

**SERIAL 14126 RFP DEBT COLLECTION SERVICES**  
**Contract - GATESTONE & CO. INTERNATIONAL INC**

**DATE OF LAST REVISION: June 04, 2015**

**CONTRACT END DATE: May 31, 2018**

**CONTRACT PERIOD THROUGH MAY 31, 2018**

**TO:** All Departments  
**FROM:** Office of Procurement Services  
**SUBJECT:** Contract for **DEBT COLLECTION SERVICES**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **June 04, 2015**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

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Wes Baysinger, Chief Procurement Officer  
Office of Procurement Services

LA/mm  
Attach

Copy to: Office of Procurement Services  
Kim Knox, Finance Department  
John Werbach, Library District

(Please remove Serial 08099-RFP from your contract notebooks)



## CONTRACT PURSUANT TO RFP

**SERIAL 14126-RFP**

This Contract is entered into this 4<sup>th</sup> day of June, 2015 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and Gatestone & Co. International Inc., an Arizona corporation ("Contractor") for the purchase of Debt Collections Services.

### 1.0 CONTRACT TERM:

- 1.1 This Contract is for a term of Three (3) years, beginning on the 4<sup>th</sup> day of June, 2015 and ending the 31<sup>st</sup> day of May, of 2018.
- 1.2 The County may, at its option and with the agreement of the Contractor, renew the term of this Contract for additional terms up to a maximum of Two (2) years, (or at the County's sole discretion, extend the contract on a month-to-month bases for a maximum of six (6) months after expiration). The County shall notify the Contractor in writing of its intent to extend the Contract term at least sixty (60) calendar days prior to the expiration of the original contract term, or any additional term thereafter.

### 2.0 FEE ADJUSTMENTS:

- 2.1 Any request for a fee adjustment must be submitted sixty (60) days prior to the current Contract expiration. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If County agrees to the adjusted fee, County shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the (Consumer Price Index) or by performing a market survey.

### 3.0 PAYMENTS:

- 3.1 For all accounts referred by the County, unless otherwise instructed, the Contractor's collection fee shall be added by the Contractor to the principal amount of the debt, collected by the Contractor from the debtor, and deducted by the Contractor prior to remitting the principal amount to the County, as presently authorized by state law and an enabling Court order.
- 3.2 Should there be changes in laws or County policy that allows a different method for recovering Contractor collection fee, the Contractor shall modify its methods accordingly, upon instruction from the County.
- 3.3 The Contractor shall accrue interest on outstanding balances at the same rate of the principal per annum upon assignment to collections from the County and only while in active collection status. All interest collected will be remitted to the County.
- 3.4 If an account is reduced or cancelled by the County, no collection fee will be due the Contractor for the amount so reduced or cancelled.
- 3.5 The Contractor and Maricopa County Library District have established internal procedures to monitor and exercise payments to the Contractor. The Contractor shall remit to the Library District the principal amount including collection fees owes to the Contractor. The District will in turn pay fees owed to the Contractor as established in the contract.

3.6 Payment shall be made upon the County's receipt of a properly completed invoice if applicable.

3.7 REMITTANCE:

3.7.1 The Contractor shall be entitled to fees that are calculated by adding the percentage from Attachment A of the debt originally received from the County to the owed balance. Contractor shall not charge any fees to the debtor other than those specified in this Section.

3.7.2 The fee structure will be expressed as percentages (%) of actual monies collected. All fees paid to the County by the Contractor depend on the amount of money collected. The total allowable fee per account shall represent a flat fee calculated by multiplying the collection fee percentage times the total County obligation referred for collection on that account. When the debtor makes multiple payments, the portion of each payment paid to the Contractor shall be proportional to the amount of the County obligation being paid. Example: County obligation of \$500 x collection percentage of 19% = \$95. \$500 County obligation + \$95 collection fee = \$595 due. The County would get 84.03% of each partial payment and the Contractor would get 15.97%. ( $\$500/\$595 = 84.03\%$ .)

3.7.3 Payments made by personal check will be subject to a three (3) day holdover by the Contractor prior to remittance. Any charges resulting from a returned personal check or a debtor due to insufficient funds (NSF) will be the responsibility of the Contractor, not the County. Contractor will include a separate computerized ledger of payments received and debtor information for each category of account receivable and this information will accompany the check. The Contractor shall remit the NET amount collected for each month as described above.

3.8 INVOICES:

3.8.1 The Contractor shall submit in a manner acceptable to the County one (1) legible copy of their detailed invoice before payment(s) can be made. At a minimum, the invoice must provide the following information:

- Company name, address and contact
- County bill-to name and contact information
- Contract serial number
- County purchase order number
- Invoice number and date
- Payment terms
- Date of service or delivery
- Contract Item number(s)
- Description of service provided
- Extended price
- Total Amount Due

3.8.2 Problems regarding billing or invoicing shall be directed to the County as listed on the Purchase Order.

3.8.3 Payment shall be made to the Contractor by Accounts Payable through the Maricopa County Vendor Express Payment Program. This is an Electronic Funds Transfer (EFT) process. After Contract Award the Contractor shall complete the Vendor Registration Form located on the County Department of Finance Vendor Registration Web Site (<http://www.maricopa.gov/Finance/Vendors.aspx>).

3.8.4 EFT payments to the routing and account numbers designated by the Contractor will include the details on the specific invoices that the payment covers. The Contractor is required to discuss remittance delivery capabilities with their designated financial institution for access to those details.

3.9 APPLICABLE TAXES:

- 3.9.1 **Payment of Taxes:** The Contractor shall pay all applicable taxes. With respect to any installation labor on items that are not attached to real property performed by Contractor under the terms of this Contract, the installation labor cost and the gross receipts for materials provided shall be listed separately on the Contractor's invoices.
- 3.9.2 **State and Local Transaction Privilege Taxes:** Maricopa County is subject to all applicable state and local transaction privilege taxes. To the extent any state and local transaction privilege taxes apply to sales made under the terms of this contract\_it is the responsibility of the seller to collect and remit all applicable taxes to the proper taxing jurisdiction of authority.
- 3.9.3 **Tax Indemnification:** Contractor and all subcontractors shall pay all Federal, state, and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold Maricopa County harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

3.10 TAX: (SERVICES)

No tax shall be levied against labor. It is the responsibility of the Contractor to determine any and all taxes and include the same in proposal price.

3.11 STRATEGIC ALLIANCE for VOLUME EXPENDITURES (\$AVE):

- 3.11.1 The County is a member of the \$AVE cooperative purchasing group. \$AVE includes the State of Arizona, many Phoenix metropolitan area municipalities, and many K-12 unified school districts. Under the \$AVE Cooperative Purchasing Agreement, and with the concurrence of the successful Respondent under this solicitation, a member of \$AVE may access a contract resulting from a solicitation issued by the County. If you **do not** want to grant such access to a member of \$AVE, **please so state** in your proposal. In the absence of a statement to the contrary, the County will assume that you do wish to grant access to any contract that may result from this Request for Proposal.

3.12 INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENTS (ICPA's)

- 3.12.1 County currently holds ICPA's with numerous governmental entities throughout the State of Arizona. These agreements allow those entities, with the approval of the Contractor, to purchase their requirements under the terms and conditions of the County Contract. Please indicate on Attachment A, your acceptance or rejection regarding such participation of other governmental entities. Your response will not be considered as an evaluation factor in awarding a contract.

4.0 AVAILABILITY OF FUNDS:

- 4.1 The provisions of this Contract relating to payment for services shall become effective when funds assigned for the purpose of compensating the Contractor as herein provided are actually available to County for disbursement. The County shall be the sole judge and authority in determining the availability of funds under this Contract. County shall keep the Contractor fully informed as to the availability of funds.
- 4.2 If any action is taken by any state agency, Federal department or any other agency or instrumentality to suspend, decrease, or terminate its fiscal obligations under, or in connection with, this Contract, County may amend, suspend, decrease, or terminate its obligations under, or in connection with, this Contract. In the event of termination, County shall be liable for payment

only for services rendered prior to the effective date of the termination, provided that such services are performed in accordance with the provisions of this Contract. County shall give written notice of the effective date of any suspension, amendment, or termination under this Section, at least ten (10) days in advance.

**5.0 DUTIES:**

- 5.1 The Contractor shall perform all duties stated in Exhibit "B", or as otherwise directed in writing by the Procurement Officer.
- 5.2 During the Contract term, County may provide Contractor's personnel with adequate workspace for consultants and such other related facilities as may be required by Contractor to carry out its contractual obligations.

**6.0 TERMS and CONDITIONS:**

**6.1 INDEMNIFICATION:**

- 6.1.1 To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including, but not limited to, attorney fees, court costs, expert witness fees, and the cost of appellate proceedings?, relating to, arising out of, or alleged to have resulted from the negligent acts, errors, omissions, mistakes or malfeasance relating to the Contractor's performance of this Contract. Contractor's duty to defend, indemnify and hold harmless County, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss or expense that is caused by any negligent acts, errors, omissions or mistakes in the performance of this Contract by the Contractor, as well as any person or entity for whose acts, errors, omissions, mistakes or malfeasance Contractor may be legally liable.
- 6.1.2 The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.
- 6.1.3 The scope of this indemnification does not extend to any claim, damage, loss, or expense resulting from the sole negligence of County.

**6.2 INSURANCE:**

- 6.2.1 Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies, which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of County. The form of any insurance policies and forms must be acceptable to County.
- 6.2.2 All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of County, constitute a material breach of this Contract.
- 6.2.3 Contractor's insurance shall be primary insurance as respects County, and any insurance or self-insurance maintained by County shall not contribute to it.
- 6.2.4 Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect the County's right to coverage afforded under the insurance policies.

- 6.2.5 The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to County under such policies. Contractor shall be solely responsible for the deductible and/or self-insured retention and County, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.
- 6.2.6 County reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance certificates. County shall not be obligated to review policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of County's right to insist on strict fulfillment of Contractor's obligations under this Contract.
- 6.2.7 The insurance policies required by this Contract, except Workers' Compensation, and Errors and Omissions, shall name County, its agents, representatives, officers, directors, officials and employees as Additional Insured's.
- 6.2.8 The policies required hereunder, except Workers' Compensation, and Errors and Omissions, shall contain a waiver of transfer of rights of recovery (subrogation) against County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.
- 6.2.9 The Contractor's policies shall stipulate that the insurance afforded the Contractor shall be primary insurance and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).
- 6.2.10 Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.
- 6.2.11 Commercial General Liability:  
  
Commercial General Liability insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than \$1,000,000 for each occurrence, \$1,000,000 Products/Completed Operations Aggregate, and \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage, and shall not contain any provision which would serve to limit third party action over claims. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.
- 6.2.12 Workers' Compensation:  
  
6.2.12.1 Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services under this Contract; and Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.
- 6.2.12.2 Contractor waives all rights against County and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by Contractor pursuant to this Contract.

6.2.13 Crime:

CONTRACTOR shall maintain Commercial Crime Liability Insurance with a limit of not less than \$500,000 for each occurrence. The policy shall include, but not be limited to, coverage for employee dishonesty, fraud, theft, or embezzlement.

6.2.14 **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal and advertising injury and broad form contractual liability coverage.

6.2.14.1	General Aggregate	\$2,000,000
6.2.14.2	Products – Completed Operations Aggregate	\$1,000,000
6.2.14.3	Personal and Advertising Injury	\$1,000,000
6.2.14.4	Damage to Rented Premises	\$ 100,000
6.2.14.5	Each Occurrence	\$1,000,000

6.2.15 Certificates of Insurance:

6.2.15.1 Prior to Contract **AWARD**, Contractor shall furnish the County with valid and complete certificates of insurance, or formal endorsements as required by the Contract in the form provided by the County (**see Exhibit 4**), issued by Contractor’s insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.

6.2.15.2 In the event any insurance policy (ies) required by this contract is (are) written on a “claims made” basis, coverage shall extend for two years past completion and acceptance of Contractor’s work or services and as evidenced by annual Certificates of Insurance.

6.2.15.3 If a policy does expire during the life of the Contract, a renewal certificate must be sent to County fifteen (15) days prior to the expiration date.

6.2.16 Cancellation and Expiration Notice:

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County.

6.3 REQUIREMENTS CONTRACT:

6.3.1 Contractors signify their understanding and agreement by signing a bid submittal, that the Contract resulting from the bid is a requirements contract. However, the Contract does not guarantee any minimum or maximum number of purchases will be made. It only indicates that if purchases are made for the materials or services contained in the Contract, they will be purchased from the Contractor awarded that item if the Contractor can meet all the delivery requirements of the County. Orders will only be placed when the County identifies a need and proper authorization and documentation have been approved.

6.3.2 County reserves the right to cancel Purchase Orders within a reasonable period of time after issuance. Should a Purchase Order be canceled, the County agrees to reimburse the Contractor for actual and documentable costs incurred by the Contractor in response to the Purchase Order. The County will not reimburse the Contractor for any costs incurred after receipt of County notice of cancellation, or for lost profits, shipment of product prior to issuance of Purchase Order, etc.

6.3.3 Contractors agree to accept verbal notification of cancellation of Purchase Orders from the County Procurement Officer with written notification to follow. By submitting a bid in response to this Invitation for Bids, the Contractor specifically acknowledges to be bound by this cancellation policy.

6.4 **SUSPENSION OF WORK:**

The Procurement Officer may order the Contractor, in writing, to suspend, delay, or interrupt all or any part of the work of this contract for the period of time that the Procurement Officer determines appropriate for the convenience of the County. No adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the Contractor. No request for adjustment under this clause shall be granted unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under the contract.

6.5 **STOP WORK ORDER:**

The Procurement Officer may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the work called for by this contract for a period of 90 days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the Procurement Officer shall either—

6.5.1 Cancel the stop-work order; or

6.5.2 Terminate the work covered by the order as provided in the Default, or the Termination for Convenience of the County, clause of this contract.

6.5.3 The Procurement Officer may make an equitable adjustment in the delivery schedule and/or contract price, or otherwise, and the contract shall be modified, in writing, accordingly, if the Contractor demonstrates that the stop work order resulted in an increase in costs to the Contractor.

6.6 **UNCONDITIONAL TERMINATION FOR CONVENIENCE:**

Maricopa County may terminate the resultant Contract for convenience by providing sixty (60) calendar days advance notice to the Contractor.

6.7 **TERMINATION FOR DEFAULT:**

The County may, by written notice of default to the Contractor, terminate this contract in whole or in part if the Contractor fails to:

6.7.1 Deliver the supplies or to perform the services within the time specified in this contract or any extension;

6.7.2 Make progress, so as to endanger performance of this contract; or

6.7.3 Perform any of the other provisions of this contract.

6.7.4 The County's right to terminate this contract under these subparagraph may be exercised if the Contractor does not cure such failure within 10 days (or more if authorized in writing by the County) after receipt of the notice from the Procurement Officer specifying the failure.

**6.8 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:**

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel any Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

**6.9 CONTRACTOR LICENSE REQUIREMENT:**

6.9.1 The Respondent shall procure all permits, insurance, licenses and pay the charges and fees necessary and incidental to the lawful conduct of his/her business, and as necessary complete any required certification requirements, required by any and all governmental or non-governmental entities as mandated to maintain compliance with and in good standing for all permits and/or licenses. The Respondent shall keep fully informed of existing and future trade or industry requirements, Federal, State and Local laws, ordinances, and regulations which in any manner affect the fulfillment of a Contract and shall comply with the same. Contractor shall immediately notify both Office of Procurement Services and the using agency of any and all changes concerning permits, insurance or licenses.

6.9.2 Respondents furnishing finished products, materials or articles of merchandise that will require installation or attachment as part of the Contract, shall possess any licenses required. A Respondent is not relieved of its obligation to possess the required licenses by subcontracting of the labor portion of the Contract. Respondents are advised to contact the Arizona Registrar of Contractors, Chief of Licensing, at (602) 542-1525 to ascertain licensing requirements for a particular contract. Respondents shall identify which license(s), if any, the Registrar of Contractors requires for performance of the Contract.

**6.10 SUBCONTRACTING:**

6.10.1 The Contractor may not assign to another Contractor or Subcontract to another party for performance of the terms and conditions hereof without the written consent of the County. All correspondence authorizing subcontracting must reference the Bid Serial Number and identify the job project.

6.10.2 The Subcontractor's rate for the job shall not exceed that of the Prime Contractor's rate, as bid in the pricing section, unless the Prime Contractor is willing to absorb any higher rates or the County has approved the increase. The Subcontractor's invoice shall be invoiced directly to the Prime Contractor, who in turn shall pass-through the costs to the County, without mark-up. A copy of the Subcontractor's invoice must accompany the Prime Contractor's invoice.

**6.11 AMENDMENTS:**

All amendments to this Contract shall be in writing and approved/signed by both parties. Maricopa County Office of Procurement Services shall be responsible for approving all amendments for Maricopa County.

**6.12 ADDITIONS/DELETIONS OF SERVICE:**

6.12.1 The County reserves the right to add and/or delete materials and services to a Contract. If a service requirement is deleted, payment to the Contractor will be reduced

proportionately, to the amount of service reduced in accordance with the bid price. If additional materials or services are required from a Contract, prices for such additions will be negotiated between the Contractor and the County.

6.12.2 The County reserves the right of final approval on proposed staff for all Task Orders. Also, upon request by the County, the Contractor will be required to remove any employees working on County projects and substitute personnel based on the discretion of the County within two business days, unless previously approved by the County.

6.13 **VALIDITY:**

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of the Contract.

6.14 **SEVERABILITY:**

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of this Contract.

6.15 **RIGHTS IN DATA:**

The County shall have the use of data and reports resulting from a Contract without additional cost or other restriction except as may be established by law or applicable regulation. Each party shall supply to the other party, upon request, any available information that is relevant to a Contract and to the performance thereunder.

6.16 **NON-DISCRIMINATION:**

CONTRACTOR agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09 including flow down of all provisions and requirements to any subcontractors. Executive Order 2009-09 supersedes Executive order 99-4 and amends Executive order 75-5 and may be viewed and downloaded at the Governor of the State of Arizona's website [http://www.azgovernor.gov/dms/upload/EO\\_2009\\_09.pdf](http://www.azgovernor.gov/dms/upload/EO_2009_09.pdf) which is hereby incorporated into this contract as if set forth in full herein. During the performance of this contract, CONTRACTOR shall not discriminate against any employee, client or any or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

6.17 **CERTIFICATION REGARDING DEBARMENT AND SUSPENSION:**

6.17.1 The undersigned (authorized official signing for the Contractor) certifies to the best of his or her knowledge and belief, that the Contractor

6.17.1.1 is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department or agency;

6.17.1.2 have not within 3-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statues or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

6.17.1.3 are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

- 6.17.1.4 have not within a 3-year period preceding this Contract had one or more public transaction (Federal, State or local) terminated for cause of default.
- 6.17.2 The Contractor agrees to include, without modification, this clause in all lower tier covered transactions (i.e. transactions with subcontractors) and in all solicitations for lower tier covered transactions related to this Contract.
- 6.18 VERIFICATION REGARDING COMPLIANCE WITH ARIZONA REVISED STATUTES §41-4401 AND FEDERAL IMMIGRATION LAWS AND REGULATIONS:
- 6.18.1 By entering into the Contract, the Contractor warrants compliance with the Immigration and Nationality Act (INA using e-verify) and all other federal immigration laws and regulations related to the immigration status of its employees and A.R.S. §23-214(A). The contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the Immigration Reform and Control Act of 1986, as amended from time to time, for all employees performing work under the Contract and verify employee compliance using the E-verify system and shall keep a record of the verification for the duration of the employee's employment or at least three years, whichever is longer. I-9 forms are available for download at USCIS.GOV.
- 6.18.2 The County retains the legal right to inspect contractor and subcontractor employee documents performing work under this Contract to verify compliance with paragraph 6.10 of this Section. Contractor and subcontractor shall be given reasonable notice of the County's intent to inspect and shall make the documents available at the time and date specified. Should the County suspect or find that the Contractor or any of its subcontractors are not in compliance, the County will consider this a material breach of the contract and may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.
- 6.19 INFLUENCE:
- As prescribed in MC1-1202 of the Maricopa County Procurement Code, any effort to influence an employee or agent to breach the Maricopa County Ethical Code of Conduct or any ethical conduct may be grounds for Disbarment or Suspension under MC1-902.  
An attempt to influence includes, but is not limited to:
- 6.19.1 A Person offering or providing a gratuity, gift, tip, present, donation, money, entertainment or educational passes or tickets, or any type valuable contribution or subsidy,
- 6.19.2 That is offered or given with the intent to influence a decision, obtain a contract, garner favorable treatment, or gain favorable consideration of any kind.
- If a Person attempts to influence any employee or agent of Maricopa County, the Chief Procurement Officer, or his designee, reserves the right to seek any remedy provided by the Maricopa County Procurement Code, any remedy in equity or in the law, or any remedy provided by this contract.
- 6.20 ACCESS TO AND RETENTION OF RECORDS FOR THE PURPOSE OF AUDIT AND/OR OTHER REVIEW:
- 6.20.1 In accordance with section MCI 371 of the Maricopa County Procurement Code the Contractor agrees to retain all books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract for six (6) years after

final payment or until after the resolution of any audit questions which could be more than six (6) years, whichever is latest. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine copy and make use of, any and all said materials.

6.20.2 If the Contractor's books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

6.20.3 If at any time it is determined by the County that a cost for which payment has been made is a disallowed cost, the County shall notify the Contractor in writing of the disallowance. The course of action to address the disallowance shall be at sole discretion of the County, and may include either an adjustment to future invoices, request for credit, request for a check or deduction from current billings Submitted by the Contractor by the amount of the disallowance, or to require reimbursement forthwith of the disallowed amount by the Contractor by issuing a check payable to Maricopa County.

6.21 **AUDIT DISALLOWANCES:**

If at any time, County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

6.22 **OFFSET FOR DAMAGES;**

In addition to all other remedies at Law or Equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance of the contract.

6.23 **PUBLIC RECORDS:**

Under Arizona law, all Offers submitted and opened are public records and must be retained by the Records Manager at the Office of Procurement Services. Offers shall be open to public inspection and copying after Contract award and execution, except for such Offers or sections thereof determined to contain proprietary or confidential information, by the Office of Procurement Services. If an Offeror believes that information in its Offer or any resulting Contract should not be released in response to a public record request under Arizona law, the Offeror shall indicate the specific information deemed confidential or proprietary and submit a statement with its offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise from disclosure. The Records Manager of the Office of Procurement Services shall determine whether the identified information is confidential pursuant to the Maricopa County Procurement Code.

6.24 **PRICES:**

Contractor warrants that prices extended to County under this Contract are no higher than those paid by any other customer for these or similar services.

6.25 **INTEGRATION:**

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

6.26 RELATIONSHIPS:

In the performance of the services described herein, the Contractor shall act solely as an independent contractor, and nothing herein or implied herein shall at any time be construed as to create the relationship of employer and employee, co-employee, partnership, principal and agent, or joint venture between the County and the Contractor.

6.27 GOVERNING LAW:

This Contract shall be governed by the laws of the state of Arizona. Venue for any actions or lawsuits involving this Contract will be in Maricopa County Superior Court or in the United States District Court for the District of Arizona, sitting in Phoenix, Arizona

6.28 ORDER OF PRECEDENCE:

In the event of a conflict in the provisions of this Contract and Contractor's license agreement, if applicable, the terms of this Contract shall prevail.

6.29 INCORPORATION OF DOCUMENTS:

The following are to be attached to and made part of this Contract:

6.29.1 Exhibit A, Pricing

6.29.2 Exhibit B, Scope of Work

NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County  
Office of Procurement Services  
ATTN: Contract Administration  
320 West Lincoln Street  
Phoenix, Arizona 85003-2494

For Contractor:

Gatestone & Co. International Inc.  
455 North Third Street  
Phoenix, AZ 85004  
602-781-0474

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

**CONTRACTOR**

Boris Dybenko  
AUTHORIZED SIGNATURE

BORIS DYBENKO EVP & CFO  
PRINTED NAME AND TITLE

Gatestone & Co. INT'L, 455 North 3rd St., PHOENIX, AZ  
ADDRESS

JUNE 4, 2015  
DATE

**MARICOPA COUNTY**

  
CHIEF PROCUREMENT OFFICER,  
OFFICE OF PROCUREMENT SERVICES

6/10/15  
DATE

**APPROVED AS TO FORM:**

  
LEGAL COUNSEL

JUN 8, 2015  
DATE

**EXHIBIT A**

**PRICING**

SERIAL 14126-RFP  
 NIGP CODE: 94633  
 RESPONDENT'S NAME: Gatestone & Co. International Inc.  
 COUNTY VENDOR NUMBER : 20110058270  
 ADDRESS: 455 North Third Street, Suite 260  
Phoenix, AZ 85004  
 P.O. ADDRESS: \_\_\_\_\_  
 TELEPHONE NUMBER: 602-781-0474  
 FACSIMILE NUMBER: 602-443-2929  
 WEB SITE: www.gatestoneco.com  
 CONTACT (REPRESENTATIVE): John Stock  
 REPRESENTATIVE'S E-MAIL ADDRESS: john.stock@gatestoneco.com

	<u>YES</u>	<u>NO</u>	<u>REBATE</u>
WILL ALLOW OTHER GOVERNMENTAL ENTITIES TO PURCHASE FROM THIS CONTRACT	[ X ]	[ ]	
WILL ACCEPT PROCUREMENT CARD FOR PAYMENT:	[ X ]	[ ]	
WILL OFFER REBATE (CASH OR CREDIT) FOR UTILIZING PROCUREMENT CARD:	[ ]	[ X ]	_____ %

(Payment shall be made within 48 hours of utilizing the Purchasing Card)

RESPONDENT IS REQUIRED TO PICK ONE OF THE FOLLOWING PAYMENT TERMS.  
 FAILURE TO INDICATE PAYMENT TERMS WILL RESULT IN A DEFAULT TO NET 30 DAYS.  
 RESPONDENT MUST INITIAL THEIR SELECTION BELOW.

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> NET 10 DAYS            | <input type="checkbox"/> NET 45 DAYS            | <input type="checkbox"/> 1% 10 DAYS NET 30 DAYS |
| <input type="checkbox"/> NET 15 DAYS            | <input type="checkbox"/> NET 60 DAYS            | <input type="checkbox"/> 2% 30 DAYS NET 31 DAYS |
| <input type="checkbox"/> NET 20 DAYS            | <input type="checkbox"/> NET 90 DAYS            | <input type="checkbox"/> 1% 30 DAYS NET 31 DAYS |
| <input checked="" type="checkbox"/> NET 30 DAYS | <input type="checkbox"/> 2% 10 DAYS NET 30 DAYS | <input type="checkbox"/> 5% 30 DAYS NET 31 DAYS |

**1.0 PRICING: PROPOSED COLLECTION FEE**

ITEM DESCRIPTION	_____
<b>Collection Services</b>	<u><b>16.5%</b></u>
<b>Legal Collections</b>	<u><b>\$300 flat-rate adder</b></u>

**EXHIBIT B**

**SCOPE OF WORK**

**PROCEDURES FOR IN-STATE COLLECTION EFFORTS**

We believe that there are three factors influencing payments: (1) the ability to contact the debtor, (2) the debtor’s ability pay, and (3) the debtor’s willingness to meet their obligations. Experience shows that automated information gathering can provide valuable insight into debtor location and their ability to pay, and that highly-trained agents can use this information to influence the debtor’s willingness. Our combination of leading-edge tools and professional agents, therefore, consistently delivers high net back recoveries.

***Ability to Pay: Scoring for Treatment***

Gatestone has developed a scoring model that can evaluate a debtor’s ability to satisfy a debt based on credit history, current and past payment patterns, age, demographics, and/or zip code region, and segment these accounts to employ the treatment plan most likely to garner results.

This program is also designed to track a debtor’s score over a given historical period; agents can use information regarding improving payment patterns during debtor calls to improve the chances of collecting and/or reaching a suitable repayment plan. As an account’s score changes, it may move into a different treatment strategy, thus improving recoveries.

***Willingness to Pay: Workplan & Treatment***

Immediately upon placement, each account is scrubbed, scored, and loaded into the RMEx platform. The RMEx system is configured for each Gatestone client’s business requirements. Processing and management controls programmed during implementation include:

- System, workplan, and treatment controls (based on client directives, applicable regulations, and Gatestone best practices)
- Smart codes
- Collector management
- Nightly account processes
- Dialer interfaces
- Automated load and purge processes
- Letter templates and management
- Invoicing controls
- Data back-up and archiving policies
- Payment processing methods
- Internal and Client-facing reports

Workplans and complex treatment strategies are fully automated in order to prevent variances by the individual collectors. This standardized approach means that the County’s inventory will get worked evenly and equally, per pre-determined treatment strategies, minimizing treatment errors and maximizing recoveries.

**Collector Toolbar**

Gatestone has developed a collector toolbar that increases efficiencies for our front-line agents.

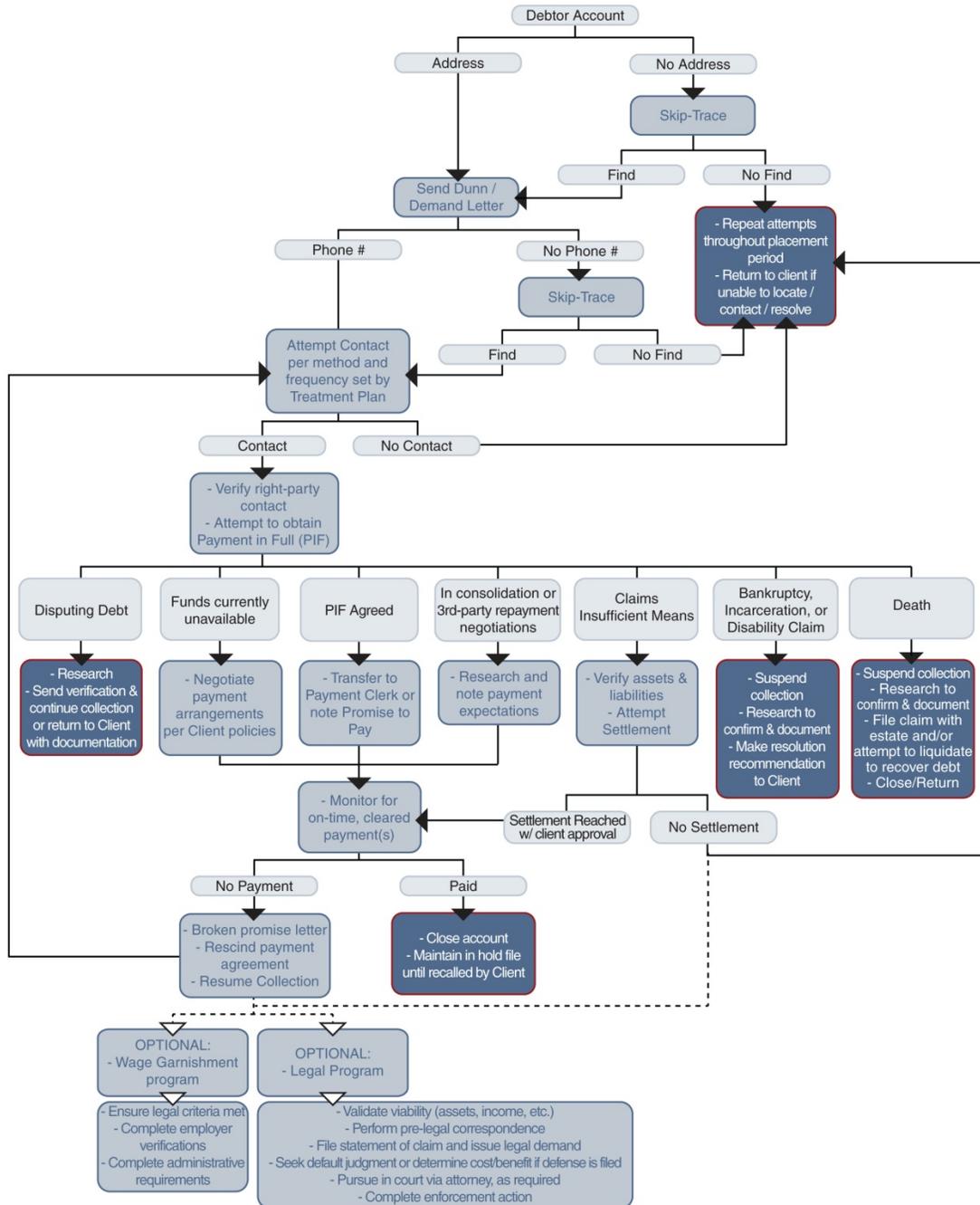


- Quick-dial buttons provide one-click dialing to any known number on the screen
- Increases calls by up to 35%
- Mouse-click dialing increases accuracy and allows for automated call limits to ensure compliance with time zone and max-attempt regulations
- Insta-Wash function works in the background to search public internet directories
- Electronic, auditable “Hot List” tracks good leads

**Sample Workplan**

The workplan, developed by Gatestone specific to the County’s requirements, will determine the progression of accounts based on interaction with the debtor. This will include any options available for repayment, such as

installment programs, deferment request options, and/or settlement allowances. A sample workplan is provided below:



**Treatment**

A complex treatment strategy will also be developed by Gatestone specific to the County’s portfolio based on account attributes, which can include such factors as financing type, balance range, score, age of debt, demographics, etc. Treatment plans are determined, and all accounts are segregated to determine contact method, frequency, type of agent, etc. All accounts are rewashed every 30 days, thereby moving evolving accounts to the appropriate treatment plan.

A sample treatment plan is provided below, for reference:

Balance	Score	Wash	ACRs	Dial		Mailings	Rotation (new collector)	Secondary Work	
				Type	Frequency			Supervisor	Manager
Low	Low	On load & every 30 days	60	Home/Work: Dialer Cell: Manual	Daily for 3 days, weekly until recalled	3	30 days	N/A	N/A
	Mid	On load & every 30 days	60	Dialer & dedicated intermediate and senior collectors	Daily for 7 days, weekly until recalled	5	30 days	N/A	N/A
	High	On load & every 30 days	60	Dedicated senior collectors	Daily for 10 days, weekly until recalled	7	21 days	N/A	N/A
Mid	Low	On load & every 30 days	60	Home/Work: Dialer Cell: Manual	Daily for 7 days, weekly until recalled	3	30 days	10%	N/A
	Mid	On load & every 30 days	60	Dialer & dedicated Intermediate and senior collectors	Daily for 10 days, weekly until recalled	5	15 days	25%	N/A
	High	On load & every 30 days	60	Dedicated collectors	Daily for 14 days, weekly until recalled	7	7 days	50%	N/A
High	Low	On load & every 30 days	60	Dialer & dedicated intermediate and high-balance collectors	Daily for 14 days, weekly until recalled	5	30 days	10%	10%
	Mid	On load & every 30 days	60	Dialer & dedicated intermediate and high-balance collectors	Daily for 21 days, weekly until recalled	7	15 days	25%	10%
	High	On load & every 30 days	60	Dedicated collectors	Daily for 30 days, weekly until recalled	7	7 days	50%	20%

**Dialer Campaigns**

Gatestone uses the integrated dialer software on the iSeries platform. This consists of the collection software with predictive dialing enhancements on the IBM iSeries Model 80, interfacing with a predictive dialing engine from Sytel. All agents can access dialer functions such as power or predictive dial and automatic screen pop-up for incoming calls. The iSeries and the Sytel servers are connected together via a dedicated Ethernet Local Area Network (LAN). Software on the iSeries controls the predictive dialing engine and telephony hardware. The source data for the telephone call comes directly from the master files on the iSeries and the results of the call, such as a “promised to pay” or “left message to call”, are recorded directly and immediately onto the iSeries master files. The tight integration between the collection software and the Sytel dialer ensures accounts are actioned immediately as a call progresses, rather than waiting until results are downloaded from the dialer. This eliminates duplicate calls or other problems arising from outdated data.

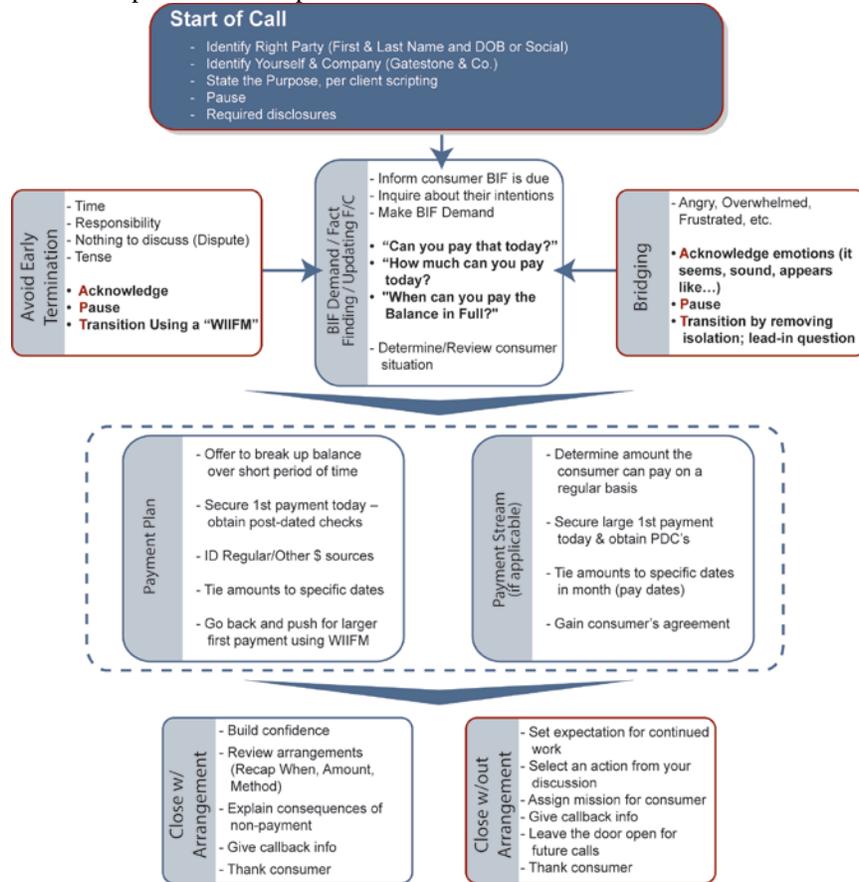
**Letter Series**

Mailing frequency and type is determined based upon the complex treatment strategy, and controlled via our rules-based collection platform. On average, accounts receive at least seven letters during the placement period. Letter series templates are developed based on the specifics of the portfolio, available repayment options, etc., and will be approved by the County during implementation.

**Call Flow**

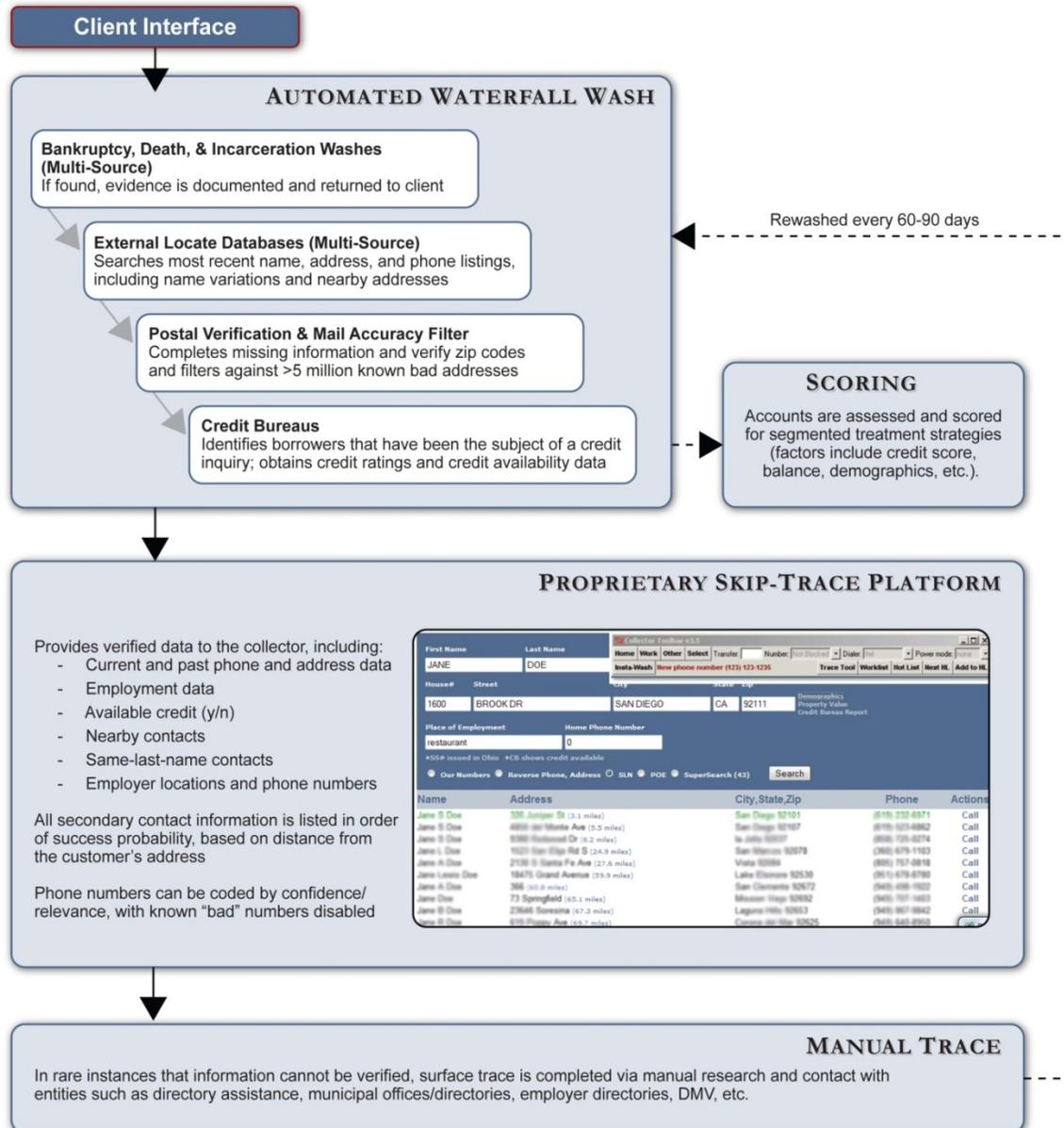
Gatestone collectors are trained in communication and negotiation techniques, but are not given a specific script to follow, outside of regulatory and client-specific requirements. We believe that preparing our collectors in this way creates better listening and response skills and results in better customer service and performance.

Collectors are given call flow guidelines specific to the portfolio they are servicing. This includes methods to calm and motivate the debtor, the succession of payment, settlement, and/or relief options that apply to the portfolio, and the closing of calls. An example call flow is provided below:



**Ability to Contact: Skip-Tracing**

Gatestone has developed the most powerful skip trace system in the United States, with international capabilities. We understand that a highly effective skip trace solution is incredibly important to any collections program. Our combination of automated and manual processes, and the presentation of unmatched levels of information directly to our collectors, maximizes locate rates as well as aiding in negotiations once contact is established.



Numbers are color coded based on probability of a match and the result of any call attempts; for example, if a number has been dialed and is now known to be of no relevance to the account, it is coded as “bad/red,” whereas a number that is suspected of being relevant but no contact was made can be coded as “good/green” for future attempts. All calls are launched via point-and-click dialing, again supporting systemic compliance over time zone and attempt limitations, as well as disabling dialing on all known “bad” numbers.

All accounts are cycled back through the full wash and search process a minimum of every 30 days to reveal any new data.

***Performance Management***

Gatestone manages performance, ensures quality, and mitigates risk through comprehensive management at the agent and portfolio levels.

Our multi-tiered monitoring of compliance, approach, and performance is designed to ensure maximum recoveries and reputation protection for our clients. We have the controls in place to analyze service delivery, and we continually optimize our approaches in order to be a top performer within each area that is of value to Gatestone and the County.

**Daily Calibrations & Coaching**

Each day, Gatestone Managers and Supervisors hold call calibration sessions with small groups of agents. During these sessions, random calls applicable to the agents in attendance are played, and each attendee evaluates and rates each call. Discussion is facilitated on what was done right, done wrong, and what could be improved upon. This level of manager-led and peer-involved review tends to promote a desire to perform well in comparison to other team members and provides further opportunity for coaching.

Additionally, supervisors and managers regularly perform one-on-one coaching sessions and side-by-side observations to further develop collector skills. The frequency of these sessions is increased for the bottom 10% of performers, as determined weekly.

**Weekly Scorecards**

Gatestone develops client-specific scorecards at both the portfolio and agent levels, ensuring that we are reviewing and compensating employees based on the factors that are most important to you. These include both performance and quality measurements.

In effort to ensure maximum efficiencies, Gatestone measures performance, compliance, quality, treatment, adherence, and productivity, in each of the segments we service. Following are the metrics typically presented to Supervisors and Managers daily with detail at the collector level, totaled for their subordinates, and rolled-up to the team/portfolio level. Each day these are analyzed for the previous day, the week-to-date, the month-to-date, and the year-to-date and compared against goals. This allows management to constantly understand placement against expectations and allows prompt response to any short-falls and any individual coaching opportunities.

Metric	Total #	Total \$	Per Worked Hour	Per System Hour	Other
Work Hours	✓				
System Hours	✓		✓		
Talk Time	✓		✓	✓	
Accounts Worked	✓	✓	✓	✓	Over total queue
Calls	✓		✓	✓	
Right Party Contacts	✓		✓	✓	Over total calls
Payments	✓	✓	✓	✓	Against goal
Promises Received	✓	✓	✓	✓	Over RPCs
Promises Kept	✓	✓			Over total promises
Monitoring	Quality				Overall scores and trends
	Treatment				
	Compliance				
	Adherence				

The Vice President assigned to the portfolio also reviews these numbers and associated trending at least once per month, at mid-month. This allows for a full review of strategy and any required adjustments to ensure targets are consistently met for the County.

**Monthly Audits**

The County’s designated Client Services Representative will perform monthly audits regarding successes and opportunities in complying with client-specific work standards and regulatory matters. Results from these audits are provided to the executive team and the portfolio’s direct management, with any issues related to collector groups or individuals being promptly addressed. Typically, if a process or compliance issue is identified, the full team is provided retraining or coaching on the matter, on the assumption that if one agent performs such an error, any team member has the potential to do so.

The following table details the elements typically involved in the monthly audit. These reviews also result in detail of opportunities for improvement and risks to the client and/or Gatestone, based on audit findings.

Element	Detail
Call Listening, Browse & Quality	<ul style="list-style-type: none"> <li>▪ Meet % expectations</li> <li>▪ follow policies and procedures</li> </ul>
Licenses & Bonds	<ul style="list-style-type: none"> <li>▪ All requirements in place and current</li> <li>▪ All displayed, per requirements</li> </ul>
Account Movement & Strategies	<ul style="list-style-type: none"> <li>▪ Review random sample of:               <ul style="list-style-type: none"> <li>○ data exchanges</li> <li>○ reconciliations</li> <li>○ account treatment (e.g. letter issuance)</li> </ul> </li> </ul>
Manager Queue Audit	<ul style="list-style-type: none"> <li>▪ Review queue to determine proper placement and treatment</li> </ul>
Correspondence	<ul style="list-style-type: none"> <li>▪ Reconcile correspondence log with account notes</li> <li>▪ Review cease &amp; desist accounts for call and letter stops</li> </ul>
Call Exceptions	<ul style="list-style-type: none"> <li>▪ Audit of calling exceptions for TCPA, FDCPA and Max Attempts</li> <li>▪ Random sample of calls reviewed for exceptions</li> </ul>
Complaint Handling	<ul style="list-style-type: none"> <li>▪ Review complaints process is being adhered to, including logging, communication, response timelines, etc.</li> </ul>
Training (New Hire & Ongoing)	<ul style="list-style-type: none"> <li>▪ Random sample of new hire tests, ensuring they are on file and scored correctly</li> <li>▪ Random sample of refresher tests, ensuring they are on file and scored correctly</li> </ul>
Dedicated Resources	<ul style="list-style-type: none"> <li>▪ Ensure hires and terminations reconcile with current roster sent to client</li> <li>▪ Ensure IDs are associated with proper access levels/areas</li> <li>▪ Ensure all resigned employees were removed from system and facility access</li> </ul>
Payment Handling	<ul style="list-style-type: none"> <li>▪ Review random sample of transactions for exceptions</li> </ul>
Background Checks	<ul style="list-style-type: none"> <li>▪ Review random sample of employee files for current background checks</li> </ul>
Communication (Inbound)	<ul style="list-style-type: none"> <li>▪ Complete random in-bound attempts to toll-free lines and document exceptions to agent availability</li> </ul>
Letter Review	<ul style="list-style-type: none"> <li>▪ Review random sample to ensure letters sent per client work standards</li> <li>▪ Ensure proper letter templates are in use</li> </ul>
Jurisdictional Warning Audit	<ul style="list-style-type: none"> <li>▪ Test system to ensure pop-ups regarding jurisdictional regulations are working</li> </ul>
Security	<ul style="list-style-type: none"> <li>▪ Walk-through review of compliance with clean desk policy</li> <li>▪ Random ID requests</li> <li>▪ Visitor log review</li> <li>▪ Observation of access swipe/no piggyback rules</li> </ul>

**Call Listening**

Gatestone agents receive scoring forms and action plans resulting from all call calibration and call monitor performed on each of their calls; the agent’s Manager reviews these forms with the agent and provides one-on-one coaching regarding results.

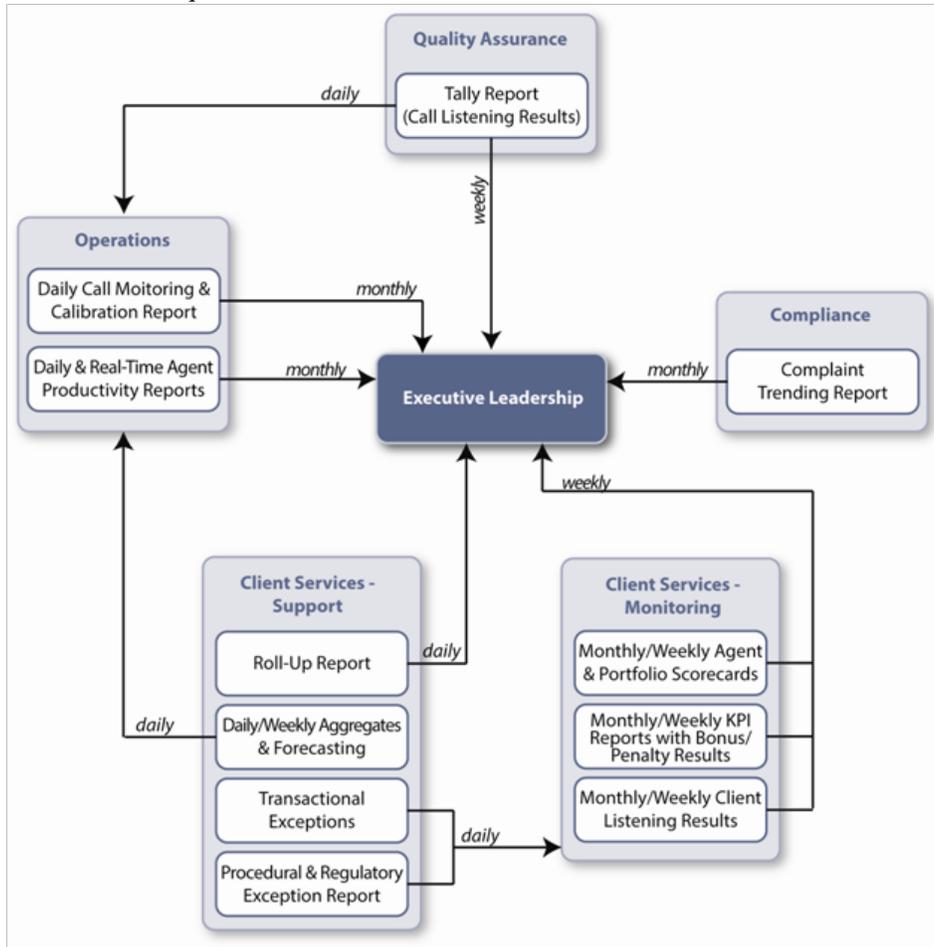
Approximately 30 calls per collector, per month are scored, with evaluation forms being provided to the agent and reviewed by their manager daily. The review form will be customized to address adherence to applicable County policies and work standards, in addition to including regulatory adherence and customer treatment expectations. Following is a sample call monitoring evaluation form:

CALL MONITORING FORM					
Collector Name:	_____	Client/Portfolio:	_____	Call date:	_____
Reviewer Name:	_____	Account #:	_____	Review date:	_____
Opening - Right Party Contact					
	Action	Yes	No	N/A	Explanation
1	Identify the student (first and last name, suffix if applicable)				
2	Identify the Collector (first and last name, suffix if applicable)				
3	Authentication				
4	Identify Company name				
5	Identify Gatestone is a collection agency				
6	Identify Creditor name				
7	Provide Mini-Miranda disclosure				
Communicating with the Student					
	Action	Yes	No	N/A	Explanation
8	Communicated with a student represented by an attorney				
Prohibited Practices					
	Action	Yes	No	N/A	Explanation
9	Did not threaten the student with use of violence				
10	<i>Professional Conduct</i>				
	Did the collector refrain from using profanity, obscenities and harassing language?				
	Did the collector refrain from calling the consumer to threaten with the intent to annoy or harass?				
	Did the collector refrain from actively hanging up on the student?				
11	Did the collector refrain from calling the student back after a sudden disconnect?				
12	<i>False or misleading representations</i>				
	Did they refrain from misrepresenting collector identity?				
	Did they refrain from misrepresenting actual consequences of non-payment?				
13	Did they refrain from overshadowing the student's validation rights?				
Third-Party Contacts					
	Action	Yes	No	N/A	Explanation
14	Did the collector refrain from disclosing information to a third party?				
15	Did no identify company be name, unless when specifically asked				
16	Skip Trace/Identifying RPC information				
Compliance Related Account Maintenance					
	Action	Yes	No	N/A	Explanation
17	Complaint handling				
18	Disputed debt maintenance				
19	Bankruptcy maintenance				
20	Updating student information				
21	Cease & Desist maintenance				
22	Do Not Call				
23	Settlement maintenance				
24	Deceased maintenance				
Acknowledgement					
Collector Signature:	_____	Date Signed:	_____		
Manager Signature:	_____	Date Signed:	_____		

**Quality Assurance**

Gatestone maintains multi-departmental reviews of service measurements specific to each client’s objectives, with executive review of all facets of our relationships. Our strict controls and audits ensure independent reports

regarding performance, compliance, and customer experience are provided to our executive team. Exchanged reports and their associated frequencies are detailed below:



**PROCEDURES FOR OUT-OF-STATE COLLECTION EFFORTS**

Gatestone is authorized to collect in all states, and the processes associated with out of state collections will follow the above-noted methodology. Our Phoenix call center operating hours facilitate out-bound calling across all allowable calling times across all US time zones, as well as in-bound availability for extended hours. Gatestone’s compliance controls ensure that all attempts comply with jurisdictional regulations by controlling elements such as allowable calling times, pre-recorded disclosures by jurisdiction, letter templates by jurisdiction, etc. Our skip tracing tool is equipped to locate skip accounts across North America, and we maintain a relationship with network of attorneys able to litigate across the US and Canada.

**PROCEDURES FOR CANADIAN COLLECTION EFFORTS**

Gatestone operates collection centers in Ontario and Quebec, and these offices are licensed to collect in all Canadian provinces. Gatestone maintains the policies, procedures, infrastructure, and controls required to maximize recoveries while ensuring superior levels of compliance and customer treatment globally. Our skip tracing tool is equipped to locate skip accounts across North America, and we maintain a relationship with network of attorneys able to litigate across the US and Canada.

**TIMEFRAME OF COLLECTION ACTIVITIES**

Timeframe and frequency of collection attempts are driven by the associated workplan and treatment plan; samples of these are provided above. Gatestone employs methods and strategies that will secure payments and account resolutions as promptly as possible, while protecting the County’s public image and reputation.

## **REFERRAL METHODS UTILIZED**

Gatestone has developed interfaces with hundreds of clients and third-party transfer systems. We are committed to implementing a transfer method that is most convenient for the County, requiring minimal intervention from your stakeholders while maximizing security and accuracy of data transfer and loading.

Gatestone can receive data in any layout and file type required by the County, and will similarly return files following the file format, type, and communication method and frequency of your choosing. Communication methods and data mapping will be programmed during the implementation period.

Gatestone's data transmission scheduler system is used to automate the process of creating, naming, backing-up, and sending or receiving data files. Expected files are scheduled for pick-up or delivery, and, in the absence of any expected files, automated notifications are sent to pre-determined departments, based on the type of file; this may include accounting, operations, client services and/or the City.

Verification, balancing, encryption, and back-up are all completed within the data transmission process. Therefore, all client-bound files are scheduled a minimum of two hours prior to the client-mandated cut-off to allow for any corrective action requirements.

During implementation (or during any format changes throughout the life of the contract), client-specific verification keys are implemented in all data processing systems. These keys allow for rapid identification of any file issues via initial file validation and exception/error reporting. This process will identify, within both outbound and inbound files, individual records that are inconsistent with validation requirements. With outbound files, the remainder of the file is transmitted, with the error-producing record being flagged for correction and inclusion within the next data transmission. For inbound files, the system will create an error log that is manually reviewed by Gatestone to attempt to process the record; if unsuccessful, the County will be contacted for further information.

All instances of data not passing validation are tracked and reported, producing a cumulative error rate. Any significant errors for individual file types or processes are addressed, with possible corrective actions including retraining, reprogramming, or process/procedure modifications.

## **RECORD MAINTENANCE**

Gatestone ensures record maintenance and data integrity through systemic controls over all processes. This not only ensures proper handling, but also provides detailed, auditable action trails for every account and piece of data; all actions are user, date, and time stamped.

An RMEx system instance will be configured for the County's business requirements. Processing and management controls programmed during implementation include:

- System, workplan, and treatment controls (based on client directives, applicable regulations, and Gatestone best practices)
- Smart codes
- Collector management
- Nightly account processes
- Dialer interfaces
- Automated load and purge processes
- Letter templates and management
- Invoicing controls
- Data back-up and archiving policies
- Payment processing methods
- Internal and Client-facing reports

Due to the close integration of all our technologies, Gatestone systems update in real-time, identifying the user initiating every action associated with an account, with associated time and date stamping. This provides an auditable trail of activity for each and every account action, whether initiated by an agent, manager, support staff member, quality analyst, or an automated system process.

This system-based recording also ensures that reporting is available on all data, actions, and result associated with every file, account, and contact attempt. All associated data is included within our back-up and archiving policies, ensuring access to this data for up to seven years, further facilitating any audit or review processes.

Back-ups are performed nightly for computer, voicemail, and phone switch data. Back-up files are kept in a secure, supervised facility only accessible to authorized personnel. Logs are kept for all added and removed files, and all data that is to be discarded are destroyed on-site within the secure area.

**DISPUTE RESOLUTION PROCESS**

If a debtor disputes the existence or amount of a debt, the Gatestone agent will record all details of the dispute and code the account appropriately to stop collection and contact efforts and move the account to a hold/exception queue; if only a portion of the balance is in dispute, collection efforts will continue on any undisputed portion of the account. Your client services representative will monitor your hold/exception queue and contact the County. The County will be asked to confirm supporting detail and substantiating evidence, which will, in turn, be provided to the consumer. Once the information has been sent to the consumer, Gatestone typically keeps the account on hold for five days to allow the consumer to receive and review the provided details. Once the account is taken off hold, the first contact is made by a manager to ensure receipt and understanding of the substantiating information. This process repeats, if a dispute remains, or collection efforts continue as normal.

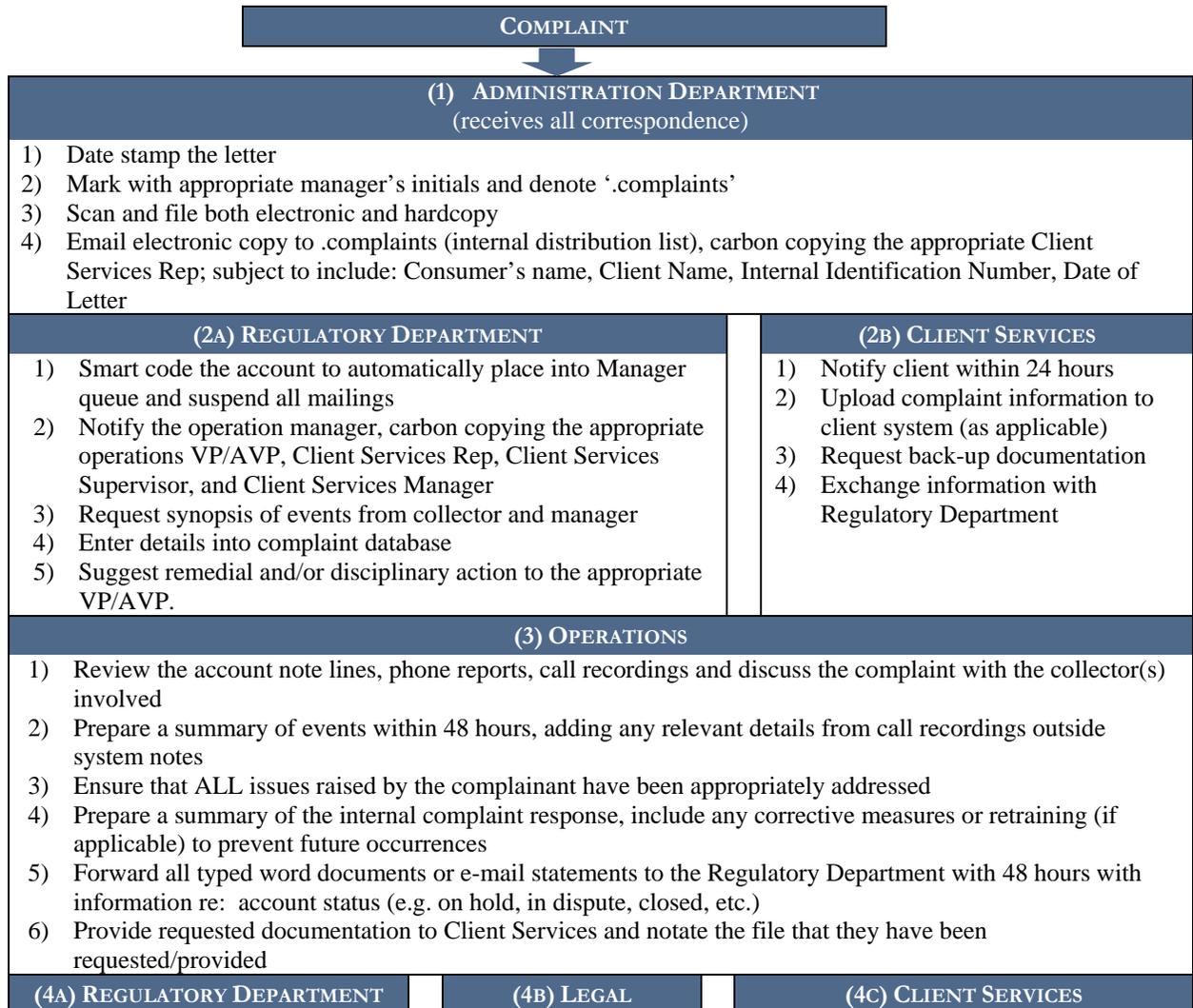
If the dispute is potentially related to a fraud/identity theft situation, Gatestone will follow regulations and best practices to record and report all associated details.

***Complaint Avoidance & Handling***

Gatestone proactively monitors and audits calls to consistently reinforce compliant behavior and positive customer treatment at all times. Even if a complaint is not received, non-compliant behavior that is detected is remedied through the same outlets, such as retraining, disciplinary action, and penalties. All avoidable complaints result in financial penalties for the applicable agent as well as their reporting Supervisor, Manager, and Vice President.

Gatestone follows documented policies and procedures to ensure regulatory compliance across all operations, and invests heavily in the development and implementation of systemic controls that further ensure compliant practices.

In the event a complaint is received, documented procedures are followed to log, research, respond to, and resolve such issues. We additionally ensure any associated client is made aware of the complaint, the response status when in progress, and the resolution when the matter is closed.



<ol style="list-style-type: none"> <li>1) Update complaint database with response status until closed</li> <li>2) Review database for frequency of similar issues and prepare remedial plan for complaint avoidance</li> </ol>	<ol style="list-style-type: none"> <li>1) Review documentation</li> <li>2) Prepare and submit response</li> </ol>	<ol style="list-style-type: none"> <li>1) Maintain communication with client regarding complaint status</li> <li>2) Report internal response to the client, liaising with client for approvals, as required</li> <li>3) Assess situation for possible systemic controls that could prevent future similar complaints</li> </ol>
<b>(5) RESOLUTION</b>		
<p>Once our complaint investigation is completed, a formal complaint outcome letter is prepared and sent directly to the customer and/or regulatory body with a carbon copy to the client. The letter will provide a summary of investigation actions and overall findings as well the actions we have taken as a result of the complaint.</p>		

**Media / Politically Sensitive Complaints**

In order to further protect your public image, Gatestone maintains special handling procedures for any complaint that refers to reporting Gatestone or client activities to the media or a political representative. In the event of any such trigger language or threat, the County will be notified within one hour.

**PROCEDURES FOR OBTAINING CIVIL JUDGMENTS AND GARNISHMENTS**

Gatestone manages litigation on behalf of our clients through customized pre-legal, legal, and enforcement programs, tailored to increase liquidations during the 30-60 days prior to legal activities as well as increase the success of any resulting lawsuits.

While the County’s program would be customized to meet your requirements, Gatestone’s typical legal workplan begins with a pre-legal strategy to allow debtors a final chance to resolve their delinquency prior to legal action. During the pre-legal stage, communication will progress with concentration on any legal-worthiness factors identified (e.g. property ownership, confirmed income, high/clean credit), notifying of the possibility of legal and associated action (e.g. liens, garnishments, etc.). Preparatory work is also completed on a suit review, including account eligibility reviews, statute of limitations confirmations, age/SSI/disability/SSCRA, balance considerations, account scoring, credit scoring, credit attributes, serviceable addresses, state-level considerations, budgeting, and client suit thresholds, as applicable.

In cases where a suitable resolution cannot be determined during the pre-legal phase, the legal process will commence, in partnership with our third-party attorney network, and per the requirements of the applicable jurisdiction.

Post judgment, Gatestone will additionally provide enforcement services through debtor communications and any required administrative processes surrounding resulting liens, garnishments, etc. until the debt is fully satisfied.

**CREDIT BUREAU REPORTING**

Gatestone maintains relationships with both credit bureaus for the provision of data washing services, the acquisition of credit reports, and the reporting of delinquencies.

In reference to credit reporting, Gatestone will customize procedures to meet the County’s preferences. Options include:

- No credit reporting
- Reporting of all delinquencies
- Reporting of parameter-based delinquencies (e.g. at greater than 120 days, greater than \$150, etc.)

Gatestone’s collection platform allows for rules-based processing of accounts based on client-specific procedures and work standards. During implementation, work flows will be created to ensure that all accounts meeting the County’s stated criteria will be reported to the credit bureaus. Thereafter, all balance changes applicable to reported accounts will be subject to credit bureau reporting processes. Additionally, any “Close & Return” activities will have associated work flows for proper updating of the credit bureaus. In the event that an account is closed by the County’s request, the account will be transferred to your Client Services Representative’s queue for follow-up, and the account will be included within the next credit bureau sync list, which is actioned daily through the credit bureaus’ online portals. Submissions to the credit bureaus typically take 48 hours to update on the individual’s credit report, therefore the follow-up queue will prompt the CSR to verify completion of the credit bureau updates three days after reporting; any update issues will then be investigated by the CSR as exceptions.

Gatestone is able to send confirmations of reporting and/or removal to the County's designated representative on a case-by-case basis or through customized reporting.

### **SUCCESS OF COLLECTION EFFORTS UTILIZING THESE PROCEDURES**

Gatestone has a proven track record of delivering proficient collection services since 1978, and is committed to elevating performance and quality for the County.

Gatestone has provided collection services for all levels of government, with clients that include municipal, county, state and federal entities, as well as public sector institutions. This experience encompasses the collection of outstanding fines, judgments, and receivables and fines. These portfolios currently account for approximately 80,000 new placements annually.

While recovery rates can vary widely based upon portfolio attributes (e.g. age and stage of debt, average balance, type of debt, demographics, etc.), Gatestone's average recovery rate across all ages and placement levels for public-sector debt is 46%.

Beyond recovery rates, Gatestone believes that two additional factors should be considered when evaluating the success of a vendor: customer treatment standards, and client satisfaction. Gatestone consistently out-performs competitors in the area of Voice of the Customer (VOC) surveys and CTQ (Critical to Quality) scores. We are known as one of the most customer-centric agencies in operation today, and we are dedicated to protecting your public image through exceptional compliance and treatment standards.

Gatestone is dedicated to fostering open lines of communication with our clients and aligning goals to meet your needs today and into the future. The success of this approach is evidenced by the average length of our client relationships – our current public-sector clients have been contracting with Gatestone for an average of 20.6 years.

### **IMPLEMENTATION PLAN**

Gatestone is committed to minimizing the curve from contract award to effective performance. While the County will be provided with a dedicated team and segregated floor space, our Phoenix facility will provide access to numerous highly-experienced subject matter experts to facilitate rapid, comprehensive implementation of your program. We commit to providing the resources required to ensure a smooth, timely transition to live operations as well as delivering continuous performance excellence throughout the life of the contract.

The implementation will be overseen by Dan Parks, the executive that will be responsible for the County's services. A project plan will be developed and followed to ensure risk management, execution of deliverables, and communication with County stakeholders. The team will additionally consist of one representative from each of the following areas:

- Executive Relationship Manager (John Stock)
- Project Manager (Dan Parks)
- Operations Manager (Anna Donnelly)
- Training Manager (Hugo Paz)
- Human Resources (Richard Arana)
- Information Technology (Kim Prado)
- Client Services (Kim Prado & Danielle Trujillo)
- Compliance/Legal (Kim Prado & Dayira Quiel)

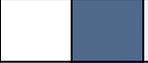
Gatestone customizes each collection program to meet the needs of the client and their portfolio attributes. In addition to system customizations, procedures documentation and training manuals are customized for each client.

Processing and management controls programmed during implementation include:

- System, workplan, and treatment controls (based on client directives, applicable regulations, and Gatestone best practices)
- Smart codes
- Collector management
- Nightly account processes
- Dialer interfaces
- Automated load and purge processes
- Letter templates and management
- Invoicing controls
- Data back-up and archiving policies
- Payment processing methods
- Internal and Client-facing reports

A project plan will be developed based upon County-specific requirements. A sample, outlining the types of tasks typically included and client requirements is provided below for your reference. We anticipate that our current infrastructure will facilitate the County’s volumes, therefore the overall timeline will be determined by award date and the County’s preferences regarding first placement date.

Category	Deliverable	Client Input?	Client Sign-Off?	Timeline
CRM / Finance	Sign Contract	Y	Y	
Governance	Appoint Implementation Team			
Governance	Assign Dedicated Client Services Representative			
Client Services	Review SOW, SLAs, KPIs	Y		
Client Services	Acquire client service standards, communications standards, etc.	Y		
Client Services	Review Client service standards, communications standards, etc.			
Client Services	Develop Client Procedures document		Y	
IT/IS	Assess IS, IT, and equipment needs			
Client Services	Customize training program and agent documents			
HR / Training	Assign/Recruit operations team			
HR / Training	Train operations team			
IT / IS	Create customized reports and delivery schedule/methods	Y	Y	
IT / IS	Develop interfaces/data formats	Y		
IT / IS	Test interfaces/data formats	Y	Y	
Exec / Ops	Develop workplan and treatment plans with account attribute parameters			
IT/IS	Program workplan and treatment plans			
IT/IS	Test workplan and treatment plans		Y	
IT/IS	Activate and test appropriate automated controls			
Client Services + IT/IS	Determine and program required account coding			
IT/IS	Acquire and implement and additional equipment and license/seat requirements			
IT/IS	Assign any required toll-free numbers and lines			
Admin / Finance	Open dedicated trust account (as required)			
Admin / Finance	Determine acceptable payment methods and currencies and make any required arrangements for acceptance	Y		

Category	Deliverable	Client Input?	Client Sign-Off?	Timeline
Admin / Finance	Determine client remittance method, frequency, and type (gross or net) and develop remittance report/invoice	Y		
Admin / Finance	Acquire appropriate insurance certificate(s) naming client, as required			
Admin / Finance	Complete internal set-ups such as payroll, department coding, etc.			
Client Services	Develop Letter Series templates		Y	
Client Services	Develop agent and portfolio scorecards	Y	Y	
Governance	Schedule internal report deliveries, reviews, etc.			
Governance	Schedule call calibration frequency, call volumes, etc.			
Governance	Schedule governance meeting frequencies and required resources	Y		

**Relationship Management**

Through our concentration on performance, compliance, and brand protection, Gatestone is recognized a leading end-to-end collection agency. We place key emphasis on organic growth by strengthening and expanding our market share and offerings within current and new client relationships. Gatestone continually concentrates on optimizing our solutions for each client in order to provide the most compliant and most effective services available in the industry at competitive rates. Our ultimate goal is unqualified positive endorsement from every partner client, meeting their needs at all stages of delinquency.

In order to achieve this objective, Gatestone has expanded our Relationship Management segment in recent years through additional resources, client surveys, more frequent and detailed feedback forums, and more extensive internal executive reviews of all operational and service-based aspects of our relationships. We additionally place great concentration on the evaluation of emerging technologies and their potential to increase performance and reduce risk for our clients.

Gatestone is committed to aligning with your individual and unique goals. Through our dedicated teams and extensive executive involvement, we will ensure that the County’s values are understood, respected, and promoted at every level of our organization.

GATESTONE & CO. INTERNATIONAL INC., 455 NORTH THIRD STREET, SUITE 260, PHOENIX, AZ  
85004

PRICING SHEET: NIGP CODE 94633

Terms:	NET 30
Vendor Number:	2011005827 0
Certificates of Insurance	Required
Contract Period:	To cover the period ending <b>May 31, 2018.</b>