



OFFICE OF THE CITY ATTORNEY  
ROBERT E. SHANNON, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

1           B.     Consultant may select the time and place of performance for  
2 these services; provided, however, that access to City documents, records and the  
3 like, if needed by Consultant, shall be available only during City's normal business  
4 hours and provided that milestones for performance, if any, are met.

5           C.     Consultant has requested to receive regular payments. City  
6 shall pay Consultant in due course of payments following receipt from Consultant  
7 and approval by City of invoices showing the services or task performed, the time  
8 expended (if billing is hourly), and the name of the Project. Consultant shall certify  
9 on the invoices that Consultant has performed the services in full conformance  
10 with this Agreement and is entitled to receive payment. Each invoice shall be  
11 accompanied by a progress report indicating the progress to date of services  
12 performed and covered by the invoice, including a brief statement of any Project  
13 problems and potential causes of delay in performance, and listing those services  
14 that are projected for performance by Consultant during the next invoice cycle.  
15 Where billing is done and payment is made on an hourly basis, the parties  
16 acknowledge that this arrangement is either customary practice for Consultant's  
17 profession, industry or business, or is necessary to satisfy audit and legal  
18 requirements which may arise due to the fact that City is a municipality.

19           D.     Consultant represents that Consultant has obtained all  
20 necessary information on conditions and circumstances that may affect its  
21 performance and has conducted site visits, if necessary.

22           E.     CAUTION: Consultant shall not begin work until this  
23 Agreement has been signed by both parties and until Consultant's evidence of  
24 insurance has been delivered to and approved by City.

25           2.     TERM. The term of this Agreement shall commence at midnight on  
26 March 1, 2010, and shall terminate at 11:59 p.m. on April 30, 2011, with the option to  
27 renew for two (2) consecutive one (1) year periods, unless sooner terminated as provided  
28 in this Agreement, or unless the services or the Project is completed sooner.

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1                   3.     COORDINATION AND ORGANIZATION.

2                   A.     Consultant shall coordinate its performance with City's  
3     representative, if any, named in Exhibit "C", attached to this Agreement and  
4     incorporated by this reference. Consultant shall advise and inform City's  
5     representative of the work in progress on the Project in sufficient detail so as to  
6     assist City's representative in making presentations and in holding meetings on  
7     the Project. City shall furnish to Consultant information or materials, if any,  
8     described in Exhibit "D", attached to this Agreement and incorporated by this  
9     reference, and shall perform any other tasks described in the Exhibit.

10                  B.     The parties acknowledge that a substantial inducement to City  
11     for entering this Agreement was and is the reputation and skill of Consultant's key  
12     employee, Don Siler. City shall have the right to approve any person proposed by  
13     Consultant to replace that key employee.

14                   4.     INDEPENDENT CONTRACTOR. In performing its services,

15     Consultant is and shall act as an independent contractor and not an employee,  
16     representative or agent of City. Consultant shall have control of Consultant's work and  
17     the manner in which it is performed. Consultant shall be free to contract for similar  
18     services to be performed for others during this Agreement; provided, however, that  
19     Consultant acts in accordance with Section 9 and Section 11 of this Agreement.  
20     Consultant acknowledges and agrees that (a) City will not withhold taxes of any kind from  
21     Consultant's compensation; (b) City will not secure workers' compensation or pay  
22     unemployment insurance to, for or on Consultant's behalf; and (c) City will not provide  
23     and Consultant is not entitled to any of the usual and customary rights, benefits or  
24     privileges of City employees. Consultant expressly warrants that neither Consultant nor  
25     any of Consultant's employees or agents shall represent themselves to be employees or  
26     agents of City.

27                   5.     INSURANCE.

28                  A.     As a condition precedent to the effectiveness of this

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1 Agreement, Consultant shall procure and maintain, at Consultant's expense for the  
2 duration of this Agreement, from insurance companies that are admitted to write  
3 insurance in California and have ratings of or equivalent to A:V by A.M. Best  
4 Company or from authorized non-admitted insurance companies subject to  
5 Section 1763 of the California Insurance Code and that have ratings of or  
6 equivalent to A:VIII by A.M. Best Company, the following insurance:

7 (a) Commercial general liability insurance (equivalent in scope to  
8 ISO form CG 00 01 11 85 or CG 00 01 10 93) in an amount not less than  
9 \$1,000,000 per each occurrence and \$2,000,000 general aggregate. This  
10 coverage shall include but not be limited to broad form contractual liability,  
11 cross liability, independent contractors liability, and products and  
12 completed operations liability. City, its boards and commissions, and their  
13 officials, employees and agents shall be named as additional insureds by  
14 endorsement (on City's endorsement form or on an endorsement  
15 equivalent in scope to ISO form CG 20 10 11 85 or CG 20 26 11 85), and  
16 this insurance shall contain no special limitations on the scope of  
17 protection given to City, its boards and commissions, and their officials,  
18 employees and agents. This policy shall be endorsed to state that the  
19 insurer waives its right of subrogation against City, its boards and  
20 commissions, and their officials, employees and agents.

21 (b) Workers' Compensation insurance as required by the California  
22 Labor Code and employer's liability insurance in an amount not less than  
23 \$1,000,000. This policy shall be endorsed to state that the insurer waives  
24 its right of subrogation against City, its boards and commissions, and their  
25 officials, employees and agents.

26 (c) Professional liability or errors and omissions insurance in an  
27 amount not less than \$1,000,000 per claim.

28 (d) Commercial automobile liability insurance (equivalent in scope

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1 to ISO form CA 00 01 06 92), covering Auto Symbol 1 (Any Auto) in an  
2 amount not less than \$500,000 combined single limit per accident.

3 B. Any self-insurance program, self-insured retention, or  
4 deductible must be separately approved in writing by City's Risk Manager or  
5 designee and shall protect City, its officials, employees and agents in the same  
6 manner and to the same extent as they would have been protected had the policy  
7 or policies not contained retention or deductible provisions.

8 C. Each insurance policy shall be endorsed to state that  
9 coverage shall not be reduced, non-renewed or canceled except after thirty (30)  
10 days prior written notice to City, shall be primary and not contributing to any other  
11 insurance or self-insurance maintained by City, and shall be endorsed to state that  
12 coverage maintained by City shall be excess to and shall not contribute to  
13 insurance or self-insurance maintained by Consultant. Consultant shall notify City  
14 in writing within five (5) days after any insurance has been voided by the insurer or  
15 cancelled by the insured.

16 D. If this coverage is written on a "claims made" basis, it must  
17 provide for an extended reporting period of not less than one hundred eighty (180)  
18 days, commencing on the date this Agreement expires or is terminated, unless  
19 Consultant guarantees that Consultant will provide to City evidence of  
20 uninterrupted, continuing coverage for a period of not less than three (3) years,  
21 commencing on the date this Agreement expires or is terminated.

22 E. Consultant shall require that all subconsultants or contractors  
23 that Consultant uses in the performance of these services maintain insurance in  
24 compliance with this Section unless otherwise agreed in writing by City's Risk  
25 Manager or designee.

26 F. Prior to the start of performance, Consultant shall deliver to  
27 City certificates of insurance and the endorsements for approval as to sufficiency  
28 and form. In addition, Consultant shall, within thirty (30) days prior to expiration of

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1 the insurance, furnish to City certificates of insurance and endorsements  
2 evidencing renewal of the insurance. City reserves the right to require complete  
3 certified copies of all policies of Consultant and Consultant's subconsultants and  
4 contractors, at any time. Consultant shall make available to City's Risk Manager  
5 or designee all books, records and other information relating to this insurance,  
6 during normal business hours.

7 G. Any modification or waiver of these insurance requirements  
8 shall only be made with the approval of City's Risk Manager or designee. Not  
9 more frequently than once a year, City's Risk Manager or designee may require  
10 that Consultant, Consultant's subconsultants and contractors change the amount,  
11 scope or types of coverages required in this Section if, in his or her sole opinion,  
12 the amount, scope or types of coverages are not adequate.

13 H. The procuring or existence of insurance shall not be  
14 construed or deemed as a limitation on liability relating to Consultant's  
15 performance or as full performance of or compliance with the indemnification  
16 provisions of this Agreement.

17 6. ASSIGNMENT AND SUBCONTRACTING. This Agreement  
18 contemplates the personal services of Consultant and Consultant's employees, and the  
19 parties acknowledge that a substantial inducement to City for entering this Agreement  
20 was and is the professional reputation and competence of Consultant and Consultant's  
21 employees. Consultant shall not assign its rights or delegate its duties under this  
22 Agreement, or any interest in this Agreement, or any portion of it, without the prior  
23 approval of City, except that Consultant may with the prior approval of the City Manager  
24 of City, assign any moneys due or to become due Consultant under this Agreement. Any  
25 attempted assignment or delegation shall be void, and any assignee or delegate shall  
26 acquire no right or interest by reason of an attempted assignment or delegation.  
27 Furthermore, Consultant shall not subcontract any portion of its performance without the  
28 prior approval of the City Manager or designee, or substitute an approved subconsultant

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1 or contractor without approval prior to the substitution. Nothing stated in this Section  
2 shall prevent Consultant from employing as many employees as Consultant deems  
3 necessary for performance of this Agreement.

4 7. CONFLICT OF INTEREST. Consultant, by executing this  
5 Agreement, certifies that, at the time Consultant executes this Agreement and for its  
6 duration, Consultant does not and will not perform services for any other client which  
7 would create a conflict, whether monetary or otherwise, as between the interests of City  
8 and the interests of that other client. And, Consultant shall obtain similar certifications  
9 from Consultant's employees, subconsultants and contractors.

10 8. MATERIALS. Consultant shall furnish all labor and supervision,  
11 supplies, materials, tools, machinery, equipment, appliances, transportation and services  
12 necessary to or used in the performance of Consultant's obligations under this  
13 Agreement, except as stated in Exhibit "D".

14 9. OWNERSHIP OF DATA. All materials, information and data  
15 prepared, developed or assembled by Consultant or furnished to Consultant in  
16 connection with this Agreement, including but not limited to documents, estimates,  
17 calculations, studies, maps, graphs, charts, computer disks, computer source  
18 documentation, samples, models, reports, summaries, drawings, designs, notes, plans,  
19 information, material and memorandum ("Data") shall be the exclusive property of City.  
20 Data shall be given to City, and City shall have the unrestricted right to use and disclose  
21 the Data in any manner and for any purpose without payment of further compensation to  
22 Consultant. Copies of Data may be retained by Consultant but Consultant warrants that  
23 Data shall not be made available to any person or entity for use without the prior approval  
24 of City. This warranty shall survive termination of this Agreement for five (5) years.

25 10. TERMINATION. Either party shall have the right to terminate this  
26 Agreement for any reason or no reason at any time by giving fifteen (15) calendar days  
27 prior notice to the other party. In the event of termination under this Section, City shall  
28 pay Consultant for services satisfactorily performed and costs incurred up to the effective

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1 date of termination for which Consultant has not been previously paid. The procedures  
2 for payment in Section 1.B. with regard to invoices shall apply. On the effective date of  
3 termination, Consultant shall deliver to City all Data developed or accumulated in the  
4 performance of this Agreement, whether in draft or final form, or in process. And,  
5 Consultant acknowledges and agrees that City's obligation to make final payment is  
6 conditioned on Consultant's delivery of the Data to City.

7 11. CONFIDENTIALITY. Consultant shall keep all Data confidential and  
8 shall not disclose the Data or use the Data directly or indirectly, other than in the course  
9 of performing its services, during the term of this Agreement and for five (5) years  
10 following expiration or termination of this Agreement. In addition, Consultant shall keep  
11 confidential all information, whether written, oral or visual, obtained by any means  
12 whatsoever in the course of performing its services for the same period of time.  
13 Consultant shall not disclose any or all of the Data to any third party, or use it for  
14 Consultant's own benefit or the benefit of others except for the purpose of this  
15 Agreement.

16 12. BREACH OF CONFIDENTIALITY. Consultant shall not be liable for  
17 a breach of confidentiality with respect to Data that: (a) Consultant demonstrates  
18 Consultant knew prior to the time City disclosed it; or (b) is or becomes publicly available  
19 without breach of this Agreement by Consultant; or (c) a third party who has a right to  
20 disclose does so to Consultant without restrictions on further disclosure; or (d) must be  
21 disclosed pursuant to subpoena or court order.

22 13. ADDITIONAL COSTS AND REDESIGN.

23 A. Any costs incurred by City due to Consultant's failure to meet  
24 the standards required by the scope of work or Consultant's failure to perform fully  
25 the tasks described in the scope of work which, in either case, causes City to  
26 request that Consultant perform again all or part of the Scope of Work shall be at  
27 the sole cost of Consultant and City shall not pay any additional compensation to  
28 Consultant for its re-performance.



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1 B. If the Project involves construction and the scope of work  
2 requires Consultant to prepare plans and specifications with an estimate of the  
3 cost of construction, then Consultant may be required to modify the plans and  
4 specifications, any construction documents relating to the plans and specifications,  
5 and Consultant's estimate, at no cost to City, when the lowest bid for construction  
6 received by City exceeds by more than ten percent (10%) Consultant's estimate.  
7 This modification shall be submitted in a timely fashion to allow City to receive new  
8 bids within four (4) months after the date on which the original plans and  
9 specifications were submitted by Consultant.

10 14. AMENDMENT. This Agreement, including all Exhibits, shall not be  
11 amended, nor any provision or breach waived, except in writing signed by the parties  
12 which expressly refers to this Agreement.

13 15. LAW. This Agreement shall be governed by and construed pursuant  
14 to the laws of the State of California (except those provisions of California law pertaining  
15 to conflicts of laws). Consultant shall comply with all laws, ordinances, rules and  
16 regulations of and obtain all permits, licenses and certificates required by all federal, state  
17 and local governmental authorities. Consultant consents to jurisdiction in the courts of  
18 the state of California and agree that service by mail to the address specified in this  
19 Agreement shall be sufficient to confer jurisdiction.

20 16. ENTIRE AGREEMENT. This Agreement, including all Exhibits,  
21 constitutes the entire understanding between the parties and supersedes all other  
22 agreements, oral or written, with respect to the subject matter in this Agreement.

23 17. INDEMNITY. Consultant shall, with respect to services performed in  
24 connection with this Agreement, indemnify and hold harmless City, its Boards,  
25 Commissions, and their officials, employees and agents (collectively in this Section,  
26 "City") from and against any and all liability, claims, allegations, demands, damage, loss,  
27 causes of action, proceedings, penalties, costs and expenses (including attorney's fees,  
28 court costs, and expert and witness fees) (collectively "Claims" or individually "Claim")

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1 arising, directly or indirectly, in whole or in part, out of any negligent act or omission of  
2 Consultant, its officers, employees, agents, sub-consultants or anyone under  
3 Consultant's control (collectively "Indemnitor"), breach of this Agreement by Indemnitor,  
4 misrepresentation or willful misconduct by Indemnitor, and Claims by any employee of  
5 Indemnitor relating in any way to workers' compensation. Independent of the duty to  
6 indemnify and as a free-standing duty on the part of Consultant, Consultant shall defend  
7 City and shall continue this defense until the Claim is resolved, whether by settlement,  
8 judgment or otherwise. No finding or judgment of negligence, fault, breach or the like on  
9 the part of Indemnitor shall be required for the duty to defend to arise. Consultant shall  
10 notify City of any Claim within ten (10) days. Likewise, City shall notify Consultant of any  
11 Claim, shall tender the defense of the Claim to Consultant, and shall assist Consultant at  
12 Consultant's sole expense, as may be reasonably requested, in the defense.

13 18. AMBIGUITY. In the event of any conflict or ambiguity between this  
14 Agreement and any Exhibit, the provisions of this Agreement shall govern.

15 19. COSTS. If there is any legal proceeding between the parties to  
16 enforce or interpret this Agreement or to protect or establish any rights or remedies under  
17 it, the prevailing party shall be entitled to its costs, including reasonable attorneys' fees.

18 20. NONDISCRIMINATION.

19 A. In connection with performance of this Agreement and subject  
20 to applicable rules and regulations, Consultant shall not discriminate against any  
21 employee or applicant for employment because of race, religion, national origin,  
22 color, age, sex, sexual orientation, gender identity, AIDS, HIV status, handicap or  
23 disability. Consultant shall ensure that applicants are employed, and that  
24 employees are treated during their employment, without regard to these bases.  
25 These actions shall include, but not be limited to, the following: employment,  
26 upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or  
27 termination; rates of pay or other forms of compensation; and selection for training,  
28 including apprenticeship.

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1 B. It is the policy of City to encourage the participation of  
2 Disadvantaged, Minority and Women-Owned Business Enterprises in City's  
3 procurement process, and Consultant agrees to use its best efforts to carry out  
4 this policy in its use of subconsultants and contractors to the fullest extent  
5 consistent with the efficient performance of this Agreement. Consultant may rely  
6 on written representations by subconsultants and contractors regarding their  
7 status. City's policy is attached as Exhibit "E" to this Agreement. Consultant shall  
8 report to City in May and in December or, in the case of short-term agreements,  
9 prior to invoicing for final payment, the names of all subconsultants and  
10 contractors hired by Consultant for this Project and information on whether or not  
11 they are a Disadvantaged, Minority or Women-Owned Business Enterprise, as  
12 defined in Section 8 of the Small Business Act (15 U.S.C. Sec. 637).

13 21. EQUAL BENEFITS ORDINANCE. Unless otherwise exempted in  
14 accordance with the provisions of the Ordinance, this Contract is subject to the applicable  
15 provisions of the Equal Benefits Ordinance (EBO), section 2.73 et seq. of the Long Beach  
16 Municipal Code, as amended from time to time.

17 A. During the performance of this Contract, the Consultant  
18 certifies and represents that the Consultant will comply with the EBO. The  
19 Consultant agrees to post the following statement in conspicuous places at its  
20 place of business available to employees and applicants for employment:

21 "During the performance of a Contract with the City of Long Beach,  
22 the Consultant will provide equal benefits to employees with spouses and its  
23 employees with domestic partners. Additional information about the City of  
24 Long Beach's Equal Benefits Ordinance may be obtained from the City of  
25 Long Beach Business Services Division at 562-570-6200."

26 B. The failure of the Consultant to comply with the EBO will be  
27 deemed to be a material breach of the Contract by the City.

28 C. If the Consultant fails to comply with the EBO, the City may

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1 cancel, terminate or suspend the Contract, in whole or in part, and monies due or  
2 to become due under the Contract may be retained by the City. The City may also  
3 pursue any and all other remedies at law or in equity for any breach.

4 D. Failure to comply with the EBO may be used as evidence  
5 against the Consultant in actions taken pursuant to the provisions of Long Beach  
6 Municipal Code 2.93 et seq., Contractor Responsibility.

7 E. If the City determines that the Consultant has set up or used  
8 its contracting entity for the purpose of evading the intent of the EBO, the City may  
9 terminate the Contract on behalf of the City. Violation of this provision may be  
10 used as evidence against the Consultant in actions taken pursuant to the  
11 provisions of Long Beach Municipal Code section 2.93 et seq., Contractor  
12 Responsibility.

13 22. NOTICES. Any notice or approval required by this Agreement shall  
14 be in writing and personally delivered or deposited in the U.S. Postal Service, first class,  
15 postage prepaid, addressed to Consultant at the address first stated above, and to City at  
16 333 West Ocean Boulevard, Long Beach, California 90802, Attn: City Manager. Notice of  
17 change of address shall be given in the same manner as stated for other notices. Notice  
18 shall be deemed given on the date deposited in the mail or on the date personal delivery  
19 is made, whichever occurs first.

20 23. COPYRIGHTS AND PATENT RIGHTS.

21 A. Consultant shall place the following copyright protection on all  
22 Data: © City of Long Beach, California \_\_\_\_, inserting the appropriate year.

23 B. City reserves the exclusive right to seek and obtain a patent  
24 or copyright registration on any Data or other result arising from Consultant's  
25 performance of this Agreement. By executing this Agreement, Consultant assigns  
26 any ownership interest Consultant may have in the Data to City.

27 C. Consultant warrants that the Data does not violate or infringe  
28 any patent, copyright, trade secret or other proprietary right of any other party.

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1 Consultant agrees to and shall protect, defend, indemnify and hold City, its officials  
2 and employees harmless from any and all claims, demands, damages, loss,  
3 liability, causes of action, costs or expenses (including reasonable attorney's fees)  
4 whether or not reduced to judgment, arising from any breach or alleged breach of  
5 this warranty.

6 24. COVENANT AGAINST CONTINGENT FEES. Consultant warrants  
7 that Consultant has not employed or retained any entity or person to solicit or obtain this  
8 Agreement and that Consultant has not paid or agreed to pay any entity or person any  
9 fee, commission or other monies based on or from the award of this Agreement. If  
10 Consultant breaches this warranty, City shall have the right to terminate this Agreement  
11 immediately notwithstanding the provisions of Section 10 or, in its discretion, to deduct  
12 from payments due under this Agreement or otherwise recover the full amount of the fee,  
13 commission or other monies.

14 25. WAIVER. The acceptance of any services or the payment of any  
15 money by City shall not operate as a waiver of any provision of this Agreement or of any  
16 right to damages or indemnity stated in this Agreement. The waiver of any breach of this  
17 Agreement shall not constitute a waiver of any other or subsequent breach of this  
18 Agreement.

19 26. CONTINUATION. Termination or expiration of this Agreement shall  
20 not affect rights or liabilities of the parties which accrued pursuant to Sections 7, 10, 11,  
21 17, 19, 22 and 28 prior to termination or expiration of this Agreement.

22 27. TAX REPORTING. As required by federal and state law, City is  
23 obligated to and will report the payment of compensation to Consultant on Form 1099-  
24 Misc. Consultant shall be solely responsible for payment of all federal and state taxes  
25 resulting from payments under this Agreement. Consultant's Employer Identification  
26 Number is [REDACTED] If Consultant has a Social Security Number rather than an  
27 Employer Identification Number, then Consultant shall submit that Social Security  
28 Number in writing to City's Accounts Payable, Department of Financial Management.

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1 Consultant acknowledges and agrees that City has no obligation to pay Consultant until  
2 Consultant provides one of these numbers.

3 28. ADVERTISING. Consultant shall not use the name of City, its  
4 officials or employees in any advertising or solicitation for business or as a reference,  
5 without the prior approval of the City Manager or designee.

6 29. AUDIT. The City, at its option, may call for an audit of financial  
7 information relative to the Agreement, where the City determines that an audit is  
8 desirable to assure program integrity or where such an audit becomes necessary  
9 because of federal requirements. Where such an audit is called for, the audit shall be  
10 performed by a certified public accountant independent of the Consultant and at the cost  
11 of Consultant. The audit shall be in the form required by the City. Audit disallowances  
12 will be returned to the City.

13 30. REPORTS.

14 A. Quarterly Reports. Consultant agrees to expeditiously provide  
15 status reports no less frequently than quarterly. At a minimum, the reports will  
16 contain the following information: a summary of progress to date including a  
17 description of progress since the last report, percent construction complete,  
18 percent contractor invoices, and percent schedule elapsed; a listing of change  
19 orders including amount, description of work, and change in contract amount and  
20 schedule; any problems encountered, proposed resolution, schedule for  
21 resolution, status of previous problem resolutions, and number of jobs created or  
22 preserved due to the Agreement.

23 B. As-Needed Reports. Consultant agrees to expeditiously  
24 provide, during the term of this Agreement, such reports, data, and information as  
25 may be reasonably required by the City, including but not limited to material  
26 necessary or appropriate for evaluation of the Agreement or to fulfill any reporting  
27 requirements of the federal government.

28 31. RECORDS.

ALS

1                   A.     Within limitation of the requirement to maintain Agreement  
2 accounts in accordance with generally accepted accounting principles the  
3 Consultant agrees to:

4                   i.     Establish an official file for the Agreement which shall  
5 adequately document all significant actions relative to the Agreement;

6                   ii.    Establish separate accounts which will adequately and  
7 accurately depict all amounts received and expended on the Agreement,  
8 including all assistance funds received under this Agreement;

9                   iii.   Establish separate accounts which will adequately  
10 depict all income received which is attributable to the Agreement,  
11 specifically including all income attributable to assistance funds disbursed  
12 under this Agreement;

13                  iv.    Establish an accounting system which will accurately  
14 depict final total costs of the Agreement, including both direct and indirect  
15 costs;

16                  v.     Establish such accounts and maintain such records as  
17 may be necessary for the City to fulfill federal reporting requirements,  
18 including any and all reporting requirements under federal tax statutes or  
19 regulations; and

20                  vi.    If a Force Account is used by the Consultant for any  
21 phase of the Agreement, other than for planning, design and construction  
22 engineering, and administration provided for by allowance, accounts will be  
23 established which reasonably document all employee hours charged to the  
24 Agreement and the associated tasks performance by each employee.

25                   B.     Consultant shall be required to maintain books, records and  
26 other material relative to the Agreement in accordance with generally accepted  
27 accounting principles. Consultant shall also be required to retain such books,  
28 records, and other material for each subcontractor who performed work on this

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1 Agreement for a minimum of six (6) years after repayment of Agreement Funds, if  
2 any, or six (6) years after Agreement completion if no repayment is required. The  
3 Consultant shall require that such books, records, and other material be subject at  
4 all reasonable times (at a minimum during normal business hours) to inspection,  
5 copying, and audit by the City, or any authorized representatives of the  
6 aforementioned, and shall allow interviews during normal business hours of any  
7 employees who might reasonably have information related to such records.  
8 Consultant agrees to include a similar right regarding audit, interviews, and  
9 records retention in any subcontract related to the performance of this Agreement.

10 C. Records Inspection. At any time during normal business  
11 hours and as often as City may deem necessary, Consultant shall make available  
12 for examination all of its records with respect to all matters covered by this  
13 Agreement. City shall have authority to audit, examine and make excerpts or  
14 transcripts from records, including all Consultant's invoices, materials, payrolls,  
15 records of personnel, conditions of employment and other data relating to all  
16 matters covered by this Agreement.

17 D. Records Maintenance. Records, in their original form, shall  
18 be maintained in accordance with requirement prescribed by City with respect to  
19 all matters covered on file for all documents specified in this Agreement. Original  
20 forms are to be maintained on file for all documents specified in this Agreement.  
21 Such records shall be retained for a period of five (5) years after termination of this  
22 Agreement and after final disposition of all pending matters. "Pending matters"  
23 include, but are not limited to, an audit, litigation or other actions involving records.  
24 City may, at its discretion, take possession of, retain and audit said records.  
25 Records, in their original form pertaining to matters covered by this Agreement,  
26 shall at all times be retained within City unless authorization to remove them is  
27 granted in writing by City.

28 32. THIRD PARTY BENEFICIARY. This Agreement is not intended or



OFFICE OF THE CITY ATTORNEY  
ROBERT E. SHANNON, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

1 designed to or entered for the purpose of creating any benefit or right for any person or  
2 entity of any kind that is not a party to this Agreement.

3 IN WITNESS WHEREOF, the parties have caused this document to be duly  
4 executed with all formalities required by law as of the date first stated above.

5  
6  
7 June 11, 2010

MRS BPO, LLC, a New Jersey limited liability company,  
By [Signature]  
Managing Member  
Donna Siler  
Type or Print Name

8  
9  
10  
11  
12 6.21, 2010

"Consultant"  
CITY OF LONG BEACH, a municipal corporation  
Assistant City Manager  
By [Signature]  
City Manager  
"City"

APPROVED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

15 This Agreement is approved as to form on 6-16, 2010.

17 ROBERT E. SHANNON, City Attorney  
18 By [Signature]  
19 Deputy

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# EXHIBIT "A-1"

RFP

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City of Long Beach  
 Purchasing Division  
 333 W Ocean Blvd/7<sup>th</sup> Floor  
 Long Beach CA 90802

## City of Long Beach

Request For Proposal No. PW09017

### TOWING FEES COLLECTION SERVICES

Release Date: 4/28/2009  
 Due Date: 6/2/2009

For additional information, please contact:  
**Yvonne A. Lucas, Buyer, 562/570-6039**  
 This RFP is available in an alternative format by calling 562-570-6200

**See Page 5, for instructions on submitting proposals.**

Company Name \_\_\_\_\_ Contact Person \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone (\_\_\_\_) \_\_\_\_\_ Fax (\_\_\_\_) \_\_\_\_\_ Federal Tax ID No. \_\_\_\_\_

Prices contained in this proposal are subject to acceptance within \_\_\_\_\_ calendar days.

I have read, understand, and agree to all terms and conditions herein. Date \_\_\_\_\_

Signed \_\_\_\_\_

Print Name & Title \_\_\_\_\_

*Handwritten initials*



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Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

## TABLE OF CONTENTS

Section 1	Overview of Project	Page 3
Section 2	Acronyms/Definitions	Page 3
Section 3	Scope of Project	Page 4
Section 4	Submittal Instructions	Page 5
Section 5	Proposal Format	Page 6
Section 6	Project Specifications	Page 10
Section 7	Evaluation Criteria	Page 27
Section 8	Business License	Page 27
Section 9	Cost	Page 27
Section 10	Restrictions/Limitations	Page 28
Section 11	Terms, Conditions and Exceptions	Page 28
Attachment A	Certification of Compliance	
Attachment B	Confidential Financial Statement	
Attachment C	Confidential Legal Statement	
Attachment D	Statement of Non-collusion	
Attachment E	Towing Master Fee and Charges Schedule	

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Long Beach CA 90802

**The City will not be held responsible for proposal envelopes mishandled as a result of the envelope not being properly prepared. Facsimile or telephone proposals will NOT be considered unless otherwise authorized; however, proposals may be modified by fax or written notice provided such notice is received prior to the opening of the proposals.**

**1. OVERVIEW OF PROJECT**

The City of Long Beach is requesting proposals to provide collection services for outstanding towing fees where auction proceeds are insufficient to settle account.

**2. ACRONYMS/DEFINITIONS**

For the purposes of this RFP, the following acronyms/definitions will be used:

**Awarded Vendor** The organization/individual that is awarded and has an approved contract with the City of Long Beach, California for the services identified in this RFP.

**Division** Department of Public Works, Fleet Services Bureau, Towing/Lien Sales.

**Evaluation Committee** An independent committee comprised solely of representatives of the City established to review proposals submitted in response to the RFP, score the proposals, and select a vendor.

**May** Indicates something that is not mandatory but permissible.

**RFP** Request for Proposal.

**Shall/Must** Indicates a mandatory requirement. Failure to meet a mandatory requirement may result in the rejection of a proposal as non-responsive.

**Should** Indicates something that is recommended but not mandatory. If the vendor fails to provide recommended information, the City may, at its sole option, ask the vendor to provide the information or evaluate the proposal without the information.

**City** The City of Long Beach and any department or agency identified herein.

**Subcontractor** Third party not directly employed by the vendor who will provide services identified in this RFP.

**Vendor** Organization/individual submitting a proposal in response to this RFP.

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**3. SCOPE OF PROJECT**

The City of Long Beach Towing Division was established on January 1st of 1982 and has been a successful enterprise operation for the City of Long Beach for the past twenty-seven years. The main objective of the Towing Division is to provide timely towing service and vehicle storage, for a variety of the City's law enforcement and maintenance departments. Some of these departments include the Long Beach Police, Fire, Harbor Patrol, Marine Patrol, Park Rangers, Parking Enforcement, and Fleet Maintenance. It is the Towing Division's responsibility to provide towing service on a twenty-four hour a day, 365 day a year basis. In addition Towing works with the Planning and Building Division removing unsightly and abandoned vehicles from public and private properties in an effort to promote a clean and safe city.

After a vehicle is towed and stored, the owner of the vehicle is responsible for all associated costs. For unresolved cases, the City is forced to sell unclaimed vehicles, the funds from which are then used to repay outstanding fees. In many cases, the costs of towing, storage and parking citations are in excess of the funds realized from the sale of the vehicle.

The City of Long Beach is requesting proposals to provide collection services for outstanding towing fees where auction of a vehicle fails to recover sufficient funds to pay the outstanding account with the City of Long Beach. The collection services are required to satisfy the balance of the debt in accordance with industry accepted practices that include but are not limited to the registration of the outstanding debt with credit reporting agencies. Services shall consist of offsite, comprehensive, end to end, fully-outsourced collections.

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 Long Beach CA 90802

**4. SUBMITTAL INSTRUCTIONS**

4.1 [In lieu of a pre-proposal conference], the Purchasing Division will accept questions and/or comments in writing. For questions regarding this RFP, submit all inquiries via email to [yvonne.lucas@longbeach.gov](mailto:yvonne.lucas@longbeach.gov) by 5/11/2009 at 5:00 p.m. Responses to the questions will be posted on the City's website [purchasing.longbeach.gov](http://purchasing.longbeach.gov) under the "Bids/RFPs" tab no later than 5/18/2009 at 5:00 p.m. All proposers are recommended to visit the abovementioned City website on a regular basis as the responses may be posted earlier than the date above.

4.2 RFP Timeline

<b>TASK</b>	<b>DATE/TIME</b>
Deadline for submitting questions	5/11/2009 @ 5:00 P.M
Answers to all questions submitted available	5/18/2009 @ 5:00 P.M.
Deadline for submission of proposals	6/2/2009 @ 11:00 A.M.
Evaluation period	6/2/2009 – 6/19/2009
Selection of vendor	On or about 6/25/2009

NOTE: These dates represent a tentative schedule of events. The City reserves the right to modify these dates at any time, with appropriate notice.

4.3 **Vendors shall submit one (1) original proposal marked "ORIGINAL" and five identical copies addressed and delivered as follows:**

**City of Long Beach  
 Purchasing Division  
 Attn: Yvonne A. Lucas  
 333 W. Ocean Blvd/7<sup>th</sup> Floor  
 Long Beach, CA 90802**

**Proposals shall be clearly labeled in a sealed envelope/package as follows:**

**REQUEST FOR PROPOSAL NO. PW09017  
 FOR: TOWING FEES COLLECTION SERVICES**

**Outside of the envelope/package must also contain the name and address of the Prospective Service Provider.**

4.4 Proposals must be received by 11:00 A.M. local time, on 6/2/2009. Proposals that do not arrive by the specified date and time WILL NOT BE ACCEPTED. Vendors may submit their proposal any time prior to the above stated deadline.

4.5 The proposal must be signed by the individual(s) legally authorized to bind the vendor.



City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

## 5. PROPOSAL FORMAT/CONTENT GUIDELINES

Qualified and interested Prospective Service Providers are to provide the City with a thorough and complete proposal response using the following guidelines:

- 5.1 All proposals must be typed and must contain no more than thirty (30) typed pages using no less than a 10-point font size.
- 5.2 Page count shall include any introductory letters, transmittal sheets and the resumes of key people, but shall exclude the front and back covers, Prospective Service Provider's Contact Information Sheet, Table of Contents pages, index sheets or tabs, tables, charts, or other graphic exhibits.
- 5.3 Information requested by the City under separate cover shall not be included in the total page count.
- 5.4 All proposals should be straight-forward, concise and provide "layman" explanations of any and all technical terms that are used. Emphasis should be concentrated on conforming to the RFP instructions, responding to the RFP requirements and on providing a complete and clear description of your offer.
- 5.5 Proposals that appear unrealistic in the terms of technical commitment appear to lack technical competence or are indicative of a failure to comprehend the complexity and risk of the proposed Contract may be rejected by the City.
- 5.6 Proposals do not have to be professionally produced nor professionally packaged, but must be neat and orderly in appearance and well organized. The following sections/content are to be included in the Prospective Service Provider's response, in the following order:
  - 5.6.1 **Front Cover**
  - 5.6.2 **Prospective Service Provider's Contact Information Sheet** – The Prospective Service Provider's Contact Information Sheet contained in this RFP packaged must be completed and signed by an individual authorized by the Prospective Service Provider to bind their company. The address and other contact information provided on this sheet must be that of the Provider's office from which the City's Contract shall be managed, therefore, It should also represent the Provider's located nearest to the City of Long Beach, California. The Prospective Service Provider's Contact Information Sheet shall be the first sheet of the Provider's response package.
  - 5.6.3 **Table of Contents or Index of Contents**
  - 5.6.3 **Cover Letter / Letter of Introduction / Project Summary Section** – The Cover Letter / Letter of Introduction / Project Summary shall not exceed three (3) pages in length,





City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

should summarize key elements of the Prospective Service Provider's understanding of the City's needs and key elements of the Provider's offer that will directly meet those needs. An individual authorized by the Prospective Service Provider to bind the Provider must sign the letter. The letter must clearly stipulate that the contents of the proposal offer and the proposal price shall be valid for no less than one hundred and eighty (180) days from the RFP Due Date, and if accepted, during the initial one-year term of the Contract.

5.6.4 **Background / Qualifications / References Section** – The Background / Qualifications / References Summary section should describe the Prospective Service Provider's familiarity with providing service of a similar nature to cities of a similar size with a similar need. The Prospective Service Provider shall also provide a minimum of five (5) references for whom they have provided collection services. The references provided should be less than seven (7) years old and must include a valid contract name, contact information and the dates services were provided.

5.6.5 **Methodology/Approach Section** - The Methodology / Approach section must provide a detailed description of the approach and methodology the Prospective Service Provider shall use to accomplish the Scope of Services for this RFP and to achieve the City's satisfaction in their performance. If the Prospective Service Provider's methodology or approach differs from the Proposed Scope of Services provided herein by the City, please describe in detail any and all differences or deviations. List such differences and deviations by the section number to which they are applicable. The Methodology / Approach section must also include the following sub-sections:

5.6.5.1 A brief explanation of the Provider's approach to accomplishing the collection of delinquencies. List differences or deviations in this sub-section.

5.6.5.2 A statement of the Provider's average collection percentile, where this percentile ranks compared to industry averages and the percentile of collections the Provider anticipates to provide to the City.

5.6.5.3 Provide a detailed statement of the services / products the Prospective Service Provider shall supply to the City that will differentiate them from their competitors, make them "stand out" or make them the best valued selection.

5.6.5.4 A brief explanation of the base fee to be applied per account or an explanation of the percentage of each amount collected that shall be deducted from the remittances submitted to the City. **IMPORTANT:** Please refer to the Scope of Services for details regarding allowable fee structures and how they shall be applied.

5.6.5.5 A brief explanation of any other fees or any other percentages that shall be applicable and the circumstances under which they shall be applied. **IMPORTANT:** Refer to the Scope of Services for details regarding allowable fee structures and how they shall be applied.

Handwritten initials, possibly "DJG", in the bottom left corner.



City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

5.6.5.6 Provide an explanation of how collections out side of the Metropolitan Long Beach area shall be approached and handled.

5.6.5.7 Provide a detailed description of the specific tasks the Provider shall require from the City's staff. Explain what the respective roles of City staff shall be in the accomplishment of the services specified in the Scope of Services.

5.6.5.8 Provide examples of the letters to be sent to delinquent accounts.

5.6.5.9 Examples of all monthly and annual reports showing all accounts assigned. Please refer to the Scope of Services for report details to be included.

## 5.6.6 **Technology**

5.6.6.1 Provide complete description and specifications of all technology systems that will be utilized.

5.6.6.2 Selected Service Provider's must utilize technology which has interface compatibility with City's systems.

5.6.6.3 Describe the database program that will be employed and provide "screen shots".

5.6.6.4 Describe the safeguards that are in place to secure and protect sensitive data from intrusion from outside sources.

5.6.6.5 Describe the safeguards that are in place to protect against the loss of sensitive data or to recover from an unexpected loss of data.

5.6.7 **Staffing / Administration / Personnel Qualifications Section** – Provide a list of the individual(s) who shall be assigned to work on the City's contract and indicate the functions each shall perform and the areas of responsibility each shall have.

5.6.7.1 Include a brief resume of each designated individual that includes their qualifications for the position.

5.6.7.2 Upon award of the Contract and during the Contract term, if the Selected Service Provider chooses to assign different personnel to the Contract, the Provider must submit their names, contact information, qualifications and other information listed herein to the City for approval before they can commence work on the Contract. Services provided under this Contract shall NOT be performed by nor delegated to any person or entity other than the Provider without the expressed written authorization of the City's Finance Director, unless provide otherwise herein. Under no circumstances shall the City allow or permit the services described herein to be subcontracted without the prior written consent of the City.

4/8



City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

- 5.6.8 **Collections Abilities / Capabilities Section** – Provide a statement verifying the Provider's ability / capability to make collections in all fifty (50) states, as well as internationally, and the ability / capability of the Provider to file reports with all three (3) major credit bureaus. The Prospective Service Provider must be licensed to collect debts in all states that require a license.
- 5.6.9 **Memberships and Affiliations Section** – The Prospective Service Provider or its employees belongs to which, if any, collection agency memberships, organizations or affiliations. How long has the agency / personnel been associated with each?
- 5.6.10 **Detailed Fee Section** - Please provide a detailed explanation of the Provider's fee structure and expand on the brief explanation provided in Methodology/Approach Section. **IMPORTANT:** The City of Long Beach, prefers not to incur ANY costs associated with this Contract. All monies earned by the Selected Service Provider are anticipated to be earned through the collection activities, either through the addition of fees passed on to the debtor, or through a percentile reduction of the collected funds remitted to the City. However, the City does wish to retain the right to invoice the Selected Service Provider for their services if this is a more favorable option, therefore, pricing for this option should be provided by the Prospective Service Provider.
- 5.6.11 **Back Cover**

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Purchasing Division  
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Long Beach CA 90802

## **6. PROJECT SPECIFICATIONS**

- 6.1 The services to be delivered by the Selected Service Provider shall include, but shall not be limited to the following.
- 6.2 Provide collection services for outstanding towing fees where auction proceeds are insufficient to settle account with the City of Long Beach.
- 6.3 The Selected Service Provider shall provide the City with the names and titles of at least one (1) main contact person and two (2) alternate contact persons, their email addresses, fax numbers, phone numbers and cell numbers.
- 6.3.1 In the event one (1) or more of the Selected Service Provider's representatives responsible for servicing the City's account leaves the employment of the Selected Service Provider, are transferred or assume another positions or roles within the agency, the Selected Service Provider shall immediately provide the City with contact information for replacement representatives.
- 6.3.2 At no point in time shall it be acceptable nor satisfactory for the City to be without contact information for a minimum of three (3) representatives within the Selected Service Provider's organization.
- 6.4 The Selected Service Provider shall assume full responsibility for any and all expenses involved in the collection processes including, but not limited to costs associated with correspondence; reprographics or reproduction; postage, packaging or courier services; data processing services, equipment and/or supplies; communication services, equipment and/or supplies; telecommunication services, equipment and/or supplies; office staffing, professional staffing or administration; office services, equipment and/or supplies; skip tracing or other investigative services; travel expenses, gasoline and/or mileage; outside professional services; et cetera.
- 6.4.1 At no point in time shall the Selected Service Provider submit an invoice to the City for services rendered or for expenses incurred during the rendering of services.
- 6.4.2 At no point in time shall the Selected Service Provider submit a third party's invoice, bill, statement or receipt to the City for payment or reimbursement.
- 6.4.3 At no point in time shall the Selected Service Provider provide information to a third party that would indicate or infer that the City was or would be the financially responsible party for a debt incurred by the Selective Service Provider.
- 6.5 The City shall provide to the Selected Service Provider the following information on each account presented to them for collection action:
- 6.5.1 Copies of unpaid fines, invoices, returned checks, etc., upon which the debt is based, or

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Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

- 6.5.2 Descriptions of outstanding charges or sources of the debt to the City
- 6.5.3 Debtor's name(s) (as contained in the City's records)
- 6.4.4 Debtor's last known address(es), phone number(s), or other known contact information.
- 6.5.5 Amounts collected on the account (if any), collection efforts to date (if any), and amounts still due and payable to the City
- 6.5.6 The City's Finance Director or her designee(s) shall provide the Selected Service Provider with the names and contact information for authorized City representatives to whom specific questions and/or concerns regarding certain accounts may to be addressed.
- 6.6 The Selected Service Provider shall perform collection activities on accounts referred to their agency by the City's Finance Director or her designee(s) ONLY, and shall not release any information regarding collection activities or efforts to any unauthorized City personnel or third parties.
- 6.6.1 Referral of delinquent accounts to the Selected Service Provider by other City departments / personnel shall be strictly prohibited.
- 6.6.2 The Selected Service Provider shall not provide information regarding collection activities or efforts to anyone other than the Finance Director or her designee(s) without expressed written consent directing otherwise.
- 6.6.3 All information provided to the Selected Service Provider or received from the Selected Service Provider must be channeled through the City's Finance Department, the Finance Director or her designee(s).
- 6.6.4 The Selected Service Provider shall NOT have full legal rights to the accounts nor the account information and shall ONLY make use of the information provided by the City to pursue bad debt collections on behalf of the City.
- 6.6.5 Any and all information provided to the Selected Service Provider or their subcontractor (if any) shall remain the property of the City, and shall be surrendered to the City upon the City's request.
- 6.6.6 Any and all information provided to the Selected Service Provider or their subcontractors (if any) by the City shall be considered confidential in nature and shall be handled by the Selected Service Provider and their subcontractors (if any) in a manner consistent with confidential material.
- 6.6.7. At no time shall the Selected Service Provider or their subcontractors (if any) provide account or debtor information to any City personnel or to a third party not expressly

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Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

authorized in writing by the Finance Director or her designee(s) to have access to such information.

- 6.7 The Selected Service Provider shall make contact with debtors under the name of the collection agency ONLY and "on behalf of" the City ONLY.
- 6.7.1 Under no circumstances shall the Selected Service Provider nor any of its employees, staff, agents, representatives, subcontractors, shareholders, etc., represent themselves as agents of the City, officers or officials of the City, representatives of the City, employees of the City, etc., to any one for any purpose.
- 6.7.2 The Selected Service Provider, its employees, staff, agents, representatives, subcontractors, shareholders, etc, shall at all times conduct themselves in a lawful, civil and professional manner when pursuing the collection of debts on behalf of the City.
- 6.7.3 The Selected Service Provider shall conduct necessary skip tracing / locate services on delinquent accounts as is required to make contact with debtors and proceed with collection efforts.
- 6.7.4 The Selected Service Provider shall provide, at their own expense, any and all tools, equipment, software, programs, etc. necessary to conduct the skip tracing / locate efforts.
- 6.7.5 The Selected Service Provider shall assume full responsibility for the payment of any and all program fees, association dues, membership dues and/or professional fees associated with conducting efficient and effective skip tracing / locate efforts.
- 6.7.6 At no point in time shall the City incur any expenses whatsoever based upon skip tracing / locate services provided by the Selected Service Provider or a contracted third party.
- 6.7.7 Any and all information provided to the Selected Service Provider or their subcontractor (if any) shall remain the property of the City, and shall be surrendered to the City upon the City's request.
- 6.7.8 Any and all information provided to the Selected Service Provider or their subcontractors (if any) by the City shall be considered confidential in nature and shall be handled in a manner consistent with confidential material.
- 6.7.9 At no time shall the Selected Service Provider or their subcontractors (if any) provide account or debtor information to any City personnel or to a third party not expressly authorized in writing by the Finance Director or her designee(s) to have access to such information.
- 6.8 Selected Service Provider must employ courteous business procedures with debtors in the conduct of collection services, with the goal of maintaining the City's goodwill and a

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Purchasing Division  
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Long Beach CA 90802

positive public image. City will meet periodically with Selected Service Provider to supply feedback on services, as they reflect on the City's policies and reputation.

- 6.81 Any and all contact or attempted contact with a debtor by the Selected Service Provider or their subcontractors (if any) shall be fully and adequately documented in writing.
- 6.8.2 This information shall be provided to the City no less than once a month or immediately upon request.
- 6.8.3 The Selected Service Provider shall allow debtors to make arrangement for time payments; and shall inform debtors of their willingness to establish time payment arrangements by affixing a notification of such in a visible and prominent place on all collection notices.
- 6.8.4 The Finance Director or her designee(s) shall establish the parameters under which the Selected Service Provider may accept payment arrangements from debtors without seeking individual permission from the City.
- 6.8.5 Debtor requests for time payment arrangements that fall out side of the parameters established by the City must be individually approved by the Finance Director or her designee(s) prior to being accepted by the Selected Service Provider.
- 6.8.6 The Selected Service Provider shall NOT have the authority to accept a reduced, compromise settlement from a debtor on any account without the expressed written consent of the Finance Director or her designee(s).
- 6.8.7 The City may accomplish written consent by establishing parameters under which the Selected Service Provider may accept a settlement from a debtor without seeking individual permission from the City.
- 6.8.8 Debtor requests for compromise settlements that fall outside of the parameters established by the City (if any) must be individually approved by the Finance Director or her designee(s) prior to being accepted by the Selected Service Provider.
- 6.8.9 The Selected Service Provider shall NOT have the authority to add fees or interest to a debtor's account without the expressed written consent of the Finance Director or her designee(s), unless so agreed upon herein.
- 6.8.10 The City may accomplish written consent by establishing parameters under which the Selected Service Provider may add charges and/or interest to a debtor's account without seeking individual permission from the City.
- 6.8.11 The addition of charges and/or interest to a debtor's account that fall outside of the parameters established by the City (if any) must be individually approved by the Finance Director or her designee(s) prior to being placed on the account.

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City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

- 6.8.12 The Selected Service Provider shall NOT have the authority to place delinquent accounts with an attorney or other entity for legal actions without the express written consent of the City's Finance Director and/or the City Attorney, except as provided for herein.
- 6.8.13 The City shall reserve the right to recall an account or reduce / amend the amount due on any account at any time.
- 6.8.14 Notice of recall or reduction/amendment shall be provided by the City to the Selected Service Provider in writing.
- 6.8.15 Recalled accounts shall NOT be subject to collection fees or collection charges of any kind or in any amount, nor shall the City incur any charges from the Selected Service Provider as a result of a recalled account.
- 6.8.16 Collection fees or collection charges for reduced / amended accounts shall be based upon the reduced / amended balance ONLY.
- 6.9 The City shall provide the Selected Service Provider with a listing of all account categories/types that shall be used to divide accounts for the purpose of tracking and monthly reporting.
- 6.9.1 The Selected Service Provider shall submit written monthly reports to the City that provide collection status and collection details of each account being serviced.
- 6.9.2 The written monthly reports submitted must detail the collection of any and all funds.
- 6.9.3 The written monthly reports submitted must detail all contact with the debtors for the purpose of collecting City funds.
- 6.9.4 Under certain circumstances, the City may require the submission of one or more reports more frequently than once a month. The Selected Service Provider shall be expected to immediately comply with the City's request.
- 6.9.6 Funds recovered by the Selected Service Provider shall be remitted to the City on a monthly basis with the appropriate monthly reports.
- 6.9.7 The funds submitted shall be to the satisfaction of the City and within the Selected Service Provider's anticipated and expected collection rates **as provided in response to this proposal**.
- 6.9.8 Any and all funds collected by the Selected Service Provider on behalf of the City shall be placed in either a dedicated escrow account or trust fund until such a time as they





City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

are remitted to the City. Under no circumstances shall funds collected on behalf of the City be placed in the Selected Service Providers general fund, operating accounts, etc.

#### 6.10 **Collection Activities – Established Minimum Requirements**

- 6.10.1 As soon as is practical upon receipt, but preferably within forty-eight (48) hours, the Selected Service Provider shall review all records provided to them by the City for completeness and assess the applicability of the information provided for use in affirmative and expedient debt collections.
- 6.10.2 Any and all requests for additional information or for clarification of received information shall be made in writing by the Selected Service Provider.
- 6.10.3 Within five (5) calendar days of receipt of account information from the City, the Selected Service Provider shall make initial contact with the debtor by providing written notification to them that the account has been placed with the agency by the City for immediate collection action.
- 6.10.4 At a minimum, this notification must provide the debtor with contact information for the Selected Service Provider, the basis for their debt with the City, when the debt to the City was incurred, the amount of the debt to the City, and provide for a safe and secure method of making payment.
- 6.10.5 The Selected Service Provider shall inform debtors of their willingness to establish time payment arrangements by affixing a notification of such in a visible and prominent place on all collection notices.
- 6.10.6 If the Selected Service Provider is notified by the U. S. Postal Service that the correspondence is “undeliverable” for any reason whatsoever, the Selective Service Provider shall make genuine efforts to obtain a valid address for the debtor and shall attempt re-delivery of the notification.
- 6.10.7 The Selected Service Provider’s required notification to the debtor of initiated collection actions shall NOT be considered as one (1) of the points of contact with the debtor as required in 4.2.6 below, nor shall it negate nor minimize any contact requirements stipulated in 4.2.6 below.
- 6.10.8 **Each Prospective Provider must include in their proposal response an example of the Notification Form they intend to use if awarded the Contract.**
- 6.11 Within fifteen (15) calendar days of receipt of account information from the City, the Selected Service Provider shall submit written acknowledgement to the City verifying the account information was received, was found adequate for collection purposes, and

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City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

that the debtor has been notified that collection actions have been initiated by the agency on behalf of the City.

- 6.12 Within sixty (60) calendar days of receipt of account information from the City, the Selected Service Provider shall make a minimum of two (2) contacts with the debtor in a genuine attempt to collect the outstanding debt.
- 6.12.1 The Selected Service Provider's contact with the debtor may be achieved in any lawful manner deemed appropriate and most effective, e.g., via telephone, U.S. Mail, in person, or any combination thereof.
- 6.12.2 Two (2) contacts with the debtor within sixty (60) days shall not be required of the Selected Service Provider if the indebtedness is paid prior to the conclusion of the sixty (60) days, or if time payment arrangements are established with the debtor during the sixty (60) day period.
- 6.12.3 Written notification to the debtor that their account has been placed with the agency for collection action as stipulated in 4.2.4 above shall NOT serve as one (1) of the required points of contact with the debtor under this provision.
- 6.12.4 **Each Prospective Service Provider must include in their proposal response the detailed steps that they intend to take once an account is received from the City, including the number and types of contacts to be made and the procedures to be followed to initiate and continue affirmative and timely debt collections.**
- 6.13 After working an account for a minimum of sixty (60) days and making a minimum of four (4) valid collection attempts, the Selected Service Provider shall report all uncollected accounts to the three (3) major credit bureaus: Equifax, Experian and Transunion.
- 6.13.1 However, if a debtor has made arrangements for time payments with the Selected Service Provider and fails to provide payments as so arranged, the Selected Service Provider shall be required to make one (1) contact the debtor in an effort to restore the payment arrangements, thereafter, if the payment arrangements are not restored, the account may be referred to the three (3) major credit bureaus without any further contact with the debtor. Under these circumstances, the minimum requirements of sixty (60) days and four (4) collection attempts shall not be applicable.
- 6.14 Any and all reporting must be accomplished in accordance with any and all applicable Federal and California laws including, but not limited to, the Fair Debt Collection Practices Act, Federal Equal Credit Opportunity Act, and the Consumer Credit Protection Act, as now in effect or hereafter amended. Selected vendor must comply with the FACT Act (Fair and Accurate Credit Transactions Act of 2003), including adoption of an identity theft policy.

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City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

- 6.14.1 At the City's discretion, the Finance Director may request the immediate removal of any and all negative reports generated by the Selected Service Provider to the three (3) major credit bureaus. The Selected Service Provider shall, within twenty-four (24) hours of the receipt of the City's request, notify the three (3) major credit bureaus to remove the negative information from their databases. A copy of the Selected Service Provider's report removal requests shall be provided to the City's Finance Director.
- 6.14.2 At the City's discretion, the Finance Director shall have the right to exclude a type/category from this reporting requirement. Such exclusions shall be provided to the Selected Service Provider in writing.
- 6.14.3 If a negative report on an account has been placed with the three (3) major credit bureaus and the outstanding balance is paid in full, the Selected Service Provider must immediately cancel any and all negative reports generated on the account and submit copies of the cancellation requests to the City with the monthly reports.
- 6.15 After submitting the report to the three (3) major credit bureaus, the Selected Service Provider shall return all uncollectible accounts to the City with a complete record of all efforts to collect and the reason(s) why the Selected Service Provider deems the account uncollectible.
- 6.15.1 Any and all records associated with or pertaining to the uncollectible account shall also be returned, in an organized and orderly manner, to the City.
- 6.16 The Selected Service Provider shall respond to all debtors' requests for debt, account or collection information in an appropriate and timely manner that is conducive to the development of a non-detrimental relationship and the affirmative and expedient collection of a debt.
- 6.16.1 If the information the Selected Service Provider has is inadequate to respond to the debtor's inquiry, the City shall provide, when available, additional pertinent information and copies of additional documentation necessary to adequately respond to debtors' requests.
- 6.17 Within fifteen (15) calendar days of an account's termination through payment of the outstanding debt or other agreed upon sums, the Selected Service Provider shall turn over to the City a copy of all files, documents, correspondence, papers etc applicable to the City's Contract and required herein regarding that account, together with a copy of all relevant information applicable to the account.
- 6.17.1 The Selected Service Provider shall place the original file and all applicable information that pertains to the account in storage as required herein.
- 6.17.2 This obligation shall be carried out by the Selected Service Provider at no additional cost to the City.



City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

- 6.18 At least once a quarter, the Selected Service Provider shall meet with the City's Finance Director, her designee(s) and other City Staff members to discuss the Selected Service Provider's services, the results of the prior quarter's collection efforts and to exchange or discuss other pertinent information.
- 6.18.1 The meetings shall take place at a time and place selected by the City's Finance Director or her designee(s).
- 6.18.2 At least two (2) of the three (3) Service Provider representatives required in 4.1.1. above shall be in attendance.
- 6.18.3 The City may, at its discretion, request additional meetings as are deemed necessary to discuss relevant issues that may arise and to ensure maximum collection efforts are being employed by the Selected Service Provider at all times.
- 6.19 Record Keeping and Reporting – Established Minimum Requirements
- 6.19.1 At its own expense, the Selected Service Provider shall establish and maintain a fully functional account database for the City that tracks each delinquency submitted to the Selected Service Provider and details the collection activities and efforts put forth by the Selected Service Provider. At a minimum, this database must include the following information on each account submitted by the City:
- 6.19.2 Date the City submitted the delinquency to the Selected Service Provider
- 6.19.3 Debtor's contract information (name, address, telephone, cell phone, place of employment, etc.)
- 6.19.4 Date debtor's contact information was verified or updated by Selected Service Provider
- 6.19.5 Amount of original indebtedness
- 6.19.6 Basis for indebtedness
- 6.19.7 Dates of contact with debtor
- 6.19.8 Methods of contact with debtor
- 6.19.9 Results of contact efforts with debtor
- 6.19.10 Transaction details (if any)
- 6.19.11 Payment arrangements (if any)
- 6.19.12 Interest or other charges applied to account (if applicable) and dates

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City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

- 6.19.13 Interest or other charges waived (if applicable) and dates
- 6.19.14 Details regarding interest or other charges
- 6.19.15 Payments remitted by debtor to the Selected Service Provider and applicable dates
- 6.19.16 Payments forwarded to the City and applicable dates
- 6.19.17 Current amount of indebtedness
- 6.19.18 Recommended Follow-up Actions and Applicable Dates
- 6.19.19 The database and the information contained in the database shall be considered the property of the City, and a copy of the same shall be delivered to the City at the termination of the Contract with the Selected Service Provider.
- 6.19.20 The City reserves the right to amend, add or delete the information the Selected Service Provider must maintain and track in the collection accounts database.
- 6.20 Any and all contact or attempted contact with the debtor by the Selected Service Provider or their subcontractors (if any) shall be fully and adequately documented in writing.
  - 6.20.1 Such information shall be provided to the City no less than once a month or immediately upon the City's request.
- 6.21 The Service Provider shall maintain physical files and records that support the collection activity on each assigned account.
  - 6.21.1 The files and records may be divided or sub-divided (e.g. correspondence, accounting records, contact records, supporting evidence, etc.) so as to make the task of filing documentation less burdensome on the Selected Service Provider, however, the ability to unite any and all information or documentation associated with any specific account must be maintained at all times.
  - 6.21.2 All such records shall be housed in a centralized location convenient to Long Beach, California, and must be maintained in a consistent, organized and orderly manner.
  - 6.21.3 These files and records shall be made available to the City, its auditors, or other designated representative(s) for review upon request.
  - 6.21.4 These files and records shall be maintained in safe, secure document storage for a period of no less than six (6) years following the termination of the collection action on each account.



City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

- 6.22 The Selected Service Provider shall submit written Account Status Reports on a once-a-month basis to the City on all accounts, divided by each category or type based upon the information provided by the City. At a minimum, the Account Status Reports shall include pertinent data for each debtor, detailing information such as:
- 6.22.1 Original value of placed debt
  - 6.22.2 The current value of the debt
  - 6.22.3 Funds received through collection efforts (if any)
  - 6.22.4 Types and amounts of charges waived (if any)
  - 6.22.5 Percentage and amounts of interest charged (if any)
  - 6.22.6 Current balance due
  - 6.22.7 Date of last payment
  - 6.22.8 Terms of payment arrangements (if any)
  - 6.22.9 Scheduled date of next contact (if any)
  - 6.22.10 The City reserves the right to amend, add or delete the information required from the Selected Service Provider on the Account Status Reports.
  - 6.22.11 The Account Status Reports shall be due no later than Close of Business (5:00 P.M.) on the same day each month. The City shall choose the due date. In the event the due date falls upon a weekend or holiday, the Account Status Reports shall be due no later than Close of Business (5:00 P.M.) the next business day.
  - 6.22.12 The Account Status Reports shall be delivered to the City in a "hard copy" format. If an electronic copy is desired, the City shall so state.
  - 6.22.13 **Each Prospective Service Provider must include in their proposal response an example of the type of Account Status Report they intend to provide to the City if awarded the Contract.**
- 6.23 The Selected Service Provider shall submit a Financial Summary Report on a once-a-month basis to the City that shall indicate the "period to date" and "year to date" totals for pertinent information such as:
- 6.23.1 Receipts

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City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

- 6.23.2 Net accounts receivable
- 6.23.3 Total accounts receivable
- 6.23.4 Collection percentages
- 6.23.5 The City reserves the right to amend, add or delete the type of information required from the Selected Service Provider on the Financial Summary Reports.
- 6.23.6 The Financial Summary Report shall be due no later than Close of Business (5:00 P.M.) on the same day each month. The City shall choose the due date. In the event the due date falls upon a weekend or holiday, the Financial Status Report shall be due no later than the Close of Business (5:00 P.M.) the next business day.
- 6.23.7 The Financial Summary Report shall be delivered to the City in a "hard copy" format. If an electronic copy is desired, the City shall so state.
- 6.23.8 **Each Prospective Service Provider must include in their proposal response an example of the type of Financial Summary Report they intend to provide to the City if awarded the Contract.**
- 6.24 The Selected Service Provider shall submit a Year End Report on an annual basis to the City that shall cover the period from July 1 through June 30 (the City's fiscal year) for each year the Contract is in force. The Year End Report shall cover such information as:
  - 6.24.1 Detailed listing of all accounts by category/type
  - 6.24.2 Detailed listing of all accounts closed in the past fiscal year by category/type
  - 6.24.3 Detail of all activity by account in the past fiscal year by category/type
  - 6.24.4 Year End Summary of the reports required in 4.2.8 and 4.2.9 above.
  - 6.24.5 The City reserves the right to amend, add or delete the type of information required from the Selected Service Provider on the Year End Report.
  - 6.24.6 The Year End Report shall be due no later than Close of Business (5:00 P.M.) on July 31 of each calendar year.
  - 6.24.7 If July 31 falls on a weekend or holiday, the Year End Report shall be due no later than Close of Business (5:00 P.M.) on the next business day.

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City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

- 6.24.8 **Each Prospective Service Provider must include in their proposal response an example of the type of Year End Report they intend to provide to the City if awarded the Contract.**
- 6.25 The Selected Service Provider shall make available at all times an Aging Report on the accounts referred by the City. While this report shall be available on an "all the time" basis, the Selected Service Provider shall be required to submit the Aging Report to the City no less than once a month.
- 6.25.1 The Aging Report shall be due no later than Close of Business (5:00 P.M.) on the same day each month. The City shall choose the due date. In the event the due date falls upon a weekend or holiday, the Aging Report shall be due no later than the Close of Business (5:00 P.M.) the next business day.
- 6.25.2 If a copy of the Aging Report is requested by the City, the Selected Service Provider shall make the report available to the City no later than forty-eight (48) hours after the request is received.
- 6.25.3 The City reserves the right to amend, add or delete the type of information required from the Selected Service Provider on the Aging Report.
- 6.25.4 The Aging Report should be available from the Selected Service Provider in both a summary format and a detail format.
- 6.25.5 **Each Prospective Service Provider must include in their proposal response an example of the type of Aging Report they intend to provide to the City if awarded the Contract.**
- 6.26 The City, its auditors, or other designated representative(s) shall perform periodic audits of the Selected Service Provider's records and databases to ensure that all collection activities and all amounts collected are accurately reported and properly remitted to the City.
- 6.26.1 Access to such records must be granted to the City or its designee(s) within a reasonable period of time upon written request.
- 6.27 **Other Requirements / Deliverables – Established Minimum Requirements**
- 6.27.1 The City is considering the addition of a Collection Fee to all accounts and the addition of NSF charges to dishonored checks sent to the Selected Service Provider for collection action. If this fee, any other fees or interest charges are added to an account by the City prior to referral, the Selected Service Provider shall be expected to collect the original debt and any fees or interest charged by the City.

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City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

- 6.27.2 **In an effort to maximize the City's revenue collections and minimize loses, each and every Prospective Service Provider is encouraged to include in their proposal response recommendations to the City for the inclusion of usual and customary charges on accounts referred for collection action.**
- 6.27.3 The Selected Service Provider must be willing and able to accept both automated (electronic) and/or manual transfers of data and payment information from the City.
- 6.27.4 The City's Finance Director or her designee(s) must be allowed access to debtor accounting information through an on-line terminal or the Internet, such that the Finance Director or her designee(s) may view, send or receive messages, generate collection analysis reports or audit debtor files at anytime from a remote location.
- 6.28 Within thirty (30) calendar days of Contract termination with the City, the Selected Service Provider shall return/turn over to the City all outstanding receivables, judgments, files, documents, correspondence, papers and databases applicable to the City's Contract and required herein regarding each account referred to the Selected Service Provider, together with all relevant information concerning the status of each and every debtor and/or persons obligated thereon, the amounts of each type due therein and payments made or promised, and locations and information held by the Selected Service Provider which could assist in locating such persons, together with all reports required as if all accounts had been recalled by the City.
- 6.28.1 This obligation shall be carried out by the Selected Service Provider at no additional cost to the City.
- 6.29 The Selected Service Provider shall indemnify and hold harmless the City of Long Beach, California, and any and all elected officials, employees, contractors or representatives of the City of Long Beach, California, from any loss, claim, liability, penalty, fine forfeiture, demand, causes of action, suit, and costs and expenses incidental thereto (including cost of defense, settlement and reasonable attorney's fees) [hereinafter referred to as "Indemnified Costs"] resulting from a breach by the Selected Service Provider of any of the agreements, representations, or warranties of the Selected Service Provider contained in this RFP or their response thereto, or caused by or resulting from any negligent, willful or otherwise tortuous act or omission, or violation of the law by the Selected Service Provider, its agents, representatives or employees in connection with the Selected Service Provider's provision of services and obligations contemplated by this RFP, response thereto, or Contract resulting there from. The indemnity obligation of the Selected Service Provider under this section shall survive the expiration or termination of any resulting Contract, subject to any applicable statute of limitation.
- 6.30 The Selected Service Provider shall maintain a non-revocable surety bond in the amount of no less than one hundred thousand dollars (\$100,000.00), underwritten by a company licensed by the State of California to issue such bonds, in favor of the City of Long Beach, California, and shall, before beginning services pursuant to this RFP or



City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

any resulting Contract, provide a copy of that bond to the Purchasing Division. The Selected Service Provider shall also maintain general liability, automobile bodily injury liability and civil rights liability insurance, issued by an insurance company licensed to issue such coverage in the State of California, in the amount of not less than two million dollars (\$2,000,000.00) per person, per occurrence, insuring the Selected Service Provider and its employees, representatives and agents against liability for negligent, willful or otherwise tortuous acts of omissions of the Selective Service Provider, its agents, representatives or employees in connection with the Selected Service Provider's provision of services and obligations contemplated by this RFP.

**6.31 Fees, Payments and Interest – Established Requirements**

- 6.31.1 The Selected Service Provider shall cover their costs of doing business and obtain a profit from the City's Contract by: adding an established and set collection fee to each and every account which shall be collected from and paid by the debtor as part of the debt, or by deducting an established and set percentage (%) from the payments obtained from each debtor prior to submitting the collected funds to the City.
- 6.31.2 Only one (1) method of obtaining profits shall be employed by the Selected Service Provider.
- 6.31.3 The Selected Service Provider shall apply uniform collection fees or a uniform deduction percentage to all categories / types of accounts, unless instructed otherwise herein or amended in writing by the City.
- 6.31.4 Any and all collection fees applied by the Selected Service Provider shall be within the prevailing legal limits, shall be reasonable in nature and shall provide the Selective Service Provider with an equitable profit margin.
- 6.31.5 If only a percentage, part or portion of the outstanding debt referred by the City is collected from the debtor, the Selected Service Provider shall only deduct that percentage, part or portion of their collection fee from the funds remitted to the City.
- 6.31.6 Under no circumstances shall the Selected Service Provider's total fee, based upon the sum agreed upon with the City, be chargeable to the City or the debtor in advance.
- 6.31.7 The full collection fee shall only be payable to the Selected Service Provider after the full outstanding debt is collected from the debtor.
- 6.31.8 Any and all interest charged to an account and fees added by the City shall be exempt from the addition of collection fees and must be collected in full and remitted in full to the City.
- 6.31.9 Any and all percentages applied by the Selected Service Provider shall be within the prevailing legal limits, shall be reasonable in nature and shall provide the Selected Service Provider with an equitable profit margin.



City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

- 6.31.10 If only a percentage, part or portion of the outstanding debt referred by the City is collected from the debtor, the Selected Service Provider shall only deduct the agreed upon percentage from the actual amounts collected from the debtor.
- 6.31.11 Under no circumstances shall the Selected Service Provider's total fee, based upon the percentage deduction agreed upon with the City, be chargeable to the City or the debtor in advance.
- 6.31.12 Full collection fee, based upon the percentage deduction agreed upon with the City, shall only be payable to the Selected Service Provider after the full outstanding debt is collected from the debtor.
- 6.31.13 Any and all interest charged to an account and fees added by the City shall be exempt from a percentage deduction and must be collected in full and remitted in full to the City.
- 6.31.14 Except as provided for in 6.34 below, under no circumstances shall the Selected Service Provider submit an invoice, bill or statement to the City as a demand for payment or reimbursement.
- 6.31.15 The costs for all Contract services stipulated herein shall be supported through the Selected Service Provider's collection efforts.
- 6.31.16 Funds recovered by the Selected Service Provider shall be remitted to the City on a monthly basis with the appropriate monthly reports.
- 6.31.17 Funds submitted shall be to the satisfaction of the City and within the Selected Service Provider's anticipated and expected collection rates **as provided in response to this proposal.**
- 6.31.18 Payment or reimbursement for any and all adjustments, charge backs or corrections shall be reported to the City separately, and requests for such must be submitted to the City in writing and must be accompanied by an explanation and supporting documentation.
- 6.31.19 If found valid, the adjustment, charge back or correction shall be authorized by the City in writing.
- 6.31.20 Except for amounts so approved as provided herein, no payments shall be made by the City nor shall any sums be withheld from the sums due and payable to the City by the Selected Service Provider for any reason whatsoever.
- 6.31.21 If applicable, the Selected Service Provider shall apply interest pursuant to statutory authority at the maximum statutory rate on accounts and judgments as provided by law.

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City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

- 6.31.22 The Selected Service Provider shall maintain specific records of all transactions affecting interest and the balance of accrued interest, how it is computed, etc., and shall provide those records to the with the monthly reports, or upon written request from the City
- 6.31.23 Interest shall be charged on accounts from the date of referral, pursuant to statutory authority, and thereafter until collected in full.
- 6.31.24 The City shall receive the full amount of any and all interest collected from accounts by the Selected Service Provider.
- 6.31.25 If funds are received by the City without a case number or a specific reference to the Selected Service Provider, and a receivable for the Payee exists with the City that has not been referred to the Selected Service Provider for collection, the City shall apply the "uncommitted" funds to the City's non-referred case.
- 6.31.26 However, if any funds are received by the City in excess of the indebtedness of the non-referred case, the City shall remit such excess funds to the Selected Service Provider for application to the Payee's debts that have been referred to the Provider.
- 6.32 Included for reference purposes: **Towing Master Fee and Charges Schedule – See Attachment E.**



City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

**7. EVALUATION CRITERIA / IMPORTANCE OF EACH**

The City's evaluation and selection process shall be a qualifications-based selection process for professional services. Proposals shall be evaluated to determine the best value offered to the City and overall RFP conformance. The City shall use some or all of the following criteria for evaluating and comparing the proposals submitted. The specific criteria listed are not necessarily all-inclusive and the order in which they appear is not intended to indicate their relative importance.

7.1 The Prospective Service Provider's methodology and approach to the service, including understanding of the services desired, compliance with the City's requirements, collection percentiles, innovative offerings, services offered, ease of collection process and other related matters.

7.2 Experience of the Prospective Service Provider, length of time in business, recovery statistics and other matters related to relevant experience in the collections field.

7.3 Past performance with other municipalities and/or private industries and references. Ability and capability to perform the work. Recent experience in conducting similar scope, complexity and magnitude of services for other government agencies, authorities, etc.

7.4 Appropriateness and flexibility of pricing arrangements; the cost of the Prospective Service Provider's services.

**8. BUSINESS LICENSE**

The Long Beach Municipal Code (LBMC) requires all businesses operating in the City of Long Beach to pay a business license tax. In some cases the City may require a regulatory permit and/or evidence of a State or Federal license. Prior to issuing a business license, certain business types will require the business license application and/or business location to be reviewed by the Development Services, Fire, Health, and/or Police Departments. For more information, go to [www.longbeach.gov/finance/business\\_license](http://www.longbeach.gov/finance/business_license).

**9. COST**

Refer to Sections 5.6.10 Detailed Fee; and 6.31 Fees, Payments, and Interest.



City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

**10. RESTRICTIONS/LIMITATIONS**

The Selected Service Provider shall not own nor have a controlling interest in any finance business or lending institution that makes loans to debtors who are on the Provider's client list or have been referred to the Selective Service provider by the City of Long Beach, California, for debt collection. Neither shall the Selected Service Provider, nor any employees, agents or representatives, engage in any employment, business, or activity that interferes or conflicts with the duties and responsibilities of this RFP or resulting contract.

**11. TERMS, CONDITIONS AND EXCEPTIONS**

- 11.1 This contract will be for a period of 12 months with two annual renewal options at the option of the city. The contract term will not exceed 36 months total.
- 11.2 The City reserves the right to alter, amend, or modify any provisions of this RFP, or to withdraw this RFP, at any time prior to the award of a contract pursuant hereto, if it is in the best interest of the City to do so.
- 11.3 The City reserves the right to waive informalities and minor irregularities in proposals received.
- 11.4 The City reserves the right to reject any or all proposals received prior to contract award.
- 11.5 The City shall not be obligated to accept the lowest priced proposal, but will make an award in the best interests of the City of Long Beach after all factors have been evaluated.
- 11.6 Any irregularities or lack of clarity in the RFP should be brought to the Purchasing Division designee's attention as soon as possible so that corrective addenda may be furnished to prospective vendors.
- 11.7 Proposals must include any and all proposed terms and conditions, including, without limitation, written warranties, maintenance/service agreements, license agreements, lease purchase agreements and the vendor's standard contract language. The omission of these documents may render a proposal non-responsive.
- 11.8 Alterations, modifications or variations to a proposal may not be considered unless authorized by the RFP or by addendum or amendment.
- 11.9 Proposals that appear unrealistic in the terms of technical commitments, lack of technical competence, or are indicative of failure to comprehend the complexity and risk of this contract, may be rejected.

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City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

- 11.10 Proposals may be withdrawn by written or facsimile notice received prior to the proposal opening time.
- 11.11 The price and amount of this proposal must have been arrived at independently and without consultation, communication, agreement or disclosure with or to any other contractor, vendor or prospective vendor.
- 11.12 No attempt may be made at any time to induce any firm or person to refrain from submitting a proposal or to submit any intentionally high or noncompetitive proposal. All proposals must be made in good faith and without collusion.
- 11.13 Prices offered by vendors in their proposals are an irrevocable offer for the term of the contract and any contract extensions. The awarded vendor agrees to provide the purchased services at the costs, rates and fees as set forth in their proposal in response to this RFP. No other costs, rates or fees shall be payable to the awarded vendor for implementation of their proposal.
- 11.14 The City is not liable for any costs incurred by vendors prior to entering into a formal contract. Costs of developing the proposals or any other such expenses incurred by the vendor in responding to the RFP, are entirely the responsibility of the vendor, and shall not be reimbursed in any manner by the City.
- 11.15 Proposal will become public record after the award of a contract unless the proposal or specific parts of the proposal can be shown to be exempt by law. Each vendor may clearly label all or part of a proposal as "CONFIDENTIAL" provided that the vendor thereby agrees to indemnify and defend the City for honoring such a designation. The failure to so label any information that is released by the City shall constitute a complete waiver of any and all claims for damages caused by any release of the information.
- 11.16 A proposal submitted in response to this RFP must identify any subcontractors, and outline the contractual relationship between the awarded vendor and each subcontractor. An official of each proposed subcontractor must sign, and include as part of the proposal submitted in response to this RFP, a statement to the effect that the subcontractor has read and will agree to abide by the awarded vendor's obligations.
- 11.17 The awarded vendor will be the sole point of contract responsibility. The City will look solely to the awarded vendor for the performance of all contractual obligations



City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

that may result from an award based on this RFP, and the awarded vendor shall not be relieved for the non-performance of any or all subcontractors.

- 11.18 The awarded vendor must maintain, for the duration of its contract, insurance coverage as required by the City. Work on the contract shall not begin until after the awarded vendor has submitted acceptable evidence of the required insurance coverage.
- 11.19 Each vendor must disclose any existing or potential conflict of interest relative to the performance of the contractual services resulting from this RFP. Any such relationship that might be perceived or represented as a conflict should be disclosed. The City reserves the right to disqualify any vendor on the grounds of actual or apparent conflict of interest.
- 11.20 Each vendor must include in its proposal a complete disclosure of any alleged significant prior or ongoing contract failures, any civil or criminal litigation or investigation pending which involves the vendor or in which the vendor has been judged guilty or liable. Failure to comply with the terms of this provision will disqualify any proposal. The City reserves the right to reject any proposal based upon the vendor's prior history with the City or with any other party, which documents, without limitation, unsatisfactory performance, adversarial or contentious demeanor, significant failure(s) to meet contract milestones or other contractual failures.
- 11.21 The City will not be liable for Federal, State, or Local excise taxes.
- 11.22 Execution of Attachment A of this RFP shall constitute an agreement to all terms and conditions specified in the RFP, including, without limitation, a Pro Forma Agreement and all terms and conditions therein, except such terms and conditions that the vendor expressly excludes.
- 11.23 The City reserves the right to negotiate final contract terms with any vendor selected. The contract between the parties will consist of the RFP together with any modifications thereto, and the awarded vendor's proposal, together with any modifications and clarifications thereto that are submitted at the request of the City during the evaluation and negotiation process. In the event of any conflict or contradiction between or among these documents, the documents shall control in the following order of precedence: the final executed contract, the RFP, any modifications and clarifications to the awarded vendor's proposal, and the awarded vendor's proposal. Specific exceptions to this general rule may be noted in the final executed contract.
- 11.24 Vendor understands and acknowledges that the representations above are material and important, and will be relied on by the City in evaluation of the proposal. Any

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vendor misrepresentation shall be treated as fraudulent concealment from the City of the true facts relating to the proposal.

11.25 No announcement concerning the award of a contract as a result of this RFP may be made without the prior written approval of the City.

11.26 Proposals must include completed Attachments A, B, C, and D.

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## Attachment B

### PROPOSER'S CONFIDENTIAL FINANCIAL STATEMENT

CASH ON HAND IN BANK		
ACCOUNTS RECEIVABLE: CURRENT		
NOTES: RECEIVABLE: CURRENT (DUE WITHIN 1 YR)		
MERCHANDISE INVENTORY	COST	MARKET
OTHER CURRENT ASSETS (DESCRIBE)		
<b>TOTAL CURRENT ASSETS:</b>		
LAND AND BUILDINGS (AT COST) LESS: RESERVE FOR DEPRECIATION		
FIXTURES AND EQUIPMENT (AT COST) LESS: RESERVE FOR DEPRECIATION		
OTHER ASSETS (DESCRIBE)		
<b>TOTAL ASSETS:</b>		
LIABILITIES		
ACCOUNTS PAYABLE (PAST DUE)		
ACCOUNTS PAYABLE (NOT DUE)		
<b>TOTAL CURRENT LIABILITIES:</b>		
CAPITAL (IF PARTNERSHIP OR PROPRIETORSHIP)		
<b>TOTAL LIABILITIES AND NET WORTH:</b>		

*Handwritten initials/signature*



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 Long Beach CA 90802

## Attachment C

### PROPOSER'S CONFIDENTIAL LEGAL STATEMENT

HAVE YOU EVER BEEN CONVICTED, ARRESTED, OR CHARGED WITH A CRIME? YOU NEED NOT INCLUDE ANYTHING THAT HAPPENED BEFORE YOUR 18<sup>TH</sup> BIRTHDAY OR ANY TRAFFIC VIOLATION FOR WHICH A FINE OF \$50.00 OR LESS WAS IMPOSED. YES \_\_\_\_\_ NO \_\_\_\_\_ (CHECK ONE)

IF YOUR ANSWER IS "YES", LIST ALL OFFENSES BELOW, GIVING DATE, LOCATION NATURE AND DISPOSITON FOR EACH.

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PLEASE GIVE ANY OTHER INFORMATION YOU FEEL PERTINENT TO YOUR PROPOSAL WHICH IS NOT COVERED IN THE QUESTIONNAIRE.

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The City of Long Beach shall not be bound to assign any reasons for rejections of any offer.

**Declaration**

- a) I, \_\_\_\_\_, of \_\_\_\_\_ hereby declare that the information contained in this application forwarded to the City of Long Beach is true, accurate and complete to the best of my knowledge and belief and that I have not withheld/distorted any material facts.
- b) I also declare that I am free from any litigation, litigation pending, claims, demands or actions pertaining to the proposed project. I understand that if the contract is obtained by false or misleading statements, I may be prosecuted and in addition, the City may, at its discretion, withdraw the contract.
- c) I also agree to abide to the terms and conditions of the RFP.



City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

## Attachment D

### Statement of Non-collusion

The proposal is submitted as a firm and fixed request valid and open for 90 days from the submission deadline.

This proposal is genuine, and not sham or collusive, nor made in the interest or in behalf of any person not herein named; the proposer has not directly or indirectly induced or solicited any other proposer to put in a sham proposal and the proposer has not in any manner sought by collusion to secure for himself or herself an advantage over any other proposer.

In addition, this organization and its members are not now and will not in the future be engaged in any activity resulting in a conflict of interest, real or apparent, in the selection, award, or administration of a subcontract.

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Authorized signature and date

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Print Name & Title



City of Long Beach  
 Purchasing Division  
 333 W Ocean Blvd/7<sup>th</sup> Floor  
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## Attachment E

### TOWING MASTER FEE AND CHARGES SCHEDULE

**DEPARTMENT: PUBLIC WORKS**

Fee Name	Description	Fee	Per
<b>TOWING</b>			
<b>Towing Service</b>			
Basic Rate Motorcycle Tow	Basic motorcycle tow.	\$117.00	Minimum charge; prorated after 1st hour
Basic Tow Rate - Light Class: Vehicles < 9,000 lbs. GVWR	Basic tow for motorcycles, vehicles or trailers with a GVWR (Gross Vehicle Weight Rating) under 9,000 lbs.	\$117.00	Minimum charge; prorated after 1st hour
Basic Tow Rate - Medium Class: Vehicles 9,000 lbs. - 26,000 lbs GVWR	Basic tow for vehicles or trailers with a GVWR (Gross Vehicle Weight Rating) of 9,000 through 26,000 lbs.	\$170.00	Minimum charge; prorated after 1st hour
Basic Tow Rate - Heavy Class: Vehicles > 26,000 lbs. GVWR	Basic tow for vehicles or trailers with a GVWR (Gross Vehicle Weight Rating) over 26,000 lbs. and/or any vehicle or trailer equipped with air brakes.	\$212.00	Minimum charge; prorated after 1st hour
Difficult Removal Tow - Light Class: Vehicles < 9,000 lbs. GVWR	Special equipment required to recover vehicle. For vehicles or trailers with a GVWR (Gross Vehicle Weight Rating) under 9,000 lbs.	\$170.00	Minimum charge; prorated after 1st hour
Difficult Removal Tow - Medium Class: Vehicles 9,000 lbs. - 26,000 lbs. GVWR	Special equipment required to recover vehicle. For vehicles or trailers with a GVWR (Gross Vehicle Weight Rating) of 9,000 lbs. through 26,000 lbs.	\$239.00	Minimum charge; prorated after 1st hour



City of Long Beach  
Purchasing Division  
333 W Ocean Blvd/7<sup>th</sup> Floor  
Long Beach CA 90802

Difficult Removal Tow - Heavy Class: Vehicles > 26,000 lbs. GVWR	Special equipment required to recover vehicle. For vehicles or trailers with a GVWR (Gross Vehicle Weight Rating) over 26,000 lbs. and/or any vehicle or trailer equipped with air brakes.	\$265.00	Minimum charge; prorated after 1st hour
Dolly Tow	Deploy and attach road dollies to transport vehicle.	\$154.00	Minimum charge; prorated after 1st hour
Drop Fee - Light Class: Vehicles < 9,000 lbs. GVWR	Vehicle is detached from tow truck and returned to owner in the field. For vehicles or trailers with a GVWR (Gross Vehicle Weight Rating) under 9,000 lbs.	\$59.00	Minimum charge; prorated after 1st hour
Drop Fee - Medium Class: Vehicles 9,000 lbs. - 26,000 lbs. GVWR	Vehicle is detached from tow truck and returned to owner in the field. For vehicles or trailers with a GVWR (Gross Vehicle Weight Rating) of 9,000 lbs. through 26,000 lbs.	\$85.00	Minimum charge; prorated after 1st hour
Drop Fee - Heavy Class: > 26,000 lbs. GVWR	Vehicle is detached from tow truck and returned to owner in the field. For vehicles or trailers with a GVWR (Gross Vehicle Weight Rating) over 26,000 lbs. and/or any vehicle or trailer equipped with air brakes.	\$212.00	Minimum charge; prorated after 1st hour
Mileage Outside The City	When the tow truck is required to travel outside the City limits.	\$6.00	Mile
Scheduled Delivery Tow	Delivery of a vehicle from a storage facility to another location; scheduled in advance.	\$85.00	Minimum charge; prorated after 1st hour

# EXHIBIT “A-2”

Response to RFP

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City of Long Beach  
RFP No. PW09017  
Towing Fees Collection Services  
May 29, 2009

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## **5.6.5 Methodology/Approach**

*The Methodology/Approach section must provide a detailed description of the approach and methodology the Prospective Service Provider shall use to accomplish the Scope of Services for this RFP and to achieve the City's satisfaction in their performance. If the Prospective Service Provider's methodology or approach differs from the Proposed Scope of Services provided herein by the City, please describe in detail any and all differences or deviations. List such differences and deviations by the section number to which they are applicable.*

At MRS, our immediate objective is to resolve your delinquent accounts quickly and efficiently. We design our collection programs to incorporate the best practices honed through our extensive experience in collecting vehicular fines and fees for other large cities, many of which are located on the west coast, and delivering successful recovery rates to you.

### **Developing a Successful Collection Program**

As your collection partner, MRS will work with the City to create the most effective, efficient, and successful towing collection program available. Our experience in collecting vehicular fines and fees for other large cities in the United States equips us to work with the City's team and to quickly identify areas of potential improvement in the collection process that will generate immediate results and higher recoveries. As we work together to fine-tune the collection program that is best for the City, MRS will share the best practices we've established over the years and ensure that those best practices are incorporated throughout your collection process.

### **Implementation Plan**

MRS approaches every new client implementation in a team-oriented manner. This proven approach creates a smooth and seamless experience for our clients. In fact, many clients have recognized MRS for its quick and thorough implementation process. The key to our success is to ensure that every facet of our company is represented in each implementation team created. The implementation team is made up of at least one member of each of the following departments: Sales, Operations, Human Resources, Quality, Training, IT, and an executive



sponsor who leads the team. On this project, Bill Barnshaw is the executive sponsor. For more information about Bill, review his bio in section 5.6.7.1 or refer to his resume attached as Exhibit F.

The team meets regularly to establish and discuss timelines and communicate with the client. Creating an implementation team with such diverse members of the organization maximizes the transfer of knowledge from implementation to operations and it minimizes the potential bumps that can occur in the process.

Typically, our implementation process will be completed in thirty days. Refer to the table below for a general outline of our implementation process. Please note that tasks and timelines can be modified to meet any unique requirements of the City.

Days	Task
1-15	Assemble implementation team.
	Finalize collection plan and program parameters.
	Complete client implementation sheet and review with the City.
	Identify and assign collectors to the City contract.
15-30	Identify all interfaces and communications methods.
	Receive file layout with field descriptions.
	Receive test file and test connectivity.
	Coordinate IVR setup and 800 number setup.
	Set up system to accommodate client placements.
	Complete any setup related to payment processing and remittances.

*Handwritten initials/signature*



City of Long Beach  
RFP No. PW09017  
Towing Fees Collection Services  
May 29, 2009



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## Account Scoring

One aspect of our collection process that makes MRS such an efficient and successful collection partner is our practice of initially scrubbing placements and prioritizing accounts that are deemed highly likely to pay. This scrubbing process, performed by our analytics group, enables us to identify highly collectible money and to recover those funds very quickly.

When we receive the City accounts, each account is given a proprietary MRS score, which takes into consideration various credit bureau attributes and indicates whether the debtor is capable of resolving the debt. In addition to the MRS score, every account receives an Experian Recovery score, which is attained through the Collection Advantage product and indicates the debtor's propensity to pay. The third and final score used is provided by our clients, when available. MRS then uses a combination of the scores to determine the appropriate treatment strategy for the portfolio.

## Account Segmentation

After receiving a score, accounts are segmented by a combination of overall balance and score. Segmenting the accounts enables MRS to match the needs of each unique account with the skill sets, experience, and conversion capabilities of the collection staff. The most skilled collectors receive the highest scored accounts and highest balance accounts, while the medium scored and medium balance accounts are placed with midline collectors and the lowest scored accounts and lowest balance accounts are distributed to the payment plan arrangement collectors. Both account scoring and segmentation occur upon placement from the City.

## Skiptracing

MRS performs a combination of batch process and manual skiptracing efforts to locate debtors in the most efficient and effective manner possible.

Skiptracing begins at placement when new inventory is sent to Experian. During this initial account activation period, MRS acquires a credit bureau report (CBR) on each account, which also provides three file phone numbers and updated address information.





City of Long Beach  
RFP No. PW09017  
Towing Fees Collection Services  
May 29, 2009



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If no new numbers are found and there are no viable numbers on the account, the account will immediately be run through an XML batch process using the Accurint research tool. If Accurint fails to return any new numbers, the account will systematically be forwarded to CBC Innovis and to TransUnion, two additional skiptracing services. Once any new numbers are found, these numbers are appended to the account and made available for telephone follow-up.

If the account passes completely through the waterfall of batch skiptracing services without any new contact numbers being identified, the account will be sent to the Skiptracing Department for a comprehensive skip review and manual skiptracing efforts. Personnel in the Skiptracing Department use a variety of tools and methodologies to locate debtors. Those tools include Accurint, CBC Innovis, Google, White and Yellow Pages, Searchbug, 411.com, Infobel.com, and a proprietary credit bureau analyzer.

### **Letter Strategy**

Account balance and score are also used to determine the letter strategy most appropriate for reaching the debtor. MRS uses a letter matrix that determines which letters are mailed and at what point in time during the life cycle of the account.

The first letter is sent within forty-eight hours of placement. This letter informs the debtor that his or her account has been placed with MRS by the City for immediate collection action. Then MRS will send an option or payment plan letter at day 30, 60, 90, and 120.

### **Telephone Strategy**

Once a residential or employment phone number is available for the account, MRS will load the account into the dialing queue and begin attempting to contact the debtor. This initial call is usually placed within five days of the first notification letter being sent.

Subsequent call attempts will be scheduled and placed by the contact management system. With this system, MRS has the ability to select multiple criteria for queuing accounts and can modify queue criteria appropriately. This flexibility ensures that attempts are being made at various times throughout the day and even at different locations, if numbers are available. Attempts will be made at the debtor's home and at an identified place of employment (POE), depending upon the particular campaign and based on the time of day. All calls are placed



City of Long Beach  
RFP No. PW09017  
Towing Fees Collection Services  
May 29, 2009



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within the guidelines of the Fair Debt Collection Practices Act (FDCPA).

### Dedicated Dialer Management Team

Our telephone strategy incorporates more than flexible and automated dialer outreach. MRS has a dedicated Dialer Management team that, on a daily basis, builds and manages pools of accounts. Team members monitor those pools during the day and ensure that key performance metrics are being met. For example, if they see that the rate of contacts drops below a specific level, then the dialer team dynamically adds individuals to the pool so that those metrics will be maintained.

Additionally, the dialer team analyzes the results of each pool and each call and then determines how best to build the pools moving forward. For example, if team members see that an account was called at 10 a.m. and 3 p.m. with no contact, they will queue the call up to be called the following day in the evening, thus trying to identify the best time to call.

### Preferred Debtor Communication Methods

Over the years, MRS has learned that enabling debtors to resolve their debts through their preferred communication channel will dramatically improve recovery rates. With this best practice in mind, we have established a collection process that allows debtors to follow up and resolve their outstanding debts with or without talking to an actual collection representative. City debtors can resolve their debts online, through an interactive voice response (IVR) system that is available twenty-four hours a day, seven days a week, or by talking directly with one of our collectors. Every letter and telephone call placed to a City debtor will describe these different channels available and encourage debtors to follow up in the method they prefer.

### Payment Methods

MRS offers debtors every available payment option to make it easy and convenient to satisfy the outstanding debt. City debtors can make payments via:

- Credit and debit cards.
- Check by telephone.



City of Long Beach  
RFP No. PW09017  
Towing Fees Collection Services  
May 29, 2009



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- Electronic funds transfer (EFT).
- Western Union.

## Payment Arrangements

The objective of every contact that MRS collectors make with City debtors is to secure payment in full. If an immediate payment in full is not possible, MRS collectors will work with the debtor to establish payment arrangements within the parameters defined by the City. All payment arrangements are reviewed and monitored regularly.

## Broken Promises

When a payment arrangement is established with a debtor, our collection management system automatically schedules the file for review on the day after the due date of the next payment. If a payment is not received as promised, telephone contact with the debtor is immediately resumed and attempts will continue until contact is made and a new payment arrangement is established.

## Bilingual Collection Staff

MRS employs more than 60 Spanish-speaking collectors, who are available to communicate clearly and efficiently with the Spanish-speaking debtors of the City. The size of our bilingual staff is a key differentiator between MRS and other collection agencies. We are uniquely equipped to dedicate as many Spanish-speaking agents to the City contract as deemed necessary.

### *5.6.5.1 A brief explanation of the Provider's approach to accomplishing the collection of delinquencies. List differences or deviations in this sub-section.*

Please refer to our collection approach outlined previously in response to 5.6.5 to learn the process that will be employed to recover outstanding towing debts for the City.

Every minimum requirement for collection activities as outlined in RFP section 6.10 will be met or exceeded in our proposed collection process. No differences or deviations from those established requirements exist.



**5.6.5.2 A statement of the Provider's average collection percentile, where this percentile ranks compared to industry averages and the percentile of collections the Provider anticipates to provide to the City.**

After 6 months of vehicular fines and fees collection activity, MRS typically collects between 2% and 6% for its clients. This recovery rate is highly competitive in the collection of vehicular fines and fees. MRS anticipates being able to provide 5% recovery for the City within 12 months.

**5.6.5.3 Provide a detailed statement of the services/products the Prospective Service Provider shall supply to the City that will differentiate them from their competitors, make them "stand out" or make them the best valued selection.**

What makes MRS stand out? Quite simply:

- MRS has analytical capabilities (reporting, scoring, and so forth) that the rest of our industry cannot match. This will result in higher collections for the City.
- MRS has the ability to apply best practices to this contract to a far greater extent than other providers, in every area of the contract, due to our experience with large municipalities and in the private sector for several brand-name, well-known creditors.
- Bilingual staff: A significant number of our collection staff also speaks Spanish.

These elements combine to create a total collection solution that is not only a proven success but designed to be highly efficient and maximize every available collection resource.

***Analytics***

Logical analysis is a fundamental element of the MRS collection philosophy and process. It is applied throughout the life of a project, beginning at program development and continuing with ongoing performance evaluations that culminate in a final review summarizing the overall success of the collection efforts. Our ability to succinctly evaluate the efforts of various collection strategies enables us to quickly improve efficiencies throughout the course of a contract, which increases the collection performance and total revenue generated for our clients. To support our commitment to analytics, we created an entire department dedicated to performing analytical studies and are



one of the few collection agencies in the industry to do so. Some examples of how our analytics department is working to improve the efficiency of our collection strategies are:

- Quantifying and comparing the incremental lift in revenues that results from various letter strategies or series of letters.
- Identifying pockets of inventory receiving triple tones, reorders, or weak lines and systematically sending those accounts to the Skiptracing Department for additional research.
- Developing more descriptive methods for tracking and evaluating agent productivity and effectiveness.
- Identifying the most productive call times and inbound loss rates.

#### ***Best Practices Built on Experience***

The MRS collection solution is built upon years of relevant experience and best practices that MRS has established collecting vehicular fines and fees for Maricopa County (which includes Phoenix) and other large cities that include Los Angeles, Cleveland, Philadelphia, and San Francisco. Due to our specialized knowledge in collecting vehicular fines and fees for the government sector, MRS is uniquely positioned to help the City develop its collection plan and ensure that our proven best practices are incorporated throughout the collection process.

Three examples of the best practices that will be shared with the City are our proven implementation process, our analytical account prioritization approach, and our philosophy that enabling debtors to select their preferred method of communication, whether it be online, through the automated IVR system, or talking directly with a collection agent, will dramatically improve recovery rates.

#### ***Bilingual Capabilities***

The number of bilingual collectors available for your collection team also differentiates MRS from the competition. MRS employs more than 60 Spanish-speaking collectors, who are available to communicate clearly and efficiently with the Spanish-speaking debtors of the City. We are uniquely equipped to dedicate as many Spanish-speaking agents to the City contract as deemed necessary. Also, we have the ability to correspond with debtors in Spanish in writing as well.





City of Long Beach  
RFP No. PW09017  
Towing Fees Collection Services  
May 29, 2009



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**5.6.5.4 A brief explanation of the base fee to be applied per account or an explanation of the percentage of each amount collected that shall be deducted from the remittances submitted to the City. IMPORTANT: Please refer to the Scope of Services for details regarding allowable fee structures and how they shall be applied.**

MRS is proposing multiple pricing options to the City depending on how the City would prefer to structure compensation. If add-on fees (in which a percentage is added to the original balance) are permissible statutorily and/or contractually, MRS has presented an option to the City enabling the City to be "made whole" on the original balance. If this is not statutorily or contractually permissible, MRS has also provided a straight contingency fee, in which MRS would be paid from the original balance. MRS takes no exceptions to any aspect of the Scope of Services, including aspects related to allowable fees.

**5.6.5.5 A brief explanation of any other fees or any other percentages that shall be applicable and the circumstances under which they shall be applied. IMPORTANT: Refer to the Scope of Services for details regarding allowable fee structures and how they shall be applied.**

In our response to 5.6.10, MRS is proposing, in light of RFP section 6.27.2, multiple ways in which the City could realize additional revenue as a result of contracting with MRS. These include:

- Sharing the convenience fees charged for electronic check by phone payments made.
- A free-demand period for all placements. This would not be an additional fee borne by the debtor, but an incentive, in the form of a discount for payments received in the first five days after accounts are placed.

These options make MRS' offer even more attractive to the City.

**5.6.5.6 Provide an explanation of how collections outside of the Metropolitan Long Beach area shall be approached and handled.**

Collections outside of the Metropolitan Long Beach area will be approached and handled in a manner and method that is identical to the collection process outlined at the beginning of section 5.6.5. MRS is licensed nationally. We are a U.S. General Services Administration (GSA) vendor, a status that is provided by GSA only when a vendor such as MRS can document that it can collect nationally. Also, MRS



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has the ability to skiptrace and collect internationally, wherever the debtor may reside.

Collections outside the area will feature:

- Reporting by state if required.
- Legally compliant calling hours based on the debtor's state of residence.
- Notices compliant with state-specific regulations.
- Legal services if necessary in the state in which the debtor resides.

**5.6.5.7 Provide a detailed description of the specific tasks the Provider shall require from the City's staff. Explain what the respective roles of City staff shall be in the accomplishment of the services specified in the Scope of Services.**

The MRS collection solution requires very minimal involvement on the part of City staff throughout the course of the contract. No member of the City staff will need to be actively involved on a daily basis to complete any of the data transfer or fiscal processes, except at contract implementation. MRS will accept City account files in any way, shape, or format provided as long as the file format is consistent throughout the length of the contract. MRS will only require a designated client contact within the City who our client services team can contact during implementation and on an ongoing basis.

**5.6.5.8 Provide examples of the letters to be sent to delinquent accounts.**

Please refer to Exhibit A to review an example of the initial notification form, payment arrangement letter, and settlement letter that will be sent to delinquent accounts. Please note that our letters will be modified to match the unique needs of the City and will be reviewed and approved by the City before they are sent to City debtors.

**5.6.5.9 Examples of all monthly and annual reports showing all accounts assigned. Please refer to the Scope of Services for report details to be included.**

Please refer to Exhibit B to see an example of the Account Status Report, Exhibit C for an example of the Financial Summary Report, Exhibit D for an example of the Year-End Report, and Exhibit E to see the Aging Report. Each of these reports is specifically requested in the Scope of Services section of the RFP.



City of Long Beach  
RFP No. PW09017  
Towing Fees Collection Services  
May 29, 2009



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## 5.6.6 Technology

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### 5.6.6.1 Provide complete description and specifications of all technology systems that will be utilized.

We know that providing efficient, effective, results-oriented services in this industry requires a strong commitment to acquiring and properly using the best and most current technology available.

### Fully Integrated Collection System

MRS uses the Ontario Systems' Artiva System for its main receivables management outsourcing platform. We have fully integrated our collections platform with the Ontario Systems contact management system, which enables us to manage, route, record, and index calls directly to the account for quick access. The Ontario System includes an IVR system equipped with text-to-speech capability, which ensures all messages left for debtors will be FOTI-compliant and allows for inbound call management without the need for a live attendant. This system automatically implements state-specific laws regulating dialer activity, ensuring that any attempt made to contact a debtor in California, or in any other state, will always be compliant with the appropriate state laws.

### Predictive Dialer Systems

At MRS, we use the Ontario Systems suite of dialer products. This contact management system is a fully integrated dialer that can dramatically increase productivity by providing account representatives only live contacts.

The Guaranteed Contacts system is an inbound/outbound dialer designed to create a highly efficient and cost-effective method of contacting account holders. The system relieves account representatives of the dialing function, which dramatically increases productivity and provides a steady flow of contacts to the representative.

The Guaranteed Contacts system screens no-answers, answering machines, and triple tones to provide only live contacts to account representatives, which increases productivity by allowing representatives to deal only with calls that can result in account action.



City of Long Beach  
RFP No. PW09017  
Towing Fees Collection Services  
May 29, 2009



The Right *Elements* for Your Business

Ontario Systems' Verified Contacts system uses dialing and IVR technology to increase right-party contacts. As the dialer senses an answer on an outbound call, the IVR uses prerecorded messages in conjunction with text-to-speech technology to speak the contact's name to ask for the account holder. This technology increases an account representative's ability to speak to the right party and increases the chances of getting a payment, a promise to pay, or some type of action on the account.

The system also can monitor incoming calls. The Call-by-Call Blending feature places the highest priority on incoming calls, while managing the flow of outbound calls.

The Guaranteed Contacts switch selects numbers from a campaign and manages all dialing. When a call is answered, the system automatically places a note on the account containing the date, time, phone number called, and the account representative ID or code. The account representative can enter additional notes or update other system windows while speaking with the contact.

## Telephony

For telephony, we have a 3 Cabinet Northern Telecom Option 81 with dual CPUs, dual voice-mail hard drives, and redundant power supplies. This system will be upgraded to VOIP in the next few months. The Option 81 phone system can be expanded to 1,000 users.

### ***5.6.6.2 Selected Service Provider must utilize technology that has interface compatibility with the City's systems.***

We have been successfully interfacing with some of the largest city municipalities for more than five years. The technology employed by MRS will be able to successfully interface with the City's systems.

### ***5.6.6.3 Describe the database program that will be employed and provide "screen shots".***

MRS uses Ontario Systems' Artiva as its accounts receivable management system. In fact, this application manages all aspects of the collection process, including contact management, account management, contact notes, promises to pay, and letter requests. There are many screens that would be applicable to the collection services provided to the City. Please refer to Exhibit H for samples of those screenshots.



**5.6.6.4 Describe the safeguards that are in place to secure and protect sensitive data from intrusion from outside sources.**

MRS consistently meets and surpasses some of the more stringent security requirements in the collection industry. We have been audited by industry-leading security firm Symantec, which gave us high marks based on an ISO 17799 standard.

MRS specifically safeguards data from the intrusion of outside sources, through the door or through the network, in the following ways. The agents working on a contract and with contract account data are located in a physically segregated, access-controlled area. Our network employs three layers of defense against viruses (firewall rule blocks, mail server, and desktop). Our networks and data are also protected from Web-based threats through Websense, Web security software.

To further ensure the security of our data from outside sources, our security processes include server and PC hardening, monthly internal/external PC security scans, quarterly PCI external scans, Two Factor Token Remote Access, automatic daily disabling and deletion of accounts when a predetermined time limit has been met, and Whole Disk PGP Encryption for portable users.

**5.6.6.5 Describe the safeguards that are in place to protect against the loss of sensitive data or to recover from an unexpected loss of data.**

MRS has numerous safeguards in place to protect our company and our clients against the loss of sensitive data and to prevent a service disruption in the face of an unforeseen and unexpected natural disaster.

We have an automated process for retrieving, storing, and backing up data. We use Symantec's Backup Exec to back up all servers. Daily backup records are stored off-site every day via Iron Mountain.

All of our voice, data, and Internet lines are fully redundant and geographically dispersed across different telecom company central offices and multistate Points of Presence (POPs) to ensure that our systems will not have a central or even a regional point of failure.

All servers have redundant power and network cards. Voice and data networks are separated. Each office has two or three different Internet topologies with separate firewalls specific to cable, DSL, T1, or high-speed Ethernet.



City of Long Beach  
RFP No. PW09017  
Towing Fees Collection Services  
May 29, 2009

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We employ multiple telecom equipment support suppliers, such as Shared Technologies and Black Box. All support personnel have company cell phones and can be reached even if a problem arises with our telecommunications system.



### **5.6.7 Staffing/Administration/Personnel Qualifications**

*Provide a list of the individuals who shall be assigned to work on the City's contract and indicate the functions each shall perform and the areas of responsibility each shall have.*

Upon award of contract, the City will be assigned a team composed of an executive sponsor, a IT manager, an operations manager, a team leader, a dedicated client service representative, and collection agents. In terms of the specific project team that will be assigned to the City contract, Bill Barnshaw, executive vice president of analytics and strategy, will serve as your executive sponsor; Joe Schuerer will be your IT manager; and Chad McCormick will be the operations manager. Learn more about these highly qualified individuals by reading their bios in 5.6.7.1 or reviewing their resumes attached as Exhibit F.

The City's specific team leader, client services representative and qualified team of collection agents will be assigned upon award of contract. Resumes for the team leader, client services representative, and your collection agents will be provided at the time of assignment.

This table outlines the functions and areas of responsibility that each team member will have.

Title	Area of Responsibility
Executive sponsor: Bill Barnshaw	The executive sponsor is responsible for the overall success of the implementation process and serves as an ongoing point of contact to address any issues that may arise and ensure client satisfaction. Bill will visit the City as specified in the Scope of Services.
IT manager: Joe Schuerer	The IT manager will be the main point of contact responsible for managing all of the setup and data exchange between MRS and the City. Joe will visit the City as specified in the Scope of Services.
Operations manager: Chad McCormick	The operations manager is responsible for dialer operations, call routing, and supporting other aspects of automated collections process. Chad will visit the City as specified in the Scope of

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City of Long Beach  
 RFP No. PW09017  
 Towing Fees Collection Services  
 May 29, 2009



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Title	Area of Responsibility
	Services.
Team leader: TBD upon award of contract.	The team leader will manage the daily activities of the collection staff.
Client services representative: TBD upon award of contract	The client services representative will be the single point of contact for the City and will manage all communication between MRS and the City.
Collection agents: TBD upon award of contract	The collection agents will actually place, field, and follow-up with the calls to City debtors.

**5.6.7.1 Include a brief resume of each designated individual that includes their qualifications for the position.**

The executive team is an integral component of every MRS contract. Their widespread experience and expertise are readily available to help MRS create the most innovative and effective collection programs for our clients and ensure total client satisfaction throughout the term of the contract. Review the credentials of our highly-qualified executive team outlined in bios below.

You can also learn more about the experience of the three individuals that have been assigned to the City contract team by referring to their bios below or reviewing their resumes attached as Exhibit F. Bill Barnshaw will serve as the City contract executive sponsor, Joe Scheurer will be the IT manager, and Chad McCormick will be the City operations manager.

**MRS Executive Team**

**Saul Freedman, Co-Chairman and Chief Executive Officer**

Saul Freedman actively manages the collection operations for all sites, as well as overseeing the sales and marketing divisions. Under his leadership, MRS has expanded into new arenas, including commercial and student loans. Saul and Jeff are dedicated philanthropists, both serving as Advisory Council Members to the New Jersey Make-A-Wish foundation.





City of Long Beach  
RFP No. PW09017  
Towing Fees Collection Services  
May 29, 2009



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### Jeffrey Freedman, Co-Chairman and Chief Executive Officer

Jeff Freedman is responsible for operations, human resources, company recruitment and training. Jeff has helped the firm become one of the fastest growing companies in the accounts receivable industry. He is the catalyst for new business ventures, including internal growth and acquisitions. Jeff has 18 years of experience in all aspects of collection operations and is responsible for having created, developed and managed all aspects of the proprietary MRS quality assurance, employee recruitment and training programs which have been instrumental in the company's rapid growth. One of the firm's national clients recognized MRS as having the best training program out of its twenty accounts receivable management (ARM) vendors.

### Darren Schulman, CPA, President/Chief Financial Officer

Darren Schulman has over 25 years of experience in financial services including roles as a Chief Financial Officer, Chief Operating Officer and Board member of a commercial bank. He has expertise in policies and procedures, financial and regulatory reporting, strategic planning, operations, compliance (including BSA and KYC), risk, insurance, human resources, and information technology. He is a creative and resourceful problem solver with the strategic foresight to anticipate difficulties and effect rapid, tactical solutions. Darren holds a bachelor of accounting, summa cum laude, from C.U.N.Y.-Brooklyn College, is a Certified Public Accountant and has a Series 3 license.

### Michael Meyer, CISM - Chief Information / Security Officer

Michael Meyer oversees the development and application of the firm's technological initiatives and resources. As Chief Security Officer, Michael also has the complex challenge of ensuring that MRS meets the needs of the ever toughening information security and privacy laws of MRS's clients and this country. He is intimately familiar with the Gramm-Leach-Bliley Act and other security protocols necessary in the industry. He has been with the company for over seven years and previously owned his own IT consulting company. Michael is responsible for the architecture, development and application of the firm's technological systems, including the installation and build-out of its call centers, the functionality of MRS's software applications and the security and privacy initiatives of MRS. Michael holds a bachelor of computer science from Rutgers University.



City of Long Beach  
 RFP No. PW09017  
 Towing Fees Collection Services  
 May 29, 2009



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**Don Siler, Chief Sales/Marketing Officer**

Don Siler oversees all sales and marketing efforts at MRS. Don brings twelve years of accounts receivables management industry experience to MRS. Don has extensive experience in sales and marketing processes and also has experience in technology and how the technology can meet the needs of the client. Don holds a bachelor of computer science at Earham College and a master of business administration from Anderson University.

**Regina Weir, Chief Personnel Officer, Human Resources**

As a testament to MRS's commitment of being in the forefront of employee training, retention and professionalism, Regina Weir is an integral part of the senior management team. Regina coordinates all aspects of employee recruitment, training and incentive programs throughout the country. She has more than 16 years of experience in human resource and payroll management functions in several Fortune 1000 companies. Her innovative techniques and ideas have significantly boosted employee loyalty and morale and positioned MRS a leading performer in the debt collection industry.

**City Contract Project Team**

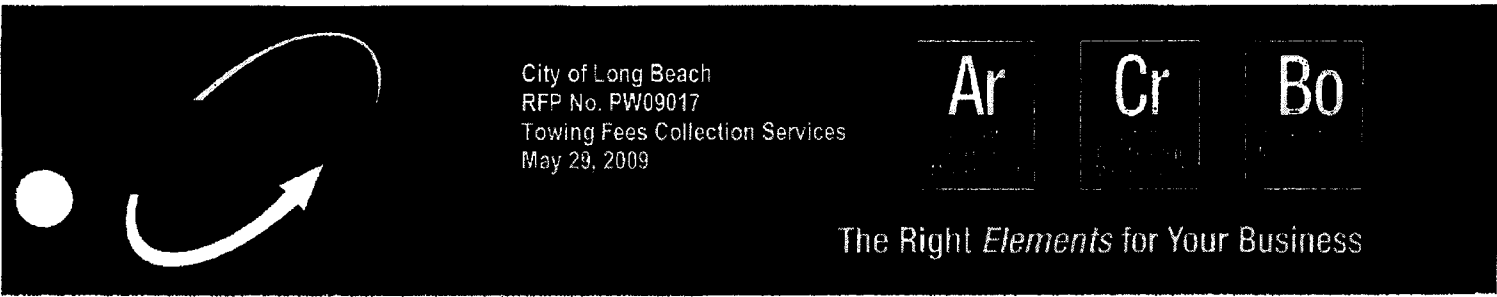
**Bill Barnshaw, Vice President of Analytics and Strategy**

Bill Barnshaw joined MRS after spending seven years with Capital One Financial Services. He has an extensive background in analytics, operations management, and agency management. While at Capital One, Bill was responsible for managing multiple agencies in their Recoveries network, oversaw the sourcing and on-boarding of all new suppliers, and developed multiple pricing and scoring models to evaluate and optimize their network. In his current role at MRS, Bill is responsible for managing outsourced operations and plays an integral role in analyzing data and helping to shape various work strategies. He holds a bachelor of science in accounting and finance from the University of Richmond.

**Chad McCormick, National Director of Dialer Operations**

Chad McCormick oversees all dialer operations at MRS. He joined MRS after spending twelve years with Discover Financial Services. He was responsible for managing inbound and outbound calls in a

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blended environment. Daily responsibilities included management of work flow for a staff of 1,100 account managers through the abort rates, penetration, and staffing goals. Chad defined dialing-centric strategies to maximize right-party contact and service levels through continuous monitoring of intraday performance. He analyzed thirty-day delinquency trends to adequately plan for staffing and call volumes. While at Discover, he managed a team of dialer analysts, the MIS reporting team, and inventory management specialists. He coached the team on dialer optimization strategies and execution and development of leadership and communication skills, resulting in benchmark dialer results within Discover's three collection sites. Chad managed dialer testing strategies by defining metrics, reporting, and analysis of results, working closely with the dialer management team to implement upgrades and changes.

Joe Scheurer, Director Client Data and eCommerce Processing

Joe Scheurer leads the MRS IT department in support of both internal and external clients and their associated data. Over the years, he has developed an expertise in providing eCommerce solutions to clients, as well as overseeing the flawless execution of all placements, maintenance, and remittance file processing. Joe has the unique distinction of earning the Sears IT Excellence Award for perfectly reconciling four portfolios. This is the only Sears IT Excellence Award that has ever been given for perfect inventory reconciliation and since his accomplishment, it has never occurred again.

**5.6.7.2 Upon award of the Contract and during the Contract term, if the Selected Service Provider chooses to assign different personnel to the Contract, the Provider must submit their names, contact information, qualifications and other information listed herein to the City for approval before they can commence work on the Contract. Services provided under this Contract shall NOT be performed by nor delegated to any person or entity other than the Provider without the expressed written authorization of the City's Finance Director, unless provide otherwise herein. Under no circumstances shall the City allow or permit the services described herein to be subcontracted without the prior written consent of the City.**

MRS acknowledges and accepts these terms.

8/8



City of Long Beach  
RFP No. PW09017  
Towing Fees Collection Services  
May 29, 2009



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## **5.6.8 Collections Abilities/Capabilities**

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*Provide a statement verifying the Provider's ability/capability to make collections in all 50 states, as well as internationally, and the ability/capability of the Provider to file reports with all three major credit bureaus. The Prospective Service Provider must be licensed to collect debts in all states that require a license.*

MRS collects nationwide and meets all licensing requirements to provide collection services in all fifty states, the District of Columbia, and Puerto Rico. We are a U.S. GSA vendor, a status that is provided by GSA only when a vendor such as MRS can document that it can collect nationally. MRS is capable of providing international collection services.

We are also capable of filing reports with all three major credit bureaus and will do so upon the request of the City.



City of Long Beach  
RFP No. PW09017  
Towing Fees Collection Services  
May 29, 2009

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## 5.6.9 Memberships and Affiliations

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*The Prospective Service Provider or its employees belongs to which, if any, collection agency memberships, organizations, or affiliations. How long has the agency/personnel been associated with each?*

MRS maintains an active membership with ACA International. We are affiliated with the Better Business Bureau (BBB) and currently are recognized as a Grade A collection services provider. MRS maintains an active involvement in the credit and collection industry and is a regular conference attendee of the following associations:

- Association of Credit and Collection Professionals
- American Collectors Association (ACA)
- National Association of Retail Collection Attorneys (NARCA)
- Debt Buyers Association (DBA)
- National Association of Credit Managers (NACM)
- International Association of Commercial Collectors (IACC)
- Commercial Law League of America (CLLA)
- Consumer Bankers Association (CBA)
- Thompson Financial
- Resources Management Association



### 5.6.10 Detailed Fee

*Please provide a detailed explanation of the Provider's fee structure and expand on the brief explanation provided in Methodology/Approach section. IMPORTANT: The City of Long Beach prefers not to incur ANY costs associated with the Contract. All monies earned through the collection activities, either through the addition of fees passed on to the debtor, or through a percentile reduction of the collected funds remitted to the City. However, the City does wish to retain the right to invoice the Selected Service Provider for their services if this is a more favorable option, therefore, pricing for this option should be provided by the Prospective Service Provider.*

MRS accepts all stipulations outlined by the City in the Scope of Services. MRS proposes the following pricing options to the City. There are no other fees MRS would propose to charge, other than what is outlined below.

Option 1: Add On Fees	16.28% add on (14% effective rate)
Option 2: Straight Contingency	15%

**In option 1**, a fee equal to 16.28% of the original balance would be added to the original balance. For a \$100 balance, this would result in an add-on amount of \$16.28, bringing the total balance to \$116.28. Assuming MRS would collect the full balance, the City would receive \$100, and MRS would receive \$16.28. This makes the effective rate paid to MRS 14% of the total balance of \$116.28. **In option 2**, MRS would be paid \$15 of the original \$100, and the City would receive \$85.

### Incentives

As an incentive, MRS proposes to share with the City a portion of the convenience fee charged to debtors paying electronically by check by phone. The City will receive \$1 for each check by phone transaction.

As an additional incentive, MRS proposes a five (5) day free-demand period for all placements. Each time the City places accounts with MRS, no fees would be due to MRS for any payments received by either party for the first five calendar days after the date on which the file is received by MRS.

# EXHIBIT "A-3"

## Scope of Work

1/8

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## SCOPE OF WORK

The City is contracting with Consultant to provide delinquent towing collection services on subject accounts ranging in dollar amount from twenty-five dollars (\$25.00) and above. Unless the Agreement is sooner terminated, Consultant will have a period of three (3) years or term of this Agreement from the date the account is assigned to the Consultant to effect collection on subject accounts, at which point these accounts will be returned to the City, unless the City in its sole discretion, elects to extend the time that the Consultant may retain said account(s). The City may elect to transmit files for second placement at a future date.

### 1. Work to be Performed.

The Consultant hereby agrees to provide the following services to the City at the time and places set forth herein, pursuant to the terms and conditions of this Agreement. The Consultant will perform collections on unpaid, delinquent towing closed accounts that have been determined uncollectible by the City. The term "uncollectible" for the purpose of this Agreement refers to any unpaid bills for which the City has made a reasonable attempt to collect and has been unsuccessful. Accounts will be referred in the amount of twenty-five dollars (\$25.00) and above. The assignment date will be synonymous with the date on which the account is sent to the Consultant.

#### A. Work included in Agreement.

Services furnished under this Agreement include, but are not limited to, mailing dunning notices, skip-tracing delinquent customers, filing delinquent notifications with credit bureaus, and communicating with former City customers to pay their unpaid bills.

The City may equally distribute work among the collection agency(s) and no account will be assigned to more than one agency. The City reserves the right to add primary collection agency(s) during the contractual period, which will change the amount of work distributed among the primary agency(s).

The City will refer closed accounts to the Consultant after in-house pre-collections activity has concluded. The Consultant will receive files containing pertinent information, process them for payments, receive information regarding recalls and payments received by the City, and transmit information to the City regarding collections, disputes, and recalls.

#### B. Method of Transmission.

Encrypted data will be transmitted via electronic file transfer. The Consultant fully agrees to accept data and to ensure compatibility with



City's format. Failure to receive and transmit electronic data successfully may result in termination of the Agreement. The Consultant must use a secured FTP process to send and receive files from the City. The City requires the Consultant to use SSH Tectia, or compatible software to FTP files.

The Consultant will deliver revenue from collection of referred accounts to the City in the manner described in Section 1.D. In addition, the Consultant will deliver, via electronic transfer, any accounts recalled by the City, as well as those accounts determined to be uncollectible by Consultant (i.e., those accounts that remain unpaid at the expiration of the Agreement, termination of the Agreement, or at the direction of the City.) This includes, but is not limited to, those accounts that require legal action and those that have been affected by bankruptcy.

C. Recall of Accounts.

The City reserves the right to recall delinquent towing accounts already assigned if a payment is received by the City prior to the Consultant contacting the debtor. If less than the full amount due on the account is collected, the amount collected will be deducted from the amount assigned and the Consultant will not have the right to any commission with respect to such amount.

Unless otherwise stated herein, once accounts are assigned to the Consultant, the City may not recall accounts from the Consultant until three (3) years from the date of assignment has passed without money being collected on the delinquent account or this Agreement is terminated or not renewed, except in the following situations:

- 1) The City has determined that an account has been referred to the agency in error;
- 2) The account is under protest;
- 3) The account is in litigation. Notice will be given to the Consultant by telephone or electronic mail, to recall a delinquent account. The Consultant shall return the account and all documents and other data pertaining thereto to the City within seven (7) days after receiving such notice and shall update the status on the monthly electronic file transfer(s). After the first notice of recall, the Consultant shall have no right to any monies collected from the recalled amount. Any delinquent account that has been referred to the Consultant must be cancelled and returned to the City no later than three (3) years after the referred date. However, the time may be extended, at the City's option and approved in writing by the City.



D. Deliverable Products.

- 1) Within fifteen (15) days from the end of the prior month, the Consultant shall send the City the full amount of funds collected during the proceeding month. Such distributions shall be made using the Consultant's company disbursement check or electronic wire and shall be documented in a payment information file stored in a CD. The Consultant shall guarantee that payment funds have cleared prior to sending monthly payments to the City.
- 2) Payment reports detailing collections must be furnished to the City once a month. This payment information should be in hard copy and electronic form and should be delivered with the payment file.

Payment reports shall include: Name, Account Number, Assignment Date, Collections, Commission, Remaining Balance Due, Date of Payment, Original Amount of the Debt, and Total Amount Owed to City.

- 3) The Consultant will also provide, at the City's request, ad hoc reports (hard copy and electronic file) of all accounts assigned. Failure to provide this information within fourteen (14) calendar days of request will be deemed a breach of this Agreement. Each such report will set forth the status of all current accounts, which have been referred to the Consultant by the City and shall include but not be limited to the following information: Name, Account Number, Assignment Date, Remaining Balance, Payment Arrangements, Post-Dated Checks, Action Taken and Dates, original Amount of the Debt, and Total Amount Owed to City.
- 4) The Consultant will provide electronic verification confirming receipt of all files sent to it by the City by the next business day. The Consultant will also provide electronically a weekly listing of all accounts recalled by the City as well as accounts determined to be uncollectible by the Consultant during the previous week.

E. Description of Work.

The City requires that the Consultant performing its collection services adhere to the highest legal, ethical, and professional standards. Without limiting the foregoing, the Consultant will be required to abide by the limitations set forth in the Agreement and the following additional limitations:

- 1) The Consultant shall not collect more than the amount of the unpaid bill, plus the authorized Consultant collection fee.

- 2) The Consultant shall not use any letters, notices, or collection procedures unless prior written approval has been obtained from the City.
- 3) The Consultant shall have no authority to compromise or settle any subject account referred to it, and shall not imply either directly or indirectly that it has such authority.
- 4) The Consultant shall bear all expenses and costs incurred to effect collection of any account referred to it.
- 5) The Consultant shall neither institute any legal action against any debtor nor perform any service that would constitute the practice of law in the State of California. If the City determines that legal action or legal services are required, the Consultant shall return the account to the City unless additional services are requested from the Consultant.
- 6) All monies collected by the Consultant shall be deposited in a special trust fund and shall remain the property of the City, including all interest accrued. Said Fund shall be kept separate from and shall not be commingled with other funds of the Consultant or other client funds of the Consultant. The Consultant shall at all times be liable for any penalties or fees charged against the Trust Account including penalties or fees nor non-sufficient funds received by the Consultant on subject accounts. The Consultant shall make arrangements for the city to receive monthly statements directly from the financial institution in which the fund resides.
- 7) Within fourteen (14) calendar days of the expiration or termination of the Agreement, the Consultant must provide the City with a written and electronic listing of all accounts on which it is currently working. The Consultant will be paid the agreed upon commission for any accounts on such list collected within ninety (90) days of expiration or termination of the Agreement. Any monies received by the Consultant after the ninety (90) day period ends, or on any account which was not listed by the Consultant, will be immediately delivered to the City by the Consultant and the Consultant will receive no commission. The Consultant agrees to endorse any and all checks with Consultant as payee to the City to allow the City to deposit said checks.
- 8) Within ninety (90) days of expiration or termination of the Agreement, the Consultant shall be required to do the following:



- a) Return all accounts assigned by the City, and any monies due the City.
  - b) Close the special Trust Fund, remitting any monies due the city, and submitting proof of closure.
  - c) Remove all accounts reported to any credit bureaus, provide a file of these accounts, and provide proof that removal has been requested.
- 9) For a period of ninety (90) days after expirations or termination of the Agreement, the Consultant shall be provided with files, which contain updated payment information needed for the completion of any outstanding work.
- 10) Compliance with State law under S.B. 1386 and A.B. 1950.
- a) S.B. 1386 and A.B. 1950 require a person or entity that owns, or licenses data that includes personal information of a California resident to:
    - Expeditiously disclose any breach of the database security system and implement and maintain procedures and practices to protect personal information from unauthorized access, destruction, use, modification, or disclosure; and
    - Require by contract, that non-affiliated third party recipients of such personal information do the same. Accordingly, the Consultant agrees to implement and maintain such security procedures and practices, in conformance with S.B. 1386 and A.B. 1950, with respect to any personal identification information received under this Agreement.
  - b) The Consultant further agrees to notify the City of any breach in security. In addition, the Consultant agrees not to share, disclose, or in any way transfer the personal identification information without the written approval of the City.
  - c) The Consultant shall be responsible for any and all liabilities, including but not limited to those stated below in this paragraph, that result from any violation of S.B. 1386 or A.B. 1950 that the Consultant, its employees, agents, or subconsultants may cause pursuant to the activities performed under this Agreement. Accordingly, the



Consultant agrees to indemnify, defend and hold harmless the City, its respective agencies, Boards, Commissions, City Council, officers, employees, and agents, and, at the option of the City, to provide a defense, acceptable to the City, against any and all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever caused or brought on by any person, including any aggregated party, as defined in S.B. 1386 or A.B. 1950. The indemnification herein includes all awards, damages, interest, cost and attorney's fees, if any.



# EXHIBIT "B"

Fees

ALC

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## FEE SCHEDULE

MRS accepts all stipulations outlined by the City in the Scope of Work. MRS proposes the following pricing options to the City. There are no other fees MRS would propose to charge, other than what is outlined below:

Option 1:	16.28% add on (14% effective rate)
Option 2:	15%

**In Option 1**, a fee equal to 16.28% of the original balance would be added to the original balance. For a \$100 balance, this would result in an add-on amount of \$16.28, bringing the total balance to \$116.28. Assuming MRS would collect the full balance, the City would receive \$100, and MRS would receive \$16.28. This makes the effective rate paid to MRS 14% of the total balance of \$116.28.

**In Option 2**, MRS would be paid \$15 of the original \$100, and the City would receive \$85.

**Please note: The City does not apply incentives to this Agreement.**

1/8

# EXHIBIT “C”

City’s Representative: Pamela Horgan  
Manager, Commercial Services Bureau

D/S



# EXHIBIT "D"

Materials/Information Furnished:



INFORMATION SERVICES BRANCH

COMMERCIAL REQUESTER ACCOUNT SERVICE PROVIDER APPLICATION

Account Number \_\_\_\_\_

DMV USE ONLY	
CHECK/M.O. #	CHECK/M.O. AMOUNT
CA DL/ID DATE	EXPIRES

Check One Only:

- Original Application (All sections must be completed or application will be returned unprocessed.)
- Change(s) to existing Account - Complete only those sections that are changing and list ALL existing R-Code(s) (REQUIRED) \_\_\_\_\_
- Renewal (All sections must be completed or application will be returned unprocessed.)

IMPORTANT

TO AVOID PROCESSING DELAYS, PLEASE READ ALL INSTRUCTIONS PRIOR TO COMPLETING FORM

SECTION A. BUSINESS INFORMATION

1. NAME OF SOLE OWNER, PARTNERSHIP, LLP, LLC, CORPORATION OR ASSOCIATION		2. DAYTIME PHONE	
3. DBA (FICTITIOUS BUSINESS NAME)	4. INTERNET WEBSITE ADDRESS (IF NONE, SO STATE)		5. FAX NUMBER
6. CONTACT PERSON NAME/TITLE (INDIVIDUAL RESPONSIBLE FOR THE ACCOUNT)		7. E-MAIL ADDRESS	
9. STREET ADDRESS (PHYSICAL LOCATION REQUIRED)		CITY	STATE ZIP
10. MAILING ADDRESS (IF SAME AS PHYSICAL LOCATION, SO STATE)		CITY	STATE ZIP

SECTION B. BUSINESS IDENTIFICATION

1. FEDERAL EMPLOYER ID # OR STATE TAX ID #	2. ID NUMBER ISSUED TO CORPORATION, LLC, LLP, LP, IF APPLICABLE, AND STATE OF ISSUANCE	
	ID Number	State of Issuance
3. OTHER (PLEASE IDENTIFY)		

SECTION C. COMMERCIAL REQUESTER ACCOUNT HISTORY AND USE

- Has anyone directly affiliated with any party identified in Section A:
  - previously applied for, had, or have a Commercial Requester Account?  No  Yes  
If yes, print Business Name and/or DBA \_\_\_\_\_  
Agreement/Account or Requester Code # \_\_\_\_\_
  - been subject to a DMV administrative action?  No  Yes  
If yes, attach a separate sheet that includes the type of action, the name of the person and/or business, the reason and date of incident.)
- Has anyone having access ever been convicted of any crime for a violent act, stalking, computer fraud, unauthorized disclosure, access or distribution of information?  No  Yes  
If yes, attach a separate sheet that includes the name of the person, the specific code violation, conviction date, court, and action taken.

SECTION D. TYPE OF SERVICE BEING PROVIDED - (CHECK EITHER #1 OR #2, NOT BOTH)

Describe the type of service you will be providing to a pre-approved requester:

- I will be providing a Pass Through/Reformat Service (Vendor/Reseller) for DMV pre-approved requesters.
  - Direct to DMV
  - Intermediate Vendor/Reseller indirectly through another pre-approved Vendor/Reseller
- I will be performing "contracted services," acting in a Principal/Agent capacity on behalf of...
  - A Government Pre-Approved Requester Account Holder\*
  - A Commercial Pre-Approved Requester Account Holder\*

\*Note: Agent Authorization form (INF 03) is required for access. See instructions D.2. for further information.

Handwritten initials/signature

**SECTION E. METHOD OF ACCESS (See instructions for descriptions)**

Identify your proposed method of access:

- 1. Manual (**CHECK BOX — PROCEED TO SECTION G**)
  - Hardcopy (Paper)
- 2. Electronic (**CHECK APPROPRIATE BOX — PROCEED TO SECTION G**)
  - VPN     FTP     TAPE VIA IBM 3480 (Non-compressed) or IBM 3490 (compressed)
- 3. Direct Access (**CHECK BOX – SECTION F MUST BE COMPLETED**)
  - Direct Access (direct computer-to-computer) - Commonly known as "On-Line"

**SECTION F. ON-LINE DIRECT ACCESS (PERMITTEE)**

A "Permittee" is a requester who has been authorized by DMV for computer-to-computer communication in order to access DMV record information. A one-time permit fee of **\$10,000 is required**. Applicants must be able to comply with all technical, security and programming requirements necessary to interface with DMV's automated systems. Please contact the DMV's Electronic Access Administration Unit at (916) 657-5582 for technical, security and programming requirements.

**IMPORTANT**

I have included a completed *Personal History Questionnaire* form (INF 1174) for each individual listed below as well as each sole owner, partner and corporate officer.

1. ACCESS CONTROL ADMINISTRATOR NAME (LAST, FIRST, MI)	TITLE
2. REVIEW SECURITY ADMINISTRATOR NAME (LAST, FIRST, MI)	TITLE
3. LIST ANY CURRENT REQUESTER CODE NUMBER(S) TO BE USED FOR ON-LINE SERVICE	
4. DO YOU WANT A NEW REQUESTER CODE FOR ON-LINE <input type="checkbox"/> YES <input type="checkbox"/> NO	

**SECTION G. ACKNOWLEDGEMENT AND CERTIFICATION STATEMENT**

*I hereby acknowledge that I have received and read the "Commercial Requester Information Handbook" (INF 2105) and hereby agree to the terms and conditions contained therein, including any "Security Requirements" (Chapter 2) that may be applicable based on method of access.*

*I understand that the use, or unauthorized disclosure, of departmental information for a purpose other than that for which this applicant applied, and was approved by the Department, is prohibited and subject to criminal prosecution, including fines and imprisonment. (California Vehicle Code Section 1808.45) I further understand that obtaining Departmental information under false representations, the distribution of restricted information, or use of information for a purpose not specified by this applicant and approved by the Department, may result in suspension/revocation of applicant's access privileges and civil penalties up to \$100,000. (California Vehicle Code Section 1808.46)*

*I understand that my requester code has been issued for DMV tracking purposes only and that information access will be based on the access authority of the pre-approved requester for whom I will be providing the approved service.*

*I declare under penalty of perjury of the laws of the state of California that the information submitted on this application is true and correct to the best of my knowledge and herein consent to receive service of process pursuant to the provisions of California Vehicle Code Section 1808.21(c).*

EXECUTED AT (CITY)	COUNTY	ON (DATE)
SIGNATURE OF AUTHORIZED REPRESENTATIVE <b>X</b>		
PRINT NAME	TITLE	DAYTIME TELEPHONE #

**SECTION H. DMV APPROVAL - STATE OF CALIFORNIA, DEPARTMENT OF MOTOR VEHICLES**

SIGNATURE (DMV REPRESENTATIVE) <b>X</b>	DATE
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**IMPORTANT**

Information provided on this form is public record, unless expressed otherwise in statute. Any confidential information will not be released to the general public.

Retain copy for your records then mail to:  
**DMV, Account Processing Unit – MS-H221**  
**P.O. Box 944231**  
**Sacramento, CA 94244-2310**

(Physical Address: 2570 24th Street, Sacramento, CA 95818)

*AS*



**INFORMATION SERVICES PROGRAM**

**AGENT AUTHORIZATION**

**PRE-APPROVED REQUESTER**

NAME OF PRE-APPROVED REQUESTER

PHYSICAL ADDRESS (STREET) CITY STATE ZIP CODE)

NAME OF CONTACT PERSON TELEPHONE NUMBER ( ) REQUESTER CODE

**AGENT**

NAME OF SOLE OWNER, PARTNERSHIP, LLP, LLC, CORPORATION OR ASSN

PHYSICAL ADDRESS (STREET) CITY STATE ZIP CODE)

NAME OF CONTACT PERSON TELEPHONE NUMBER ( ) AGENT REQUESTER CODE

1. The above named Pre-Approved Requester ("Requester") hereby authorizes the above named "Agent" to access Department of Motor Vehicle (DMV) record information on its behalf in order to perform a specified business function. The Agent, as evidence of this authorization, shall provide a copy of this authorization to the DMV. A copy of the agreement between the Requester and the Agent shall be made available to the DMV upon request.

The Requester authorizes the Agent to use DMV information only for the purpose(s) as specified on the Requester's approved requester account application.

- 2. The Requester acknowledges that misuse or compromise of their assigned requester code by the Agent could result in inactivation of their regular requester code. Requester has the option of allowing Agent to use Requester's current requester code, or have a separate code issued for specified Agent activity. If a separate Requester code is desired, a new application must be completed and returned to the DMV. Requester should contact the Account Processing Unit at (916) 657-5564 for information or application forms.
- 3. (a) Requester acknowledges that utilizing an Agent does not absolve the Requester of any responsibility for compliance with the provisions of Section 1808.21 et al. of the California Vehicle Code.  
(b) Requester also acknowledges that the information obtained cannot be used for the purposes of direct marketing and will instruct the Agent of this restriction.
- 4. Requester agrees to notify DMV, in writing, at least two weeks prior to terminating the services of the Agent. Notices should be sent to:

**Department of Motor Vehicle  
Account Processing Unit – MS-H221  
P.O. Box 944231  
Sacramento, CA 94244-2310  
(916) 657-5564**

5. If the Requester becomes aware of misuse of DMV information by the Agent, Requester must notify the DMV's Policy and Information Privacy Section immediately at (916) 657-5583.

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**6. RESIDENCE ADDRESS INFORMATION**

Requester acknowledges that, pursuant to California Vehicle Code Section 1808.21, any residence address contained within any California DMV record is confidential information. Requester has also read and understands the following provisions of California Vehicle Code Section 1808.47:

*“Any person who has access to confidential or restricted information from the department shall establish procedures to protect the confidentiality of those records. If confidential or restricted information is released to any agent of a person authorized to obtain information, the person shall require the Agent to take all steps necessary to ensure confidentiality and prevent the release of any information to a third party. No Agent shall obtain or use any confidential or restricted records for any purpose other than the reason the information was requested.”*

Requester understands, acknowledges, and will instruct Agent that any failure to maintain confidentiality is both civilly and criminally punishable pursuant to CVC Sections 1808.45 and 1808.46 and the federal Driver’s Privacy Protection Act (18 USC 2721-2725).

**7. CERTIFICATION OF PRE-APPROVED REQUESTER**

EXECUTED AT:	CITY	COUNTY	STATE
SIGNATURE OF AUTHORIZED REPRESENTATIVE		DATE	
PRINTED NAME OF AUTHORIZED REPRESENTATIVE		TITLE	

**DMV APPROVAL**

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STATE OF CALIFORNIA  
DEPARTMENT OF MOTOR VEHICLES

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SIGNATURE (DMV REPRESENTATIVE)

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No confidential information will be released to the general public.

**Applicant must retain a copy of this authorization for their records.**

Mail to: Department of Motor Vehicles  
Accounts Processing Unit – MS H221  
PO Box 944231  
Sacramento, CA 94244-2310

**Physical Address:**  
Department of Motor Vehicles  
Accounts Processing Unit – MS H221  
2570 24<sup>th</sup> Street  
Sacramento, CA 95818



*AS*

CITY OF LONG BEACH POLICY FOR DISADVANTAGED, MINORITY-  
OWNED AND WOMEN-OWNED BUSINESS ENTERPRISES

It is the policy of the City of Long Beach to utilize Disadvantaged, Minority-Owned and Women-Owned Business Enterprises in all aspects of contracting, including construction, the purchase of materials and services, including professional services, leases and the granting of concessions.

EXHIBIT "E"

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# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT  
BUSINESS RELATIONS BUREAU

333 West Ocean Boulevard • Long Beach, CA 90802 • (562) 570-6200

## PURCHASING DIVISION

June 4, 2010

MRS BPO, LLC  
1930 Olney Avenue  
Cherry Hill, NJ 08003  
Attn: Don J. Siler, Chief Sales/Marketing Officer

Dear Mr. Siler:

Based on recent decisions generated out of the United States Court of Appeals for the 9th Circuit, it is understood that your collections methodology has changed; therefore, you will not utilize credit bureau reports in the collection services for our delinquent towing accounts.

Sincerely,

Erik Sund  
Business Relations Manager  
Purchasing Division

I am in receipt of the above information:

Name / Title

Don J. Siler  
Print Name

cc: Lori Ann Farrell, Director of Financial Management  
Pam Horgan, Commercial Services Bureau Manager  
Diana Ambriz, Financial Services Officer  
Amy R. Burton, Deputy City Attorney

*ajs*