



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date: July 17, 2019

Department: Finance Agenda Planning Date: July 11, 2019 Time required: 5

Audio/Visual aids

Contact: Jacob Clotfelter Phone: (503) 588-5047

Department Head Signature: Jeff White

TITLE Consider approval of a purchase order to Professional Credit Service for debt collection services.

Issue, Description & Background The Marion County Finance Department uses Professional Credit Service as a contractor to provide debt collection services. Blanket Purchase Agreement 880082 supports the Marion County Justice Court by collecting delinquent debts owed to the court. Blanket Purchase Agreement 880082 is based on Oregon Master Price Agreement #1468 administered by the State of Oregon Department of Administrative Services and made available to members of the Oregon Cooperative Procurement Program (ORCPP).

Financial Impacts: The not to exceed value of this blanket purchase agreement is \$220,000.

Impacts to Department & External Agencies As this agreement supports that Marion County Justice Court, failure to approve this purchase agreement could result in delay of debts being paid to the Justice Court.

Options for Consideration: 1) Approve blanket purchase agreement 880082 2) Withhold approval of blanket purchase agreement 880082

Recommendation: Finance staff recommends approval of blanket purchase agreement 880082.

List of attachments: Blanket purchase agreement 880082

Presenter: Jeff White, Chief Financial Officer

Copies of completed paperwork sent to the following: (Include names and e-mail addresses.)

Copies to: Jacob Clotfelter, jclotfelter@co.marion.or.us

Award Summary**Trade Services****Accounts Receivable Management; Debt Collection Services**

(Prod)

**Supplier Address**

Professional Credit Service
 PO Box 7548
 Springfield, Oregon
 97475

Contact Joe Hawes
Phone 1 (360) 567-4980
Fax
Email jhawes@hawesfinancial.com

Contract #**1468**

Amendment # 6

Revision # 6

Revision Date

05/09/2018

Opportunity #

102-1768-10

Contract Start Date

06/14/2011

Expiration Date

06/09/2021

Supplier Number

1154

All dates are mm/dd/yyyy

- Attachments Exist
- Amendment/Revision Comments Exist
- Secondary Suppliers Do Not Exist
- User Comments Exist

Contract Administrator

State Procurement Office
 1225 Ferry Street SE, U140
 Salem, Oregon
 97301-4285

Receiving Address

See purchase order

Contract Filed At

DAS PS

Contact Tim Jenks
Phone 1 (503) 378-4778
Fax 1 (503) 373-1626
Email tim.jenks@oregon.gov

Header Comments

This price Agreement is for the following Services:
 Accounts Receivable Management; Debt Collection Services

This is 1 of 11 Price Agreements Awarded for the category of items/services listed:

PA 1461 - Premier Credit North America, LLC
 PA 1462 - Diversified Collection Services
 PA 1463 - Account Control Technology, Inc.
 PA 1464 - Progressive Financial Services Inc.
 PA 1466 - Windham Professionals
 PA 1467 - Linebarger Goggan Blair & Sampson, LLP
 PA 1468 - Professional Credit Service
 PA 5835 - Transworld Systems Inc. Replaced PA 1469 - NCO Financial Systems Inc.
 PA 1470 - NACM Oregon Service Company
 PA 1471 - Collection Technology, Inc.
 PA 1472 - Collecto, Inc.

Authorized Users:

- State Agencies
- Independent Agencies
- ORCPP Members

Mandatory Usage:

This contract is a mandatory contract for state agencies subject to DAS authority under ORS 279A.109 and 279A.140 and with delegated authority pursuant to OAR 125-246-170. This includes the Department of Administrative Services when it is engaged in Public Contracting (as defined under OAR 279A.010(1) (aa)).

Convenience Usage:

This contract is a convenience contract for independent agencies and ORCPP members.

This Price Agreement is for the following category of Services:

Accounts Receivable Management; Debt Collection Services

Multiple Price Agreement Selection Process:

Best Value Determination: Authorized Purchasers are encouraged to use a best value methodology process to select which Price Agreement to use from the available list.

Best Value Criteria:

- Contractor compatibility with Authorized Purchaser
- Warranty
- Service Availability
- Service Price
- Delivery Time Frame

Authorized Purchaser should document their resulting determination and retain a copy of the determination in their contract files for the life of this Price Agreement for audit purposes.

Pricing Information:

See Exhibit B of the contract for detailed pricing information.

Order and Delivery Information:

See Section 2.0 of the contract for specific Purchase Order Requirements.

Mandatory Purchase Order (PO) Language:

"THIS PURCHASE IS PLACED AGAINST STATE OF OREGON SOLICITATION #102-1768-10 AND PRICE AGREEMENT #1468. THE CONTRACT TERMS AND CONDITIONS AND SPECIAL TERMS AND CONDITIONS (T'S & C'S) CONTAINED IN THIS PRICE AGREEMENT APPLY TO THIS PURCHASE ORDER AND TAKE PRECEDENCE OVER ALL OTHER CONFLICTING T'S AND C'S, EXPRESSED OR IMPLIED"

Delivery Information:

See Exhibit A - Statement of Work

Price Agreement Documentation Include:

- Price Agreement #1468 which includes Exhibits A - D
 - o Exhibit A is the Statement of Work
 - o Exhibit B is Pricing
 - o Exhibit C is Insurance
 - o Exhibit D is General Authorization Request for Legal Actions
- Exhibit E - Volume Collections Report (VCR) Form

Term of the Price Agreement:

Price Agreement may be extended for a maximum of one (1) calendar month beyond any term.

Delivery Requirements

To be determined further in specifications

Payment Terms

Net 45			
FOB			
FOB Destination			
Item #	Quantity / Unit	Description	Unit Cost
1	1 EACH	Commodity No. 946-33 Statewide Debt Collection Services	\$0.00
Mandatory or Convenience		Current Amendment Value	
Mandatory		\$0.00	
Minimum Order		Previous Contract Value	
N/A		\$0.00	
Return Policy		Current Amended Value	
See Price Agreement		\$0.00	
Warranty			
See Price Agreement			
Best Value Analysis			
Freight / Surcharge			
Renewal Option			

CONTROL NUMBER: 1986418

Master File: ORPIN-43829-10



**MARION COUNTY
FINANCE DEPARTMENT**

PO Box 14500
555 Court St NE #4247
Salem, OR 97309-5036

PROFESSIONAL CREDIT SERVICE
PO BOX 7548
SPRINGFIELD, OR 97475 United States

Purchase Order		
Purchase Order No	Revision	Page
880082	0	1
Ship To:		
Marion County Finance Department 555 Court St Ne Ste 4247 Salem, OR 97301 United States		
Bill To:		
Marion County Finance Department Po Box 14500 Salem, OR 97309 United States		

Customer Acct No	Supplier No 541784	Order Date / Buyer 01-JUL-19 L Coburn	Revised Date / Buyer L Coburn
Payment Terms Immediate	Ship Via Best method	F.O.B Destination	
Freight Terms Prepaid	Request Or Deliver To	Confirm To / Telephone ()	

Line #	Description	Delivery Date	Quantity	Unit	Unit Price	Total
1	<p>Purchase Agreement Effective From: To: 02-JUL-19 Amount Agreed: \$220,000.00</p> <p>DEPARTMENT CONTACT NAME: LYNNE COBURN PHONE NUMBER: 503-584-4761</p> <p>THIS PURCHASE IS PLACED AGAINST STATE OF OREGON SOLICITATION # AND/OR PRICE AGREEMENT #1468. THE CONTRACT TERMS AND CONDITIONS AND SPECIAL CONTRACT TERMS AND CONDITIONS (T'S & C'S) CONTAINED IN THE PRICE AGREEMENT ARE HEREBY INCORPORATED BY REFERENCE AND SHALL APPLY TO THIS PURCHASE AND SHALL TAKE PRECEDENCE OVER ALL OTHER CONFLICTING T'S & C'S, EXPRESS OR IMPLIED.</p> <p>Per the Marion County Board of Commissioners directive on May 21, 2007, Professional Credit Services is authorized to take legal action in the form of garnishments and small claims court actions on behalf of Marion County. We reserve the right to revoke Authorization to Take Legal Action at any time.</p> <p>Accounts submitted to Professional Credit Services for collections will be cancelled only at the request or approval of Marion County. Professional Credit Service will submit any recommendations for account cancellations to Marion County prior to an account being cancelled. Accounts will remain in collection until cancelled as stated above.</p> <p>(1704...341042...000000) Collection fees at 23% of total amount collected for Justice Court</p>					
Total						\$220,000.00

INSTRUCTIONS TO VENDOR

1. Please direct any questions concerning this purchase order to invoiced department.
2. Purchase Order Number must appear on all invoices, packages and shipping documents relating to this order.
3. Separate invoices must be submitted for each Purchase Order.
4. Do not overship or substitute.
5. If you cannot supply the items requested, please notify issuing authority at once.

Note : Please notify department contact (above) for all inquiries regarding this Purchase Order

Authorized By: _____

Camber Schleg
MARION COUNTY PURCHASING
NOT VALID Unless Signed By Purchasing

MARION COUNTY TERMS AND CONDITIONS

1. INSPECTIONS: County may inspect and test the Goods and related Services (collectively, Goods). County may reject non-conforming Goods and require Contractor to correct them without charge or deliver them at a reduced price, as negotiated. If Contractor does not cure any defects within a reasonable time, County may reject the Goods and cancel the PO in whole or in part. This paragraph does not affect or limit County's rights, including its rights under the Uniform Commercial Code, ORS chapter 72 (UCC).

2. DELIVERY: Deliveries will be F.O.B destination. Contractor shall pay all transportation and handling charges. Contractor is responsible and liable for loss or damage until final inspection and acceptance of the Goods. Contractor remains liable for latent defects, fraud, and warranties.

3. PAYMENT: County shall pay Contractor within 30 days from (i) the date the Goods are delivered and accepted or (ii) the date the invoice is received, whichever is later

4. COUNTY PAYMENT OF CONTRACTOR CLAIMS: If Contractor does not pay promptly any claim that is due for Goods or Services furnished to the Contractor by any subcontractor in connection with this PO, the County may pay such claim and charge that payment against any payment due to the Contractor under this PO. The County's payment of a claim does not relieve the Contractor or its surety, if any, from their obligations for any unpaid claims.

5. WARRANTIES: Contractor agrees to perform its services with that highest standard of care, skill and diligence normally provided by a professional individual in the performance of similar services. Contractor represents and warrants that the Goods are new, current, and fully warranted by the manufacturer. Delivered Goods will comply with specifications and be free from defects in labor, material and manufacture. All UCC implied and expressed warranties are incorporated in this PO. Contractor shall transfer all warranties to the County.

6. TERMINATION OF PO: The PO may be terminated under the following conditions: a. By written mutual agreement of both parties. Termination under this provision may be immediate. b. Upon fifteen (15) calendar days written notice by either Party to the other of intent to terminate. c. The County may terminate all or part of this PO for the following reasons: (1) If the consultant fails to provide services, or fails to meet the performance standards as specified in this PO (or subsequent modifications of this PO), within the time specified herein or any extension thereof. Termination under this provision may be immediate; (2) If the consultant fails to start services on the date specified by Marion County in this PO or subsequent modifications to this contract. Termination under this provision may be immediate. (3) Failure of the consultant or Marion County to comply with the provisions of this PO and all applicable federal, state, and local laws and rules may be cause for termination of this contract. Such termination shall be without prejudice to any obligations or liabilities of either party accrued prior to such termination. If this PO is terminated by either party, for reasons other than breach of contract, the County agrees to pay to the consultant all costs and expenses associated with services satisfactorily provided to the effective date of termination.

7. INDEMNIFICATION. The Contractor shall save harmless, indemnify, and defend the County for any and all claims, damages, losses and expenses including but not limited to reasonable attorney's fees arising out of or resulting from Contractor's performance of or failure to perform the obligations of this PO to the extent same are caused by the negligence or misconduct of Contractor or its employees or agents.

8. GOVERNING LAW, VENUE: This PO shall be governed by the laws of the State of Oregon. Any action commenced in connection with this PO shall be in the Circuit Court of Marion County. All rights and remedies of the County shall be cumulative and may be exercised successively or concurrently. The foregoing

is without limitation to or waiver of any other rights or remedies of the County according to law.

9. FORCE MAJEURE: Neither party is responsible for delay or default caused by an event beyond its reasonable control. County may terminate this PO without liability to Contractor upon written notice after determining the delay or default reasonably prevents performance of this PO.

10. SUBCONTRACTING/NONASSIGNMENT. No portion of the PO may be contracted or assigned to any other individual, firm or entity without the express and prior approval of the County.

11. MAINTENANCE, RETENTION, AND CONFIDENTIALITY OF RECORD. The Contractor agrees to establish and maintain records and statistics as follows: Financial records, which indicate the number of hours of service provided under this contract and other appropriate records pertinent to this contract shall be retained for a minimum of three (3) years after the end of the contract period. If there are unresolved audit questions at the end of the three-year period, the records must be maintained until the questions are resolved. To the extent applicable, client records shall be kept confidential in accordance with ORS 179.505, OAR 309-11-020, 45 CFR 205.50 and 42 CFR Part 2.

12. COMPLIANCE WITH APPLICABLE LAWS: The Contractor shall comply with all applicable Federal, State and local laws, rules and regulations. All provisions of ORS 279B (Public Contracts and Purchasing) are incorporated herein to the extent applicable to POs.

13. WORKERS' COMPENSATION: Contractor shall comply with ORS 656.017 and provide the required workers' compensation coverage, unless exempt under ORS 656.126(2). Contractor shall ensure that its Subcontractors, if any, comply with these requirements.

14. SAFETY AND HEALTH REQUIREMENTS: Contractor represents and warrants that the Goods comply with all federal and Oregon safety and health requirements.

15. MATERIAL SAFETY DATA SHEET: Contractor shall provide County with a Material Safety Data Sheet for any Goods which may release, or otherwise result in exposure to, a hazardous chemical under normal conditions of use (OAR 437- 002-0360 and 29 CFR 1910.1020). Contractor shall label, tag or mark such Goods.

16. AMENDMENTS: All amendments to this PO must be in writing, signed by County.

17. SEVERABILITY: If a court of competent jurisdiction declares any provision of this PO to be invalid, the other provisions and the rights and obligations of the parties remain in effect.

18. WAIVER: Failure of either party to enforce any provision of this PO is not a waiver or relinquishment of that party's rights to such performance in the future or to enforce any other provisions.

19. TAX CERTIFICATION: Contractor hereby certifies under penalty of perjury: (a) the number shown on this form is the correct Federal Employer Identification Number; (b) it is not subject to backup withholding because (i) it is exempt from backup withholding, (ii) it has not been notified by the IRS that it is subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified Contractor that it is no longer subject to backup withholding; and (c) it is not in violation of any Oregon tax laws.

FINANCE - REQUEST FOR PURCHASE ORDER

Division: Finance

Date: 7/1/2019

Purchase Order Type:

- Standard PO (1 time goods/materials purchase or contractual service)
- Amount based goods PO (open PO, maximum \$5,000 for various purchases)
- Blanket PO (open PO for specified total, no encumbrance until invoice released)
- Amend PO # _____

Vendor: Professional Credit Services
Address: 2892 Crescent Ave
PO Box 7548
Eugene, OR 97401

Vendor Tax ID: _____
Tax Status: Corporation Sole Proprietor
W-9 Form (needed if new supplier)

Description: Collection fees at 23% of total amount collected for Justice Court

Amount: \$ 220,000.00

Costing: 100-17-00-173-1704-341042

>>> A purchase order is required prior to any commitment of county funds>>>

Purchasing Guidelines:

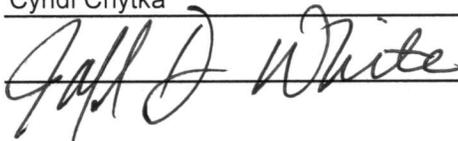
- \$0 - 5,000 No quotes required
- \$5,000 - 20,000 Three (3) verbal quotes required
- \$20,001 - 99,999 Three (3) written quotes required
- \$100,000 - + Formal competitive process (RFP/bid)

If contract required, complete contract request form

Attachments:

- Quotes
- Contract

Requesting Employee: Cyndi Chytka

Division Manager Approval: 

Administration use only:

Reviewed by: _____

PO Printed

Requisition created by: _____

Copy of PO to Division

Date: _____

PO #: 880082

- Request returned to division for further action:

AMENDMENT # 4

TO

Contract # 1468

This is Amendment # 4 to Agreement # 1468 ("Contract") dated June 10, 2011 between the State of Oregon, acting by and through its Department of Administrative Services, Procurement Services (DAS PS), and Professional Credit Service ("Contractor"). This Amendment is effective on the date it has been signed by every party and approved in accordance with applicable law.

This is amendment #4 to the above referenced contract (deleted language has a strike through and the new language is in bold print and underlined):

1. **1.0 DEFINITIONS**

"ORCPP" means the Oregon Cooperative Purchasing Program whose members includes but is not limited to: cities, counties, school districts, special districts, Qualified Rehabilitation Facilities ("QRFs"), residential programs under contract with the Oregon Department of Human Services, United States governmental agencies and American Indian tribes or agencies. For more information, visit online at: <http://www.oregon.gov/DAS/SSD/SPO/coop-menu.shtml>
<http://www.oregon.gov/DAS/EGS/ps/ORCPP/orcppMemberList.pdf>

2. **3.1 TERM OF THE PRICE AGREEMENT**

~~3.2.1~~ **3.1.1** The initial term of the Price Agreement is three (3) years beginning **from the date that DAS SPO signs the Price Agreement (June 10, 2011), on the Effective Date and ending on the expiration date unless terminated sooner in accordance with the termination provisions of this Price Agreement. The Price Agreement may be extended for additional periods ("Extension Terms") by agreement of the parties as set forth below. The term of the Price Agreement shall not exceed ten (10) years. DAS SPO may extend the term of the Price Agreement for additional periods not to exceed ten (10) years (June 9, 2021), unless terminated earlier in accordance with termination provisions set forth herein.**

This Price Agreement is amended to extend the expiration date of this Price Agreement to June 9, 2021.

~~3.1.2~~ DAS SPO shall notify Contractor in writing if the State intends to extend the Price Agreement with a renewal notice at least thirty (30) days prior to the expiration of the then current term. If Contractor consents to the extension, it shall sign and return the renewal notice to DAS SPO within the time period specified therein. If the Contractor does not consent, the Price Agreement shall expire according to its terms, unless earlier terminated.

~~3.1.3~~ **3.1.2** Notwithstanding the foregoing, the State reserves the right in its sole discretion to extend the Price Agreement for a maximum of one (1) calendar month beyond any term. DAS SPO shall notify Contractor in writing of the one-month extension prior to the expiration of the then current term. Consecutive one-month extensions under this Section are not allowed.

3. **11.0 SALES TO AUTHORIZED PURCHASERS**

11.1 Contractor agrees to sell services from this Price Agreement to State, State Agencies, and ORCPP members (collectively, "Authorized Purchasers").
Price Agreement # 1468

11.2 Contractor shall verify the authority of Authorized Purchaser seeking to make purchases under this Price Agreement. If Contractor is found to have entered into two (2) or more Contracts under this Price Agreement with an entity other than an Authorized Purchaser, Contractor may be deemed to be in material breach of the Price Agreement.

11.3 The identity of ORCPP members can be verified on the DAS SPO website at ~~www.oregon.gov/DAS/SSD/SPO/docs/orcpp-member-list.pdf.~~
<http://www.oregon.gov/DAS/EGS/ps/ORCPP/orcppMemberList.pdf>

11.4 The criteria used for the selection of contractors under this multiple-award procurement of personal services, by state agencies subject to the procurement authority of DAS under ORS 279A.050 and 279A.140, may include the following, which are not listed in any order of relative significance:

- 11.4.1 Price and cost data as presented in contractors' Proposals;
- 11.4.2 The Contractors' approaches to meeting the service performance objectives;
- 11.4.3 The Contractors' expertise and that of their subcontractors, as demonstrated in their Proposals;
- 11.4.4 The Contractors' respective qualifications to perform the specific tasks required by the Authorized Purchaser;
- 11.4.5 The Contractors' and their subcontractors' experience in the collection of accounts with similar classes of debt and from similar categories of debtors;
- 11.4.6 The Contractors' geographic locations that would be most advantageous to the Authorized Purchaser or to the effectiveness of its collections efforts;
- 11.4.7 The Contractors' past performance under other projects, or in their performance under this Price Agreement of services for other Authorized Purchasers in terms of:
 - (a) producing quality work;
 - (b) ability to meet delivery schedules;
 - (c) effectiveness of communication and coordination with Agency; and
 - (d) efficiency in realizing collections of accounts receivable.

7.4 Reports/Copies

7.4.1 The Authorized Purchaser reserves the right to require Contractor to provide (in the manner prescribed by the Authorized Purchaser) either a report detailing the actions taken under this Section 7 or true and correct copies of documents including but not limited to:

- A) Notice of Entry of Judgment in a Small Claims action
- B) notice of lien entry
- C) Writ of garnishments and the debt calculation

7.4.2 Contractor shall report to the Authorized Purchaser that assigned the account to Contractor, at

the same time it provides its other reports required under this Price Agreement and in accordance with the terms of the Purchase Order issued by the Authorized Purchaser, the status of, and the amounts collected on, each account for which Contractor initiated a legal action.

7.4.3 Contractor shall report to the DAS Swarm Coordinator, at the same time Contractor shall submit each Volume Collections Report required in Section 4.0 of this Price Agreement, an electronic file containing, the status of, and the amounts collected, for all accounts for which Contractor has initiated a legal action. The reports must be broken down by Authorized Purchaser and must be made in accordance with formats prescribed by DAS.

DAS SPO Contact for this Price Agreement: Ufemia

~~Castaneda, CPPB~~

~~State Procurement Analyst~~

~~1225 Ferry Street SE U140~~

~~Salem, OR 97301-4285~~

~~Office Phone: (503) 378-4647~~

~~Fax Phone: (503) 378-1626~~

~~eMail: ufemia.castaneda(a)state.or.us~~

Kaliska King, CPPB, OPBC

State Procurement Analyst

Address: 1225 Ferry St SE, Salem, OR 97301

Phone: 503.378.5332

Email: Kaliska.King@Oregon.gov

Exhibit A Statement of Work

4. 2.0 PURCHASE ORDER REQUIREMENTS

~~2.1 A Purchase Order is required prior to commencement or continuation of work. The Purchase Order must contain all items identified in Section 2.2. Contractor shall submit, within three (3) business days after Contractor's receipt thereof, a copy of the Purchase Order from each Authorized Purchaser to the DAS SWARM Coordinator at:~~

~~Department of Administrative Services~~

~~ATTN: SWARM Coordinator~~

~~155 Cottage St. NE U-50 Salem, OR 97301-3969~~

~~2.2~~ 2.1 MANDATORY PURCHASE ORDER LANGUAGE:

"THIS PURCHASE IS PLACED AGAINST STATE OF OREGON SOLICITATION #102-1768-10 AND PRICE AGREEMENT #XXXX 1468 (AUTHORIZED PURCHASER WILL INSERT PRICE AGREEMENT #). THE CONTRACT TERMS AND CONDITIONS AND SPECIAL CONTRACT TERMS AND CONDITIONS (T'S & C'S) CONTAINED IN THE PRICE AGREEMENT APPLY TO THIS PURCHASE ORDER AND TAKE PRECEDENCE OVER ALL OTHER CONFLICTING T'S AND C'S, EXPRESS OR IMPLIED."

Specific Items that Purchase Order must at minimum contain:

Price Agreement # 1468

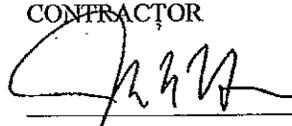
- * Contractor Commission Rate(s)
- * Service renewal date
- * Interest rate and method of calculation requirements
- * Whether authorized purchaser passes along the cost of collection to the debtor under ORS 293.231 (12) and whether Authorized Purchaser or Contractor shall be responsible for calculating the fee at the time of assignment.
- * Payment Plan guidelines,
- * Authorized Purchaser restriction; regarding the compromise or settlement of accounts. Authorized Purchaser shall provide Contractor with copies of statutory authority for settlement or compromise of accounts as well as any Administrative Rules (OAR) or Authorized Purchaser policies/procedures.
- * Identification of whether Authorized Purchaser will entertain compromise or settlement offers
- * Identification of whether Authorized Purchaser has warrant or garnishment authority
- * Reporting and remittance date(s)(at minimum- once a month, refer to SECTION 10 for more details)
- * Banking information for ACH remittance of funds collected
- * Reporting format (paper or electronic, including specific file requirements)
- * Instructions regarding the reporting of assigned accounts to Credit Reporting Agencies
- * Remittance requirement (Gross collections or net after commissions or fees are retained)
- * Reasonable length of time Contractor may work an account without a payment before Contractor is required to contact Authorized Purchaser for further instructions.
- * Specific Authorized Purchaser expectations that are not specifically identified in the Price Agreement.

Except as expressly amended above, all other terms and conditions of original contract are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the original contract are true and correct as of the effective date of this amendment and with the same effect as though made at the time of this amendment.

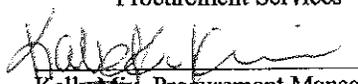
By signature on this Amendment, the undersigned hereby certifies under penalty of perjury that the undersigned is authorized to act on behalf of Contractor and that Contractor is, to the best of undersigned's knowledge, not in violation of any Oregon Tax Laws. For purposes of this certification, "Oregon Tax Laws" means a state tax imposed by ORS 320.005 to 320.150 and 403.200 to 403.250, ORS chapters 118, 314, 316, 317, 318, 320, 321, and 323; the elderly rental assistance program under ORS 310.630 to 310.706; and local taxes administered by the Department of Revenue under ORS 305.620.

SIGNATURES

CONTRACTOR

By: 
 Title President
 Date 8/15/2015

STATE OF OREGON by and through
 the Department of Administrative Services,
 Procurement Services

By: 
 Kelly Mix, Procurement Manager
Kaiska King, Procurement Specialist
 Date 8/18/15

MASTER PRICE AGREEMENT # 1468

ACCOUNTS RECEIVABLE MANAGEMENT INCLUDING BUT NOT LIMITED TO DEBT COLLECTION SERVICES

This agreement (the "Price Agreement") is entered into as of the Effective Date by the State of Oregon, acting by and through the State Procurement Office of the Department of Administrative Services (the "State") and **Professional Credit Service, P.O. Box 7548, Eugene, Oregon 97401** ("Contractor"). The State and the Contractor are collectively referred to as the "Parties".

The State issued RFP # 102-1768-10 seeking offers from qualified and responsible vendors to provide accounts receivable management services including but not limited to debt collection services, and related services described in this Price Agreement to Authorized Purchasers.

Contractor submitted an offer in response to the RFP offering to provide the Services described in this Price Agreement in strict accordance with the terms and conditions set forth in this Price Agreement. The State has awarded this Price Agreement to Contractor to be included in the qualified provider list.

The State has awarded this Price Agreement to Contractor for the purchase of accounts receivable management services including but not limited to debt collection services by State, State Agencies and ORCPP members.

NOW, THEREFORE, In consideration of the foregoing recitals and subject to the covenants, terms and conditions set forth below, the Parties agree as follows:

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EXHIBITS:

Exhibit A, Statement of Work

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Exhibit B, Pricing

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Exhibit D, General Authorization Request for Legal Actions

Exhibit E, Volume Collections Report (VCR) Form

1.0 DEFINITIONS

Throughout this Price Agreement, a number of acronyms and terms are utilized that are specific to this Price Agreement. Terms and acronyms are defined in this Section 1 and elsewhere in the Price Agreement.

"**Account**" means a debt relationship between a state agency, board or commission, and an individual or any entity. A debtor may have multiple debt types within one (1) account.

"**Amendment**" means any modification or change to this PA or any Purchase Order to this PA.

"**Assignment**" means the placement of accounts with a Contractor for collections services.

"**Authorized Agencies**" means those State Agencies that are subject to the procurement authority of the Director of the Oregon Department of Administrative Services pursuant to ORS 279A.050 and 279A.140 and with delegated authority pursuant to OAR 125-246-0170. This term also includes the Department of Administrative Services when it is engaged in Public Contracting (as defined under OAR 279A.010(1)(aa)).

"**Authorized Purchaser**" means Authorized Agencies submitting Purchaser Orders to Contractor pursuant to DAS authority and direction, and Independent Agencies submitting Purchaser Orders to Contractor pursuant to their independent purchasing authority. It also includes ORCCP members with appropriate purchasing authority under their applicable statutes, rules, regulations or ordinances that submit Purchase Orders to Contractor.

"**Contract**" means the entire agreement between the Contractor and Authorized Purchaser comprised of the Price Agreement and its Exhibits, any applicable Participating Addendum, other addenda and amendments, and the Authorized Purchaser's completed Purchase Order or equivalent purchasing form.

"**DAS SPO Agreement Administrator**" means the individual appointed by DAS SPO to administer this agreement on behalf of the State.

"**Contractor**" means the Entity with whom the State enters into a Contract setting prices for the purchase of Services and Goods, if any, pursuant to the RFP.

"**Contractor Recovery Amount**" means the expenses that a Contractor may pursue and recover related to an authorized legal action as allowed under Oregon law.

"**DAS SPO**" means the Oregon Department of Administrative Services, State Procurement Office.

"**Debtor**" means an individual or entity that owes money to an Authorized Purchaser.

"**General Authorization**" means a request and approval process for Contractor authority to take legal actions on behalf of the State. Contractor is still required to obtain approval from each Authorized Purchaser prior to initiating any legal actions on accounts assigned to Contractor.

"**Independent Agencies**" means those State Agencies with independent procurement authority pursuant to ORS 279A.050 or other provisions of applicable State law.

"**ORCPP**" means the Oregon Cooperative Purchasing Program whose members includes but is not limited to: cities, counties, school districts, special districts, Qualified Rehabilitation Facilities ("QRFs"), residential programs under contract with the Oregon Department of Human Services, United States governmental agencies and American Indian tribes or agencies. For more information, visit online at: <http://www.oregon.gov/DAS/SSD/SPO/coop-menu.shtml>

"**Purchase Order**" means an agreement entered into between Authorized Purchaser and Contractor pursuant to this PA incorporating all the terms, conditions and Exhibits contained herein or attached hereto, which are incorporated by this reference.

"**Price Agreement**" or "**PA**" means the entire written agreement between the parties, including but not limited to the Request for Proposal and its specifications, terms and conditions; instructions to Proposers; change notices, if any; the accepted proposal; and the Price Agreement Document.

"**Services**" means all work to be performed by Contractor as set forth in this Price Agreement.

"**State**" means the State of Oregon.

"**State Agency**" means each agency, department, commission, bureau or other subdivision of the State government of Oregon. "State Agency" does not include local governments or other political subdivisions of the State of Oregon.

"**UCC**" means the Uniform Commercial Code, ORS chapters 71 and 72 as amended from time to time.

"**VCAF**" means the Vendor-Collected Administrative Fees charged by SPO for the administration of State Contracts.

"**VCR**" or "**Volume Collections Reports**" refers to the report submitted quarterly to DAS with the inventory and collections (and any other requested information) performed for the previous quarter

2.0 Reserved

3.0 TERM OF THE PRICE AGREEMENT; EXTENSION OF TERM; PRICE ADJUSTMENTS.

3.1 TERM OF THE PRICE AGREEMENT

3.1.1 The initial term of the Price Agreement is **three (3) years** beginning on the Effective Date and ending on the expiration date unless terminated sooner in accordance with the termination provisions of this Price Agreement. The Price Agreement may be extended for additional periods ("Extension Terms") by agreement of the parties as set forth below. The term of the Price Agreement **shall not exceed ten (10) years**.

3.1.2 DAS SPO shall notify Contractor in writing if the State intends to extend the Price Agreement with a renewal notice at least thirty (30) days prior to the expiration of the then current term. If Contractor consents to the extension, it shall sign and return the renewal notice to DAS SPO within the time period specified therein. If the Contractor does not consent, the Price Agreement shall expire according to its terms, unless earlier terminated.

3.1.3 Notwithstanding the foregoing, the State reserves the right in its sole discretion to extend the Price Agreement for a maximum of one (1) calendar month beyond any term. DAS SPO shall notify Contractor in writing of the one-month extension prior to the expiration of the then current term. Consecutive one-month extensions under this Section are not allowed.

3.2 PRICE ADJUSTMENTS: Prices shall remain firm for the duration of the Price Agreement period, including extensions.

4.0 ADMINISTRATIVE FEES AND VOLUME COLLECTIONS REPORTS:

4.1 VENDOR COLLECTED ADMINISTRATIVE FEE (VCAF):

4.1.1 VENDOR VCAF PERCENTAGE:

The Contractor shall remit an Vendor Collected Administrative Fee (VCAF), in an amount equal to two Percent (2%) of the Contractors fees paid or retained for services by Authorized Purchasers using this Price Agreement during the preceding quarter (the "Administrative Fees").

4.1.2 VCAF AMOUNT / PAYMENT DUE DATE: During the term of this Price Agreement and for the collections during the last calendar quarter of the term of this Price Agreement, the Contractor shall remit VCAF payment to SPO per Section 4.1.4.

4.1.3 Contractors shall reflect the VCAF fee as a separate line item charge to authorized purchasers. Contractor's prices reflect all Contractors' charges to authorized purchasers. For the purposes of this Price Agreement, quarters end March 31, June 30, September 30, and December 31. Per Section 4.1.4, SPO will create an Automated Clearing House (ACH) transaction from the Contractor for the VCAF from the information submitted on the VSR. Contractor is responsible for timely reporting and payment, regardless of entity that actually reports or makes VCAF payment to SPO.

4.1.4 VCAF PAYMENT FORMAT:

VCAF payments are to be received by way of an ACH transaction, a form of electronic transaction as authorized for state business. If Contractor agrees to this form of payment, ACH Debit transactions will be initiated by the Department of Administrative Services (DAS) State Procurement Office (SPO) through the existing ACH Network as adhered to by the Oregon State Treasurer. These payment transactions will occur no less than one (1) and no more than five (5) business days following the sixtieth (60th) calendar day after the end of a calendar quarter. To allow this method of payment, Contractor must agree to submit a signed electronic debit authorization to SPO. Alternatively, Contractor can elect to make VCAF payments by way of an ACH Credit whereby Contractor must initiate transfer of funds from a bank of Contractor choosing to the bank for DAS after Contractor has received from SPO a completed authorization agreement for ACH Credits. These payment transactions must occur no more than the forty fifth (45th) day after the end of a calendar quarter.

Any other form of payment must be specifically approved by the DAS SPO Agreement Administrator.

4.1.5 INTEREST: Any payments Contractor makes or causes to be made to SPO after the due date as indicated on the invoice shall accrue interest at a rate of 18% per annum or the maximum rate permitted by law, whichever is less, until such overdue amount shall have been paid in full. SPO's right to interest on late payments shall not preclude SPO from exercising any of its other rights or remedies pursuant to this Price Agreement or otherwise with regards to Contractor's failure to make timely remittances.

4.1.6 AUDIT: SPO, as its own expense (except as provided herein), shall have the right during regular business hours, at Contractor's premises, and upon reasonable notice, by itself or by a person authorized by it, to audit Contractor's Records, as defined herein, and other pertinent data, to determine and verify the figures reported in any VCRs furnished by Contractor. In the event that any such audit reveals underpayment of administrative fees, Contractor shall immediately pay the amount of deficiency, together with interest thereon at the rate provided in Section 4.1.5. At SPO'S request, Contractor shall pay the reasonable cost of an audit, but only if such audit reveals that an underpayment may exist as determined by SPO.

4.1.7 LIMITATION OF LIABILITY: Contractor acknowledges and agrees that the State shall bear no liability on Contracts entered into for purchases by non-State Agencies, which liability the State expressly disclaims. With regard to non-State Agencies, Contractor agrees to look solely to the respective contracting party for any rights and remedies Contractor may have at law or in equity arising out of the sale and purchase of Contractor's Goods or Services and the resulting contractual relationship, if any, with each such contracting party.

4.2 VOLUME COLLECTIONS REPORTS (VSRs):

4.2.1 Contractor shall submit a VCR no later than thirty (30) calendar days from the end of each calendar quarter, which contains:

4.2.1.1 Complete and accurate details of all receipts (collections and refunds) for the reported period;

4.2.1.2 The information as identified in the SPO document titled Volume Collections Report Template - Data Requirement, Format and Layout; (Exhibit F) and

4.2.1.3 Such other information as SPO may reasonably request.

4.2.2 Contractor shall send a VCR to SPO each quarter, whether or not there are sales. When no collections have been recorded for the quarter a report must be submitted stating "No Collections for the Quarter."

4.2.3 DATA MEDIUM and DELIVERY MEDIUM: Contractor shall provide VCRs in MS Excel (.xls) format. VCRs must be submitted by e-mail. Delivered print outs of VCRs are not acceptable. Hard copies of VCRs on CDs are only acceptable if the size of the file precludes transmission by email. Approval from the State Contract Administrator must be obtained for deviations from these requirements.

4.2.4 RECEIPT/ACCEPTANCE: The first VCR submitted by the Contractor must be submitted to the SPO Contract Administrator for review and approval. Approved first VCRs and subsequent VCRs must be submitted to vcaf.reporting@state.or.us. A separate section above describes the administrative charge if it is applicable. The Contract Administrator's receipt or acceptance of any of the VCRs furnished pursuant to this Price Agreement shall not preclude SPO from challenging the validity thereof at any time.

4.2.5 SPO reserves the right to terminate this Price Agreement if VCRs are not received as scheduled and in the prescribed format.

5.0 CONTRACTOR REPRESENTATIONS AND WARRANTIES:

5.1. The warranties set forth in this Section and in the Uniform Commercial Code (UCC), which is incorporated into the Price Agreement and Contracts by reference, are in addition to, and not in lieu of, any other warranties provided in the Price Agreement and any Contract. All warranties provided are cumulative, and shall be interpreted expansively to afford the Authorized Purchasers and the State with the broadest warranty protection available.

5.2 The Contractor represents and warrants as follows:

5.2.1 Contractor has the power and authority to enter into and perform the Price Agreement and all Contracts. The Price Agreement and each Contract, when executed and delivered, shall be valid and binding obligations of the Contractor enforceable in accordance with their terms.

5.2.2 Contractor shall provide Services that meet or exceed the specifications set forth in Exhibit A.

5.2.3 Contractor shall perform all Services in accordance with the highest applicable professional or industry standards.

6.0 TERMINATION OF THE PRICE AGREEMENT: The Parties may terminate the Price Agreement as follows:

- 6.1** The Price Agreement may be terminated at anytime by mutual written agreement of the Parties.
- 6.2** The Price Agreement may be terminated by the State at its sole discretion, for its convenience, upon thirty (30) days written notice to the Contractor.
- 6.3** The State may, at its sole discretion, terminate the Price Agreement upon thirty (30) days written notice to Contractor for the reasons set forth in ORS 279B.140.
- 6.4** The State may terminate the Price Agreement if Contractor is in default of the Price Agreement or any Contract.
- 6.5** The Contractor has no unilateral right to terminate the Price Agreement prior to the expiration or termination of the term of the Price Agreement.

7.0 DEFAULT:

7.1 Contractor shall be in default of this Price Agreement under the following circumstances:

7.1.1 Contractor institutes or has instituted against it, insolvency, receivership or bankruptcy proceedings, makes an assignment for the benefit of creditors, or ceases doing business on a regular basis; or

7.1.2 Contractor no longer holds a license or certificate that is required for Contractor to perform its obligations under a Contract and Contractor has not obtained such license or certificate within ten (10) business days after delivery of a notice by the State or such longer period as the State may specify in such notice; or

7.1.3 Contractor commits any material breach or default of any covenant, warranty, obligation or certification under this Price Agreement and such breach, default or failure is not cured within ten (10) business days after delivery of a notice of default by the State or such longer period as the State may specify in such notice.

7.1.4 If Contractor fails to comply with any procedures required by an Authorized Purchaser or the laws or regulations applicable to a particular Authorized Purchaser, such failure shall constitute a default under this Price Agreement and under any Contract with an Authorized Purchaser. Upon the occurrence of such an event of default, the State of Oregon may, in its discretion, immediately terminate this Price Agreement and the affected Authorized Purchaser may immediately withdraw its accounts from Contractor.

7.1.5 Contractor shall not, under any circumstances, violate Fair Debt Collection Laws or any federal or state law, including but not limited to disclosure and confidentiality laws. Any such violation will result in immediate termination of this Price Agreement.

7.1.6 The Contractor shall collect no more interest than that authorized and approved as detailed in its Purchase Order with an Authorized Purchaser. Any additional interest charges not approved or authorized by the Authorized Purchaser is a violation of the law, ORS 646.639(2)(n), and will be grounds for cancellation of this Price Agreement and of any Contract with an Authorized Purchaser, and grounds for review by the Department of Justice for possible prosecution.

7.2 The State is in default of this Price Agreement if the State commits any material breach or default of any covenant, warranty, obligation or certification under this Price Agreement and such breach, default or failure is not cured within thirty (30) business days after Contractor's delivery of a notice of default to the State or such longer period as the Contractor may specify in such notice.

8.0 REMEDIES

8.1 If Contractor is in default under Section 7, the State is entitled to the following remedies:

8.1.1 Recovery of any and all damages suffered as the result of Contractor's default, including but not limited to direct, indirect, incidental and consequential damages provided by any other applicable Oregon law.

8.1.2 Termination of this Contract under Section 6.3.

8.1.3 Initiation of an action or proceeding for specific performance or declaratory, injunctive or equitable relief;

8.1.4 Exercise of its right of setoff, and withholding of monies otherwise due and owing.

8.2 These remedies are cumulative to the extent the remedies are not inconsistent, and the State may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever. If it is determined for any reason that Contractor was not in default under Section 7, the rights and obligations of the parties shall be the same as if this contract was terminated pursuant to Section 6.2.

9.0 REPORTS: Contractor shall provide the reports specified in Exhibit A, Section 9.

10.0 ACCESS TO RECORDS AND AUDIT RIGHTS

10.1 Contractor shall maintain, retain, and keep accessible all records relevant to the Price Agreement and Contracts (the "Records") for a minimum of six (6) years, or such longer period as may be required by applicable law following expiration or termination of the Price Agreement, or until the conclusion of any audit, controversy or litigation arising out of or related to the Price Agreement, whichever date is later ("Record Retention Period"). Contractor shall keep financial Records in accordance with generally-accepted accounting principles. During the Record Retention Period established in this Section 10, the Contractor shall permit the State, its duly authorized representatives, and the federal government access to the Records at reasonable times and places for purposes of examination and copying.

10.2 During the term of the Price Agreement and the Record Retention Period, the State, at its own expense (except as provided herein) has the right to audit Contractor's Records and other pertinent data, to determine and verify the figures reported in any Volume Collections Reports furnished by Contractor. Such audits shall take place during regular business hours, at Contractor's premises, and upon reasonable notice, and shall be conducted by an authorized representative of the State. In the event that any such audit reveals an underpayment of VCAF or any other applicable fees, Contractor shall immediately pay (i) the amount of deficiency, together with interest thereon at the maximum legal rate in the State of Oregon, and (ii) the reasonable cost of the audit by the State.

11.0 SALES TO AUTHORIZED PURCHASERS

11.1 Contractor agrees to sell services from this Price Agreement to State, State Agencies, and ORCPP members (collectively, "Authorized Purchasers").

11.2 Contractor shall verify the authority of Authorized Purchaser seeking to make purchases under this Price Agreement. If Contractor is found to have entered into two (2) or more Contracts under this Price Agreement with an entity other than an Authorized Purchaser, Contractor may be deemed to be in material breach of the Price Agreement.

11.3 The identity of ORCPP members can be verified on the DAS SPO website at www.oregon.gov/DAS/SSD/SPO/docs/orcpp-member-list.pdf.

11.4 The criteria used for the selection of contractors under this multiple-award procurement of personal services, by state agencies subject to the procurement authority of DAS under ORS 279A.050 and 279A.140, may include the following, which are not listed in any order of relative significance:

- 11.4.1** Price and cost data as presented in contractors' Proposals;
- 11.4.2** The Contractors' approaches to meeting the service performance objectives;
- 11.4.3** The Contractors' expertise and that of their subcontractors, as demonstrated in their Proposals;
- 11.4.4** The Contractors' respective qualifications to perform the specific tasks required by the Authorized Purchaser;
- 11.4.5** The Contractors' and their subcontractors' experience in the collection of accounts with similar classes of debt and from similar categories of debtors;
- 11.4.6** The Contractors' geographic locations that would be most advantageous to the Authorized Purchaser or to the effectiveness of its collections efforts;
- 11.4.7** The Contractors' past performance under other projects, or in their performance under this Price Agreement of services for other Authorized Purchasers in terms of:
 - (a) producing quality work;

- (b) ability to meet delivery schedules;
- (c) effectiveness of communication and coordination with Agency; and
- (d) efficiency in realizing collections of accounts receivable.

12.0 COMPLIANCE WITH APPLICABLE LAWS AND STANDARDS:

The State's agreement to maintain this Price Agreement in effect is conditioned upon Contractor's compliance with the obligations of contractors contemplated under ORS 279B.220, 279B.230 and 279B.235, which are incorporated by reference herein.

In addition, Contractor shall comply with all federal, state and local laws, rules, regulations, executive orders and ordinances applicable to the Price Agreement and any resulting Contract, all of which are incorporated herein by reference to the extent applicable. If the Contractor is found to be not in compliance with these requirements during the life of this Agreement, the Contractor agrees to take appropriate steps to correct these deficiencies.

Contractor shall, to the maximum extent economically feasible in the performance of this Price Agreement, use recycled paper as defined in ORS 279A.010(1)(gg), recycled PETE products as defined in ORS 279A.010(1)(hh), and other recycled plastic resin products and recycled products as "recycled product" is defined in ORS 279A.010(1)(ii).

13.0 CONFLICT BETWEEN PRICE AGREEMENT AND STATE AND FEDERAL

LAW: Federal law applicable to the Price Agreement or Contracts, or both, takes precedence over any conflicting State law. Notwithstanding the foregoing order of precedence, if the conflict is between minimum standards for quality, safety or similar attributes of the Services, the higher standards shall apply.

14.0 OREGON FALSE CLAIMS ACT:

14.1 Contractor acknowledges that the Oregon False Claims Act, ORS 180.750 to 180.785, applies to any action by Contractor pertaining to this Price Agreement that constitutes a "claim" (as defined by ORS 180.750(1)). By its execution of this Price Agreement, Contractor certifies the truthfulness, completeness, and accuracy of any statement or claim it has made, it makes, it may make, or causes to be made that pertains to this Price Agreement or to any Contract formed under this Price Agreement. In addition to other penalties that may be applicable, Contractor further acknowledges that if it makes, or causes to be made, a false claim or performs a prohibited act under the Oregon False Claims Act, the Oregon Attorney General may enforce the liabilities and penalties provided by the Oregon False Claims Act against Contractor.

14.2 Without limiting the generality of the foregoing, Contractor represents and warrants that:

14.2.1 Its representations, certifications, and other undertakings in this Price Agreement are not False Claims Act Violations; and

14.2.2 None of Contractor's performance under this Price Agreement or under any Contract formed under this Price Agreement, including but not limited to any invoices, reports, or other deliverables in connection with its performance of this Price Agreement or any Contract, will constitute False Claims Act Violations.

14.2.1 For purposes of this Section 24, a “False Claims Act Violation” means a false claim as defined by ORS 180.750(2) or anything prohibited by ORS 180.755.

14.3 Contractor shall immediately report in writing, to SPO, any credible evidence that a principal, employee, agent, subcontractor, subgrantee, or other person has made a false claim or committed a prohibited act under the Oregon False Claims Act, or has committed a criminal or civil violation of laws pertaining to fraud, bribery, gratuity, conflict of interest, or similar misconduct in connection with this Price Agreement, any Contract formed under this Price Agreement, or any moneys paid by an Authorized Purchaser under this Price Agreement or any Contract.

14.4 Contractor understands and agrees that any remedy that may be available under the Oregon False Claims Act shall be in addition to any other remedy available to the State of Oregon or Agency under any other provision of law, this Price Agreement, or any Contract formed under this Price Agreement.

15.0 TIME IS OF THE ESSENCE: Contractor agrees that time is of the essence for Contractor's performance of its obligations under the Price Agreement and any Contract.

16.0 FORCE MAJEURE: Neither the State nor Contractor is responsible for delay or default caused by fire, riot, acts of God, war, or any other cause which is beyond the Party's reasonable control. Contractor shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under the Price Agreement. The State may terminate the Price Agreement upon written notice after reasonably determining that such delay or default will likely prevent successful performance of the Price Agreement.

17.0 INSURANCE: Contractor shall obtain prior to the Effective Date of the Price Agreement, and maintain during the term of the Price Agreement, the insurance required as provided in Exhibit C. With regard to workers' compensation insurance, all employers, including Contractor, that employ subject workers who work under the Price Agreement in the State of Oregon shall comply with ORS 656.017 and provide the required workers' compensation coverage, unless such employers are exempt under ORS 656.126(2). Contractor shall require and ensure that each of its subcontractors, if any, complies with these requirements, or any requirements applicable to any Participating State.

18.0 FUNDS AVAILABLE AND AUTHORIZED; PAYMENTS: Contractor understands and agrees that a Participant's payment of amounts under this Price Agreement and any Contract is contingent on the Authorized Purchaser receiving funding, appropriations, limitations, allotments or other expenditure authority at levels sufficient to allow Participant, in the exercise of its reasonable administrative discretion, to make payments under this Price Agreement and any Contract. Nothing in this Price Agreement may be construed as permitting any violation of Article XI, section 7, of the Oregon Constitution or any other law regulating liabilities or monetary obligations of the State of Oregon.

19.0 INDEPENDENT CONTRACTOR STATUS; RESPONSIBILITY FOR TAXES AND WITHHOLDING:

19.1 Contractor shall perform all Services as an independent Contractor. Although the State reserves the right (i) to determine (and modify) the delivery schedule for the Services to be delivered and the Services to be performed and (ii) to evaluate the quality of the completed performance, Authorized Purchaser cannot and will not control the means or manner of Contractor's performance. Contractor is responsible for determining the appropriate means and manner of performing any Services required by this Price Agreement and any Contract.

19.2 If Contractor is currently performing work for the State of Oregon or the federal government, Contractor by signature to this Price Agreement declares and certifies that: Contractor's Work to be performed under this Contract creates no potential or actual conflict of interest as defined by ORS 244 and no State or federal rules or regulations would prohibit Contractor's performance under this Price Agreement. Contractor is not an "officer", "employee", or "agent" of the State or any Authorized Agency or Independent Agency, as those terms are used in ORS 30.265.

19.3 Contractor shall be responsible for all federal and state taxes applicable to compensation or payments paid to Contractor under this Price Agreement and, unless Contractor is subject to backup withholding, Authorized Purchaser will not withhold from such compensation or payments any amount(s) to cover Contractor's federal or state tax obligations. Contractor is not eligible for any social security, unemployment insurance or workers' compensation benefits from compensation or payments paid to Contractor under this Price Agreement, except as a self-employed individual.

20.0 INDEMNIFICATION:

20.1 CONTRACTOR SHALL DEFEND, SAVE, HOLD HARMLESS, AND INDEMNIFY THE STATE, AUTHORIZED PURCHASERS AND ITS OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ALL CLAIMS, SUITS, ACTIONS, PROCEEDINGS, LOSSES, DAMAGES, LIABILITIES, AWARDS AND COSTS OF EVERY KIND AND DESCRIPTION (INCLUDING REASONABLE ATTORNEY'S FEES AND EXPENSES AT TRIAL, ON APPEAL AND IN CONNECTION WITH ANY PETITION FOR REVIEW) (COLLECTIVELY, "CLAIM") WHICH MAY BE BROUGHT OR MADE AGAINST THE STATE, AUTHORIZED PURCHASERS, OR THEIR AGENTS, OFFICIALS, EMPLOYEES AND ARISING OUT OF OR RELATED TO (I) ANY PERSONAL INJURY, DEATH OR PROPERTY DAMAGE CAUSED BY ANY ALLEGED ACT, OMISSION, ERROR, FAULT, MISTAKE OR NEGLIGENCE OF CONTRACTOR, ITS EMPLOYEES, AGENTS, RELATED TO THIS PRICE AGREEMENT, (II) ANY ACT OR OMISSION BY CONTRACTOR THAT CONSTITUTES A MATERIAL BREACH OF THIS PRICE AGREEMENT OR OF ANY CONTRACT FORMED UNDER THIS PRICE AGREEMENT, INCLUDING WITHOUT LIMITATION ANY BREACH OF WARRANTY, OR (III) THE INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADE SECRET OR OTHER PROPRIETARY RIGHT OF ANY THIRD PARTY BY DELIVERY OR USE OF THE SERVICES. AUTHORIZED PURCHASER SHALL PROMPTLY NOTIFY CONTRACTOR IN WRITING OF ANY CLAIM THAT THE STATE BECOMES AWARE. CONTRACTOR'S OBLIGATION UNDER THIS SECTION

SHALL NOT EXTEND TO ANY CLAIM PRIMARILY CAUSED BY (I) THE NEGLIGENT OR WILLFUL MISCONDUCT OF THE STATE, AUTHORIZED PURCHASERS OR THEIR AGENTS, OFFICIALS OR EMPLOYEES, OR (II) MODIFICATION BY STATE, OR AUTHORIZED PURCHASER OF GOODS WITHOUT CONTRACTOR'S APPROVAL AND IN A MANNER INCONSISTENT WITH THE PURPOSE AND PROPER USAGE OF SUCH GOODS.

20.2 PROVIDED, HOWEVER, THE OREGON ATTORNEY GENERAL MUST GIVE WRITTEN AUTHORIZATION TO ANY LEGAL COUNSEL PURPORTING TO ACT IN THE NAME OF, OR REPRESENT THE INTERESTS OF, THE STATE AND/OR ITS OFFICERS, EMPLOYEES AND AGENTS PRIOR TO SUCH ACTION OR REPRESENTATION. FURTHER, THE STATE, ACTING BY AND THROUGH ITS DEPARTMENT OF JUSTICE, MAY ASSUME ITS OWN DEFENSE, INCLUDING THAT OF ITS OFFICERS, EMPLOYEES AND AGENTS, AT ANY TIME WHEN IN THE STATE'S SOLE DISCRETION IT DETERMINES THAT (I) PROPOSED COUNSEL IS PROHIBITED FROM THE PARTICULAR REPRESENTATION CONTEMPLATED; (II) COUNSEL IS NOT ADEQUATELY DEFENDING OR ABLE TO DEFEND THE INTERESTS OF THE STATE, ITS OFFICERS, EMPLOYEES AND/OR AGENTS; (III) IMPORTANT GOVERNMENTAL INTERESTS ARE AT STAKE; OR (IV) THE BEST INTERESTS OF THE STATE ARE SERVED THEREBY. CONTRACTOR'S OBLIGATION TO PAY FOR ALL COSTS AND EXPENSES SHALL INCLUDE THOSE INCURRED BY THE STATE IN ASSUMING ITS OWN DEFENSE AND THAT OF ITS OFFICERS, EMPLOYEES, OR AGENTS UNDER (I) AND (II) ABOVE.

20.3 ATTORNEYS' FEES: With the exception of defense costs and expenses pursuant to Section 20.2, neither party shall be entitled to recover attorney's fees, court and investigative costs, or any other fees or expenses associated with pursuing a remedy for damages arising out of or relating to the Price Agreement.

21.0 NOTICES: All notices required under the Price Agreement shall be in writing and addressed to the Party's authorized representative. DAS SPO's Agreement Administrator is named at the State signature block in this Price Agreement. Contractor shall identify its authorized representative to the State prior to the Effective Date. Mailed notices shall be deemed received five (5) days after post marked, when deposited, properly addressed and prepaid, into the U.S. postal service. Faxed notices shall be deemed received upon electronic confirmation of successful transmission to the designated fax number. Personal delivery shall be effective upon delivery. Either Party may change its authorized representative or address by written notice to the other in accordance with the terms of this Section 21.

22.0 GOVERNING LAW, VENUE AND CONSENT TO JURISDICTION:

22.1 The Price Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, without regard to principles of conflicts of laws. To the extent not modified by the terms of this Price Agreement, the UCC shall govern this transaction.

22.2 Any claim, action, suit or proceeding (collectively, "Claim") between the State and Contractor that arises from or relates to the Price Agreement shall be brought and conducted

solely and exclusively within the Circuit Court of Marion County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then unless otherwise prohibited by law it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. **CONTRACTOR HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS AND WAIVES ANY OBJECTION TO VENUE IN SUCH COURTS, AND WAIVES ANY CLAIM THAT SUCH FORUM IS AN INCONVENIENT FORUM.** Nothing herein shall be construed as a waiver of the State's sovereign or governmental immunity, whether derived from the Eleventh Amendment to the United States Constitution or otherwise, or of any defenses to Claims or jurisdiction based thereon.

23.0 SURVIVAL: Any terms of this Price Agreement which by their context or nature are intended to survive termination or expiration, including but not limited to warranty, indemnification, access to records, governing law, venue, and consent to jurisdiction, termination and remedies provisions, shall survive the termination or expiration of this Price Agreement.

24.0 SEVERABILITY: If any provision of the Price Agreement is declared by a court of competent jurisdiction to be illegal or otherwise invalid, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Price Agreement did not contain the particular provision held to be invalid.

25.0 ASSIGNMENT/SUBCONTRACT/SUCCESSORS:

25.1 Contractor shall not assign, sell or transfer any of its rights, or delegate or subcontract obligations under the Price Agreement, whether by merger, consolidation, dissolution, operation of law or any other manner without the prior written approval of the State. Any purported assignment of rights or delegation or subcontracting of obligations in violation of this provision is void.

25.2 Further, no such written approval shall relieve Contractor of any obligations under the Price Agreement, and any assignee, transferee delegate or subcontractor shall be considered the agent of Contractor.

25.3 The provisions of the Price Agreement shall be binding upon, and shall inure to the benefit the parties to the Price Agreement and their respective successors and permitted assigns.

26.0 MERGER CLAUSE; AMENDMENT; WAIVER: The Price Agreement constitutes the entire agreement between the Parties on the subject matter thereof. There are no understandings, agreements, or representations, oral or written, not specified therein regarding the Price Agreement. No waiver, consent, or amendment of terms of the Price Agreement shall bind either party unless in writing and signed by both parties, and all necessary approvals have been obtained. Waivers and consents shall be effective only in the specific instance and for the specific purpose given. The failure of the State to enforce any provision of the Price Agreement shall not constitute a waiver by the Authorized Purchaser of that or any other provision.

27.0 NO THIRD PARTY BENEFICIARIES: The State and Contractor are the only parties to this Price Agreement and are the only parties entitled to enforce the terms of this Price

Agreement. Nothing in this Price Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right not held by or made generally available to the public, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name in this Price Agreement and expressly described as intended beneficiaries of the terms of this Price Agreement.

28. AMENDMENTS. The State has determined that during the term of the Price Agreement and Contracts, the parties may need to modify selected terms, conditions, price(s) and types of work under circumstances related to the following illustrative, although not exhaustive categories of anticipated amendments: (a) amendments required as result of necessary changes in the State's business process that may restructure DAS SPO; (b) amendments to extend the term of the Price Agreement in accordance with Section 3 and amendments to extend the term of a Contract; (c) amendments to change pricing, but only in accordance with Section 3; and (d) amendments to the Exhibit A, Scope of Services used under this Price Agreement. All amendments must be in writing and signed by all approving parties before becoming effective. Only DAS SPO has the final authority to execute changes, notices or amendments to the contract pursuant to OAR 125-246-0560.

CERTIFICATION OF COMPLIANCE WITH TAX LAWS

By my signature on this Price Agreement, I, hereby attest or affirm under penalty of perjury: That I am authorized to act on behalf of the Contractor in this matter, that I have authority and knowledge regarding the payment of taxes, and that Contractor is, to the best of my knowledge, not in violation of any Oregon Tax Laws." For purposes of this certification, "Oregon Tax Laws" are those tax laws listed in ORS 305.380(4) and means a state tax imposed by ORS 320.005 to 320.150 (Amusement Device Taxes), ORS 403.200 to 403.250 (Tax For Emergency Communications), ORS Chapters 1.18 (Inheritance Tax), 314 (Income Tax), 316 (Personal Income Tax), 317 (Corporation Excise Tax), 318 (Corporation Income Tax), 321 (Timber and Forest Land Taxation) and 323 (Cigarettes And Tobacco Products), the elderly rental assistance program under ORS 310.630 to 310.706, and any local taxes administered by the Department of Revenue under ORS 305.620.

CERTIFICATION OF COMPLIANCE WITH NON-DISCRIMINATION LAWS

By my signature on this Price Agreement, I hereby attest or affirm under penalty of perjury that I am authorized to act on behalf of Contractor in this matter, and to the best of my knowledge the Contractor has not discriminated against minority, women or emerging small business enterprises in obtaining any required subcontracts, and that the Contractor is not in violation of any Discrimination Laws.

SIGNATURE OF CONTRACTOR'S DULY AUTHORIZED REPRESENTATIVE

THIS PRICE AGREEMENT MUST BE SIGNED IN INK BY AN AUTHORIZED REPRESENTATIVE OF THE CONTRACTOR; ANY ALTERATIONS OR ERASURES TO THE OFFER MUST BE INITIALED IN INK BY THE UNDERSIGNED AUTHORIZED REPRESENTATIVE.

The undersigned acknowledges, attests and certifies individually and on behalf of the Contractor that:

(1) He/she is a duly authorized representative of the Contractor, has been authorized by Contractor to make all representations, attestations, and certifications contained in this Contract, if any, issued, and to execute this Price Agreement on behalf of Contractor. (2) Contractor is bound by and will comply with all requirements, specifications, and terms and conditions contained in this Price Agreement (including all listed attachments and Addenda, if any, issued) (3) Contractor will furnish the designated Services in accordance with the Price Agreement specifications and requirements, and will comply in all respects with the terms of the resulting Contract upon award; and (4) CONTRACTOR WILL PROVIDE/FURNISH FEDERAL EMPLOYEE IDENTIFICATION NUMBER BELOW.

Contractor's Name: PROFESSIONAL CREDIT SERVICE

Authorized Signature: J.C. Matta

Title: PRESIDENT

FEIN ID# (required) 930586455

Contact Person (Type or Print): JEFFREY JOHNSON

Telephone Number: (888) 422-6557

Fax Number: (541) 335-2140

EMAIL: JJOHNSON@PROFESSIONALCREDIT.COM

STATE OF OREGON SIGNATURE

The State of Oregon, acting by and through DAS SPO hereby accepts Contractor's offer and awards a Price Agreement to the above Contractor for the item(s) or service(s) or both contained in this Price Agreement.

Authorized Signature:  _____
Tim Hay, State Procurement Analyst, Services Team Lead

Date: 6/10/11 _____

DAS SPO Contact for this Price Agreement:

Ufemia Castaneda, CPPB
State Procurement Analyst
1225 Ferry Street SE U140
Salem, OR 97301-4285
Office Phone: (503) 378-4647
Fax Phone: (503) 378-1626
eMail: ufemia.castaneda@state.or.us

APPROVED BY DEPARTMENT OF JUSTICE AS TO LEGAL SUFFICIENCY

Approved By: William Nessly Date: Email, dated 05/03/2011, filed in the associated Price Agreement file
(If required by OAR 137-045-0030 or OAR 137-045-0035, unless exempt under OAR 137-045-0050)

EXHIBIT A

STATEMENT OF WORK

1.0 CONTRACTOR SPECIFICATIONS

1.1 Contractor shall provide each Authorized Purchaser with a reasonable means of communicating issues or questions to the Contractor. At a minimum, this must include a telephone number. Additional methods include, but are not limited to online systems access, email contacts or customer service centers with staff that are capable of providing current account information regarding collection efforts taken and amounts recovered for all Authorized Purchaser accounts.

1.2 Contractor shall respond to any issues or questions within one business day (Monday through Friday excluding weekends and holidays) of the Authorized Purchaser's initial contact.

1.3 Contractor shall provide fair and reasonable means of communication by supplying all debtors with an address, email or telephone number (toll free if available) at which the debtor may contact Contractor for information relating to the debtor's account.

1.4 Contractor shall provide or comply with secure communication protocols, including but not limited to; secure web portals, secure instant messaging, etc. Such communication channels are to be used to maximize information security as well as customer service to the Authorized Purchaser.

1.5 Contractor shall be capable to send and receive any files with debtor information in an encrypted format, if so specified in any Purchase Order with an Authorized Purchaser.

1.6 Contractor shall be capable of electronically transferring monies into the Authorized Purchaser's account, at such time or in accordance with such schedule as the Authorized Purchaser requests.

1.7 Contractor shall provide Authorized Purchaser with training related to the use of Contractor systems where applicable and interpretation of system notes, codes, processes, and other items requested by the Authorized Purchaser related to Contractor systems and/or data.

1.8 Contractor shall participate in meetings and phone conferences as requested by either the Authorized Purchaser or DAS. Such meetings shall not exceed once a month per Authorized Purchaser. The purpose of the meetings is to discuss topics such as: collections processes, account strategies, best practices, opportunities for improvement, obstacles to success, and overall concerns.

1.9 Contractor shall maintain bi-lingual staff (Spanish speaking at a minimum) or maintain agreements with an interpreter service during any such time as accounts are assigned to Contractor from an Authorized Purchaser under this Price Agreement.

1.10 Authorized Purchaser and DAS reserve the right to conduct performance reviews of Contractor actions and practices in accordance with the terms of this Price Agreement. To the extent possible, Authorized Purchaser and DAS shall coordinate such performance reviews as to minimize disruption to Contractor operations. Performance reviews under this section may be conducted in person or through

survey as deemed necessary by the Authorized Purchaser or DAS. Any costs associated with travel related to performance reviews under this section shall be the responsibility of the entity requesting the performance review.

2.0 PURCHASE ORDER REQUIREMENTS

2.1 A Purchase Order is required prior to commencement or continuation of work. The Purchase Order must contain all items identified in Section 2.2. Contractor shall submit, within three (3) business days after Contractor's receipt thereof, a copy of the Purchase Order from each Authorized Purchaser to the DAS SWARM Coordinator at:

Department of Administrative Services
ATTN: SWARM Coordinator
155 Cottage St. NE U-50
Salem, OR 97301-3969

2.2 MANDATORY PURCHASE ORDER LANGUAGE:

"THIS PURCHASE IS PLACED AGAINST STATE OF OREGON SOLICITATION #102-1768-10 AND PRICE AGREEMENT # XXXX (AUTHORIZED PURCHASER WILL INSERT PRICE AGREEMENT #). THE CONTRACT TERMS AND CONDITIONS AND SPECIAL CONTRACT TERMS AND CONDITIONS (T'S & C'S) CONTAINED IN THE PRICE AGREEMENT APPLY TO THIS PURCHASE ORDER AND TAKE PRECEDENCE OVER ALL OTHER CONFLICTING T'S AND C'S, EXPRESS OR IMPLIED."

Specific Items that Purchase Order must at minimum contain:

- * Contractor Commission Rate(s)
- * Service renewal date
- * Interest rate and method of calculation requirements
- * Whether authorized purchaser passes along the cost of collection to the debtor under ORS 293.231 (12) and whether Authorized Purchaser or Contractor shall be responsible for calculating the fee at the time of assignment.
- * Payment Plan guidelines,
- * Authorized Purchaser restrictions regarding the compromise or settlement of accounts. Authorized Purchaser shall provide Contractor with copies of statutory authority for settlement or compromise of accounts as well as any Administrative Rules (OAR) or Authorized Purchaser policies/procedures.
- * Identification of whether Authorized Purchaser will entertain compromise or settlement offers
- * Identification of whether Authorized Purchaser has warrant or garnishment authority
- * Reporting and remittance date(s)(at minimum- once a month, refer to SECTION 10 for more details)
- * Banking information for ACH remittance of funds collected
- * Reporting format (paper or electronic, including specific file requirements)
- * Instructions regarding the reporting of assigned accounts to Credit Reporting Agencies
- * Remittance requirement (Gross collections or net after commissions or fees are retained)
- * Reasonable length of time Contractor may work an account without a payment before Contractor is required to contact Authorized Purchaser for further instructions.

* Specific Authorized Purchaser expectations that are not specifically identified in the Price Agreement.

3.0 ACCOUNT ASSIGNMENT REQUIREMENTS

3.1 Notwithstanding Section 3.1.2. Contractor shall accept, in accordance with the Price Agreement terms, conditions and specifications, all accounts which the Authorized Purchaser refers to it for collection and Contractor pricing is a contingency fee. Authorized Purchaser shall verify through telephone contact that Contractor has the capacity for the volume and type of accounts to be assigned.

3.1.1 If Authorized Purchaser has indicated in the Purchase Order that the Authorized Purchaser passes along the cost of collection, Authorized Purchaser may require Contractor to, at the time of assignment; calculate the collection fee amount using the following calculation:

$$((\text{Principal} + \text{Interest}) \text{ divided by } (1 - \text{Collection percentage from Exhibit B})) \text{ less } (\text{Principal} + \text{Interest}) = \text{Collection Fee}$$

3.1.2 If Authorized Purchaser has indicated in the Purchase Order that the Authorized Purchaser passes along the cost of collection and Contractor pricing is a flat fee, Authorized Purchaser may require Contractor to, at the time of assignment, add the fee proposed in Exhibit B to the total amount assigned by the Authorized Purchaser.

To the extent that any additional expectations, specifications or requirements of an Authorized purchaser identified in a Purchase Order impose material additional performance requirements on the Contractor, the Contractor may convey such information to the Authorized Purchaser, and the parties shall confer and negotiate such expectation, specification or requirements. After negotiation, if the Contractor, in good faith, determines that its concerns have not been sufficiently addressed, the Contractor shall provide written notification of the material impact of the additional expectation, specification or requirement to the DAS SPO point of contact and the results of the negotiation with the Authorized Purchaser. Only after such notification to DAS SPO may the Contractor elect not to proceed with acceptance of assignments by the Authorized Purchaser without any financial consequences or without being found to be in default of any contractual obligations.

3.2 When Authorized Purchaser assigns accounts electronically (data file or website loading), Contractor shall ensure that accounts are loaded within one business day of Authorized Purchaser submission.

3.2.1 Authorized Purchasers that electronically assign accounts through data file agree to provide Contractor with 30 days notice of any file format changes.

3.3 Contractor shall promptly undertake through proper and lawful means the diligent collection of all accounts referred by the Authorized Purchaser.

3.3.1 At any time that Contractor identifies the debtor resides in a state the Contractor is not legally able to collect in due to licensing requirements, Contractor shall immediately notify the Authorized Purchaser and return the account to the Authorized Purchaser.

4.0 COLLECTION REQUIREMENTS

4.1 Contractor shall only use debtor correspondence that has been pre-approved by the Authorized Purchaser.

4.2 Contractor shall add no fee or other assessment to an assigned account that is not expressly permitted in this Price Agreement. This prohibition shall not be construed as preventing the addition of court costs, disbursements, and attorney fees, if otherwise allowable, in legal actions approved in writing by the Authorized Purchaser.

4.3 Due to information security and personal identity theft concerns, at no time may accounts, account files, or any information about a debtor that would permit the identification of the individual debtor be forwarded to offices outside the United States or be disclosed outside the United States.

4.4 Contractor shall take reasonable and prudent steps to verify each debtor's identity before disclosing confidential or personally identifiable information. Authorized Purchaser reserves the right to cancel Purchase Order and require Contractor to cancel all assigned accounts if Contractor does not comply with this section or take steps to correct disclosure issues to avoid future disclosure.

4.5 Contractor shall monitor all accounts and calculate all interest owed to the date of recalculation per Purchase Order. Contractor shall assess interest using ONLY the rate and method of calculating of interest indicated on the Purchase Order.

4.6 If Authorized Purchaser has indicated in the Purchase Order that the Authorized Purchaser passes along the cost of collection, then Contractor shall at the same time interest is calculated also adjust the collection fees to be equal to the result of the calculation used in Section 3.1.1 of this Statement of Work:

4.7 If a Contractor has multiple accounts for the same Debtor, from more than one Authorized Purchaser, the first account received by the Contractor will be paid off first.

4.8 PAYMENT PLANS: Contractor shall make every attempt to negotiate payment plans in accordance with the guidelines established by the Authorized Purchaser as established through the Purchase Order under Section 2.2. However, the state recognizes that some payments may be outside of the guidelines and in those circumstances, Contractor shall provide reasonable communication to the Authorized Purchaser identifying the account and the terms of the payment plan agreement.

4.9 SETTLEMENT/COMPROMISE: Contractor shall have authority to approve a compromise or settlement offer only to the extent allowed in the Purchaser Order. As indicated in section 2.2, when settlement or compromise is approved the Authorized Purchaser shall provide Contractor with copies of statutory authority for settlement or compromise of accounts as well as any Administrative Rules (OAR) or Authorized Purchaser policies/procedures.

4.9.1 Contractor shall be responsible to ensure that all required statutory authority, Administrative Rules and/or Authorized Purchaser policies/procedures are received and clearly understood by Contractor prior to acceptance of a settlement. Until these documents are provided by the Authorized Purchaser Contractor shall not have authority to accept settlement offers.

4.9.2 If Contractor accepts a settlement offer without authorization from the Authorized Purchaser, or the settlement does not meet the restrictions set by the Authorized Purchaser, the Contractor shall pay the balance of the account to the Authorized Purchaser and close the account.

4.10 Should Contractor become aware that a debtor has filed a petition for bankruptcy, Contractor shall immediately stop collection activity. Contractor shall immediately notify the Authorized Purchaser of the bankruptcy information including the date, the case number, chapter of the bankruptcy, and the name and address of the court in which the petition was filed. Authorized Purchaser shall then coordinate with Contractor to determine the most appropriate actions based on the specific account.

4.11 Should Contractor become aware that a debtor is deceased, Contractor shall immediately stop collections activity. Contractor shall immediately notify the Authorized Purchaser of any details available regarding the account, including any estate information. The Authorized Purchaser will either request the return of the account if appropriate or request Contractor to attempt collection from the estate if applicable.

4.12 If Contractor identifies a source of garnishment, Contractor may request the Authorized Purchaser to file a garnishment. If the Authorized Purchaser agrees to file the garnishment, Contractor shall place a hold on which will suspend collection actions until the Authorized Purchaser can proceed with the garnishment. Upon realizing any recovery in a garnishment under this Section 4.12., the Authorized Purchaser shall, within a reasonable period of time (not to exceed 15 days), notify Contractor of any payments received as a result of the garnishment. Contractor shall then provide the Authorized Purchaser with an invoice as prescribed in Section 6.2 of this Price Agreement.

5.0 DEPOSIT AND REMITTANCE OF FUNDS COLLECTED

5.1 The Contractor shall deposit all monies collected from the debtor into a bank "depository" as defined in ORS 706.008 (1), or into other depositories as required by law until remitted to the Authorized Purchaser. Amounts collected by Contractor must be deposited in a special non-interest bearing trust account separate from any other monies in accordance with ORS 697.058. This account must be identified as public funds held for the State of Oregon.

The provisions of this section are subject to audit by the Secretary of State Audits Division as disclosed under section 10.0 of this Price Agreement and as further provided for under ORS Chapter 293 and 297.

5.2 If Contractor receives funds in foreign currency, the Contractor is responsible to ensure exchange rates are applied to ensure accurate credit to the account.

5.3 Per ORS 293.265, the deposit of monies under section 5.1 must occur not later than one (1) business day after collection or receipt thereof.

5.4 The provisions of this Section 5 are subject to modification as laws or requirements of the Secretary of State and Oregon State Treasurer may change. Contractor will be notified in writing of any

modifications to the requirements of Section 5 and Contractor must comply within 60 days of receipt of the notice.

5.5 Contractor shall use Automated Clearing House or ACH as prescribed in National Automated Clearing House Association (NACHA) rules and State Treasury policy to remit all funds due to the Authorized Purchaser. Remittance shall be in accordance with the terms of the Authorized Purchaser Purchase Order as identified in Section 2.2

5.6 RETURNED CHECKS: For purposes of remitting funds under Section 5, any payments received by Contractor that are in the form of a check funds shall be deemed collected ten (10) business days after deposit under Section 5.1. Any check that is returned to Contractor by the financial institution within the ten business days shall be considered uncollected and not subject to remittance. Once funds received by check have been deemed collected under this section, they become subject to the remittance requirements of section 5.7. Any check that is returned after the ten business days shall be the responsibility of the Contractor and shall be deemed a separate debt owed to Contractor. The ten business day period identified in this section only applies to funds received in the form of a check, all other payments received are deemed collected upon deposit and must be remitted in accordance with section 5.7.

5.7 Contractor shall remit to the Authorized Purchaser monies (in accordance with the terms of the Authorized Purchaser as detailed on the Purchase Order) collected each week. At the discretion of the Authorized Purchaser, as identified in the Purchase Order, the Contractor may be required to remit monies less than once a week but not less than once a month. If the Authorized Purchaser allows for a remittance of less than once a week the Contractor shall be required to remit all funds upon the balance of the trust account (5.1) exceeding \$1,000.

5.7.1 In accordance with ORS 697.058 (6), when the net proceeds are less than \$5 at the end of any calendar or fiscal month, payments may be deferred for a period not to exceed three months.

6.0 INVOICING

6.1 For any Authorized Purchaser that requires remittance in gross (as indicated in the Purchase Order), Contractor shall provide an invoice to the Authorized Purchaser listing the Contractor's collection charges for all monies collected during the preceding period. The invoice shall accompany the remittance and be for the same time period as required by the Purchase Order. The invoice shall clearly identify each account, show the total amount collected for each account, the date collected and the applicable Contractor's collection charges. (Refer to Section 5.0 for remittance requirements).

6.2 For any payments received directly by the Authorized Purchaser, Contractor shall provide an invoice to the Authorized Purchaser listing the Contractor's collection charges for all monies collected during the preceding period.

6.3 For any Authorized Purchaser that requires remittance in net (as indicated in the Purchase Order), no invoice is required, however, Contractor shall provide Authorized Purchaser with a report in the same format, content and timing as required in section 6.1.

6.4 Contractor agrees to look only to the Authorized Purchaser for payments due and owing under the Contract.

6.5 If Contractor makes an error related to any invoice or remittance under this Price Agreement, Contractor shall take immediate steps to provide Authorized Purchaser with a corrected invoice or remittance report. If the error resulted in a balance owed to the Authorized Purchaser, Contractor shall take immediate steps to remit the balance owed within one business day.

7.0 LEGAL ACTIONS

Contractor may pursue litigation related to the collection of State accounts assigned under this Price Agreement only as expressly authorized by this Section 7. Contractor may pursue litigation related to the collection of accounts assigned to Contractor by ORCCP members who are not departments or agencies of the State of Oregon only in accordance with Section 7.6, below.

7.1 Contractor must have submitted, on a form prescribed by DAS (Exhibit D), with a copy to the State Agency that assigned a collections account to Contractor, a written request for General Authorization to commence and conduct legal actions related to the collection of State accounts. Contractor must identify on the form the nature and type of legal actions for which it is seeking General Authorization.

7.1.1 DAS may, in its sole discretion, limit the General Authorization to particular classes or categories of State accounts or to specific legal actions. DAS may, subject to the approval of the Oregon Department of Justice, and in the exercise of DAS' discretion to decide what best will serve the interests of the State and the state agencies that have assigned accounts to Contractor:

1. grant a request for a General Authorization;
2. deny a request for a General Authorization;
3. impose restrictions on the scope or classes of accounts and cases in a General Authorization;
4. modify the limitations on a previously issued General Authorization; or
5. suspend or revoke a General Authorization.

7.1.2 DAS shall notify Contractor in writing of the decision regarding the request for General Authorization. The decision of DAS concerning a General Authorization or a request for a General Authorization under this section shall be conclusive on the matter, and shall be final.

7.2 If Contractor is in possession of a current, unrevoked and unsuspended General Authorization, then Contractor may request authorization from the State Agency to commence legal actions to collect particularly identified accounts that were assigned to Contractor by that state agency. The State Agency Purchaser will consider the requests on a case by case basis, and communicate its decision on each request to Contractor in writing or by e-mail. The State Agency's communication must contain a confirmation of the current amount of the debt owing on the account, including the principal amount of the debt, interest accrued to date, and any penalty.

7.2.1 Upon receipt of an authorization from the state agency, Contractor may, but only in Contractor's name, commence legal actions in accordance with applicable state law.

7.2.2. By undertaking legal actions under this Section 7 of this Price Agreement, Contractor agrees to assume all risks arising out of or related to any such action, writ or proceeding, including but not limited to adverse judicial decisions, the failure to be able to recover all amounts sought, and the application of the various statutes, legal principles, and possible moratoriums that affect debtors' rights or which may affect debtors' rights in the future. Contractor hereby **WAIVES AND RELIQUISHES ANY AND ALL CLAIMS AND DEMANDS OF ANY NATURE AGAINST THE STATE OF OREGON, AND ITS AGENCIES, DIVISIONS, OFFICERS, EMPLOYEES AND AGENTS, THAT MAY ARISE OUT OF OR RELATE TO ANY SUCH ACTION, WRIT OR PROCEEDING.** Nothing in this Section may be construed as creating or imposing any new or additional obligation on Contractor to provide any indemnification that exceeds the scope of the obligations contained in Section 20 of this Price Agreement.

7.3 Contractor Recovery Amount

7.3.1 Upon commencing a legal action under this Section 7, Contractor may pursue and recover any reasonable and applicable expenses related to the legal action as allowed under Oregon law. Such expenses shall be known as the Contractor Recovery Amount. The Contractor Recovery Amount shall include but is not limited to:

- (1) The costs and service expenses actually awarded by a small claims court.
- (2) The prevailing party fee actually awarded by the court.
- (3) The amounts that Contractor incurred and recovered under ORS 18.999 with respect to the account.
- (4) County recording fees under ORS 205

7.3.2 As a condition of this Price Agreement, Contractor must comply with ORS 18.999(5), which provides that Contractor shall be responsible for doing all of the following:

- (1) Maintaining a precise accounting of moneys recovered under ORS 18.999(1)(a) and making the accounting available for any proceeding relating to that judgment or debt; and
- (2) Providing reasonable notice to the defendant of moneys Contractor recovers under ORS 18.999(1)(a). Contractor shall create and maintain accurate and precise records that demonstrate its compliance with ORS 18.999(1)(a) in a form that reasonably permits the use of those records to determine, on a quarterly and on an annual basis, Contractor's compliance with respect to all accounts assigned to Contractor for collection under Section 5 of this Price Agreement.

7.3.3 Contractor shall ensure that accounts under Section 7 have any and all Contractor Recovery Amounts clearly identified in correspondence to the debtor.

7.3.4 Contractor may deduct and retain, the Contractor Recovery Amount from any recoveries made associated with the account for which the expense was incurred. However, if the amount actually recovered by Contractor is not sufficient to cover the Contractor Recovery Amount, the amount retained off-the-top by Contractor shall be limited to the amount actually recovered.

7.3.5 In no event may Contractor deduct, retain or be paid any amount under this 7.3 that exceeds the amount of the fees, costs and expenses actually and reasonably incurred by Contractor in seeking recovery on each account that has been subjected to garnishment.

7.4 Reports/Copies

7.4.1 The Authorized Purchaser reserves the right to require Contractor to provide (in the manner prescribed by the Authorized Purchaser) either a report detailing the actions taken under this Section 7 or true and correct copies of documents including but not limited to:

- A) Notice of Entry of Judgment in a Small Claims action
- B) notice of lien entry
- C) Writ of garnishments and the debt calculation

7.4.2 Contractor shall report to the Authorized Purchaser that assigned the account to Contractor, at the same time it provides its other reports required under this Price Agreement and in accordance with the terms of the Purchase Order issued by the Authorized Purchaser, the status of, and the amounts collected on, each account for which Contractor initiated a legal action.

7.4.3 Contractor shall report to the DAS Swarm Coordinator, at the same time Contractor submits each Volume Collections Report required in Section 4.0 of this Price Agreement, an electronic file containing, the status of, and the amounts collected, for all accounts for which Contractor has initiated a legal action. The reports must be broken down by Authorized Purchaser and must be made in accordance with formats prescribed by DAS.

7.5 Counterclaims to legal actions

7.5.1 If the defendant in any authorized legal action files a counterclaim of any character, if the claim is transferred to any tribunal other than the Small Claims Department of an Oregon circuit court or justice court, or if the claim results in a demand for a jury trial, Contractor must immediately inform the Oregon Department of Justice and the State Agency that assigned the account to Contractor of that occurrence. In any of these instances, the State shall have the right to assume prosecution and defense of the action, and Contractor promptly shall make available to the State all records related to the action and take all actions and execute all documents reasonably requested by the State to enable the State to effectively litigate the case.

7.5.2 If the State assumes the case under this Section, Contractor may recover the Contractor Recovery Amount described in Section 7.3, except the prevailing party fee (which will be retained by the State), only if the State actually realizes a net recovery of some or all of the amounts owed under the assigned account that is the subject of the action. If the amount of the net recovery is not sufficient to cover the Contractor Recovery Amount (exclusive of the prevailing party fee) described in Section 7.3., Contractor's recovery shall be limited to the net recovery of amounts owed under the assigned account the State actually realizes as a result of the action. To the extent the State actually realizes a net recovery of amounts owed under the assigned account, Contractor also may recover the collection fees set forth in Exhibit B, Pricing, based on the amount actually realized by the State in the action.

7.5.3 If an assigned account is for any reason re-assigned back to the State Agency after Contractor's commencement of a legal action on the account, then if the State Agency realizes any recovery on the account, the State Agency will reimburse Contractor only the Contractor Recovery Amount for the action, unless Contractor can prove to the satisfaction of the State Agency that any

collection on the account was a direct result of Contractor's action, in which case Contractor also may recover its collection fees set forth in the Exhibit B, Pricing with respect to the collected amount. If the amount of the State Agency's recovery is not sufficient to cover the Contractor Recovery Amount, Contractor's recovery shall be limited to the amounts the State Agency actually realizes on the account.

7.5.4 In every instance in which Contractor has obtained a judgment in a legal action and the account or the case is returned for any reason to the State Agency, Contractor promptly must execute a formal assignment of the judgment to the State Agency in accordance with ORS 18.205, and take all reasonable actions and execute all documents necessary to accomplish the State Agency's filing of the assignment of judgment with the court.

7.6 ORCCP litigation

7.6.1 The State of Oregon and the Oregon Department of Justice generally do not have jurisdiction over ORCCP members who are not departments or agencies of the State of Oregon, except as may be provided by the Oregon False Claims Act, ORS 180.750 to 180.785. Any litigation involving those ORCCP members must be arranged between Contractor and the ORCCP member's legal representative.

8.0 ACCOUNT CANCELLATION/RETURN

8.1 Contractor shall continue collection efforts and keep all accounts referred by an Authorized Purchaser until Contractor or the Authorized Purchaser reasonably determines that an account is uncollectible, or is paid in full. If, after a reasonable time as defined in the Authorized Purchaser Purchase Order, the Contractor is unable to collect a payment on the account, the Contractor shall contact the Authorized Purchaser to determine most appropriate actions based on the specifics of the account identified. Appropriate actions may include but are not limited to: Cancellation, legal action under Section 7 of this Price Agreement or Contractor monitoring for account status changes.

8.2 Multiple accounts for the same debtor and from the same Authorized Purchaser may be returned on the same form. Upon request by the Authorized Purchaser, a record of collection efforts shall be transmitted to the Authorized Purchaser (refer to Section 9.4 for details and format). The Authorized Purchaser may allow the collection period to be extended if approved legal action has commenced, or for other reasons agreed to by the Authorized Purchaser. No collection charges shall be due on payments made to the Authorized Purchaser on returned accounts except as provided under Section 11 ("Special Requirements/Consideration").

8.3 Contractor shall immediately suspend action on any account, either temporarily or permanently, upon request from the Authorized Purchaser.

8.4 The State reserves the right to require Contractor to re-assign any account back to the Authorized Purchaser at any time and for any reason that constitutes good cause for the State to require Contractor to re-assign the account to the Authorized Purchaser. Notwithstanding Section 3.3.1 once an account has been assigned to Contractor, that account will remain assigned to Contractor for purposes of collection for a period of no fewer than twelve (12) calendar months from the date of the assignment unless good cause arises to require Contractor to re-assign the account to the Authorized Purchaser. For

purposes of this Section, "good cause" means any circumstance that arises in connection with an assigned account under which the State can more effectively protect its legal or financial interests, or its interests in matters of public law, ethical practices or similar public concerns, by re-assuming control of the account.

9.0 REPORTING REQUIREMENTS

9.1 Contractor shall provide to each Authorized Purchaser a monthly inventory report, provided in a medium requested by the Authorized Purchaser, listing all accounts currently assigned to Contractor. This report shall clearly identify each account, the date the account was assigned, the status of the account (for example active, un-collectable, bankruptcy filed), the agency principal, accrued interest, collection fees and total balance owing.

9.2 Contractor shall provide the Authorized Purchaser with a report identifying any legal fees associated with the filing of the case and must be clearly identified as to the nature of the charge and the balance of the Contractor Recovery Amount. This report shall be provided to the authorized purchaser along with the inventory reports identified in 9.1.

9.3 When an account is returned for any reason, Contractor shall provide to the Authorized Purchaser a monthly report listing all accounts canceled or returned to the Authorized Purchaser during the preceding month.

9.3.1 All legal fees (Contractor Recovery Amount) still owing, if applicable must be clearly identified on the return report required in Section 9.3. If future payment is received, Authorized Purchaser shall remit payment to Contractor up to the amount of the Contractor Recovery Amount.

9.4 Upon request by the Authorized Purchaser, Contractor shall provide a collection history/summary which shall include a record of contacts made with the debtor, including the current mailing address and telephone number(s), the dates and amounts of all payments and charges and any other information necessary for the Authorized Purchaser to comply with federal due diligence requirements and the future collection of the account. The Contractor shall also return all documentation provided by the Authorized Purchaser, any notices of bankruptcy, etc., and any documentation obtained during litigation.

9.5 All reports supplied by Contractor shall be timely, clearly readable, accurate, and complete. Each Authorized Purchaser may have different reporting format requirements. The Authorized Purchaser reserves the right to request new reports as well as modifications to existing reports as needed during the term of this Price Agreement.

9.5.1 If Contractor provides any reports under this Price Agreement to an Authorized Purchaser through an internet based system that requires the Authorized Purchaser to login to the system to access the reports, Contractor shall provide notification to the Authorized Purchaser either by phone or email whenever reports are updated or posted to the system. The notification required under this Section must occur not later than one business day after the reports have been posted to the system.

10. PAYMENT FOR SERVICES

10.1 The Authorized Purchaser agrees to pay Contractor for services performed under this Price Agreement, according to the pricing in Exhibit B, Pricing.

10.2 For accounts assigned for collection on a contingency basis; there shall be no charge to the Authorized Purchaser if Contractor is unable to recover monies on accounts so assigned.

10.3. Except as otherwise provided in Section 7, in the event that the Authorized Purchaser withdraws an account referred to the Contractor, any payments received directly by the Contractor for such accounts within five (5) business days after the date of notification of withdrawal shall be subject to the Contractor's Collection Charge or fees set forth in the Exhibit B, Pricing.

10.4. The Authorized Purchaser shall, within a reasonable period of time, not to exceed 15 days, notify Contractor of any payments received directly by the Authorized Purchaser for accounts referred to Contractor. Refer to Section 6.2. of this Price Agreement for additional information regarding payments received by the Authorized Purchaser.

11 EXEMPTIONS TO COLLECTION FEE

11.1 Any payment received by the Authorized Purchaser within five (5) business days after the account was referred to Contractor shall not be subject to the Contractor's Collection Charge.

11.2 The Authorized Purchaser reserves the right to set off refunds from the U.S. Internal Revenue Service, Oregon Department of Revenue, or other credits due the debtor against any account referred to Contractor. Contractor shall not be entitled to Contractor's Collection Charge for any amount so offset.

11.3 The Authorized Purchaser shall not pay a charge for collections resulting from the sale, refinance, purchase or foreclosure of real or personal property unless Contractor can prove to the Authorized Purchaser's satisfaction that the collection was a direct result of Contractor's action.

11.4. If an account is reduced or canceled by the Authorized Purchaser, no Contractor's Collection Charge shall be due Contractor for the amount so reduced or canceled.

EXHIBIT B PRICING

1. Full Collection Service

A commission rate of twenty-three percent (23%) shall be paid to PCS for services rendered under this agreement on principal payments received by either PCS or CLIENT. The commission rate is in accordance with ORS 697.105. With the exception of subsections 3 through 5 below.

2. Legal and Forwarding Collection Service

A commission rate of twenty-three percent (23%) shall be paid to PCS on principal payments received by either PCS or CLIENT on assigned accounts on which PCS has filed suit or incurred fees in connection with forwarding account to an external collection agent, agency, or attorney in order to enforce collection. A commission rate of ten percent (10%) shall be paid to PCS on principal payments received by either PCS or the Client on Agency issued Garnishment at the request of the contractor.

3. Second Placement Accounts

A commission rate of twenty-three percent (23%) shall be paid to PCS on principal payments received by either PCS or CLIENT on assigned accounts that have been previously held by other collection agencies.

4. Interest

PCS will share all interest income seventy-seven percent (77%) to CLIENT and twenty-three percent (23%) to PCS on payments received by either PCS or CLIENT on Full Collection Service.

5. Costs & Legal Fees

PCS shall pay its own costs, court costs and legal fees associated with the collection of delinquent accounts pursuant to this agreement. PCS shall retain all attorney fees, court costs, and other fees recovered in collection of CLIENT accounts.

6. Payment of Compensation

Unless otherwise agreed in writing, all accounts are assigned on a contingency basis. Compensation will be paid to PCS only on accounts collected.

Note: Should Authorized Purchaser indicated in the Purchase Order that they will pass along the cost of collection, PCS will, at the time of assignment, calculate the collection fee amount using the following calculation:

((Principal + Interest) divided by (1-Collection percentage from Exhibit B)) less (Principal + Interest) = Collection Fee

Additional Specialty Programs and Price Offerings

The scope of these specialty programs lies outside of the standard Accounts Receivable Management and Debt Collection Services as described in PCS' response to RFP 102-1768-10, but are made available to Authorized Purchasers and ORCPP members.

1. Pre-Collection Service Programs

Pre-collection programs services are targeted on consumers that Authorized Purchasers or ORCPP members may desire to contact prior to the account rolling to a full collection status.

- a. **Special Letter Notice Series:** For State of Oregon or ORCPP members desiring a special pre-collection letter notice service; PCS will send a customized letter notice series at the cost of \$0.85 (eighty-five cents) per letter, plus the cost of the letter (see **Chart A-1** for cost of letter). Any money collected through this pre-collection service is returned 100% to the Authorized Purchaser.

Chart A-1: The cost of the letter is \$0.47. This includes a #10 windowed envelope, #9 return envelope, letter, and First Class Postage. The service fee is \$0.85. The fees are variable based on volume of letters being sent each month. The monthly volume breakdown is listed below:

Monthly Volume of Letters	Pricing Per Letter (including all fees)
0-250	\$1.32
251-1,000	\$1.20
1,001+	\$1.00

*Prices may adjust based on USPS fee increases or cost of paper increases. PCS will notify in writing the State of Oregon and any related agencies of increases in postage fees/product fees 30 days prior to increasing any fees.

- b. **Special Call Handling Services:** For State of Oregon or ORCPP members desiring a call handling service, PCS can make special phone contacts on accounts that are in a pre-collection mode. These calls are typically kind reminders that there is a balance owing. PCS representatives use a client approved talk-off to encourage payment on the accounts. For all payments received during this dialing pre-collect period, PCS shall receive a commission of 7% on all monies collected.

Note: Once accounts place in a special pre-collect program have surpassed the

2. Settlement Programs

PCS has seen success running special Settlement Programs in conjunction with Authorized Purchasers and ORCPP members. The settlement programs are usually focused on accounts that the Authorized Purchaser believes have the 'run the course' of collection probability, yet they (the Authorized Purchaser) desire to stimulate any potential recovery that may still exist by offering the consumer a special deal.

The settlement program's design is typically decided by the client in conjunction with PCS representatives. The program's criterion usually includes information identifying whether or not letters will be sent to each desired consumer, if calling and messaging will be used or perhaps a combination of calls, letters, and messaging. While the program is effectively run by Professional Credit Service, publicity for the settlement program is typically handled by the Authorized Purchaser or ORCPP member.

PCS charges \$0.85 (eighty-five cents) and the cost of the letter for each notice mailed as part of a client requested settlement program. Calls made by PCS (which result in a direct contact with the consumer) by PCS in relation to the settlement program are billed to the Authorized Purchaser or ORCPP member at \$0.25 per call. **PCS will NOT charge for**

any incoming calls. Call messaging (meaning the leaving of a customized message about the settlement program) is offered free of charge.

In accordance with the pricing proposal, PCS shall also receive a commission of 23% on all monies collected through the settlement program.

3. **Dedicated Staffing / Outsourcing Services**

PCS provides a unique program to reintroduce human contact to the receivables cycle and improve resolution of organization's account receivables. Through PCS Outsourcing Services there is no collection with any detrimental consequences to the consumer, just positive account follow-up. Through a proactive and positive approach, PCS is able to become an extension of the client in ensuing payment on your accounts. The benefits to Authorized Purchasers and ORCPP members are significant and include:

- **ADDITIONAL RESOURCES** – means more contact with people resulting in more payments received.
- **MORE FOLLOW UP** – all referred accounts are treated as top priority.
- **INCREASED FOCUS** – with PCS managing the daily follow-up, organizations have time to redirect staff to accomplish other key operations.
- **ADVANCED TECHNOLOGY** – PCS' computer system has the power to maintain up-to-the minute records on accounts, the power to adapt to individual client requirements, and the reporting capability to provide detailed status information.
- **REPORTING** – PCS can provide all client required reports and makes them available online.
- **PEACE OF MIND** – PCS' understands the importance of protecting the image of all clients. Thus, PCS representatives become a true extension of the existing business while increasing the overall payments and improving customer service and results.

Outsourcing Pricing Options:

1. **Dedicated Staffing:** Means employees are dedicated full-time to fulfill any needs of the Authorized Purchaser or ORCPP member.
 - a. \$30 per hour per employee
 - b. \$40 per hour for any management related employee
2. **Contingency:** PCS outsourcing staff will follow up via phone calls to request payment on client accounts. PCS shall receive a commission of 7% for all monies received through this follow-up.

EXHIBIT C

INSURANCE

A. **REQUIRED INSURANCE.** Contractor shall obtain at Contractor's expense the insurance specified in this section 4 prior to performing under this Price Agreement and shall maintain it in full force and at its own expense throughout the duration of this Price Agreement and all warranty periods. Contractor shall obtain the following insurance from insurance companies or entities that are authorized to transact the business of insurance and issue coverage in State and that are acceptable to Agency.

i. **WORKERS COMPENSATION.** All employers, including Contractor, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and shall provide workers' compensation insurance coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Contractor shall require and ensure that each of its subcontractors complies with these requirements.

ii. **PROFESSIONAL LIABILITY**

Required by Agency **Not required by Agency.**

Professional Liability. Professional Liability Insurance covering any damages caused by an error, omission or any negligent acts related to the services to be provided under this Price Agreement. Contractor shall provide proof of insurance of not less than the following amounts as determined by the Agency:

\$1,000,000 Per occurrence limit for any single claimant; and

\$1,000,000 Per occurrence limit for any number of claimants

iii. **COMMERCIAL GENERAL LIABILITY.**

Required by Agency **Not required by Agency.**

Commercial General Liability. Commercial General Liability Insurance covering bodily injury, death and property damage in a form and with coverages that are satisfactory to the State. This insurance shall include personal injury liability, products and completed operations. Coverage shall be written on an occurrence basis. Contractor shall provide proof of insurance of not less than the following amounts as determined by the Agency:

Bodily Injury/Death:

\$1,000,000 Per occurrence limit for any single claimant; and

\$1,000,000 Per occurrence limit for any number of claimants:

AND

Property Damage:

- \$1,000,000 Per occurrence limit for any single claimant; and
- \$1,000,000 Per occurrence limit for any number of claimants

iv. AUTOMOBILE LIABILITY INSURANCE: AUTOMOBILE LIABILITY.

- Required by Agency** **Not required by Agency.**

Automobile Liability. Automobile Liability Insurance covering all owned, non-owned, or hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for "Commercial General Liability" and "Automobile Liability"). Contractor shall provide proof of insurance of not less than the following amounts as determined by the Agency:

Bodily Injury/Death:

- \$1,000,000 Per occurrence limit for any single claimant; and
- \$1,000,000 Per occurrence limit for any number of claimants

AND

Property Damage:

- \$1,000,000 Per occurrence limit for any single claimant; and
- \$1,000,000 Per occurrence limit for any number of claimants

B. ADDITIONAL INSURED.

The Commercial General Liability insurance and Automobile Liability insurance required under this Price Agreement shall include the State of Oregon, its officers, employees and agents as Additional Insureds but only with respect to Contractor's activities to be performed under this Price Agreement. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

C. "TAIL" COVERAGE.

If any of the required professional liability insurance is on a "claims made" basis, Contractor shall either maintain either "tail" coverage or continuous "claims made" liability coverage, provided the effective date of the continuous "claims made" coverage is on or before the effective date of this Price Agreement, for a minimum of 24 months following the later of (i) Contractor's completion and Agency's acceptance of all Services required under this Price

Agreement, or, (ii) The expiration of all warranty periods provided under this Price Agreement. Notwithstanding the foregoing 24-month requirement, if Contractor elects to maintain "tail" coverage and if the maximum time period "tail" coverage reasonably available in the marketplace is less than the 24-month period described above, then Contractor shall maintain "tail" coverage for the maximum time period that "tail" coverage is reasonably available in the marketplace for the coverage required under this Price Agreement. Contractor shall provide to Agency, upon Agency's request, certification of the coverage required under this section C.

D. NOTICE OF CANCELLATION OR CHANGE.

There shall be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without sixty (60) days' written notice from this Contractor or its insurer(s) to Agency. Any failure to comply with the reporting provisions of this clause shall constitute a material breach of contract and shall be grounds for immediate termination of this Price Agreement by Agency.

E. CERTIFICATE(S) OF INSURANCE.

Contractor shall provide to Agency Certificate(s) of Insurance for all required insurance before delivering any Goods and performing any Services required under this Price Agreement. The Certificate(s) must specify all entities and individuals who are endorsed on the policy as Additional Insured (or Loss Payees). Contractor shall pay for all deductibles, self-insured retention and self-insurance, if any.

Exhibit D
General Authorization Request for Legal Actions

NOTE: **The completed Exhibit D and list of DOJ approved Contractor attorney(s) will be provided at a later date by amendment to the Price Agreement.**