

## AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2018 by and between **THE CITY OF LAWRENCE (Client)**, and **VALLEY COLLECTION SERVICE, LLC (Agency)**, an Arizona corporation, at 17431 North 71<sup>st</sup> Drive, Suite 104 Glendale, AZ 85308.

WITNESSETH:

WHEREAS, on the 21<sup>st</sup> day of March, 2018, the Client did issue a request for proposals ("RFP") soliciting proposals for collection services for the Lawrence Municipal Court, which RFP is attached hereto as Attachment A and incorporated by reference as if fully set forth herein; and

WHEREAS, after due consideration of responses to the RFP ("Proposal(s)"), the Client did accept the proposal of Valley Collection Service, LLC, which proposal is attached hereto as Attachment B and incorporated by reference as if fully set forth herein.

WHEREAS, Client and Agency desire Agency to undertake the collection of Client's bad debt accounts as assigned.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises of the parties contained herein, the parties hereto do mutually agree as follows:

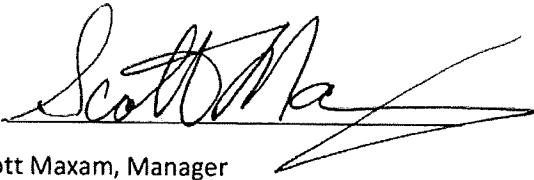
1. **Services.** Agency will assume responsibility for collecting and receiving all sums of money due or payable to Client (the "Services") on all bad debt accounts the Client assigns to the Agency (the "Accounts").
  - a. Agency shall provide services related to the collection of debts owed to the Client in accordance with all Federal law and regulations, Kansas law and regulations, and applicable City of Lawrence ordinances, to the full satisfaction of the Client and in conformance with the Client's RFP and Agency's proposal. The parties understand and agree that due to the nature of the debt to be collected, some of the debt is excluded from the Fair Debt Collection Practices Act; however, Agency agrees to the extent the debt is covered by the FDCPA, Agency shall collect the debt in compliance with same.
  - b. Subject to any reimbursements that may be required under Section 5, Client shall have the right to recall any Account assigned to Agency. However, Accounts subject to a current payment arrangement established by Agency may only be recalled for good cause shown.
  - c. Agency will submit payment by check to Client by the 10<sup>th</sup> of each month for all monies collected between the first and last day of the previous month. Agency will mail remittance statements with payment to Client for reconciliation.
  - d. Agency shall have authority to receive payment from debtors in any form, and shall have authority to endorse checks, drafts, money orders and other negotiable instruments, which may be received in payment.
2. **Client Obligation.** Client will assign accounts to Agency according to the parameters set forth in Exhibit A which is attached hereto and incorporated by reference, unless and until this agreement is terminated pursuant to Section 8.
  - a. Client will provide Agency with accurate and up-to-date information regarding the balance due and delinquency date of the accounts.

- b. Client will provide to Agency all information regarding the Accounts necessary for Agency to perform the Services, including but not limited to: debtor name, address, telephone number, social security number, date of birth and employment information if available. Agency shall keep completely confidential all information provided by Client. In the event that any information is leaked or lost, Agency will notify Client as soon as possible and no later than the next business day.
    - c. Client will endeavor to notify Agency within two business days of any (1) payments from any source received by Client on an Account, (2) bankruptcy notice or filings received by Client on any debtor, (3) notice that debtor disputes an Account, and (4) claim or threat of claim related to an Account.
    - d. Client will provide Agency information regarding Accounts on a regular basis for purposes of reconciling Accounts and identifying any disparities.
    - e. Client will promptly refer to Agency all communications, phone calls and correspondence received from debtor pertaining to an Account.
3. **Fees.** Client will pay Agency the fees identified in Exhibit A for all payments received on an Account.
  - a. Client will pay all amounts due to Agency within 30 days of the due date stated on Agency's invoice.
  - b. This Agreement must comply with the applicable provisions of the Kansas Cash Basis Law, K.S.A. 10-1101 *et seq.* Client is obligated only to make payments under this Agreement as may be lawfully made from funds budgeted and appropriated for the purposes as set forth in this Agreement during the Client's current budget year. In the event Client does not so budget and appropriate the funds, the parties acknowledge and agree that they shall be relieved from all obligations, without penalty, under this Agreement. To the extent that Client does so budget and appropriate funds for the purposes set forth in this Agreement, the obligations of the parties shall remain as provided herein.
4. **Legal Action.** As part of the initial assignment of each particular Account, and subject to Exhibit A, Client may authorize Agency to pursue legal action with respect to that Account and to retain the services of any attorney selected by Agency in connection with such legal action. Agency will only initiate legal action where (a) Agency has reason to believe there is a likelihood of recovery, (b) the assets or other non-exempt resources of debtor appear to demonstrate the potential for payment, and (c) debtor fails or refuses to cooperate in good faith with Agency. Notwithstanding the above, Agency will not initiate a lawsuit with respect to any particular Account unless and until Client has executed a Confirmation of Assignment verifying the accuracy of the Account information for each account to be litigated and authorized Agency to take legal action against the Account. Client will always have final approval for an account to go to legal.
  - a. Client will furnish witnesses capable of testifying regarding the Account when requested.
5. **Reimbursements.** Client will reimburse Agency for just the court costs that Agency has incurred if any of the following circumstances arise following Client's execution of a Confirmation of Assignment with respect to any Account: (1) Client fails to provide necessary supporting documentation or a witness for trial, (2) Client recalls or instructs Agency to discontinue legal

action, or (3) Client error requires that Agency discontinue legal action and Agency has incurred costs up to the point of discontinuation.

6. **Representations and Warranties.** Client represents and warrants to Agency as follows:
  - a. Each Account is a valid and enforceable debt owed by debtor to Client. The balance of each Account is accurate, due and owing as of the date it is assigned. All information provided to Agency regarding each Account and the debtor is accurate to the best of Client's knowledge.
  - b. The Accounts are not currently (1) placed with any other collection Agency, (2) subject to any current or previous legal action, or (3) being credit-reported.
7. **Indemnification.** To the extent allowed by law and subject to Section 5 herein, each party will protect, indemnify, defend and hold harmless the other party from and against any and all claims, loss, cost, expense (including, without limitation, reasonable attorney fees and court costs), demands, liabilities and damages arising from or related to any damage to a third person incurred by reason of any act, omission, or any breach with regard to any provision of this Agreement.
8. **Term and Termination.** This Agreement will become effective on execution, and will continue thereafter until either party gives notice to the other party in writing at least sixty (60) days prior to the date upon which the party giving notice intends to terminate this Agreement. Unless otherwise specified in Exhibit A, upon termination of this Agreement, Agency will cancel and return all Accounts placed with it by Client.
9. **Miscellaneous.**
  - a. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties and supersedes all prior representations, understandings and agreements between the parties. Any amendments or modifications to this Agreement must be in writing and signed by all parties.
  - b. **Severability.** The invalidity, illegality or enforceability of any provision of this Agreement will not affect the validity, legality or enforceability of any other provision of this Agreement, which will remain in full force and effect.
  - c. **Waiver.** The waiver by either party of any breach of this agreement by the other party will not waive any subsequent breaches of the same or different kind. The failure of either party to enforce any rights under this Agreement in any particular instance will not operate as a waiver of said party's right to enforce the same or different rights in subsequent instances.
  - d. **Survival.** All provisions set forth in this Agreement necessary to effectuate Agency's continued collection efforts and right to payment of its fees will survive any termination of this Agreement.
  - e. **Counterparts and Originals.** This Agreement may be executed in counterparts. Each counterpart will have the same force and effect as the original. Any reproduction of the original signature (i.e. facsimile, electronic scan, photocopy) will be valid and effective as an original.
  - f. **Audit.** Client and Agency agree that all of Agency's books, records, documents, contracts and agreements, as may reasonably be necessary for an effective audit, shall, upon reasonable notice being given by Client, be opened to Client, including its duly authorized agents, auditors and employees, for the purpose of verifying Agency's

accounting. Client shall bear the cost of any such audit, unless the audit discloses that Agency owes Client money and has failed to use reasonable efforts in rendering its accounting. In that case, Agency shall be responsible to the City for the reasonable cost of the audit.

By:   
Scott Maxam, Manager

Valley Collection Services, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

City of Lawrence

#### **EXHIBIT A**

#### **CLIENT DETAIL & SERVICE FEES**

**Collection Fees:** Following the date of assignment, Client will pay Agency a collection fee on all moneys collected from any source, whether paid directly to Client or Agency, on all Accounts according to the following commission rates:

- Accounts assigned for collection are subject to a commission of 20% of the principal balance collected.
- Accounts serviced by Agency's Legal Department for heightened collection efforts are subject to a commission of 25% of the principal balance collected.

**Returned Accounts:** If an account is placed in error by Client for reasons such as the account was previously paid or the account is to be written off, Client will be able to recall the account without any fee.

**Remittance Basis:** Agency will remit payments to Client for all monetary amounts collected on behalf of Client NET the 20% commission on the principal balance collected.

**Legal Action:** Subject to Section 4, Client does authorize Agency to pursue legal action on Accounts. Subject to the reimbursements identified in Section 5, in the event of legal action, all legal costs and attorney's fees will be advanced by Agency and paid by Agency. Agency will retain 100% of all legal costs and attorney's fees collected by Agency. Client authorizes Agency to continue with legal action to recover court costs incurred notwithstanding the resolution of all Accounts subject to the lawsuit where the belated resolution arises out of debtor's failure to timely communicate with Client or Agency or other debtor negligence.



# CERTIFICATE OF LIABILITY INSURANCE

VALCO-5

OP ID: QO

DATE (MM/DD/YYYY)  
03/09/18

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> <b>THE MAHONEY GROUP - PHOENIX</b> 20333 N. 19th Ave Ste 200 Phoenix, AZ 85027 Bill Horton	<b>Phone: 623-215-1300</b> <b>Fax: 623-215-1333</b>	<b>CONTACT NAME:</b> PHONE (A/C, No, Ext): E-MAIL ADDRESS:	FAX (A/C, No):
	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
<b>INSURED</b> <b>Valley Collection Service LLC</b> <b>P.O. Box 10130</b> <b>Glendale, AZ 85318-0130</b>	<b>INSURER A : Cincinnati Insurance Company</b>		<b>10677</b>
	<b>INSURER B : Natl. Fire Ins. Co of Hartford</b>		<b>20478</b>
	<b>INSURER C : Houston Casualty Company</b>		<b>42374</b>
	<b>INSURER D :</b>		
	<b>INSURER E :</b>		
<b>INSURER F :</b>			

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			B2057477365	08/15/17	08/15/18	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
B	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS			B2057477365	08/15/17	08/15/18	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS						
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB			EXS0144528	08/15/17	08/15/18	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> RETENTION \$						
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y / N N / A				<input type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
C	<b>Prof Liability</b> <b>Errors &amp; Omis</b>			H718111220 RETRO DATES APPLY	02/24/18	02/24/19	<b>Per Claim</b> 1,000,000 <b>Aggregate</b> 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

THIS CERTIFICATE SHOULD BE VIEWED AS A SUMARIZED REFLECTION OF THE POLICIES/LIMITS IN PLACE FOR THE NAMED INSURED "Valley Collection Service LLC" AND INFERS NO RIGHTS.

**CERTIFICATE HOLDER****CANCELLATION**

<b>PROOF-1</b>  <b>Valley Collection Service LLC</b> <b>Proof of Insurance Coverage</b> <b>P.O. Box 10130</b> <b>Glendale, AZ 85318-0130</b>	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE <i>Bill Horton</i>
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