CITY OF FRESNO
City Clerk's Office (Original)

COLLECTION AGENCY SERVICES AGREEMENT
CITY OF FRESNO, CALIFORNIA

THIS AGREEMENT is made and entered into effective the 5th day of May, 2009, by and between the CITY OF FRESNO, a California municipal corporation (hereinafter referred to as "City"), and Transworld Systems, Inc. a California corporation (hereinafter referred to as "Collection Agency").

RECITALS

WHEREAS, City desires to obtain professional collection agency services for those accounts considered uncollectible by various City Departments/Divisions including the Finance Department – Utilities Billing and Collections Division and Business Tax Division, Fresno Police Department, Fresno Fire Department, Fresno Area Express, Department of Public Utilities, Fresno Yosemite International Airport and Chandler Executive Airport, hereinafter referred to as the "Project;" and

WHEREAS, Collection Agency is engaged in the business of furnishing technical and expert services as a collection agency and hereby represents that it desires to and is professionally and legally capable of performing the services called for by this Agreement; and

WHEREAS, this Agreement will be administered for City by its Finance Director (hereinafter referred to as "Administrator") or his/her designee.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the covenants, conditions, and premises hereinafter contained to be kept and performed by the respective parties, it is mutually agreed as follows:

1. Scope of Services. Collection Agency shall perform to the satisfaction of City the services described in **Exhibit A**, including all work incidental to, or necessary to perform, such services even though not specifically described in **Exhibit A**.

2. Term of Agreement and Time for Performance. This Agreement shall be effective from the date first set forth above ("Effective Date") and shall continue in full force and effect through May 5, 2012, subject to any earlier termination in accordance with this Agreement. The services of Collection Agency as described in **Exhibit A** are to commence upon the Effective Date and shall be completed in a sequence assuring expeditious completion, but in any event, all such services shall be completed prior to expiration of this Agreement and in accordance with any performance schedule set forth in **Exhibit A**.

3. Compensation.

(a) Collection Agency's sole compensation for satisfactory performance of all services required or rendered pursuant to this Agreement shall be as follows:

Phase I – Flat Fee - No Percentage rate. Up to 5 written collection demands are made over a 56-day period:

$7.75 per account; $6.75 per account annual discount after 5000th account with additional discounts available based upon greater volume of accounts placed.

Phase II – Contingent Based - Percentage rate:

Balances over $1,200.00 - Primes Accounts (less than six (6) months old) 20%; Over six (6) months old 30%; Legal and Skip Tracing and balances less than $50.00 – 50%.

Balances under $1,200.00 – Primes Accounts (less than six (6) months old 30%; Over six (6) months old 40%; Legal and Skip Tracing and balances less than $50.00 – 50%.

For purposes of this section, "contingent based percentage rate" shall mean the percentage of the total monies collected by Collection Agency from debtor on the respective account. For purposes of this section, "legal" shall mean any delinquent debt which all collection activity by the Collection Agency has been exhausted and litigation is needed to pursue recovery of the debt. All other collection accounts are "non-legal."

(b) Detailed statements shall be rendered monthly for services performed in the preceding month and will be payable in the normal course of City business. City shall not be obligated to reimburse any expense for which it has not received a detailed invoice with applicable copies of representative and identifiable receipts or records substantiating such expense.

(c) The parties may modify this Agreement to increase or decrease the scope of services or provide for the rendition of services not required by this Agreement, which modification shall include an adjustment to Collection Agency's compensation. Any change in the scope of services must be made by written amendment to the Agreement signed by an authorized representative for each party. Collection Agency shall not be entitled to any additional compensation if services are performed prior to a signed written amendment.

4. Termination, Remedies and Force Majeure.

(a) This Agreement shall terminate without any liability of City to Collection Agency upon the earlier of: (i) Collection Agency's filing for protection under the federal bankruptcy laws, or any bankruptcy petition or petition for receiver commenced by a third party against Collection Agency; (ii) 7 calendar days prior written notice with or without cause by City to Collection Agency; (iii) City's non-appropriation of funds sufficient to meet its obligations hereunder during any City fiscal year of this Agreement, or insufficient funding for the Project; or (iv) expiration of this Agreement.

(b) Immediately upon any termination or expiration of this Agreement, Collection Agency shall (i) immediately stop all work hereunder; (ii) immediately cause any and all of its subcontractors to cease work; and (iii) return to City any and all unearned payments and all properties and materials in the possession of Collection Agency that are owned by City. Subject to the terms of this Agreement, Collection Agency shall be paid compensation for services satisfactorily performed prior to the effective date of termination. Collection Agency shall not be paid for any work or services performed or costs incurred which reasonably could have been avoided.

(c) In the event of termination due to failure of Collection Agency to satisfactorily perform in accordance with the terms of this Agreement, City may withhold an amount that would otherwise be payable as an offset to, but not in excess of, City's damages caused by such failure. In no event shall any payment by City pursuant to this Agreement constitute a waiver by City of any breach of this Agreement which may then exist on the part of Collection Agency, nor shall such payment impair or prejudice any remedy available to City with respect to the breach.

(d) Upon any breach of this Agreement by Collection Agency, City may (i) exercise any right, remedy (in contract, law or equity), or privilege which may be available to

it under applicable laws of the State of California or any other applicable law; (ii) proceed by appropriate court action to enforce the terms of the Agreement; and/or (iii) recover all direct, indirect, consequential, economic and incidental damages for the breach of the Agreement. If it is determined that City improperly terminated this Agreement for default, such termination shall be deemed a termination for convenience.

(e) Collection Agency shall provide City with adequate written assurances of future performance, upon Administrator's request, in the event Collection Agency fails to comply with any terms or conditions of this Agreement.

(f) Collection Agency shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of Collection Agency and without its fault or negligence such as, acts of God or the public enemy, acts of City in its contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. Collection Agency shall notify Administrator in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, and shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to Administrator of the cessation of such occurrence.

5. Confidential Information and Ownership of Documents.

(a) Any reports, information, or other data prepared or assembled by Collection Agency pursuant to this Agreement shall not be made available to any individual or organization by Collection Agency without the prior written approval of the Administrator. During the term of this Agreement, and thereafter, Collection Agency shall not, without the prior written consent of City, disclose to anyone any Confidential Information. The term Confidential Information for the purposes of this Agreement shall include all proprietary and confidential information of City, including but not limited to business plans, marketing plans, financial information, materials, compilations, documents, instruments, models, source or object codes and other information disclosed or submitted, orally, in writing, or by any other medium or media. All Confidential Information shall be and remain confidential and proprietary in City.

(b) Any and all writings and documents prepared or provided by Collection Agency pursuant to this Agreement are the property of City at the time of preparation and shall be turned over to City upon expiration or termination of the Agreement. Collection Agency shall not permit the reproduction or use thereof by any other person except as otherwise expressly provided herein.

(c) This Section 5 shall survive expiration or termination of this Agreement.

6. Professional Skill. It is further mutually understood and agreed by and between the parties hereto that inasmuch as Collection Agency represents to City that Collection Agency is skilled in the profession and shall perform in accordance with the standards of said profession necessary to perform the services agreed to be done by it under this Agreement, City relies upon the skill of Collection Agency to do and perform such services in a skillful manner and Collection Agency agrees to thus perform the services. Therefore, any acceptance of such services by City shall not operate as a release of Collection Agency from said professional standards.

7. Indemnification. To the furthest extent allowed by law, Collection Agency shall indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage), and from any and all claims, demands and actions in law or equity (including reasonable attorney's fees and litigation expenses) that arise out of, pertain to,

or relate to the negligence, recklessness or willful misconduct of Collection Agency, its principals, officers, employees, agents or volunteers in the performance of this Agreement.

If Collection Agency should subcontract all or any portion of the services to be performed under this Agreement, Collection Agency shall require each subcontractor to indemnify, hold harmless and defend City and each of its officers, officials, employees, agents and volunteers in accordance with the terms of the preceding paragraph.

This section shall survive termination or expiration of this Agreement.

8. Insurance.

(a) Throughout the life of this Agreement, Collection Agency shall pay for and maintain in full force and effect all insurance as required in **Exhibit B** or as may be authorized in writing by City's Risk Manager or his/her designee at any time and in his/her sole discretion.

(b) If at any time during the life of the Agreement or any extension, Collection Agency or any of its subcontractors fail to maintain any required insurance in full force and effect, all services and work under this Agreement shall be discontinued immediately, and all payments due or that become due to Collection Agency shall be withheld until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure to maintain the required insurance shall be sufficient cause for City to terminate this Agreement. No action taken by City pursuant to this section shall in any way relieve Collection Agency of its responsibilities under this Agreement. The phrase "fail to maintain any required insurance" shall include, without limitation, notification received by City that an insurer has commenced proceedings, or has had proceedings commenced against it, indicating that the insurer is insolvent.

(c) The fact that insurance is obtained by Collection Agency shall not be deemed to release or diminish the liability of Collection Agency, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify City shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Collection Agency. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Collection Agency, its principals, officers, agents, employees, persons under the supervision of Collection Agency, vendors, suppliers, invitees, consultants, sub-consultants, subcontractors, or anyone employed directly or indirectly by any of them.

(d) Upon request of City, Collection Agency shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

(e) If Collection Agency should subcontract all or any portion of the services to be performed under this Agreement, Collection Agency shall require each subcontractor to provide insurance protection in favor of City and each of its officers, officials, employees, agents and volunteers in accordance with the terms of this section, except that any required certificates and applicable endorsements shall be on file with Collection Agency and City prior to the commencement of any services by the subcontractor.

9. Conflict of Interest and Non-Solicitation.

(a) Prior to City's execution of this Agreement, Collection Agency shall complete a City of Fresno conflict of interest disclosure statement in the form as set forth in **Exhibit C**. During the term of this Agreement, Collection Agency shall have the obligation and duty to immediately notify City in writing of any change to the information provided by Collection Agency in such statement.

(b) Collection Agency shall comply, and require its subcontractors to comply, with all applicable (i) professional canons and requirements governing avoidance of impermissible client conflicts; and (ii) federal, state and local conflict of interest laws and regulations including, without limitation, California Government Code Section 1090 et. seq., the California Political Reform Act (California Government Code Section 87100 et. seq.) and the regulations of the Fair Political Practices Commission concerning disclosure and disqualification (2 California Code of Regulations Section 18700 et. seq.). At any time, upon written request of City, Collection Agency shall provide a written opinion of its legal counsel and that of any subcontractor that, after a due diligent inquiry, Collection Agency and the respective subcontractor(s) are in full compliance with all laws and regulations. Collection Agency shall take, and require its subcontractors to take, reasonable steps to avoid any appearance of a conflict of interest. Upon discovery of any facts giving rise to the appearance of a conflict of interest, Collection Agency shall immediately notify City of these facts in writing.

(c) In performing the work or services to be provided hereunder, Collection Agency shall not employ or retain the services of any person while such person either is employed by City or is a member of any City council, commission, board, committee, or similar City body. This requirement may be waived in writing by the City Manager, if no actual or potential conflict is involved.

(d) Collection Agency represents and warrants that it has not paid or agreed to pay any compensation, contingent or otherwise, direct or indirect, to solicit or procure this Agreement or any rights/benefits hereunder.

(e) Neither Collection Agency, nor any of Collection Agency's subcontractors performing any services on this Project, shall bid for, assist anyone in the preparation of a bid for, or perform any services pursuant to, any other contract in connection with this Project unless fully disclosed to and approved by the City Manager, in advance and in writing. Collection Agency and any of its subcontractors shall have no interest, direct or indirect, in any other contract with a third party in connection with this Project unless such interest is in accordance with all applicable law and fully disclosed to and approved by the City Manager, in advance and in writing. Notwithstanding any approval given by the City Manager under this provision, Collection Agency shall remain responsible for complying with Section 9(b), above.

(f) If Collection Agency should subcontract all or any portion of the work to be performed or services to be provided under this Agreement, Collection Agency shall include the provisions of this Section 9 in each subcontract and require its subcontractors to comply therewith.

(g) This Section 9 shall survive expiration or termination of this Agreement.

10. Recycling Program. In the event Collection Agency maintains an office or operates a facility(ies), or is required herein to maintain or operate same, within the incorporated limits of the City of Fresno, Collection Agency at its sole cost and expense shall:

(i) Immediately establish and maintain a viable and ongoing recycling program, approved by City's Solid Waste Management Division, for each office and facility. Literature describing City recycling programs is available from City's Solid Waste Management Division and by calling City of Fresno Recycling Hotline at (559) 621-1111.

(ii) Immediately contact City's Solid Waste Management Division at (559) 621-1452 and schedule a free waste audit, and cooperate with such Division in their conduct of the audit for each office and facility.

(iii) Cooperate with and demonstrate to the satisfaction of City's Solid Waste Management Division the establishment of the recycling program in paragraph (i) above and the ongoing maintenance thereof.

11. General Terms.

(a) Except as otherwise provided by law, all notices expressly required of City within the body of this Agreement, and not otherwise specifically provided for, shall be effective only if signed by the Administrator or his/her designee.

(b) Records of Collection Agency's expenses pertaining to the Project shall be kept on a generally recognized accounting basis and shall be available to City or its authorized representatives upon request during regular business hours throughout the life of this Agreement and for a period of three years after final payment or, if longer, for any period required by law. In addition, all books, documents, papers, and records of Collection Agency pertaining to the Project shall be available for the purpose of making audits, examinations, excerpts, and transcriptions for the same period of time. This Section 11(b) shall survive expiration or termination of this Agreement.

12. Nondiscrimination. To the extent required by controlling federal, state and local law, Collection Agency shall not employ discriminatory practices in the provision of services, employment of personnel, or in any other respect on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. Subject to the foregoing and during the performance of this Agreement, Collection Agency agrees as follows:

(a) Collection Agency will comply with all applicable laws and regulations providing that no person shall, on the grounds of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Agreement.

(b) Collection Agency will not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. Collection Agency shall ensure that applicants are employed, and the employees are treated during employment, without regard to their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. Such requirement shall apply to Collection Agency's employment practices including, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Collection Agency agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provision of this nondiscrimination clause.

(c) Collection Agency will, in all solicitations or advertisements for employees placed by or on behalf of Collection Agency in pursuit hereof, state that all qualified applicants will receive consideration for employment without regard to race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era.

(d) Collection Agency will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding,

a notice advising such labor union or workers' representatives of Collection Agency's commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

13. Independent Contractor.

(a) In the furnishing of the services provided for herein, Collection Agency is acting solely as an independent contractor. Neither Collection Agency, nor any of its officers, agents or employees shall be deemed an officer, agent, employee, joint venturer, partner or associate of City for any purpose. City shall have no right to control or supervise or direct the manner or method by which Collection Agency shall perform its work and functions. However, City shall retain the right to administer this Agreement so as to verify that Collection Agency is performing its obligations in accordance with the terms and conditions thereof.

(b) This Agreement does not evidence a partnership or joint venture between Collection Agency and City. Collection Agency shall have no authority to bind City absent City's express written consent. Except to the extent otherwise provided in this Agreement, Collection Agency shall bear its own costs and expenses in pursuit thereof.

(c) Because of its status as an independent contractor, Collection Agency and its officers, agents and employees shall have absolutely no right to employment rights and benefits available to City employees. Collection Agency shall be solely liable and responsible for all payroll and tax withholding and for providing to, or on behalf of, its employees all employee benefits including, without limitation, health, welfare and retirement benefits. In addition, together with its other obligations under this Agreement, Collection Agency shall be solely responsible, indemnify, defend and save City harmless from all matters relating to employment and tax withholding for and payment of Collection Agency's employees, including, without limitation, (i) compliance with Social Security and unemployment insurance withholding, payment of workers' compensation benefits, and all other laws and regulations governing matters of employee withholding, taxes and payment; and (ii) any claim of right or interest in City employment benefits, entitlements, programs and/or funds offered employees of City whether arising by reason of any common law, de facto, leased, or co-employee rights or other theory. It is acknowledged that during the term of this Agreement, Collection Agency may be providing services to others unrelated to City or to this Agreement.

14. Notices. Any notice required or intended to be given to either party under the terms of this Agreement shall be in writing and shall be deemed to be duly given if delivered personally, transmitted by facsimile followed by telephone confirmation of receipt, or sent by United States registered or certified mail, with postage prepaid, return receipt requested, addressed to the party to which notice is to be given at the party's address set forth on the signature page of this Agreement or at such other address as the parties may from time to time designate by written notice. Notices served by United States mail in the manner above described shall be deemed sufficiently served or given at the time of the mailing thereof.

15. Binding. Subject to Section 16, below, once this Agreement is signed by all parties, it shall be binding upon, and shall inure to the benefit of, all parties, and each parties' respective heirs, successors, assigns, transferees, agents, servants, employees and representatives.

16. Assignment.

(a) This Agreement is personal to Collection Agency and there shall be no assignment by Collection Agency of its rights or obligations under this Agreement without the prior written approval of the City Manager or his/her designee. Any attempted assignment by Collection Agency, its successors or assigns, shall be null and void unless approved in writing by the City Manager or his/her designee.

(b) Collection Agency hereby agrees not to assign the payment of any monies due Collection Agency from City under the terms of this Agreement to any other individual(s), corporation(s) or entity(ies). City retains the right to pay any and all monies due Collection Agency directly to Collection Agency.

17. Compliance With Law. In providing the services required under this Agreement, Collection Agency shall at all times comply with all applicable laws of the United States, the State of California and City, and with all applicable regulations promulgated by federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of this Agreement.

18. Waiver. The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement. No provisions of this Agreement may be waived unless in writing and signed by all parties to this Agreement. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.

19. Governing Law and Venue. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction. Venue for purposes of the filing of any action regarding the enforcement or interpretation of this Agreement and any rights and duties hereunder shall be Fresno County, California.

20. Headings. The section headings in this Agreement are for convenience and reference only and shall not be construed or held in any way to explain, modify or add to the interpretation or meaning of the provisions of this Agreement.

21. Severability. The provisions of this Agreement are severable. The invalidity, or unenforceability of any one provision in this Agreement shall not affect the other provisions.

22. Interpretation. The parties acknowledge that this Agreement in its final form is the result of the combined efforts of the parties and that, should any provision of this Agreement be found to be ambiguous in any way, such ambiguity shall not be resolved by construing this Agreement in favor of or against either party, but rather by construing the terms in accordance with their generally accepted meaning.

23. Attorney's Fees. If either party is required to commence any proceeding or legal action to enforce or interpret any term, covenant or condition of this Agreement, the prevailing party in such proceeding or action shall be entitled to recover from the other party its reasonable attorney's fees and legal expenses.

24. Exhibits. Each exhibit and attachment referenced in this Agreement is, by the reference, incorporated into and made a part of this Agreement.

25. Precedence of Documents. In the event of any conflict between the body of this Agreement and any Exhibit or Attachment hereto, the terms and conditions of the body of this Agreement shall control and take precedence over the terms and conditions expressed within the Exhibit or Attachment. Furthermore, any terms or conditions contained within any Exhibit or Attachment hereto which purport to modify the allocation of risk between the parties, provided for within the body of this Agreement, shall be null and void.

26. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

27. No Third Party Beneficiaries. The rights, interests, duties and obligations defined

within this Agreement are intended for the specific parties hereto as identified in the preamble of this Agreement. Notwithstanding anything stated to the contrary in this Agreement, it is not intended that any rights or interests in this Agreement benefit or flow to the interest of any third parties.

28. Extent of Agreement. Each party acknowledges that they have read and fully understand the contents of this Agreement. This Agreement represents the entire and integrated agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be modified only by written instrument duly authorized and executed by both City and Collection Agency.

IN WITNESS WHEREOF, the parties have executed this Agreement at Fresno, California, the day and year first above written.

CITY OF FRESNO,
a California municipal corporation

By: _____
Karen Bradley
Interim City Controller

ATTEST:
REBECCA E. KLISCH
City Clerk

By: _____ 5/14/09
Deputy

APPROVED AS TO FORM:
JAMES C. SANCHEZ
City Attorney

By: _____ 5-11-09
Nancy A. Algier Date
Senior Deputy

Transworld Systems, Inc.
A California corporation

By: _____

Name: Albert Zezulinski

Title: Executive Vice President
(if corporation or LLC, Board Chair, Pres. or Vice Pres.)

By: _____

Name: Assistant Secretary

Title: Josh Dindin
(if corporation or LLC, CFO, Treasurer, Secretary or Assistant Secretary)

Addresses:

City:
City of Fresno
Attn: Karen M. Bradley, Interim City Controller
2600 Fresno, Street, Room 2157
Fresno, CA 93721
Phone: (559) 621-7048
FAX: (559) 621-4636

Collection Agency:
Transworld Systems, Inc.
Attn: Albert Zezulinski, Executive Vice Pres.
507 Prudential Rd.
Horsham, PA 19044
Phone: (800) 220-2274
FAX: (215) 441-3923

Attachments:

Exhibit A - Scope of Services
Exhibit B - Insurance Requirements
Exhibit C - Conflict of Interest Disclosure Form

Exhibit A

SCOPE OF SERVICES
Collection Agency Service Agreement between City of Fresno ("City") and Transworld Systems, Inc. ("Collection Agency")

COLLECTION AGENCY SERVICES FOR VARIOUS CITY DEPARTMENTS
PROJECT TITLE

General

1. Provide collection services for unpaid and delinquent accounts receivables for the following:

    - Business taxes
    - Utilities billing
    - Contract Law Enforcement Services, DUI accounts (Business Office) and emergency board-ups
    - Airport activity and fixed rent
    - False alarms
    - Non-sufficient fund returned checks for various departments
    - Illegal fireworks citations
    - Other accounts as assigned

2. Accounts may consist of multiple charges for a variety of services performed or assessments made.

3. Assignable accounts will be retained by the City for a period of 3-6 months depending on the type of account. If the City's collection efforts are not successful, the accounts will be assigned to Collection Agency.

4. Internet or Web Access is the preferable method for account assignment and account status inquiry.

5. Collection Agency shall not have full rights to the accounts. All information provided to the Collection Agency shall be used solely for the purpose of collection and may not be provided to any outside agency, business or person without the written consent of the City.

6. Collection Agency will provide an acknowledgement of accounts placed with the Collection Agency within five (5) days of receipt from the City.

7. City shall provide copies of documentation as required by the Collection Agency to respond to debtor's requests. City will make every effort to provide all pertinent information to the Collection Agency.

8. No litigations or compromised settlements of assigned accounts shall be made by Collection Agency without express written consent of the City.

9. Collection Agency shall make contacts with delinquent accounts under the name of the Collection Agency.

10. The Collection Agency shall designate a manager for the City's account, who will be the City's primary contact at the Collection Agency.

11. The Collection Agency shall be solely responsible for any costs whatsoever incurred for collections on accounts referred to it for collection, including, but not limited to all costs, fees and charges for litigation involved with collection activities.

Reports and Inquiry

12. Collection Agency shall submit written status reports on all accounts on a monthly basis by type of receivable. Reported data should provide a summary and detail aging report with information for each account including: original balance, current balance, money received, charges waived, interest charged, and date of last payment. A financial summary will also be required showing "period to date" and "year to date" totals for pertinent information such as: Receipts, net accounts receivable, total accounts receivable and collection percentage.

13. A year-end report as of June 30th, should be provided annually to include a detailed listing of all accounts by type; detailed listing of all accounts closed in the past year by type; detail of all activity by account in past year by type; summary of all the above reports.

Collection Activities

14. Collection Agency shall conduct skip tracing and asset searches on delinquent accounts.

15. Collection Agency must have the ability to report uncollected accounts to the major credit bureaus. At the time that the account is assigned for collection, the City will advise the Collection Agency if credit bureau reporting is prohibited for that account. All reporting shall be in accordance will all applicable Federal, State laws including, but not limited to the Fair Debt Collection Practices Act, Federal Equal Credit Opportunity Act, Regulations and the Consumer Credit Protection Act.

16. At the request of the City, the Collection Agency shall remove an account notification from all affected bureaus and provide a copy of that notification from all affected bureaus to the City. The City requires that accounts be cancelled from each credit bureau upon request of the City.

17. The City is customer service oriented and firmly believes in a positive approach in dealing with debtors. The Agency shall not use tactics that may be interpreted as harassment or as demeaning or that may reflect poorly on the City's efforts.

18. The City requires the Collection Agency to exercise high ethical standards in their collection philosophy and techniques. The Collection Agency shall conduct its collection business in a professional manner, which will preserve the dignity of the City and its relationship with its citizens.

19. The City will provide guidance on the conduct of the collection service as it will reflect on the City's policies and reputation.

20. If in the discretion of the City, it is deemed that the Collection Agency has acted in an improper, unethical or illegal manner the City may require that all accounts be returned to the City immediately.

21. The Collection Agency shall meet annually with the City to discuss all services and discuss prior year's results.

22. The City would like the Collection Agency to consider having accounts which are collected by the agency within 30 days of receipt from the City to be returned to the City at 100% or a discount from the final collection percentage.

23. The City may recall an account or reduce/amend the amount due on any case at any time. Recalled accounts will not be subject to collection fees. Collection fees for reduced/amended accounts will be based upon the reduced/amended balance.

24. The City adds a collection fee to all accounts sent to collections and may request the Collection Agency to also charge for delinquent fees once sent to the Collection Agency as allowed by City ordinance.

25. The Collection Agency shall remit to the City all monies collected, less collection fees, with a report including account name, account number, City Department, amount collected and amount of collection fees.

Uncollectible Accounts

26. The City requires that all accounts not collected upon within 6 months to be returned to the City with a record of efforts to collect and explanation of why the account is deemed uncollectable.

27. The Collection Agency shall report annually on June 30th to the City all accounts deemed by it to be uncollectible by July 15th, along with reasons why the account is uncollectable and actions taken to attempt the collection.

Training

28. The Collection Agency may be asked to periodically provide training to the City and other department staff at no cost. The Collection Agency should also provide recommendations on how the City can reduce future bad debt. The Collection Agency should consider providing updates to the City on changes in state and national laws related to credit and collections including any Agency newsletters, if available.

Exhibit B

INSURANCE REQUIREMENTS
Collection Agency Service Agreement between City of Fresno ("City") and Transworld Systems, Inc. ("Collection Agency")

COLLECTION AGENCY SERVICES FOR VARIOUS CITY DEPARTMENTS
PROJECT TITLE

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. The most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01, which shall include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations, products and completed operations, and contractual liability.

2. The most current version of Insurance Service Office (ISO) Business Auto Coverage Form CA 00 01, which shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1- Any Auto).

3. Workers' Compensation insurance as required by the California Labor Code and Employer's Liability Insurance.

4. Professional Liability (Errors and Omissions) insurance appropriate to Collection Agency's profession.

Minimum Limits of Insurance

Collection Agency shall maintain limits of liability of not less than:

1. General Liability:

   $1,000,000 per occurrence for bodily injury and property damage
   $1,000,000 per occurrence for personal and advertising injury
   $2,000,000 aggregate for products and completed operations
   $2,000,000 general aggregate applying separately to the work performed under the Agreement

2. Automobile Liability:

   $1,000,000 per accident for bodily injury and property damage

3. Employer's Liability:

   $1,000,000 each accident for bodily injury
   $1,000,000 disease each employee
   $1,000,000 disease policy limit

4. Professional Liability (Errors and Omissions)

   $1,000,000 per claim/occurrence
   $2,000,000 policy aggregate

Umbrella or Excess Insurance

In the event Collection Agency purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

Deductibles and Self-Insured Retentions

Collection Agency shall be responsible for payment of any deductibles contained in any insurance polices required hereunder and Collection Agency shall also be responsible for payment of any self-insured retentions. Any deductibles or self-insured retentions must be declared to, and approved by, the City's Risk Manager or his/her designee. At the option of the City's Risk Manager or his/her designee, either (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its officers, officials, employees, agents and volunteers; or (ii) Collection Agency shall provide a financial guarantee, satisfactory to City's Risk Manager or his/her designee, guaranteeing payment of losses and related investigations, claim administration and defense expenses. At no time shall City be responsible for the payment of any deductibles or self-insured retentions.

Other Insurance Provisions

The General Liability and Automobile Liability insurance policies are to contain, or be endorsed to contain, the following provisions:

1. City, its officers, officials, employees, agents and volunteers are to be covered as additional insureds.

2. The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, officials, employees, agents and volunteers.

3. Collection Agency's insurance coverage shall be primary and no contribution shall be required of City.

The Workers' Compensation insurance policy is to contain, or be endorsed to contain, the following provision: Collection Agency and its insurer shall waive any right of subrogation against City, its officers, officials, employees, agents and volunteers.

If the Professional Liability (Errors and Omissions) insurance policy is written on a claims-made form:

1. The "Retro Date" must be shown, and must be before the effective date of the Agreement or the commencement of work by Collection Agency.

2. Insurance must be maintained and evidence of insurance must be provided for at least 5 years after any expiration or termination of the Agreement or, in the alternative, the policy shall be endorsed to provide not less than a 5-year discovery period. This requirement shall survive expiration or termination of the Agreement.

3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a "Retro Date" prior to the effective date of the Agreement, Collection Agency must purchase "extended reporting" coverage for a minimum of 5 years following the expiration or termination of the Agreement.

4. A copy of the claims reporting requirements must be submitted to City for review.

5. These requirements shall survive expiration or termination of the Agreement.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after 30 calendar day written notice by certified mail, return receipt requested, has been given to City. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, Collection Agency shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the work to be performed for City, Collection Agency shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than 15 calendar days prior to the expiration date of the expiring policy.

Acceptability of Insurers

All policies of insurance required hereunder shall be placed with an insurance company(ies) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide; or authorized by City's Risk Manager.

Verification of Coverage

Collection Agency shall furnish City with all certificate(s) and **applicable endorsements** effecting coverage required hereunder. All certificates and **applicable endorsements** are to be received and approved by the City's Risk Manager or his/her designee prior to City's execution of the Agreement and before work commences.

Exhibit C

DISCLOSURE OF CONFLICT OF INTEREST

COLLECTION AGENCY SERVICES FOR VARIOUS CITY DEPARTMENTS
PROJECT TITLE

		YES*	NO
1	Are you currently in litigation with the City of Fresno or any of its agents?	☐	☑
2	Do you represent any firm, organization or person who is in litigation with the City of Fresno?	☐	☑
3	Do you currently represent or perform work for any clients who do business with the City of Fresno?	☐	☑
4	Are you or any of your principals, managers or professionals, owners or investors in a business which does business with the City of Fresno, or in a business which is in litigation with the City of Fresno?	☐	☑
5	Are you or any of your principals, managers or professionals, related by blood or marriage to any City of Fresno employee who has any significant role in the subject matter of this service?	☐	☑
6	Do you or any of your subcontractors have, or expect to have, any interest, direct or indirect, in any other contract in connection with this Project?	☐	☑
* If the answer to any question is yes, please explain in full below.			

Explanation: _____

_____

_____

_____

_____

_____

Additional page(s) attached.

_____
Signature

Albert Zezulinski, Executive Vice President
(name)

Transworld Systems, Inc.
(company)

507 Prudential Rd.
(address)

Horsham, PA 19044
(city state zip)