhere provided herein. The City may, at its sole discretion, extend the term of this agreement for two (2) additional years in one (1) year increments under the same prices, terms and conditions for such periods if both parties agree to the extensions.
- B. Compensation: During the term of this Amendment to the Supplemental Agreement, the City will pay the Contractor in accordance with Article IV – Commission Payments.
- C. Additional expenses: During the term of this Amendment to the Supplemental Agreement, the Contractor is responsible for the following additional costs for services rendered by CSS Impact (these costs do not apply if there are no services rendered by CSS Impact):

- a. One time/agency fee for: On boarding, provisioning and training - \$7,500 (Seven thousand, five hundred dollars).
 - i. For this Agreement “on boarding” refers to the process of migrating an external system to the platform utilized by CSS Impact for the City in order to provide collection services for delinquent accounts; all of the activities that pertain to the migration of data and processes from a legacy system to the CSS Impact system for the City to provide collection services for delinquent accounts.
 - ii. For this Agreement “provisioning” refers to the act of configuring or setting up a process such as letters, reports, workflows, EDIs, dashboards, etc. for the City in order to provide collection services for delinquent accounts.
- b. One time/agency fee for: Cloud infrastructure - \$4,995 (Four thousand, nine hundred, ninety five dollars).
- c. Monthly agency fee for: Enterprise access with 10 (ten) users - \$4,995/month (Four thousand, nine hundred, ninety five dollars) and \$495/month (Four hundred ninety five dollars) for each additional user.
 - i. For this Agreement “enterprise” refers to the CSS Impact platform, and means that this platform provides large-scale functionality across all instances of Contractor legacy systems with an organization-wide feature set to potentially accommodate all Contractor current and future business processes.
- d. Monthly agency fee for: Enterprise access with limited users (minimum 2 users) - \$1,250/month (One thousand, two hundred, fifty dollars).

ARTICLE VII - MANAGEMENT, ORGANIZATION AND RESPONSIBILITIES

A. City Contract Administrator

The City hereby appoints the Director of the Office of Finance, or his/her designee, as the City Contract Administrator with respect to overall management, amendments or other matters directly related to this Agreement, provided; however, that any matters which will increase the City's financial obligation hereunder shall be presented to the City Council for its consideration and approval or otherwise approved as provided in the City's Charter or Administrative Codes.

Each City department shall be primarily responsible for matters regarding their assigned accounts or referrals. The Contractor shall direct any communications and/or inquires regarding any assigned accounts to the City department that referred the said accounts in accordance with the Participation Document and other directives from the City department. City departments shall provide written notice to the Contractor with regard to any changes in the Participation Document or management of their referred accounts.

B. Contractor's Representative

The Contractor hereby appoints Lori Gruver, Chief Compliance Officer, to represent the Contractor with respect to amendments or other matters to this Agreement.

ARTICLE VIII - NOTICES

Notices and all other communications to the City or the Contractor required by or regarding this Agreement shall be in writing and delivered personally or sent by first class mail or fax as follows:

- A. City Address:
Office of Finance
200 N. Spring Street, Room 1225
Los Angeles, California 90012
Attn: Rushmore Cervantes, City Contract Administrator
Telephone: (213) 978-1760
Fax: (213) 978-3666
Email: rushmore.cervantes@lacity.org

- B. Contractor's Address:
Linebarger Goggan Blair & Sampson, LLP
18000 Studebaker Road, Suite 700
Cerritos, CA 90703
Attn: Lori Gruver, Chief Compliance Officer
Telephone: (844) 598-2700
Fax: (512) 693-0728
Email: Lori.G@lgbs.com

Any change by either party with regard to notices and all other communications to the City or the Contractor shall be made through written notice to the other party in accordance with this Article.

ARTICLE IX - TERMINATION

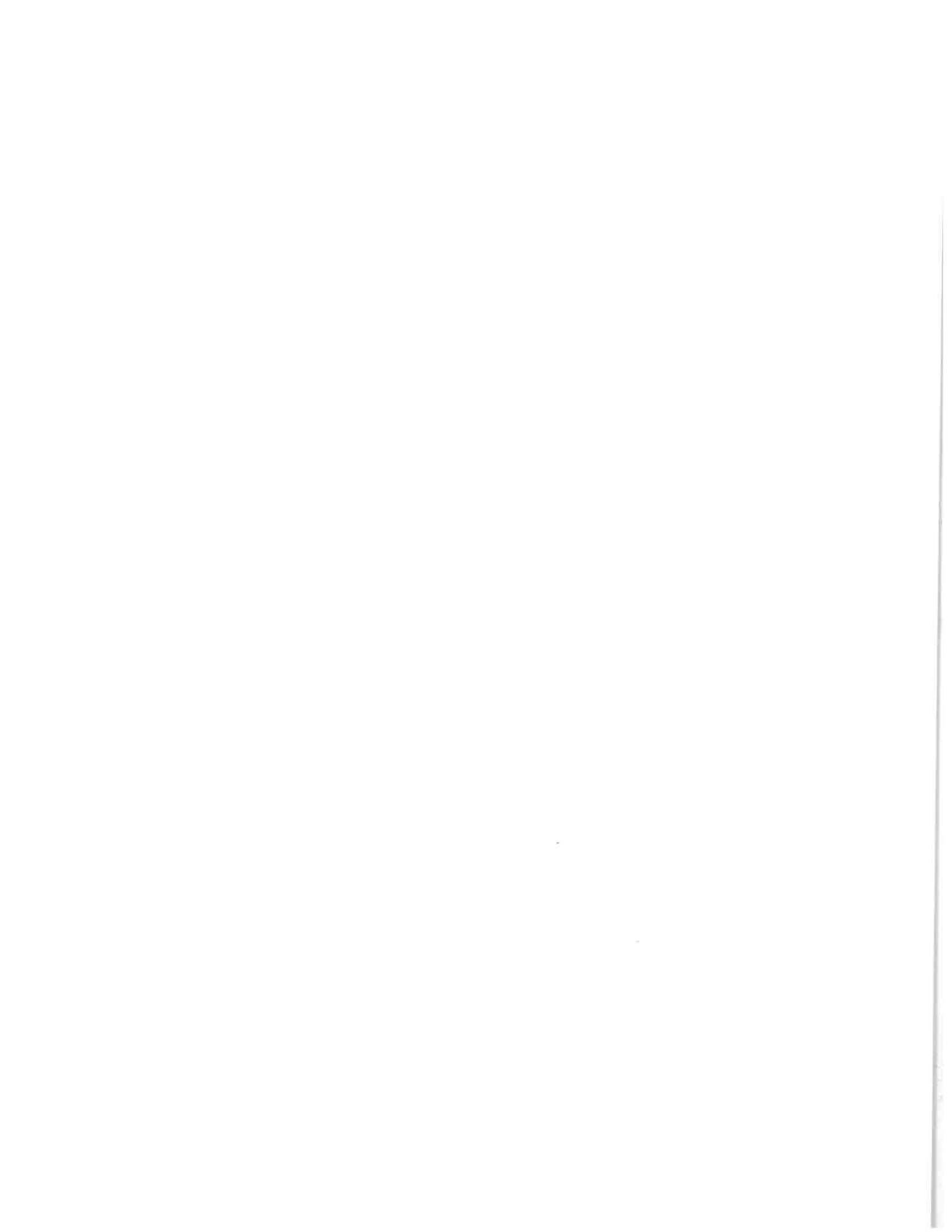
The City may terminate the Agreement, or any part hereof, for its convenience, effective as of any date upon at least thirty (30) days written notification to the Contractor.

Upon termination of the Agreement, all accounts shall be deemed automatically reassigned by the Contractor to the City. In-process collections may be considered waived from reassignment upon written consent from the City. For the purpose of this Agreement, in-process collections are instances where payment plans are in affect and active payments are being made by the debtor in accordance with the plan. Contract terms and conditions will stay in effect with regard to accounts that remain with the Contractor for in-process collections, with no additional account referrals to the Contractor by the City.

If any provision of this Agreement is held unenforceable, then such provision may be modified by mutual agreement to reflect the parties' intention. All remaining provisions of this Agreement shall remain in full force and effect.

ARTICLE X - INCORPORATION BY REFERENCE

The Contractor agrees to comply with all terms and conditions set forth in the City's "Standard Provisions for City Contracts" (revised October 2017), a copy of which is attached hereto as Appendix A and incorporated herein by reference.




IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective duly authorized representatives.

Approved Corporate Signature Methods:

- a) Two signatures: one by Chairman of Board of Directors, President, or Vice President; and one by Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer.
- b) One signature by corporate designated individual together with properly attested resolution of Board of Directors authorizing person to sign on the company's behalf.

THE CITY OF LOS ANGELES

LINEBARGER GOGGAN BLAIR &
SAMPSON, LLP

By 
 DIANA MANGIOGLU
 Director of Finance/City Treasurer

Date 11/23/20

By 
 Name Lori Grover

Title General Counsel

Date Oct. 27, 2020

By _____

Name _____

Title _____

Date _____

APPROVED AS TO FORM AND
LEGALITY:

ATTEST:

MICHAEL N. FEUER,
City Attorney

HOLLY L. WOLCOTT,
City Clerk

By 

By 

Date 11/24/2020

Date 11/30/2020



