

## REPORT TO CITY COUNCIL

**Council Meeting of:** July 20, 2022

**Agenda Number:** B-4

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Kingsley Okereke, Interim Finance Director

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Arnaldo Rodriguez, City Manager

### **SUBJECT:**

Contract Award for Request for Proposals (RFP) 202122-13 Account Collection Services to CB Services, Inc.

### **RECOMMENDATION:**

Adopt a resolution awarding the Contract to CB Business Services, Inc. for RFP 202122-13, Account Collection Services.

### **SUMMARY:**

The City is in need of collection services to assist in the collection of various past due accounts. This agreement will allow for those services to be provided in a consistent and responsible manner. Three proposals were received and opened by the Procurement Services Manager on Friday, April 29, 2022. Only proposals that were deemed responsive and met all requirements set forth in the RFP were evaluated. The firm with the best overall proposal that would benefit the City and had the highest score based on the established evaluation criterion was CB Merchant Services. CB Merchant has been the current collection agency since 2015. Commission charged is 22% for all collection services. Delinquent bills are sent to agency after 60+ days of attempted collection by the City.

### **DISCUSSION:**

The advertisement for the RFP was duly noticed in the *Madera Tribune* newspaper on March 30, 2022. The RFP was distributed to a list of collection agencies that included firms from the City's internal list of vendors and firms that City staff found online. The RFP was also posted on EBidBoard.com, an online listing service for bids and RFPs accessible from the City's website as well as to other firms that regularly access EBidBoard's website directly; and posted on the Purchasing page of the City's website.

On Friday, April 29, 2022, three proposals were received and opened by the Procurement Services Manager. All three proposals were deemed responsive and met all requirements set

forth in the RFP. These proposals were then evaluated by an evaluation team comprised of City Finance staff.

The responses received are listed in order of rank in Table 1.

<b>Table 1: Ranking of Responsive Proposals Received</b>		
<i>Rank</i>	<i>Contractor</i>	<i>Score</i>
1	CB Merchant Services, Inc.	455
2	IC System, Inc.	437
3	Cedars Business Services, LLC.	433

Evaluation details and scores are listed in Table 2.

<b>Table 2: Evaluation Details</b>			
<i>Criteria</i>	<i>Firm 1</i>	<i>Firm 2</i>	<i>Firm 3</i>
Completeness of the response	116.67	108.33	108.33
Qualifications and experience	108.33	100.00	100.00
Scope of services	116.67	116.67	125.00
References	100	86.67	80.00
Fee schedule	13.33	25.00	20.00
<i>Final Weighted Score:</i>	<i>455</i>	<i>437</i>	<i>433</i>

After evaluation, the firm with the best overall proposal that would benefit the City and highest score based on criteria identified in the RFP was CB Merchant Services.

**FINANCIAL IMPACT:**

This agreement allows all charges for services to be deducted from actual funds collected. The City will not be invoiced for any expenses relating to this agreement.

**CONSISTENCY WITH THE VISION MADERA 2025 PLAN:**

Collection services are not addressed in the Vision and Action Plan, nor is it in conflict with the Plan.

**ALTERNATIVES:**

Alternatively, Council may elect to award to a different reject all proposals received, and request staff publish a new RFP.

**ATTACHMENTS:**

1. Contract Award Resolution
2. City Profession Services Agreement
3. Proposal/Scope of Service
4. Cost Proposal

**ATTACHMENT 1**

**RESOLUTION NO. 22-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA APPROVING THE CONTRACT AWARD FOR ACCOUNT COLLECTION SERVICES, RFP 202122-13 TO CB MERCHANT SERVICES, INC.**

**WHEREAS**, on April 29, 2022, the City of Madera (City) Purchasing Division advertised Request for Proposals 202122-13 for account collection services; and

**WHEREAS**, three sealed proposals were received on May 29, 2022, and opened by the Procurement Services Manager; and

**WHEREAS**, CB Merchant Services, Inc. received the highest evaluation score; and

**WHEREAS**, the prices proposed for services as indicated in the proposal from CB Merchant Services, Inc. are found to be fair and reasonable;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA HEREBY** finds, orders, and resolves as follows:

1. The above recitals are true and correct.
2. The contract for Account Collection Services in the amount of \$118,432.00 with CB Business Services, Inc., a copy of which is attached hereto as Exhibit 1 and referred to for particulars, is approved.
3. The Mayor of the City of Madera is authorized to execute the Agreement and any and all documents necessary to effectuate the Agreement on behalf of the City.
4. This Resolution is effective immediately upon adoption.

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## **ATTACHMENT 2**

### ***PROFESSIONAL SERVICES AGREEMENT***

#### **PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF MADERA AND CB MERCHANT SERVICES, INC.**

This Professional Services Agreement ("Agreement") is entered into between the CITY OF MADERA, a California general law city ("City") and CB Merchant Services, Inc. ("Service Provider"). This Agreement shall be effective on the date signed by City which shall occur after execution by Service Provider ("Effective Date").

#### **RECITALS**

A. City has sought, by a Request for Proposals, to select a service provider to provide account collection services.

B. Service provider submitted a proposal for performing the requested Services and is engaged in the business of furnishing such services as a service provider and hereby warrants and represents that it is qualified, licensed, and professionally capable of performing the Services called for in the Request for Proposals and this Agreement.

C. City has selected Service Provider to perform the requested Services on the basis of Service Provider's demonstrated competence and professional qualifications.

D. City desires to retain Service Provider, and Service Provider desires to provide City with the Services, on the terms and conditions as set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the promises and mutual agreements herein, City and Service Provider agree as follows:

#### **AGREEMENT**

1. **Scope of Services.** Service Provider shall perform, to the satisfaction of City in accordance with this Agreement, the Services described in the "Scope of Services" attached hereto as **Exhibit A** and incorporated by herein by this reference. Service Provider shall at all times faithfully, competently and to the best of its ability, experience, and talent, perform all services described herein.

2. **Commencement of Services; Term of Agreement.** Service Provider shall begin work after receipt of the Notice to Proceed. Service Provider shall there upon work diligently, through June 30, 2024 and continuously provide all the required services and activities described herein. The term of the contract shall be for a two-year firm fixed price contract. CITY and SERVICE PROVIDER may, upon mutual agreement of both parties, extend this Agreement for up to three (3) additional one-year terms.

(a) Continuity of Personnel. Service Provider shall make every reasonable effort to maintain the stability and continuity of Service Provider's staff and subcontractors assigned to perform the Services under this Agreement. Service Provider shall notify City of any changes in Service Provider's staff and subcontractors assigned to perform the Services under this Agreement.

(b) Additional Services. Service Provider shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to or outside of those set forth in this Agreement attached hereto as **Exhibit A** unless such additional services are authorized in advance and in writing by the City Manager of City. Service Provider shall be compensated for any such additional services in the amounts and in the manner agreed to by the City and Service Provider.

3. Compensation for Services. City shall compensate Service Provider for rendering the Services as follows:

(a) Collection fees for services rendered shall be deducted from the collection of delinquent revenue, based on the commission fee schedule described in *Exhibit B*.

(b) No invoices for services are to be submitted to the City for payment processing.

(c) Compensation to Service Provider for work performed under this Agreement shall not be deemed to waive any defects in work performed by Service Provider.

4. Independent Contractor Status. Service Provider and its subcontractors shall perform the Services as independent contractors and not as officers, employees, agents, or volunteers of City. Nothing contained in this Agreement shall be deemed to create any contractual relationship between City and Service Provider's employees or subcontractors, nor shall anything contained in this Agreement be deemed to give any third party, including but not limited to Service Provider's employees or subcontractors, any claim or right of action against City. Neither the City nor any of its employees shall have any control over the manner, mode, or means by which Service Provider or its agents or employees perform the services under this Agreement.

5. Qualifications, and Professional Standards. Service Provider represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner. In meeting its obligations under this Agreement, Service Provider shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Service Provider under this Agreement. Service Provider represents that to the extent Service Provider utilizes subcontractors, such subcontractors are, and will be, qualified in their fields. Service Provider also expressly represents that both Service Provider and its subcontractors, if any, are now, and will be throughout their performance of the Services under this Agreement, properly licensed or otherwise qualified and authorized to perform the Services required and contemplated by this Agreement. Service Provider and its subcontractors, if any, shall utilize the standard of care and skill customarily exercised by members of their profession, shall use reasonable diligence and best judgment while performing the Services, and shall comply with and keep themselves informed of all applicable laws and regulations.

6. Identity of Subcontractors and Sub-Consultants. Service Provider shall before commencing any

work under this Agreement provide to City in writing: (a) the identity of all subcontractors and sub-consultants (collectively referred to as "subcontractors"), if any, which Service Provider intends to utilize in Service Provider's performance of this Agreement; and (b) a detailed description of the full scope of work to be provided by such subcontractors. Service Provider shall only employ subcontractors pre-approved by City and in no event shall Service Provider replace an approved subcontractor without the advance written permission of City, with the understanding that City's permission will not be unreasonably withheld. Notwithstanding any other provisions in this Agreement, Service Provider shall be liable to City for the performance of Service Provider's subcontractors.

7. Subcontractor Provisions. Service Provider shall include in its written agreements with its subcontractors, if any, provisions which: (a) impose upon the subcontractors the obligation to provide to City the same insurance and indemnity obligations that Service Provider owes to City; (b) make clear that City intends to rely upon the reports, opinions, conclusions, and other work product prepared and performed by subcontractors for Service Provider; and (c) compliance with all laws and certifications as required under this Agreement.

8. Power to Act on Behalf of City. Service Provider shall not have any right, power, or authority to create any obligation, express or implied, or make representations on behalf of City except as may be expressly authorized in advance in writing from time to time by City and then only to the extent of such authorization.

9. Record Keeping; Reports. Service Provider shall keep complete records showing the type of Services performed. Service Provider shall be responsible and shall require its subcontractors to keep similar records. City shall be given reasonable access to the records of Service Provider and its subcontractors for inspection and audit purposes. Service Provider shall provide City with a working draft of all reports and a copy of all final reports prepared by Service Provider under this Agreement.

10. Ownership and Inspection of Documents. All data, tests, reports, documents, conclusions, opinions, recommendations, and other work product generated by or produced for Service Provider or its subcontractors in connection with the Services, regardless of the medium, including physical drawings and materials recorded on computer discs ("Work Product"), shall be and remain the property of City. City shall have the right to use, copy, modify, and reuse the Work Product as it sees fit. Upon City's request, Service Provider shall make available for inspection and copying all such Work Product and all Work Product shall be turned over to City promptly at City's request or upon termination of this Agreement, whichever occurs first. Service Provider shall not release any Work Product to third parties without prior written approval of the City Manager. This obligation shall survive termination of this Agreement and shall survive for four (4) years from the date of expiration or termination of this Agreement.

11. Confidentiality. All data, reports, conclusions, opinions, recommendations, and other work product prepared and performed by and on behalf of Service Provider in connection with the Services performed pursuant to this Agreement shall be kept confidential and shall be disclosed only to City, unless otherwise provided by law or expressly authorized by City. Service Provider shall not disclose or permit the disclosure of any confidential information acquired during performance of the Services, except to its agents, employees, affiliates, and subcontractors who need such confidential information in order to properly perform their duties relative to this Agreement. Service Provider shall also require its subcontractors to be bound to these confidentiality provisions.

12. City Name and Logo. Service Provider shall not use City's name or insignia, photographs relating

to the City projects for which Service Provider's services are rendered, or any publicity pertaining to the Service Provider's services under this Agreement in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

13. Conflicts of Interest. Service Provider warrants that neither Service Provider nor any of its employees have an interest, present or contemplated, which would conflict in any manner with the interests of the City, or which would in any way hinder Service Provider's performance of services under this Agreement. Service Provider covenants that no person having any such interest, whether an employee or subcontractor shall perform the Services under this Agreement. During the performance of the Services, Service Provider shall not employ or retain the services of any person who is employed by the City or a member of any City Board or Commission. City understands and acknowledges that Service Provider is, as of the date of execution of this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. Service Provider is unaware of any stated position of City relative to such projects. Any future position of City on such projects shall not be considered a conflict of interest for purposes of this section. City understands and acknowledges that Service Provider will, perform non-related services for other governmental agencies and private parties following the completion of the Services under this Agreement, and any such future service shall not be considered a conflict of interest for purposes of this section.

14. Non-liability of Officers and Employees. No officer or employee of City shall be personally liable to Service Provider, or any successors in interest, in the event of a default or breach by City for any amount which may become due Service Provider or its successor, or for any breach of any obligation under the terms of this Agreement.

15. City Right to Employ Other Service Providers. This Agreement is non-exclusive with Service Provider. City reserves the right to employ other Service Providers in connection with the Services.

16. Termination of Agreement. This Agreement shall terminate upon completion of the Services, or earlier pursuant to the following.

a. For Convenience of City. This Agreement may be terminated by City at its discretion upon thirty (30) days prior written notice to Service Provider.

b. For Breach of Either Party. If for any cause either party fails to fulfill in a timely and proper manner its obligations under this Agreement (the "breaching party"), the other party (the "terminating party") shall have the right to terminate the Agreement by giving not less than five (5) working days' written notice to the breaching party of the intent to terminate and specifying the effective date thereof. The terminating party shall, however, provide the breaching party with a detailed statement of the grounds for termination. This statement shall include, as appropriate, references to specific provisions of this Agreement, dates, dollar amounts and other information relevant to the decision to terminate for cause.

c. Compensation to Service Provider Upon Termination. In the event termination is not due to fault attributable to Service Provider and provided all other conditions for payment have been met, Service Provider shall be paid compensation for services performed prior to notice of termination. As to any phase partially performed but for which the applicable portion of Service Provider's compensation has not become due, Service Provider shall be paid the reasonable value of its services provided. However,

in no event shall such payment when added to any other payment due under the applicable part of the work exceed the total compensation of such part as specified in Section 3 herein. In the event of termination due to Service Provider's failure to perform in accordance with the terms of this Agreement through no fault of City, City may withhold an amount that would otherwise be payable as an offset to City's damages caused by such failure.

d. Effect of Termination. Upon receipt of a termination notice (or completion of this Agreement), Service Provider shall: (i) promptly discontinue all Services affected (unless the notice directs otherwise); and (ii) deliver or otherwise make available to the City, without additional compensation, all data, documents, procedures, reports, estimates, summaries, and such other information and materials as may have been accumulated by the Service Provider in performing this Agreement, whether completed or in process. Following the termination of this Agreement for any reason whatsoever, City shall have the right to utilize such information and other documents, or any other works of authorship fixed in any tangible medium of expression, including but not limited to physical drawings, data magnetically or otherwise recorded on computer disks, or other writings prepared or caused to be prepared under this Agreement by Service Provider. Service Provider may not refuse to provide such writings or materials for any reason whatsoever.

17. Insurance. Service Provider shall obtain and maintain in full force and effect during the term of this Agreement the insurance policies set forth in **Exhibit C** attached hereto and incorporated herein by this reference. All insurance policies shall be subject to City approval as to form and content. Service Provider shall provide City with copies of required certificates of insurance upon request.

18. Indemnity and Defense. Service Provider shall indemnify, defend, and hold harmless the City, its officers, employees, agents and volunteers ("City indemnitees"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable legal counsels' fees and costs of litigation ("claims"), arising out of the Service Provider's performance of its obligations under this agreement or out of the operations conducted by Service Provider, except for such loss or damage arising from the sole negligence or willful misconduct of the City. In the event the City indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from Service Provider's performance of this agreement, the Service Provider shall provide a defense to the City indemnitees, or at the City's option, reimburse the City indemnitees their costs of defense, including reasonable legal counsels' fees, incurred in defense of such claims.

19. Compliance with All Laws. Service Provider shall be familiar with and shall comply with all City, State, and Federal laws and regulations applicable to the work to be performed under this Agreement. In providing the services required under this Agreement, Service Provider shall at all times comply with all applicable laws, regulations, and resolutions of the United States, the State of California, and the City of Madera now in force and as they may be enacted, issued, or amended during the term of this Agreement.

20. Assignment. Neither this Agreement nor any duties or obligations hereunder shall be assignable by Service Provider without the prior written consent of City. In the event of an assignment to which City has consented, the assignee shall agree in writing to personally assume and perform the covenants, obligations, and agreements herein contained. In addition, Service Provider shall not assign the payment of any monies due Service Provider from City under the terms of this Agreement to any other individual, corporation or entity. City retains the right to pay any and all monies due Service Provider directly to Service Provider.



21. Form and Service of Notices. All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by certified mail, postage prepaid and return receipt requested, addressed as follows:

To City: Jennifer Stickman  
City of Madera  
205 W. Fourth  
Madera, CA 93637  
Email: jstickman@madera.gov

To Service Provider: Linda Guinn  
CB Merchant Services, Inc.  
P.O. Box 209  
Stockton, CA 95201  
Email: lguinn@cbmerchantservices.com

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile, or if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

22. Entire Agreement. This Agreement, including the attachments and exhibits, represents the entire Agreement between City and Service Provider, and supersedes all prior negotiations, representations, or agreements, either written or oral with respect to the subject matter herein. This Agreement may be amended only by written instrument signed by both City and Service Provider.

23. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

24. Authority. The signatories to this Agreement warrant and represent that they have the legal right, power, and authority to execute this Agreement and bind their respective entities.

25. Severability. In the event any term or provision of this Agreement is declared to be invalid or illegal for any reason, this Agreement will remain in full force and effect and will be interpreted as though such invalid or illegal provision were not a part of this Agreement. The remaining provisions will be construed to preserve the intent and purpose of this Agreement and the parties will negotiate in good faith to modify any invalidated provisions to preserve each party's anticipated benefits.

26. Applicable Law and Interpretation and Venue. This Agreement shall be interpreted in accordance with the laws of the State of California. The language of all parts of this Agreement shall, in all cases, be construed as a whole, according to its fair meaning, and not strictly for or against either party. This Agreement is entered into by City and Service Provider in the County of Madera, California. Thus, in the event of litigation, venue shall only lie with the appropriate state or federal court in Fresno County.

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

28. Amendments and Waiver. This Agreement shall not be modified or amended in any way, and no

provision shall be waived, except in writing signed by the parties hereto. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision. Failure of either party to enforce any provision of this Agreement shall not constitute a waiver of the right to compel enforcement of the remaining provisions of this Agreement.

29. Third Party Beneficiaries. Nothing in this Agreement shall be construed to confer any rights upon any party not a signatory to this Agreement.

30. Execution in Counterparts. This Agreement may be executed in counterparts such that the signatures may appear on separate signature pages. A copy or an original, with all signatures appended together, shall be deemed a fully executed Agreement.

31. Non-Discrimination. Service Provider shall not discriminate on the basis of any protected class under federal or State law in the provision of the Services or with respect to any Service Provider employees or applicants for employment. Service Provider shall ensure that any subcontractors are bound to this provision. A protected class includes, but is not necessarily limited to race, color, national origin, ancestry, religion, age, sex, sexual orientation, marital status, and disability.

**[SIGNATURES ON FOLLOWING PAGE]**

**IN WITNESS WHEREOF**, the City and Service Provider have executed this Agreement on the date(s) set forth below.

**CB MERCHANT SERVICES, INC.**

**CITY OF MADERA**

By: \_\_\_\_\_  
Linda Guinn, CEO

By: \_\_\_\_\_  
Santos Garcia, Mayor

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVE AS TO FORM:

Hilda Cantú Montoy, City Attorney  
\_\_\_\_\_

ATTEST:

Alicia Gonzales, City Clerk  
\_\_\_\_\_



April 26, 2022

**ATTACHMENT 3**

Jennifer Stickman, Procurement Services Manager  
Finance Department  
City of Madera  
205 W. 4<sup>th</sup> Street  
Madera, CA 95637

Dear Ms. Jennifer Stickman:

C B Merchant Services is pleased to present this proposal to City of Madera for the City's request for Account Collection Services. C B Merchant Services is a professional collection agency established in 1917 (105 years ago) as a mutual benefit, not for Profit Corporation, incorporated in 1950. Our California Corp number is C0250210. We believe our proven ability to successfully resolve unpaid accounts for our clients is a direct reflection of our 105 years in business, especially since we work for free until we collect. In this proposal we will summarize our experience, firm philosophy, our people, our clients, and our concern for the communities we serve. We will also discuss the specific services we will provide to the City of Madera accompanied by our proposal fees and timeline for the performance which will ensure profitability of the program for both the City of Madera and C B Merchant Services. C B Merchant Services has decades of experience working with Cities like the City of Madera.

We are local (California) business with state-of-the-art resources and the depth and expertise needed to effectively serve the City of Madera. We understand how important it is to treat your customers and consumers in a dignified, professional, and congenial manner while working cooperatively to resolve their outstanding accounts. We are located, nearby, in the heart of San Joaquin County; our office address is 217 N. San Joaquin St. Stockton, CA. 95202. We hope that you will agree that our experience and professionalism combined with our state-of-the-art resources makes C B Merchant Services the best agency qualified to work with your constituents to resolve their unpaid accounts.

The individual authorized to execute this contract is Linda A. Guinn, CEO/President lguinn@cbmerchantservices.com at 209-944-9001 or 800-399-2400. Please allow this letter of transmittal to confirm that we have carefully read and understand this proposal. C B Merchant Services will comply with all the terms and conditions as stated in the RFP.

Your primary contact and the person assigned to manage your account relationship is our Collection and Compliance Manager, Ana Molina. Ana and her team possess the municipal government knowledge and hands on experience in implementing and managing client relationships with similar requirements, such as yours. Ana Molina is located in our corporate office in Stockton and her email is [amolina@cbmerchantservices.com](mailto:amolina@cbmerchantservices.com) or via phone 1-800-399-2400 x 124.

CBMS will provide you and your customers the highest level of customer service thru our commitment to transparency, accountability and communication. We look forward to serving you and your clients.

Sincerely,

*Linda A Guinn*

Linda A. Guinn  
CEO/President



Tab A Table of Contents

TAB B: Agency Profile ..... 3-4

- Agency Overview..... 3-4
- Experience*..... 4-5
- Relationship Management*..... 5-6

TAB C: References ..... 7-8

TAB D: Firm Qualification ..... 9-10

TAB E: Miscellaneous Questions: ..... 11-15

Tab F: Implementation Plan and Cost ..... 16-17

TAB G: Service Enhancements ..... 18

TAB H: Disaster Recovery Plan ..... 19-21

TAB I: Credit Card Services ..... 22

TAB J: Management Report Requirements: ..... 23

TAB K: Cost Proposal ..... 24

TAB L: Addenda

TAB M Attachments

- Attachment A: Vendor Information
- Attachment B: Compensation Fee Schedule
- Attachment C: Insurance
- Attachment D: Draft of City Contract

Appendix –Sample of Reports, Letters and Hardware Information



## TAB B Agency Profile

### Agency overview

**General overview of agency, customer service philosophy, and identification of the primary office or branch that the City will be assigned to and where the city will send it business. What set the agency's government collection apart from others?**

Any agency can collect money. Achieving competitive results while providing superior service and actually improving client relations takes a special kind of agency- and that is C B Merchant Services. C B Merchant Services (CBMS) is a full-service accounts receivable management company located in San Joaquin County, California. Founded in 1917 by the Stockton Merchants Association, CBMS is a mutual benefit, not-for-Profit Company. As a not for profit organization, **our focus is on your financial health** and all that that encompasses. While other agencies define success by profitability, as a not for profit, we define success by client retention, employee retention, and the excellence of our reputation. As a result, CBMS has grown to become an industry leader in resolving and collecting City, County and State government delinquent accounts throughout California.

C B Merchant Services distinguishes itself from other agencies in a variety of ways including exceptional client relations, customized processes that conform to your requirements, dedicated client services, hands-on portfolio management, and more.

### Exceptional Client Relations

At CBMS, we approach our client as an advocate, not an adversary. Our first and primary efforts are to help your client get their bill paid. We will work with your client to assist them with questions.

### Customized Processes Conform to Your Requirements

Unlike many agencies, we have no interest in requiring our clients to conform to our policies and procedures. We are interested, however, in working with you and your staff to develop what you fill is an ideal agency relationship. By gaining a clear understanding of exactly what you are looking for in an agency, we will design a customized "total service package" to give you precisely the service you need. Whether our primary mission is exceeding performance goals and service requirements, CBMS is committed to meet and exceed your expectations. Our goal is to continually develop better and more profitable solutions for each of our clients in a user-friendly relationship that, according to your definition, will set the standard for client service.

Client service is far more than a clerical function at CBMS. Our Client Services Department is focused on providing superior, pro-active service designed to reduce your administrative burden and create a user friendly relationship for your management team and staff. This begins long before the first placement of accounts.

### Hands-on Portfolio Management

CBMS has assigned Compliance and Collection Manager, Ana Molina as contract manager for this contract. Ana and her team will work with you to ensure that we meet or exceed your expectations for this contract. Ana is located at our corporate headquarters at 217 N San Joaquin St. Stockton, Ca. 95202. She can be reached by phone (209) 944-9001 ex 124 or via email [amolina@cbmerchantservices.com](mailto:amolina@cbmerchantservices.com).

Ana and the entire CBMS team look forward to partnering with the City of Madera on this contract.



**Ownership and Legal Status**

CBMS is a member-owned, mutual benefit, not-for-profit Corporation serving thousands of clients throughout California.

**Corporate Names and Business Entities**

We operate under the name C B Merchant Services, formally known as the Credit Bureau of Stockton. There are no other current, business entities associated with CBMS.

Our corporate headquarters is located at 217 N. San Joaquin Street, Stockton, California 95202. CBMS owns this property and we have been located here since 1981. All work for this contract will be performed from this location.

**Customer Service Philosophy**

At CBMS, we approach your customer as advocate, not adversary. We will work with your customer in a collaborative manner to assist them with questions and we will guide them thru various repayment options available to resolve the account. Our first and primary efforts are to help your customers pay their bills. Our customers are the most important part of our daily business; they are not dependent on us. We are dependent on them. They are not an interruption to our work. They are the purpose of it. They are not an outsider in our business. They are part of it. We are not doing them a favor by serving them. They are doing us a favor by *giving* us an opportunity to serve them.

**What sets your company apart from others providing similar services?**

C B Merchant Services distinguishes itself from other agencies in a variety of ways including exceptional client relations, customized processes that conform to your requirements, dedicated client services, hands-on portfolio management, and more.

Any agency can collect money. Achieving competitive results while providing superior service and actually improving customer relations takes a specialkind of agency—and that is CBMS. Established in 1917, as a mutual benefit not for Profit Corporation, our focus is on your financial health and all that that encompasses. While other agencies define success by profitability, as a not for profit, we define success by client retention, employee retention, and the excellence of our reputation. As a result, CBMS has grown to become an industry leader in resolving and collecting City, County and State government delinquent accounts throughout California.

**Experience**

**Describe the agency’s direct experience in servicing public sector clients. Please include: the number of public agency clients and agency’s knowledge of and adherence to the California Government Code and other applicable laws. Provide statistical data showing measurable data related to accounts listed and collection results.**

Currently, CBMS is honored to service 20 public agencies representing multiple debt types. CBMS has experience on these types of government accounts: Utilities, Administrative Citation, Jail booking fees, Abatement fees, Animal Control, Police and Fire Alarm Permits and fines, Business license, Returned Checks, Contract property lease, Cobra Benefits, Payroll overpayments, Code Enforcement, Central Parking, Consumer & Commercial Sewer, Probation orders, Public Works damages, Police Dept. DUI, Encroachment Permits, Escort Police, Firework Enforcement, Fire False Alarms, Fire Inspections, Fire prevention inspection, Graffiti Vandalism, Recovery of Cost, , Commercial storm drain, Water billing, Waste Hauling, Miscellaneous accounts, Library,

Type of Account	Accounts Listed	Collection Results
Utilities	43,761	24.3
Miscellaneous Accounts	1512	20.2
Administrative Fee	638	19.7

(Recovery Results vary based upon age and average balance of accounts at the time of assignment.)



Compliance is critical to any agency's success. During employee orientation, each employee will receive proper training on the importance of confidentiality of records, financial information, credit card numbers, credit reports, bank accounts, and any other confidential client specific information maintained by CBMS.

To ensure our collectors understand the law, CBMS staff members and managers hold the following training certifications:

- Federal Fair Debt Collection Practices Act (FDCPA) - All Staff
- California Robbins Rosenthal Act-(California FDCPA)- All Staff
- Unfair & Deceptive Acts and Practices Act – (UDAAP) - All Staff
- ACA International HCM Designation (includes Data Security)-Management
- Health Information Portability and Accountability Act (HIPAA) - All Staff
- Telemarketing Consumer Protection Act (TCPA) – All Staff
- ACA International Professional Collection Specialists – (PCS Designation) Supervisors and Management
- Professional Telephone Techniques-All Staff
- Fair Credit Report Act (FCRA)-Management
- Fact Act (FACTA)-California Fair Credit Reporting Act-Management
- Gramm Leach Bliley Act (GLBA) and Regulation F- All Staff

### Relationship Management

At the CBMS helm is a team of industry leaders, ready to partner with the City of Madera on this contract. Following are biographies of our key personnel.

#### **Linda Guinn, President/CEO (Authorized to enter into contractual agreement)**

Linda Guinn has 38 years' experience in the credit reporting and collections industry. Mrs. Guinn oversees all of C B Merchant Services functions including collections, sales, accounting and financial reporting. Mrs. Guinn reports directly to the Board of Directors.

Linda Guinn is knowledgeable in the Federal Fair Debt Collection Practices Act, California -Robbins-Rosenthal Act, and the Federal and State Fair Credit Reporting Acts, Gramm Leach Bliley Act, HIPAA, Red Flag, Regulation F and a magnitude of other laws pertaining to the accounts we collect.

Linda possesses the municipal government knowledge and hands on experience in implementing and managing relationships with similar requirements and procedures, such as yours.

#### **Ana Molina, Compliance & Collection Manager/Operations Manager**

Ana Molina has over 35 years in the collection industry. Ms. Molina is responsible for corporate compliance and oversees all facets of the collection agency. By interacting with department supervisors, she monitors all duties such as the receipt of accounts and entering accounts (whether received manually or by automatic transmission) are processed securely according to established business protocol. Ana Molina is directly responsible for hiring, training, supervising all collection staff, in addition to regularly conducting collector and client account audits to ensure clients compliance and performance target are met. Using the DAKCS software system, she regularly reviews reports and works efficiently and professionally with sales, accounting and key management staff in order to assist clients in a professional manner.

Ana Molina is knowledgeable in the Federal Fair Debt Collection Practices Act, California -Robbins-Rosenthal Act, and the Federal and State Fair Credit Reporting Acts, Gramm Leach Bliley Act, HIPAA, Red Flag, Regulation F and a magnitude of other laws pertaining to the accounts we collect. Ana possesses the municipal government knowledge and hands on experience in implementing and managing relationships with similar requirements and procedures, such as yours.





**Dennis Barbieri, Account Executive**

Dennis has over 30 years of industry experience and is directly responsible for establishing and maintaining all client relationships for C B Merchant Services. Dennis will be your dedicated liaison to ensure you enjoy a high level of customer satisfaction. Dennis Barbieri is knowledgeable in the Federal Fair Debt Collection Practices Act, California - Robbins-Rosenthal Act, and the Federal and State Fair Credit Reporting Acts, Gramm Leach Bliley Act, HIPAA, Red Flag, Regulation F and a magnitude of other laws pertaining to the accounts we collect. Dennis possesses the municipal government knowledge and hands on experience in implementing and managing relationships with similar requirements and procedures, such as yours.

**Lisa Shears, Accounting Manager**

We at C B Merchant Services pride ourselves in providing you the highest level of transparency and financial assurances. Our financial records and internal controls are audited by a CPA accounting firm on an annual basis which provides you the highest level of financial assurance. Our accounting department is competently led by Lisa Shears. Lisa has over 20years experience in financial accounting. As the Accounting Manager she is responsible for all facets of accounts payable, accounts receivable (non-collection), posting collection payments, preparing financial statements, payroll, running month end reconciliations. Ms. Shears works efficiently and professionally with collection, sales and management staff, and assists clients in a professional manner. Lisa leads the team that is responsible for preparing your client trust statements / remittances and making sure you get paid. Lisa possesses the municipal government knowledge and hands on experience in implementing and managing relationships with similar requirements and procedures, such as yours.

**Wendy Costa, Collection Supervisor**

Mrs. Costa has over 18 years' experience in the collection industry and is directly responsible for the clerical department duties such as; receiving of accounts, entering accounts (whether received manually or by automatic transmission), review of reports, supervising employees, hiring, training, and client services and account auditing. Wendy oversees all collection efforts including issues that must be escalated for resolution to ensure clients and customers receive excellent customer service. Wendy is certified on the Fair Debt Collection Practices Act, and knowledgeable of the Robbins-Rosenthal Act, and the Fair Credit Reporting Act, Gramm Leach Bliley Act, HIPAA, Red Flag act and Regulation F. Ms. Costa has earned IACCA designation as a Commercial Collection Specialist and professional designation with ACA International as a Professional Collection Specialist. Wendy possesses the municipal government knowledge and hands on experience in implementing and managing relationships with similar requirements and procedures.



### **TAB C: References**

Please provide five (5) references that are similar size and scope of service utilization as the City, preferably cities or counties. Include the following information for each:

Contact Name and Title

Name of Customer

Address

Telephone Number

Fax Number

Number of years as Customer

Service Provided.

**TAB C REFERENCES**

AGENCY/COMPANY:	City of Baldwin Park
CONTACT PERSON:	Rose Tam
EMAIL ADDRESS:	RTam@baldwinpark.com
PHONE NUMBER:	626-960-4011
ADDRESS:	14403 E. Pacific Ave 2nd Fl Baldwin Park, Ca. 91706
DATE SERVICES PROVIDED:	2015
SUMMARY OF SERVICES INCLUDED:	Utilities, Fines, Permits, Misc, DUI.
AGENCY/COMPANY:	City of Galt
CONTACT PERSON:	Cathy Duly
EMAIL ADDRESS:	CDuley@cityofgalt.org
PHONE NUMBER:	(209) 366-7150
ADDRESS:	380 Civic Dr Galt, Ca. 95632
DATE SERVICES PROVIDED:	1996
SUMMARY OF SERVICES INCLUDED:	Utilities, Commercial, NSF Checks, Misc
AGENCY/COMPANY:	City of Lodi
CONTACT PERSON:	Taara Sumner
EMAIL ADDRESS:	tsumner@lodi.gov
PHONE NUMBER:	209-333-6717
ADDRESS:	210 W ELM ST Lodi, Ca. 95242
DATE SERVICES PROVIDED:	1993
SUMMARY OF SERVICES INCLUDED:	Utilities, Fines, Checks, Misc.
AGENCY/COMPANY:	City of Stockton
CONTACT PERSON:	Alisha Singh
EMAIL ADDRESS:	Alisha.Singh@stocktonca.gov
PHONE NUMBER:	209-937-7179
ADDRESS:	425N. El Dorado Stockton, Ca. 95202
DATE SERVICES PROVIDED:	1979
SUMMARY OF SERVICES INCLUDED:	Utilities, Fire, DUI, Alarms, Bus. Lic., Code Enforcment
AGENCY/COMPANY:	City of Tracy
CONTACT PERSON:	Isabel Yamada
EMAIL ADDRESS:	Isabel.Yamada@CityofTracy.org
PHONE NUMBER:	(209) 831-6821
ADDRESS:	333 Civic Center Plaza Tracy, Ca. 95376
DATE SERVICES PROVIDED:	1992
SUMMARY OF SERVICES INCLUDED:	Utilities, Alarms, Permits, Bus. Lic., Code Enforcment



## TAB D: Firm Qualification

Provide information on your firm's background and qualifications which addresses the following:

### 1. Name, address, and telephone number of contact person; and,

CB Merchant Services  
217 N. San Joaquin St  
P O Box 209  
Stockton, CA 95201

Linda Guinn CEO/President 209-944-9001 Fax 209-944-0795

Email: lguinn@cbmerchantservices.com

Website: cbmerchantservices.com

Employ: 10 collectors

Federal Identification and/or Social Security number: 94-1160895

State in which incorporated:

Incorporated in the State of California in 1950.

### 2. A brief description of your firm

C B Merchant Services is a professional collections agency established in 1917 (105 years) as a mutual benefit, not for Profit Corporation. We add to the financial health of Cities and Counties throughout California by handling the tough parts of accounts receivable management-delinquent accounts

At CBMS we combine efficiency, professionalism, and persistence with a commitment to excellent client service and outstanding customer relations to maximize recovery to increase your bottom line. Our dedication to this philosophy has allowed us to build long term quality partnerships our clients, many of which are decades old.

Studies show that by increasing your telephone contacts you'll increase the likelihood your account will be paid. **"The wheel that squeaks the loudest is the one that gets the grease."** As a fully automated collection agency on the DAKCS collection system, our collectors retrieve information with the touch of a button. In addition to mailing collection notices on each account assigned, we utilize highly compliant omni channel communications (text, email, voice) to ensure consumers have the option to communicate with us in their preferred method of communication. This approach ensures "live contacts and multiple communication approaches" are made to connect with the consumer to successfully resolve the account. Live agents manually dial those accounts excluded from the dialer to ensure compliance with Telemarketing Consumer Protection Act (TCPA). By utilizing a combination of predictive & manual dialing or messaging campaigns, our collectors increase the likelihood of contacting the responsible party to arrange for payment in full on your accounts.

C B Merchant Services covers the entire collection process from initial contact to final resolution.

Our proven track record of consistently exceeding the national average reflects the quality of our people. All employees receive extensive training on the Fair Debt Collection Practices Act, Fair Credit Reporting Act, Gramm Leach Bliley Act, HIPAA, Red Flag, TCPA and other laws pertaining to the accounts we collect. C B Merchant Services collectors are required to pass State and Federal regulations tests as well as participate in continuing education.



You'll enjoy a higher rate of return due to the depth of our experience in the industry as well as our professional affiliations nationwide.

Your account information is safe with C B Merchant Services. Once you've set up your account, you may refer and manage accounts through our secure internet web portal. Private information is secure in a double fire walled computer network that is available only to authorized C B Merchant Services Clients. Records are backed up nightly, weekly and monthly. They are stored in a secure off-site location. In addition to ensure the safety of your private information, we utilize a third- party security service.

C B Merchant Services is licensed, bonded and insured to collect your delinquent accounts. In order to provide the highest level of assurance in financial reporting our financial records audited annually by a certified public accounting firm, as directed by our Board of Directors.

**3. Describe any failure or refusal to complete a contract, including details and dates.**

CBMS has never failed or refused to complete a contract.

**4. List any disciplinary or investigative action, including audits, the past five (5) years conducted by a professional body or local, state or federal branch of government of your firm.**

CBMS has never been investigated or audited by any professional body, or local state or federal branch of government.

**5. List any and all litigations, pending or final, to which you are a party that is related or similar to the services being solicited in the past five (5) years**

C B Merchant Services has not been a (Defendant) party to the following: judgments, litigations, licensing violations or any other violations in the past 5 years.

C B Merchant Services in the regular course of business is a Plaintiff on many litigations (pending or final) representing our clients in municipal court where we are seeking a judgment to collect on an assigned account. A detailed listing will be provided upon request.



**Tab E: Miscellaneous Questions:**

**Please respond to the following.**

**1. Does the agency have a toll-free number for customer service?** Yes, 800-399-2400. **What are the hours of operation for customer service?** Monday- Friday 8am -5pm. **Where is the customer service center located?** 217 N. San Joaquin St. Stockton, Ca 95202

**2. What is the agency's policy regarding installment agreement with debtors.**

CBMS will follow the installment plan as set forth in the RFP. Absent a client specific installment requirement, our office policy is as follows:

Our initial letter requests payment in full on the account. Thereafter, once contact is made with the consumer, the collector through a series of questions will determine the consumer's willingness and ability to pay the account. Every effort is made to successfully negotiate either payment in full or a payment plan that the consumer will follow through with. When any promise to pay is received on an account, a code is entered into our system that requires a scheduled payment amount and due date. This account does not appear in the collectors call queue again unless the payment is not received.

When a promise to pay is broken, the account is placed back in the calling queue for immediate follow-up. To increase the likelihood of contact, broken promises are followed up at the same time of the day that the original promise was made. Follow-up calls continue until payments are re-established or the account is paid in full.

**Flexible Payment Options for Consumers**

We offer many flexible payment options to increase likelihood of payment on the account. Consumers have the option of paying over the phone, via our secure Internet portal 24/7, via U.S. mail or by visiting our office. CBMS has seven payment windows available for walk-in traffic. We accept a variety of payment forms (Reg. E complaint) including the following:

Visa, Master Card, Discover, Personal Checks, Post-dated checks, Money orders, check by phone, Cash

Settlements are not accepted without specific authorization from the City of Madera.

**3 What is the agency's policy and procedure for reporting to credit agencies?**

At your option, we will report all accounts (\$25.00 and up) that are placed for collection to all three credit reporting agencies. We wait a period of 60 days before reporting the account. Accounts paid in full, settled or canceled within the first 60 days are not reported. This avoids reporting those accounts that have a sincere intention to resolve their obligation. Our monthly credit reporting file is sent to the credit reporting agencies by the 5<sup>th</sup> of each month.

There is No Charge –CBMS does not charge a fee for reporting accounts

According to the State and Federal law accounts referred for collection may be reported on the credit report for up to seven years, paid or unpaid, which greatly improves the potential of collecting your account over an extended horizon.



#### 4. What is the agency's policy and procedure for obtaining judgments?

No account is for considered for judgment without written authorization from the City of Madera. CBMS uses the following procedures to help identify possible candidates for potential judgments before they are passed on for your review.

Subject to client specific limitations, unreasonable payment amounts or refusals to pay a valid claim on accounts with balances of \$1000 or greater are evaluated for possible legal action. Subject to identifiable assets, with your permission, we'll go the full extent of the law to collect your account. With your authorization, we will advance all court costs and attorney fees necessary to obtain a judgment. You save the out of pocket legal costs, as well as the hassle of small claims court. Once judgment is obtained, we will promptly lien the attachable assets.

**5. Are Account Analysis reports on line?** Yes, CB Merchant Services has the ability to provide unlimited customized reports developed to your specific requirements. Sample reports are enclosed, however each public agency report requirements differs. We will also provide these reports in a comma delimited format for ease of manipulation. We will capture any and all data elements you desire in order to provide client specific customized reports available on demand or at scheduled intervals. Reports are also available on our client portal in real time 24 hours a day and 7 days a week.

#### 6. What methodology, approach and resources are used in debt recovery?

**Collection Letter Service (Optional)** - Collection Letter Service is a free demand letter. This initial notice is mailed to the address you provide and is scrubbed and NCOA screened to ensure deliverability of the notice. This initial notice identifies the amount due City of Madera and appeals to the consumer to identify disputes, if any, and requests payment in full. Our tollfree number is provided to ensure ease of contact and open communication to discuss payment arrangements. There is no charge on amounts collected during the first ten days.

#### Collection Process

C B Merchant Services covers the entire collection process from initial contact to final resolution. Once assigned for collections (or following the letter service period), our first contact consists of both telephone and/or letter communication requesting payment in full and providing all the necessary disclosures, as required by law. In addition to mailing collection notices on each account assigned, predictive dialing technology ensures "live contacts" are being made on your accounts. By utilizing a combination of TCPA Compliant predictive dialing, manual dialing and/or messaging campaigns, C B Merchants increases the likelihood of contacting the responsible party to arrange for payment in full on your accounts. We recognize that many households are two income wage earners, consequently, we have extended business hours; we are available all five (5) evenings per week till 5:00 p.m. Our consumer portal is available 24/7/365.

Our ten (10) collection specialists are courteous and tactful, but firm enough to get the job done. Each account is evaluated individually based upon many factors; amount referred, age of account, consumers financial situation and financial resources. We are sensitive to customer concerns and in all cases where an error appears to have been made, we will investigate to ensure that the collection action is correct and proper. We are open to discussing payment arrangements with the consumer provided the payment amount is reasonable and the financial situation has been verified.

In addition to extended business hours (evening shifts) and a bilingual staff, we provide a number of instant pay-by-phone and web-based payment options which greatly improves our success in collecting your accounts.



We leverage the most current technology and information resources available, along with our highly trained staff, to collect more for you!

### **Skips and Mail Returns**

Skips and mail returns require special handling and are immediately referred to our comprehensive skip tracing team prior to commencing with collections effort.

### **Reporting**

According to the State and Federal law accounts referred for collection may be reported on the credit report for seven years which greatly improves the potential of collecting your account over an extended horizon.

### **Legal**

Unreasonable payment amounts or refusals to pay a valid claim on amounts over \$1000 will be evaluated for legal action. With your permission, we'll go the full extent of the law to collect your account. With your authorization, we will advance all court costs and attorney fees necessary to obtain a judgment, when warranted. You save the out of pocket legal costs, as well as the hassle of small claims court. Once judgment is obtained, we will promptly lien the attachable assets.

C B Merchant Services has a staff of 10 collectors that will be working on your account if we are awarded your contract. Our business office consists of 10,000 square ft., and our, highly secure, scalable network permits scalable work stations as needed. We have the financial capacity and ability to ramp up workstations as needed. The average experience level in our workforce is 13 years.

The education level of our staff ranges from high school graduates, some college, and trade school and college graduates. We are able to collect nationwide thru our bonded affiliation with American Collection Association.

Our ten (10) collection specialists are courteous and tactful, but firm enough to get the job done. Each account is evaluated individually based upon many factors; amount referred, age of account, consumers financial situation and financial resources. We are sensitive to customer concerns and in all cases where an error appears to have been made, we will investigate to ensure that the collection action is correct and proper. We are open to discussing payment arrangements with the consumer provided the payment amount is reasonable and the financial situation has been verified.

### **7. What is your agency's estimated success rate of collection based upon various types and ages of accounts?**

Based upon our inventory of similar type accounts we forecast to recover 25% of dollars assigned for City of Madera. Assignment results will vary based upon age and type of the accounts assigned and the unique demographics of the areas served.

### **8. Can your agency send monthly reports electronically? Yes**

CB Merchant Services has the ability to provide unlimited customized reports and will capture any and all relevant data elements you desire.

Date of Customer payment

- a. The City's account number for the consumer
- b. Consumer's personal identification number
- c. Consumer's name and date assigned





- d. Date City mailed closing bill to consumer
- e. Address where debt was incurred
- f. Payment amount and status (partial payment or paid in full).
- g. Dollar amount of each payment received which is due to the agency to cover the collection fee
- h. Dollar amount of each payment received and amount due to the City
- i. Remaining individual consumer account balance, if any
- j. Where payment was made, to the agency or the City
- k. Provide a summary total for items g, h, and i

**9. Does your agency have a staff that is bi-lingual and do you have collection letters that are available in Spanish for bi-lingual customers?**

Thirty-one percent of the CBMS collection team and managers speaks English and Spanish. Our collection letters are in English and Spanish. We use a language translation line when required for other languages.

**10. Does your agency provided consultation on collection procedures to the City Staff?** Yes, CBMS is happy to consult with the City on Account Receivable Management and compliance. Recent programs offered to similar type clients include (but is not limited to); How to Make a Collection Call, Skip Tracing Using the Internet, Advanced Collection Procedure, Understanding Bankruptcies; How & When to File a Claim, When to Consider Legal Action to Collect Your Account.

**11. Describe your experience in dealing with delinquent utility bills, fines, liens, etc., levied against properties in foreclosure.**

**Collection Letter Service (Optional)**

**Collection Process**

As a result of the economic downturn, we have substantial experience in collecting accounts for properties in foreclosure. Aside from our traditional collection processes, (Policies & Processes, Reporting & Legal), we have found we often need to locate the consumer and educate them of their financial responsibility up to the point of foreclosure. C B Merchant Services has access to online public records to verify Foreclosure Sale dates etc. With our client's permission, services billed after foreclosure are transferred to the property lien holder (bank or financial institution) for additional collection effort. We have found that most consumers, once located, are now in a better financial situation than they were when the property was in foreclosure. Once appropriate billing details are provided, we have found the consumer is usually willing to pay. Banks and Financial Institutions generally pay when receiving appropriate proof of the debt obligation. We will also work directly with title companies on letters of demand.


























**12 Does your agency have the means to validate address information received from the City before commencing the collection action? YES** Prior to the first placement of your accounts, all accounts are scrubbed and National Change of Address (NCOA) screened to ensure deliverability prior to mailing the first collection notice. We will run your accounts thru the National Change of Address, to validate the address for the validation letter to be received by the consumer.

CBMS is very adept at locating missing debtors.

We believe that skip tracing is a natural part of the collection process, and collectors and skip tracers must have the proper training and tools to do their jobs well. We conduct real-time searches on public and proprietary records as well as conducting extensive phone data searches, which include cell phone verification, reverse look up, caller ID, and carrier contact information. Some examples of our skip trace resources (which are pulled direct to our collectors' screens) are:

- Accurant
- CLEAR



-  Equifax
-  RealQuest
-  TLO
-  Trans Union
-  Vehicle Registrations
-  Bankruptcies
-  Real Property data
-  Records of persons, criminal and court records
-  Business data
-  Professional Licenses
-  Corporate records
-  Postal tracers
-  Directory assistance
-  Criss-cross directories
-  NCOA files
-  Property owner/landlord searches
-  DMV searches (in provider states)
-  County tax assessors
-  Neighbors
-  Surname matches
-  National data bases
-  Neighborhood income demographics
-  New Movers
-  Death Index
-  Phone data (cell phone, reverse look up, caller Id, carrier contact information, ported flags)

Our growth over the years is largely due to our ability to locate and recover an above-average percentage of skip accounts for our clients.

All work will be handled by trained CBMS staff, insured to handle confidential customer information.



## TAB F: Implementation Plan and Cost

### 1. Please describe in detail, the agency's plan to implement the proposed services and to ensure a smooth, error free conversion.

During the transition phase, CBMS runs a series of internal quality control checks to ensure a smooth transition for each client. Quality control occurs in two phases: (1) internal processes and contractual requirements and (2) process testing and acceptance.

#### Phase One: Internal Processes and Contractual Requirements

CBMS runs a series of test accounts through our system based on each new client's requirements, prior to the first placement of that client's accounts. This provides assurance that all systems, from computers to the mailroom, are functioning properly. Quality control checkpoints will include:

- Confirm all electronic data transmission protocols and interface requirements
  - Submission and review of media
  - Review reporting layouts and schedules
  - Review all payment procedures
- 
- CBMS reviews all collection procedures with respect to contractual requirements during Phase One. Any aspect of CBMS' proposed Business Plan that is not in strict compliance is modified. New client quality control checkpoints include the following:
    - Review and customization of all dunning and administrative notices
    - Review all litigation preparation requirements and procedures
    - Review all collection procedures and time frames
    - Review performance goals
    - Review and customization of reports including content, frequencies, and formats
    - Review payment procedures
    - Confirm client-specific training content
    - Review quality control program interface

#### Phase Two: Process Testing and Acceptance

Upon approval of all of the above, CBMS will initiate all programming and procedural changes and commence training updates. Each collector will be required to pass a written exam on any specific requirements and procedures prior to assignment of accounts.

We believe that the most important aspect of quality control is preparation. A series of three test contacts are run through our system based on your requirements, prior to the first placement of your accounts. This process validates the proper customization and operation of all systems and processes prior to receiving the first placement file.

C B Merchant services will be responsible for the conversion cost.

### 2. Will the agency provide on-site training for the city personnel, if needed?

YES, CBMS fully supports on-site training sessions. CBMS typically will send the number of staff that is needed for this training session, depending on the specific needs of the project. CBMS staff prepares all the training materials needed for the training session.



**3. Describe in detail how the agency handles problems resolutions, customer service, day-to-day contact and ongoing maintenance of government clients.**

On a daily basis sample calls and accounts are randomly monitored to ensure a high level of customer service is provided in addition to strict adherence and compliance with security policies and collection laws. If deficits are discovered in the monitoring, the employee receives immediate counseling and exposure to retraining and will recertify their commitment to comply with C B Merchant Services Policies and Procedures. Our management and staff are acutely aware of the negative impact generated by complaints made by the public. This negative impact reflects upon the entire collection industry as well as its clients. Accordingly, all staff receives special and specific training in the importance of positive consumer-relations in order to prevent complaints from ever being generated. In the rare instance that a complaint is received regarding our collection activity, CBMS will, upon notification of such complaint, immediately suspend all collection activity and present said account to senior management for review. Depending upon the nature of the complaint, senior management will interview the collector involved and the complete history of the collection activity including available call recordings. Following review of all pertinent information, senior management will advise the client of our findings, and affect the appropriate resolution of the complaint.

A log is maintained by our Client Service Department for any complaint received, and its resolution. These logs are monitored regularly by management to ensure no continued pattern of complaints exists. Additionally, copies of all related documents will be forwarded to our clients designated management, as requested.



#### **TAB G: Service Enhancements.**

**Based on the information provided in the RFP and your firm's knowledge of the public sector, please describe any services or technological enhancements, not previously mentioned, that should be considered for further improving the effectiveness of the City's collection services.**

CBMS' wide range of programs and capabilities can assist you with separate and distinct programs for:

- Pre-collections: These programs include friendly reminder notices, billing follow-up calls, insurance follow-up, and diverse customized calling campaigns.
- Rapid Recovery: This Cost-effective collection letter service is designed to help enhance your internal recovery efforts before write-offs or placement with a collection agency. Collect more in house without paying traditional collection agency fees.
- Billing and follow-up (self-pay): This highly customized solution includes billing, payment processing, and courtesy follow-up calls made on behalf of the client by CBMS staff.
- Education Seminars: We offer ongoing training and educational opportunities for our clients that will assist them in the day-to-day challenges of account management. In-depth seminars include the following topics: basic collection techniques, advanced collection techniques, skiptracing, bankruptcies, document security, etc. Customized training programs are available.

If you have the need for, or like to discuss, how we can assist you with additional outsource services, we will be happy to meet with you to review your goals and gain a clear understanding of how we may help you to achieve them with a more cost-effective program to augment your current in-house efforts.



## **TAB H: Disaster Recovery Plan**

**The agency shall have and maintain a disaster recovery plan to protect the City's receivables and the confidentiality of the information contained therein. The agency shall propose an off-site storage location and plan for backing up data daily.**

CBMS maintains security on all data, including backup systems in the event of system failure due to natural disaster or otherwise.

CBMS has implemented several measures to insure the security of our clients' data. All access to the computer system itself is protected by a multiple password scheme. If you are connecting to the system from outside of the physical CBMS facility, a password is required to get to the banner and normal user logon. Therefore, an outsider would not even know what type of system they are trying to access without first knowing this system password. Once access to the system has been granted, the user must then use a user name/password to actually use system resources. This combination is unique to each user, and identifies to the system software what capabilities that particular user is allowed to have. The system is designed so that clients are allowed to access their own accounts only.

### **Hardware Description**

The CB Merchant Services systems server infrastructure is a virtualized environment running on HPE servers with VMWare hypervisors and the virtual servers are based on a Windows Server 2016 Active Directory Domain. The Windows domain provides all authentication, authorization, file and print, name resolution, and Group Policy services. The mail solution is based on a cloud hosted Microsoft Exchange 2013 environment.

CBMS uses a dual backup methodology. All our direct access storage devices (DASD) are redundant. We maintain a complete backup of the live data both onsite and in a secure Cloud-Hosted environment. The backups of critical systems are performed hourly during business hours. The daily backups are archived for a week, the weekly backups are archived for a month, and the monthly backups are archived for a year. Yearly backups are archived indefinitely.

Our software is supported 7 days a week, 24 hours a day. CBMS warrants that it will be able to resume full activities within 72 hours after a natural disaster disrupts our normal performance.

### **The Hosted mail environment consists of the following:**

- Hosted Exchange 2013 server cluster

### **Hosted Data Center Detail (Raymar)**

The Raymar facility protects our mission-critical operations and maintains the SSAE 16, SOC Certified, SAS &) Type II compliance with the ability to grow when we do.

### **Power**

Custom uninterruptible power solutions together with our fortunate geographic position makes Raymar exempt from planned power blackouts and ensures the power will be 365 days and nights per year.



## Redundancy

Raymar's network hosting, power and connectivity are all fully redundant. They are BGP-6 routed with multiple fiber-links from outside providers. They own their own IP space and are not dependent on connectivity providers for IPs. They have engineered the Data Center and all points-of-failure to be fully redundant and ready for fail-over in case of emergency. Recognizing we run mission critical Internet applications, which must be running 24/7/365, the Raymar Data Center meets or exceeds our customer requirements.

## Connectivity

Utilizing proprietary network architecture and advanced routing technologies, Raymar is able to route, or transfer, data to and from our Data and Application Center, where we are directly connected to our upstream providers. This optimal routing of data traffic to and from our server hosted at the Raymar Data Center over the multiplicity of networks that comprise the Internet enables higher transmission speeds, lower instances of data packet loss and greater quality of service for the customer visiting our server or applications!

## Additional Information

Kohler 250KW generator and 40KVA UPS. Monitored around-the-clock by network Engineers. Fully redundant environment, power and connectivity - Continuous Monitoring 24/7/365 - Backup - daily with offsite rotation - Quality Bandwidth and Reporting, AW Stats - Repair and Replacement - within 4 hours - Exceptional support response within 4 hours of incident - Security Services – software and hardware patches and updates - Add-ons: Control Panel, Firewalls, etc. -Optional: Customized software development on demand - Equipment Rotation Life Cycle every three (3) to five (5) years.

## Secure Controls

The data centers are compliant with the Service Organization Control (SOC 1 / SSAE 16 and SOC 2) reporting standards. Renowned as the predominant credential for data centers, the criteria for SOC auditing are set forth by the American Institute of Certified Public Accountants. The operational controls and activities of the facilities are audited annually to maintain compliance.

## Secure Management

The data center's engineering team proactively monitors and maintains the servers of the data center. This includes ensuring the health and optimization of hardware, overseeing OS updates, and conducting reactionary fixes for any security exploits either published or discovered.

The engineering team is on-call 24/7 for emergency support.

- **Encryption:** Data in transit from local backup devices to the data center is encrypted using AES 256-bit encryption. Certain backup products have an optional local encryption feature that enables customers to encrypt backed-up data on their local devices; this enables them to transmit encrypted data to the data center, which is stored in the data center in an encrypted manner.
- **Data Access:** Data center engineering's access to node servers is granted via RSA SSH keys and two-factor authentication.
- **Physical Access:** Physical access is guarded 24/7 by data center



security personnel. Dual biometric and RFID badge scans with activity logging is required to access Man Traps and the data center floor. Any visitors must be pre-registered, signed in by the site security personnel and escorted.

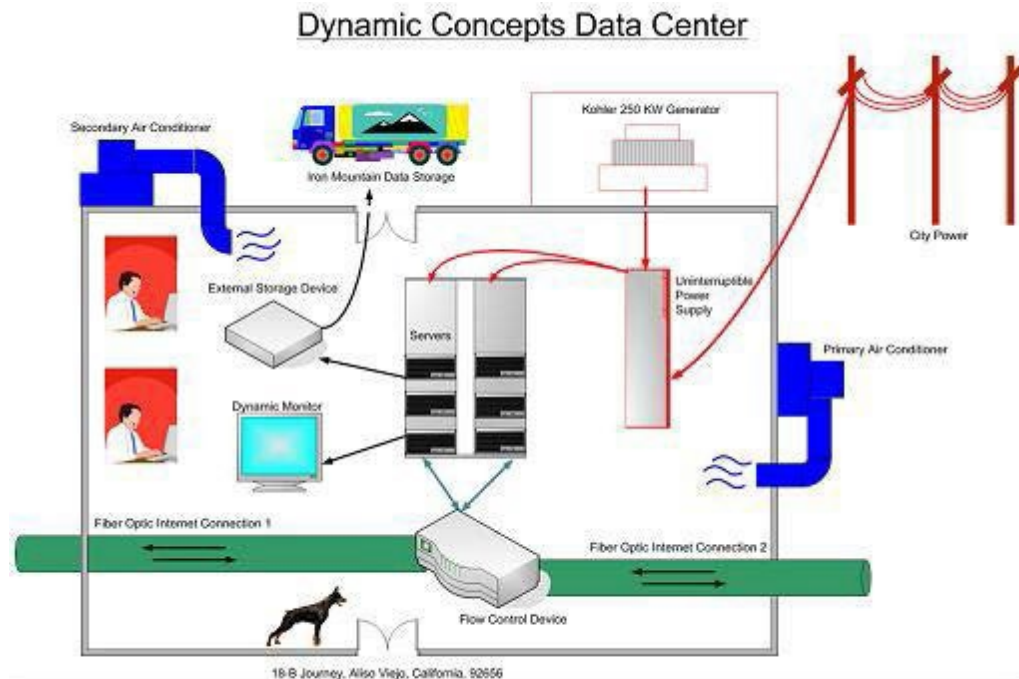
### Redundant Data Centers

The data center cluster is composed of many data centers located in different countries. All US customer data is first synchronized to the primary facility in Pennsylvania. A secondary location in Utah serves as means of replication for up to 90 days of data for the primary data center for the backup devices replication for SaaS Protection 2.0 datasets. All primary sites are capable of providing users remote access to protected files and systems in the case of a disaster.

### Reliable Infrastructure

The data center's colocation facility located in the USA provides for various safeguards focused on fault tolerance and security. Some of those safeguards include:

- **Power:** Utility feed, N+1 generators, and 8 dual-module UPS battery systems supply the servers.
- **Networking:** Multiple physical entry points and load balancing across three Internet Service Providers (ISP).
- **Cooling:** Industry-grade passive and active HVAC systems regulate temperature and humidity.
- **Fire Protection:** Waterless FM200 systems use vapor to extinguish fires in 10 seconds while neither conducting electricity nor causing harm to occupants.
- **Certifications:** One or more of SSAE16/ ISAE3402 SOC 1 Type II, SOC 2 Type II, ISO 2700



Raymar Data Center





#### **TAB I-Credit Card Services**

**The contractor shall be capable of accepting and processing credit card payments via telephone for Visa and MasterCard as a minimum requirement. The cost for this service must be included in the overall price quoted in the bidder proposal.**

Bidder agrees and will comply



**TAB J Management Report Requirements:**

**1. By the 10<sup>th</sup> of each month, the contractor will provide a report of their paid accounts to the Finance Department. The monthly reports shall include the information listed below.**

**The name of the debtor.**

**The City's account number.**

**The original amount owed.**

**The data submitted**

**The amount paid within the prior month**

**Uncollectible accounts, broken out on the report by reason (i.e., bankrupt, incarcerated, deceased, public assistance recipient, etc.).**

**If there was change in the name, identify the original name submitted by the City**

**A grand total dollar amount submitted, collected and outstanding**

**A grand total percentage collected annually and within the prior month.**

Bidder agrees and will comply. CB Merchant Services has the ability to provide unlimited customized reports and will any all relevant data elements you desire. Reports can be delivered in electronic (comma deleted) format or paper reports. Account information can be separated by account type or consolidated.

**Tab K – Cost Proposal: The agency shall provide all costs and fees associated with implementing and providing services as specified using Attachment B Fee Schedule**

**Tab L – Addenda: The agency shall provide acknowledgement of all addenda issued to this RFP. If no Addenda issued, the agency shall submit a statement affirming such.**

**Tab M - Attachment's**

**Attachment "A" is a Vendor Information Form.**

**Attachment "B" is a Compensation Fee Schedule to indicate in detail the compensation to be made to Contractor required under the contract.**

**Attachment "C" is the RFP Reference Form. This form must be completed and submitted with proposal.**

**Attachment "D" is a draft of a City contract as would normally be used in this procurement. Firms are not required to sign said contract at time of proposal submittal. A contract in final form will be forwarded to the successful contractor, for signature, prior to contract award. As part of the technical proposal, a contractor must review the terms and conditions and provide any exceptions. NOTE: Any exceptions taken to the draft contract must be provided as an attachment to the proposal submittal.**

C B MERCHANT SERVICES  
217 N SAN JOAQUIN ST  
P O BOX 209  
STOCKTON, CA 95201  
2099449001

DEBTOR STATUS REPORT PREPARED

FOR: City of Madera

THANK YOU FOR YOUR BUSINESS

**C B MERCHANT SERVICES**September 19, 2021  
15:01:51PREPARED FOR: City of Madera  
CLIENT # 3515

DEBTOR ALPHA LISTING

PAGE 1

YOUR ACCOUNT # OUR ACCOUNT #	NAME FOR/REMARKS	SPOUSE OC	DOR DLP	AMT REF BALANCE	REMARKS
#546467 279270	TEST, ANA ANA TEST	00-SA	01-08-21	5770.00 5770.00	PRIORITY RATING
#1234567 282299	TEST, COLLECTOR COLLECTOR	00-01	02-23-21 02-25-21	10000.00 9600.00	RQ LEGAL ACTION
#555578 502031	TEST JOHNSON JOHNSON TEST	TTT 00-01	01-01-21	9700.00 9700.00	ACTIVE ACCOUNT
#123245 124707	TEST, MITCH MITCH TEST	00-89	07-14-21	5550.00 5550.00	LEGAL ACCOUNT
#32412 651304	TEST, STEPHANIE STEPHANIE TEST	00-SA	01-01-21	1025.00 1025.00	PROMISED PMT
#123456 1	TEST, TOMMY TOMMY TEST	DEBBIE 00-02	08-15-21	85.23 85.23	ACTIVE ACCOUNT
#14291 4291	TEST, TOMMY DEBBIE TEST	DEBBIE 00-01	12-01-21	21073.50 21073.50	ACTIVE ACCOUNT
#98715 371485	TEST, TOMMY TOMMY TEST	DEBBIE 00-01	09-15-21	4900.00 4900.00	ACTIVE ACCOUNT
#5678432 882361	TEST, TOMMY ANA	DEBBIE 01-01	06-30-21 08-30-21	6000.00 0.00	PAID IN FULL

SUMMARY INFORMATION AND TOTALS

City of Madera

TOTAL REFERRED	9	\$	64103.73
TOTAL BALANCE		\$	57703.73



C B Merchant Services  
 217 N. San Joaquin St.  
 Post Office Box 209  
 Stockton, CA 95201  
 209-944-9001 or 800-399-2400  
 209-944-0795 Fax  
[www.cbmerchantservices.com](http://www.cbmerchantservices.com)

## Helpful Guide To Your Monthly Trust Invoice

Trust Test Client  
 123 Address St.  
 Stockton, CA 95202

**Client Number** → XXXX-N-VAR      **Date Trust was processed** → Trust Invoice #XXXX00000001  
 Date 02/02/2021

Your Customer's Name	Account Balance After Payment	Amount Paid To CBMS	Commission Charged On Account	Amount Due Client
Debtor Name	Payment Date	Balance	Paid Agency	Paid Client
Client Account #	Date of Referral		Commission	Due Client
Service For	Agency Account #			
Smith, Consumer	1/13/2021	0.00	517.00	0.00
	999999			98.23
	Persnl Chk 9999			418.77

Totals	Total Paid	Paid Agency	Paid Client	Commission	Due Client
	\$517.00	\$517.00	\$0.00	\$98.23	\$418.77

**Last Assignment Date For This Client Number** → Last New Business Listing 12/15/2020

Total Amount Collected \$642.50  
 Collection Fees \$98.23  
 Attached is check #99999 \$418.77

**Age of Accounts at Time of Payment**

Aging In Months	
Under 1	0.00
2	0.00
3	0.00
4	517.00
5	0.00
6 And Over	0.00

*Please phone 209-944-9001 or 800-399-2400 if you have any questions  
 We appreciate your business!*

CLIENT # 3515  
FORMULA 1  
RATE 19

City of Madera

INTEREST 10S  
TYPE ACCT 1  
ACKNOWLEDGE Y

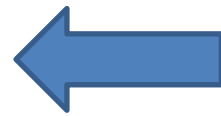
=====

CONTACT:				REGULAR COLLECTIONS	
REMARKS:	FAX			Nov 30, 2021	9:26
TYPE		MTD		YTD	TOT
# OF ACCOUNTS		10		72	3882
DOLLARS LISTED	\$	2,944	\$	17,902	\$ 788,044
AVERAGE LISTED	\$	294	\$	248	\$ 203
# PMTS COLLECTED		4		43	1681
DOLLARS COLLECTED	\$	445	\$	5,884	\$ 201,045
COMMISSIONS	\$	84	\$	1,118	\$ 38,198
% OF COMMISSIONS		NA		NA	19.0
AGENCY UNIT YIELD		17.8		27.1	19.0
CLIENT NET UNIT RECOVERY		26.7		54.6	32.0
\$ PERFORMANCE %		15.1		32.9	25.5

=====

LAST NEW BUSINESS DATE	050121	TOTAL DUE AGENCY	\$	0
FOLLOW UP DATE	051221	SALESMAN CODE		02
ORIGINAL SET UP DATE	011219			

=====



**This snapshot summary report provides you a real time snap shot of the status of all assigned accounts and summarizes month to date, year to date and total results, and includes an overall recovery percentage. This report represents an overall 25.5% recovery percentage.**

**TAB K**

**COST PROPOSAL**

Firm shall indicate in detail in the space provided on this form their compensation fee schedule to include the type of structure and collection fees required under the contract.

<b>SCHEDULE A, COLLECTION SERVICES - <u>City of Madera Utility Accounts</u></b>		
<b>Accounts that pay before 15-day Letter Services expires:</b>		<b>Commission charged 0%</b>
<b>After 30 days expires:</b>	<b>Day 16 to Day 182 (6 months)</b>	<b>Commission charged <u>22%</u></b>
	<b>Day 183 to Day 365 (1 year)</b>	<b>Commission charged <u>22%</u></b>
	<b>Day 366 to Day 730 (2 years)</b>	<b>Commission charged <u>22%</u></b>
<b>After 2 years expires:</b>	<b>If no activity from customer:</b>	<b>Cancel Back to City of Madera 0%</b>
<p>Any account that comes back on active, current service with City of Madera, and as a condition of service; must pay referred account in full: that amount is cancelled back from credit bureau and ONLY charged 10% commission fee.</p> <p><b>In addition: The Vendor must be capable of sending and receiving updates electronically through a secure and encrypted connection at the vendor's expense.</b></p>		

<b>SCHEDULE B, COLLECTION SERVICES – <u>City of Madera Miscellaneous Collection Accounts</u></b>		
<b>Accounts that pay before 15-day Letter Services expires:</b>		<b>Commission charged 0%</b>
<b>After 30 days expires:</b>	<b>Day 16 to Day 182 (6 months)</b>	<b>Commission charged <u>22%</u></b>
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	<b>Day 366 to Day 730 (2 years)</b>	<b>Commission charged <u>22%</u></b>
<b>After 2 years expires:</b>	<b>If no activity from customer:</b>	<b>Cancel Back to City of Madera 0%</b>
<p><b>In addition: The Vendor must be capable of sending and receiving updates electronically through a secure and encrypted connection at the vendor's expense.</b></p>		





## ADDENDUM NO. 1

April 19, 2022

### RE: Account Collection Services, RFP 202122-13

The foregoing documents are amended and/or clarified in the respects as herein set forth. This addendum and the amendments herein shall become part of said documents and of any contract entered into pursuant to said documents.

Questions and answers through Friday, April 15, 2022:

1. Are bidders permitted to deviate in any way from any manner of quoting fees you may be expecting? For example, if there is a pricing page in the RFP, can bidders submit an alternate fee structure? If there is no pricing page in the RFP, do you have any preference for how bidders should quote fees or can bidders create their own pricing categories?

No.

2. Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable.

We were satisfied with our previous vendor.

3. To what extent will the location of the bidder's proposed location or headquarters have a bearing on any award?

None.

4. How are fees currently being billed by any incumbent(s), by category, and at what rates? Current vendor deducts their fee from remittances.

19% is their fee.

5. What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?

Last month \$0, last quarter \$0, and since contract began \$12,000.

6. To how many vendors are you seeking to award a contract?

One.

7. To what extent are these accounts owed by private consumers versus commercial businesses?

90% private and 10% commercial.

8. What collection attempts are performed or will be performed internally prior to placement?

We send out delinquent notices.

9. What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?

120 days.

10. What billing servicer do you utilize?

DataProse.

11. Have all cases been fully adjudicated by the time of placement?

Yes.

12. If applicable, will accounts held by any incumbent(s) or any backlog be moved to any new vendor(s) as a one-time placement at contract start up?

Yes.

13. What is your case management/accounting software system of record?

Tyler MUNIS.

14. Who is your electronic payment/credit card processing vendor?

Paymentus.

15. What process should a vendor follow, or which individual(s) should a vendor contact, to discuss budget-neutral services outside of the scope of this procurement, but related to it, designed to recover more debt prior to outside placement and lower collection costs?

Contact Alma Lomeli, Utility Billing Supervisor, and Jennifer Stickman, Procurement Services Manager.

16. How do your current processes and/or vendor relationship(s) systematically determine if the death of a responsible party has occurred?

We don't currently have a process.

17. How do your current processes and/or vendor relationship(s) handle the death of a responsible party?

We send to collections and let the estate, if any, handle the past due payment.

18. Do you have a designated process or policies around deceased accounts today, and what is envisioned in the future?

No, but would like to be able to set up a policy related to deaths of consumer.

19. Do you currently search and file probated estate claims?

No.

20. Have you considered an automated tool to identify and file probated estate claims?

No.

21. Please confirm if providing legal services is a requirement for contract award? If so, please provide the historical number of accounts placed for legal per year.

No.

22. If legal is a requirement would the City consider paying costs?

N/A.

23. Please provide the number of accounts that are anticipated to be placed annually for collections by acct type if available.

Pre-pandemic, approximately 20-30 each month.

24. Who is the incumbent?

CB Merchant Services

25. What are the historical liquidation rates of incumbent

11.20%

26. What is the current fee rate charged by the incumbent?

19%

27. Is credit reporting required for all accounts placed with the vendor?

No.

28. In an average month, how many delinquent accounts does the city anticipate placing with their collection vendor?

Pre-pandemic, 20 to 30 each month.

29. What is the average balance of the accounts?

Between \$50 to \$5,000.

30. Tab E has a three-page limit. Since this is the section where respondents are to explain their collection methodology, would the city consider raising this limit to at least six pages?

No, however, vendors may be asked for additional information after all proposals are received.

31. Are vendors permitted to include exhibits or attachments to proposals, outside the page limit?

No, however, vendors may be asked for additional information or to prepare a presentation that would include exhibits and other attachments after all proposals are received.

32. Scope of Work – pages 7-8 – information provided at the time of placement. As of November 2021, federally mandated Regulation F requires agencies provide specific details regarding the payment/adjustment history. Do your placement files currently contain this information and if not, is the City willing to work with the awarded vendor to provide the necessary information?

Staff is still gathering information on this question.

33. Scope of Work – page 8 – back-up documentation. When a consumer asks for an itemization of the charges, will the City provide this documentation free of charge or will the agency be responsible for the cost of copying. If charged, what is the rate?

The City will provide detailed documentation free of charge.

34. Insurance Requirements – page 10 – General Liability. Would the City entertain reducing the per occurrence/aggregate requirements to \$1m per occurrence/\$2m aggregate?

No.

35. Do you have historical volume numbers (number assigned/dollars assigned) for the portfolios you plan to place?

Yes.

36. Average age of the accounts?

1 to 2 years on some accounts.

37. What does the flow of accounts look like going forward?

We expect activity to start increasing now that the pandemic relief and disconnect service moratorium has been lifted.

38. What is the level of collection activity on accounts prior to write off to your agency? (ex: number of phone calls? Collection letters?)

Staff is still gathering information on this question.

39. How are you currently assigning your accounts (ex. electronically via secured FTP website; paper)?

Paper.

40. Will the awarded vendor have a single point of contact or work with multiple departments?

The vendor will work with a couple of individuals from the Finance department.

41. How long have you been with your current vendor?

Our contract with our current vendor has expired. We are on a month-to-month. Prior to contract expiration, we were on a three-year contract with our vendor.

42. Does the contingency fee that you pay your current agency increase in the event of legal action?

It's a contract legal fee apart from the percentage fee.

43. If you will be cancelling your accounts with your current agency and placing them with the new agency, what is the dollar amount, average balance, and age of this portfolio?

Average dollar amount \$400,000.00. Average balance \$111,000.00, age of portfolio 1 to 2 years on some accounts.

44. It would help us to correctly price our response to your RFP by knowing what success your current agency has achieved. What is the collection percentage on accounts written off to bad debt in 2021?

11.2%.

45. What collection attempts are performed or will be performed internally prior to placement.

We send collection letters as well as shut off notices.

46. Will the accounts held by any incumbents be assigned to any new vendors as a one-time placement at contract start up?

Yes.

47. Will the accounts assigned with the collection contractor be once a month, weekly, or daily?

Some weekly, but not less than once a month.

\*\*\*\*\*

Issued by:

 \_\_\_\_\_  
Jennifer Stickman  
Procurement Services Manager

To verify receipt of this Addendum No. 1, please email this sheet to Jennifer Stickman at [jstickman@madera.gov](mailto:jstickman@madera.gov) before the proposal due date.

Name of Firm: CB Merchant Services

Acknowledged by: Dennis Barbieri

**ATTACHMENT A**

**VENDOR INFORMATION FORM  
FOR**

**RFP No. 202122-13 for Account Collection Services**

TYPE OF APPLICANT:  NEW  CURRENT VENDOR

Legal Contractual Name of Corporation: CB Merchant Services

Contact Person for Agreement: Linda Guinn

Corporate Mailing Address: Post Office Box 209

City, State and Zip Code: Stockton, California 95201

E-Mail Address: lguinn@cbmerchantservices.com

Phone: 209-944-9001 Fax: 209-944-0795

Contact Person for Proposals: DENNIS BARBIERI

Title: Account Executive E-Mail Address: dbarbieri@cbmerchantservices.com

Business Telephone: 209-944-9001 Ext. 101 Business Fax: 209-944-0795

Is your business: (check one)

NON-PROFIT CORPORATION  FOR PROFIT CORPORATION

Is your business: (check one)

CORPORATION  LIMITED LIABILITY PARTNERSHIP

INDIVIDUAL  SOLE PROPRIETORSHIP

PARTNERSHIP  UNINCORPORATED ASSOCIATION

**Names & Titles of Corporate Board Members**

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
<u>Ray McCray</u>	<u>Chairman of the Board</u>	<u>209-944-9001</u>
<u>Justin Redman</u>	<u>Vice Chairman</u>	<u>209-944-9001</u>
<u>David Vaccareza</u>	<u>Secretary</u>	<u>209-944-9001</u>
<u>Mahala Burns</u>	<u>CFO</u>	<u>209-944-9001</u>
<u>Joe Dietrich</u>	<u>Director</u>	<u>209-944-9001</u>
<u>Linda Guinn</u> Auth. Signer	<u>CEO</u>	<u>209-944-9001 X112</u>

Federal Tax Identification Number:                    94-1160895

CA DFPI Collection Agency License-Submitted and Pending  
City of Madera Business License

Number: 1722 \_\_\_\_\_ (If none, you must obtain a  
City of Madera Business License upon award of contract.)

City of Madera Business License Expiration Date:

1722 \_\_\_\_\_

**ATTACHMENT B**

**FEE SCHEDULE**

Firm shall indicate in detail in the space provided on this form their compensation fee schedule to include the type of structure and collection fees required under the contract.

<b>SCHEDULE A, COLLECTION SERVICES - <u>City of Madera Utility Accounts</u></b>		
<b>Accounts that pay before 15-day Letter Services expires:</b>		<b>Commission charged                      0%</b>
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	<b>Day 183 to Day 365 (1 year)</b>	<b>Commission charged                      <u>22%</u></b>
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<b>After 2 years expires:</b>	<b>If no activity from customer:</b>	<b>Cancel Back to City of Madera      0%</b>
<p>Any account that comes back on active, current service with City of Madera, and as a condition of service; must pay referred account in full: that amount is cancelled back from credit bureau and ONLY charged 10% commission fee.</p> <p><b>In addition: The Vendor must be capable of sending and receiving updates electronically through a secure and encrypted connection at the vendor's expense.</b></p>		

<b>SCHEDULE B, COLLECTION SERVICES – <u>City of Madera Miscellaneous Collection Accounts</u></b>		
<b>Accounts that pay before 15-day Letter Services expires:</b>		<b>Commission charged                      0%</b>
<b>After 30 days expires:</b>	<b>Day 16 to Day 182 (6 months)</b>	<b>Commission charged                      <u>22%</u></b>
	<b>Day 183 to Day 365 (1 year)</b>	<b>Commission charged                      <u>22%</u></b>
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<b>After 2 years expires:</b>	<b>If no activity from customer:</b>	<b>Cancel Back to City of Madera      0%</b>
<p><b>In addition: The Vendor must be capable of sending and receiving updates electronically through a secure and encrypted connection at the vendor's expense.</b></p>		



**ATTACHMENT C  
RFP REFERENCE FORM**

AGENCY/COMPANY:	City of Baldwin Park
CONTACT PERSON:	Rose Tam
EMAIL ADDRESS:	RTam@baldwinpark.com
PHONE NUMBER:	626-960-4011
ADDRESS:	14403 E. Pacific Ave 2nd Fl Baldwin Park, Ca. 91706
DATE SERVICES PROVIDED:	2015
SUMMARY OF SERVICES INCLUDED:	Utilities, Fines, Permits, Misc, DUI.
AGENCY/COMPANY:	City of Galt
CONTACT PERSON:	Cathy Duly
EMAIL ADDRESS:	CDuley@cityofgalt.org
PHONE NUMBER:	209-366-7150
ADDRESS:	380 Civic Dr Galt, Ca. 95632
DATE SERVICES PROVIDED:	1996
SUMMARY OF SERVICES INCLUDED:	Utilities, Commercial, NSF Checks, Misc
AGENCY/COMPANY:	City of Lodi
CONTACT PERSON:	Taara Sumner
EMAIL ADDRESS:	tsumner@lodi.gov
PHONE NUMBER:	209-333-6717
ADDRESS:	210 W ELM ST Lodi, Ca. 95242
DATE SERVICES PROVIDED:	1993
SUMMARY OF SERVICES INCLUDED:	Utilities, Fines, ed Checks, Misc.
AGENCY/COMPANY:	City of Stockton
CONTACT PERSON:	Alisha Singh
EMAIL ADDRESS:	Alisha.Singh@stocktonca.gov
PHONE NUMBER:	209-937-7179
ADDRESS:	425N. El Dorado Stockton, Ca. 95202
DATE SERVICES PROVIDED:	1979
SUMMARY OF SERVICES INCLUDED:	Utilities, Fire, DUI, Alarms, Bus. Lic., Code Enforcment
AGENCY/COMPANY:	City of Tracy
CONTACT PERSON:	Isabel Yamada
EMAIL ADDRESS:	Isabel.Yamada@CityofTracy.org
PHONE NUMBER:	(209) 831-6821
ADDRESS:	333 Civic Center Plaza Tracy, Ca. 95376
DATE SERVICES PROVIDED:	1992
SUMMARY OF SERVICES INCLUDED:	Utilities, Alarms, Permits, Bus. Lic., Code Enforcment

## **SAMPLE PROFESSIONAL SERVICES AGREEMENT**

### **PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF MADERA AND**

---

This Professional Services Agreement ("Agreement") is entered into between the CITY OF MADERA, a California general law city ("City") and NAME ("Service Provider"). This Agreement shall be effective on the date signed by City which shall occur after execution by Service Provider ("Effective Date").

#### **RECITALS**

A. City has sought, by a Request for Proposals, to select a service provider to provide account collection services.

B. Service provider submitted a proposal for performing the requested Services and is engaged in the business of furnishing such services as a service provider and hereby warrants and represents that it is qualified, licensed, and professionally capable of performing the Services called for in the Request for Proposals and this Agreement.

C. City has selected Service Provider to perform the requested Services on the basis of Service Provider's demonstrated competence and professional qualifications.

D. City desires to retain Service Provider, and Service Provider desires to provide City with the Services, on the terms and conditions as set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the promises and mutual agreements herein, City and Service Provider agree as follows:

#### **AGREEMENT**

1. Scope of Services. Service Provider shall perform, to the satisfaction of City in accordance with this Agreement, the Services described in the "Scope of Services" attached hereto as **Exhibit A** and incorporated by herein by this reference. *[or detail the services in this section rather than in exhibit]*. Service Provider shall at all times faithfully, competently and to the best of its ability, experience, and talent, perform all services described herein.

1. 2. Commencement of Services; Term of Agreement. Service Provider shall begin work after receipt of the Notice to Proceed. Service Provider shall there upon work diligently, through \_\_\_\_\_, 2024 and continuously provide all the required services and activities described herein. The term of the contract shall be for a two-year firm fixed price contract. CITY and SERVICE PROVIDER may, upon mutual agreement of both parties, extend this Agreement for up to three (3) additional one-year terms.

- (a) Continuity of Personnel. Service Provider shall make every reasonable effort to maintain the stability and continuity of Service Provider's staff and subcontractors assigned to perform the Services under this Agreement. Service Provider shall notify City of any changes in Service Provider's staff and subcontractors assigned to perform the Services under this Agreement.
- (b) Additional Services. Service Provider shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to or outside of those set forth in this Agreement or listed in **Exhibit A** unless such additional services are authorized in advance and in writing by the City Manager of City. Service Provider shall be compensated for any such additional services in the amounts and in the manner agreed to by the City and Service Provider.
3. Compensation for Services. City shall compensate Service Provider for rendering the Services as follows:
- (a) Subject to any limitations set forth in this Agreement, City agrees to pay Service Provider by the amounts specified in the Schedule of Compensation attached hereto as **Exhibit B** and incorporated herein by this reference. *[And if applicable add: "Both parties agree that Service Provider's total compensation under this Agreement shall not exceed \$\_\_\_\_\_."]*
- (b) Each month Service Provider shall invoice City for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories: labor (by subcategory), travel, materials, equipment, supplies, and sub-consultant contracts.
- (c) City shall independently review each invoice submitted by the Service Provider to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. The invoiced amount shall be paid within 30 calendar days unless City disputes any charges or expenses. If any charges or expenses are disputed, City shall pay the undisputed amount, and notify Service Provider of the nature and amount of the disputed charge or expense. The parties shall seek to resolve the disputed items(s) by mutual agreement.
- (d) Payment to Service Provider for work performed under this Agreement shall not be deemed to waive any defects in work performed by Service Provider.
4. Independent Contractor Status. Service Provider and its subcontractors shall perform the Services as independent contractors and not as officers, employees, agents, or volunteers of City. Nothing contained in this Agreement shall be deemed to create any contractual relationship between City and Service Provider's employees or subcontractors, nor shall anything contained in this Agreement be deemed to give any third party, including but not limited to Service Provider's

employees or subcontractors, any claim or right of action against City. Neither the City nor any of its employees shall have any control over the manner, mode, or means by which Service Provider or its agents or employees perform the services under this Agreement.

5. Qualifications, and Professional Standards. Service Provider represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner. In meeting its obligations under this Agreement, Service Provider shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of Service Provider under this Agreement. Service Provider represents that to the extent Service Provider utilizes subcontractors, such subcontractors are, and will be, qualified in their fields. Service Provider also expressly represents that both Service Provider and its subcontractors, if any, are now, and will be throughout their performance of the Services under this Agreement, properly licensed or otherwise qualified and authorized to perform the Services required and contemplated by this Agreement. Service Provider and its subcontractors, if any, shall utilize the standard of care and skill customarily exercised by members of their profession, shall use reasonable diligence and best judgment while performing the Services, and shall comply with and keep themselves informed of all applicable laws and regulations.

6. Identity of Subcontractors and Sub-Consultants. Service Provider shall before commencing any work under this Agreement provide to City in writing: (a) the identity of all subcontractors and sub-consultants (collectively referred to as "subcontractors"), if any, which Service Provider intends to utilize in Service Provider's performance of this Agreement; and (b) a detailed description of the full scope of work to be provided by such subcontractors. Service Provider shall only employ subcontractors pre-approved by City and in no event shall Service Provider replace an approved subcontractor without the advance written permission of City, with the understanding that City's permission will not be unreasonably withheld. Notwithstanding any other provisions in this Agreement, Service Provider shall be liable to City for the performance of Service Provider's subcontractors.

7. Subcontractor Provisions. Service Provider shall include in its written agreements with its subcontractors, if any, provisions which: (a) impose upon the subcontractors the obligation to provide to City the same insurance and indemnity obligations that Service Provider owes to City; (b) make clear that City intends to rely upon the reports, opinions, conclusions, and other work product prepared and performed by subcontractors for Service Provider; and (c) compliance with all laws and certifications as required under this Agreement.

8. Power to Act on Behalf of City. Service Provider shall not have any right, power, or authority to create any obligation, express or implied, or make representations on behalf of City except as may be expressly authorized in advance in writing from time to time by City and then only to the extent of such authorization.

9. Record Keeping; Reports. Service Provider shall keep complete records showing the type of Services performed. Service Provider shall be responsible and shall require its subcontractors to

keep similar records. City shall be given reasonable access to the records of Service Provider and its subcontractors for inspection and audit purposes. Service Provider shall provide City with a working draft of all reports and a copy of all final reports prepared by Service Provider under this Agreement.

10. Ownership and Inspection of Documents. All data, tests, reports, documents, conclusions, opinions, recommendations, and other work product generated by or produced for Service Provider or its subcontractors in connection with the Services, regardless of the medium, including physical drawings and materials recorded on computer discs (“Work Product”), shall be and remain the property of City. City shall have the right to use, copy, modify, and reuse the Work Product as it sees fit. Upon City’s request, Service Provider shall make available for inspection and copying all such Work Product and all Work Product shall be turned over to City promptly at City’s request or upon termination of this Agreement, whichever occurs first. Service Provider shall not release any Work Product to third parties without prior written approval of the City Manager. This obligation shall survive termination of this Agreement and shall survive for four (4) years from the date of expiration or termination of this Agreement.

11. Confidentiality. All data, reports, conclusions, opinions, recommendations, and other work product prepared and performed by and on behalf of Service Provider in connection with the Services performed pursuant to this Agreement shall be kept confidential and shall be disclosed only to City, unless otherwise provided by law or expressly authorized by City. Service Provider shall not disclose or permit the disclosure of any confidential information acquired during performance of the Services, except to its agents, employees, affiliates, and subcontractors who need such confidential information in order to properly perform their duties relative to this Agreement. Service Provider shall also require its subcontractors to be bound to these confidentiality provisions.

12. City Name and Logo. Service Provider shall not use City’s name or insignia, photographs relating to the City projects for which Service Provider’s services are rendered, or any publicity pertaining to the Service Provider’s services under this Agreement in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

13. Conflicts of Interest. Service Provider warrants that neither Service Provider nor any of its employees have an interest, present or contemplated, which would conflict in any manner with the interests of the City, or which would in any way hinder Service Provider’s performance of services under this Agreement. Service Provider covenants that no person having any such interest, whether an employee or subcontractor shall perform the Services under this Agreement. During the performance of the Services, Service Provider shall not employ or retain the services of any person who is employed by the City or a member of any City Board or Commission. City understands and acknowledges that Service Provider is, as of the date of execution of this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. Service Provider is unaware of any stated position of City relative to such projects. Any future position of City on such projects shall not be considered a

conflict of interest for purposes of this section. City understands and acknowledges that Service Provider will, perform non-related services for other governmental agencies and private parties following the completion of the Services under this Agreement, and any such future service shall not be considered a conflict of interest for purposes of this section.

14. Non-liability of Officers and Employees. No officer or employee of City shall be personally liable to Service Provider, or any successors in interest, in the event of a default or breach by City for any amount which may become due Service Provider or its successor, or for any breach of any obligation under the terms of this Agreement.

15. City Right to Employ Other Service Provider s. This Agreement is non-exclusive with Service Provider. City reserves the right to employ other Service Providers in connection with the Services.

16. Termination of Agreement. This Agreement shall terminate upon completion of the Services, or earlier pursuant to the following.

a. For Convenience of City. This Agreement may be terminated by City at its discretion upon thirty (30) days prior written notice to Service Provider.

b. For Breach of Either Party. If for any cause either party fails to fulfill in a timely and proper manner its obligations under this Agreement (the "breaching party"), the other party (the "terminating party") shall have the right to terminate the Agreement by giving not less than five (5) working days' written notice to the breaching party of the intent to terminate and specifying the effective date thereof. The terminating party shall, however, provide the breaching party with a detailed statement of the grounds for termination. This statement shall include, as appropriate, references to specific provisions of this Agreement, dates, dollar amounts and other information relevant to the decision to terminate for cause.

c. Compensation to Service Provider Upon Termination. In the event termination is not due to fault attributable to Service Provider and provided all other conditions for payment have been met, Service Provider shall be paid compensation for services performed prior to notice of termination. As to any phase partially performed but for which the applicable portion of Service Provider 's compensation has not become due, Service Provider shall be paid the reasonable value of its services provided. However, in no event shall such payment when added to any other payment due under the applicable part of the work exceed the total compensation of such part as specified in Section 3 herein. In the event of termination due to Service Provider's failure to perform in accordance with the terms of this Agreement through no fault of City, City may withhold an amount that would otherwise be payable as an offset to City's damages caused by such failure.

d. Effect of Termination. Upon receipt of a termination notice (or completion of this Agreement), Service Provider shall: (i) promptly discontinue all Services affected (unless the notice directs otherwise); and (ii) deliver or otherwise make available to the City, without additional

compensation, all data, documents, procedures, reports, estimates, summaries, and such other information and materials as may have been accumulated by the Service Provider in performing this Agreement, whether completed or in process. Following the termination of this Agreement for any reason whatsoever, City shall have the right to utilize such information and other documents, or any other works of authorship fixed in any tangible medium of expression, including but not limited to physical drawings, data magnetically or otherwise recorded on computer disks, or other writings prepared or caused to be prepared under this Agreement by Service Provider. Service Provider may not refuse to provide such writings or materials for any reason whatsoever.

17. Insurance. Service Provider shall obtain and maintain in full force and effect during the term of this Agreement the insurance policies set forth in **Exhibit "C"** attached hereto and incorporated herein by this reference. All insurance policies shall be subject to City approval as to form and content. Service Provider shall provide City with copies of required certificates of insurance upon request.

18. Indemnity and Defense. Service Provider shall indemnify, defend, and hold harmless the City, its officers, employees, agents and volunteers ("City indemnitees"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable legal counsels' fees and costs of litigation ("claims"), arising out of the Service Provider's performance of its obligations under this agreement or out of the operations conducted by Service Provider, except for such loss or damage arising from the sole negligence or willful misconduct of the City. In the event the City indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from Service Provider's performance of this agreement, the Service Provider shall provide a defense to the City indemnitees, or at the City's option, reimburse the City indemnitees their costs of defense, including reasonable legal counsels' fees, incurred in defense of such claims.

19. Compliance with All Laws. Service Provider shall be familiar with and shall comply with all City, State, and Federal laws and regulations applicable to the work to be performed under this Agreement. In providing the services required under this Agreement, Service Provider shall at all times comply with all applicable laws, regulations, and resolutions of the United States, the State of California, and the City of Madera now in force and as they may be enacted, issued, or amended during the term of this Agreement.

***[following text added for federal funded agreements: Where the services provided pursuant to the Agreement are funded by a federal program, including but not limited to, Community Block Grant Funds, Service Provider certifies and agrees that Service Provider will be in:***

- *Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity" as amended by Executive Order 11375 of October 13, 1967 and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by grantees and their contractors or sub grantees.)*

- *Compliance with the Copeland “Anti-Kickback” Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3). (All contracts and sub grants or construction or repair).*
- *Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of \$2000 awarded by grantees and sub grantees required by Federal grant program legislation.)*
- *Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of \$2000 and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers.)*
- *(e) Compliance with the provisions of any notice of awarding agency requirements and regulations pertaining to reporting.*
- *Compliance with the provisions of any notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.*
- *Compliance with any awarding agency requirements and regulations pertaining to copyrights and rights in data.*
- *Compliance with access requirements imposed by the grantee, the sub grantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.*
- *Compliance with applicable requirements for the retention of all required records for three years after grantees or sub grantees make final payments and all other pending matters are closed.*
- *Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations \$100,000.)*
- *Compliance with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L 97-163, 89 Stat. 871.) [53 FR 8068.8067. Mar. 11, 1988, as amended at 60 FR 19639, 19642, Apr. 19, 1995]]*



20. Assignment. Neither this Agreement nor any duties or obligations hereunder shall be assignable by Service Provider without the prior written consent of City. In the event of an assignment to which City has consented, the assignee shall agree in writing to personally assume and perform the covenants, obligations, and agreements herein contained. In addition, Service Provider shall not assign the payment of any monies due Service Provider from City under the terms of this Agreement to any other individual, corporation or entity. City retains the right to pay any and all monies due Service Provider directly to Service Provider.

21. Form and Service of Notices. All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by certified mail, postage prepaid and return receipt requested, addressed as follows:

To City: (ADD NAME)  
City of Madera  
205 W. Fourth  
Madera, CA 93637  
Email:

To Service Provider: NAME  
ADDRESS  
Email:

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile, or if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

22. Entire Agreement. This Agreement, including the attachments and exhibits, represents the entire Agreement between City and Service Provider, and supersedes all prior negotiations, representations, or agreements, either written or oral with respect to the subject matter herein. This Agreement may be amended only by written instrument signed by both City and Service Provider.

23. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

24. Authority. The signatories to this Agreement warrant and represent that they have the legal right, power, and authority to execute this Agreement and bind their respective entities.

25. Severability. In the event any term or provision of this Agreement is declared to be invalid or illegal for any reason, this Agreement will remain in full force and effect and will be interpreted as though such invalid or illegal provision were not a part of this Agreement. The remaining provisions will be construed to preserve the intent and purpose of this Agreement and the parties will negotiate in good faith to modify any invalidated provisions to preserve each party's anticipated benefits.

26. Applicable Law and Interpretation and Venue. This Agreement shall be interpreted in accordance with the laws of the State of California. The language of all parts of this Agreement shall, in all cases, be construed as a whole, according to its fair meaning, and not strictly for or against either party. This Agreement is entered into by City and Service Provider in the County of Madera, California. Thus, in the event of litigation, venue shall only lie with the appropriate state or federal court in Fresno County.

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

28. Amendments and Waiver. This Agreement shall not be modified or amended in any way, and no provision shall be waived, except in writing signed by the parties hereto. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision. Failure of either party to enforce any provision of this Agreement shall not constitute a waiver of the right to compel enforcement of the remaining provisions of this Agreement.

29. Third Party Beneficiaries. Nothing in this Agreement shall be construed to confer any rights upon any party not a signatory to this Agreement.

30. Execution in Counterparts. This Agreement may be executed in counterparts such that the signatures may appear on separate signature pages. A copy or an original, with all signatures appended together, shall be deemed a fully executed Agreement.

31. Non-Discrimination. Service Provider shall not discriminate on the basis of any protected class under federal or State law in the provision of the Services or with respect to any Service Provider employees or applicants for employment. Service Provider shall ensure that any subcontractors are bound to this provision. A protected class includes, but is not necessarily limited to race, color, national origin, ancestry, religion, age, sex, sexual orientation, marital status, and disability.

**[SIGNATURES ON FOLLOWING PAGE]**

**IN WITNESS WHEREOF**, the City and Service Provider have executed this Agreement on the date(s) set forth below.

**SERVICE PROVIDER NAME**

**CITY OF MADERA**

By: \_\_\_\_\_  
(ADD NAME & POSITION)

By: \_\_\_\_\_  
Santos Garcia, Mayor

Date: \_\_\_\_\_

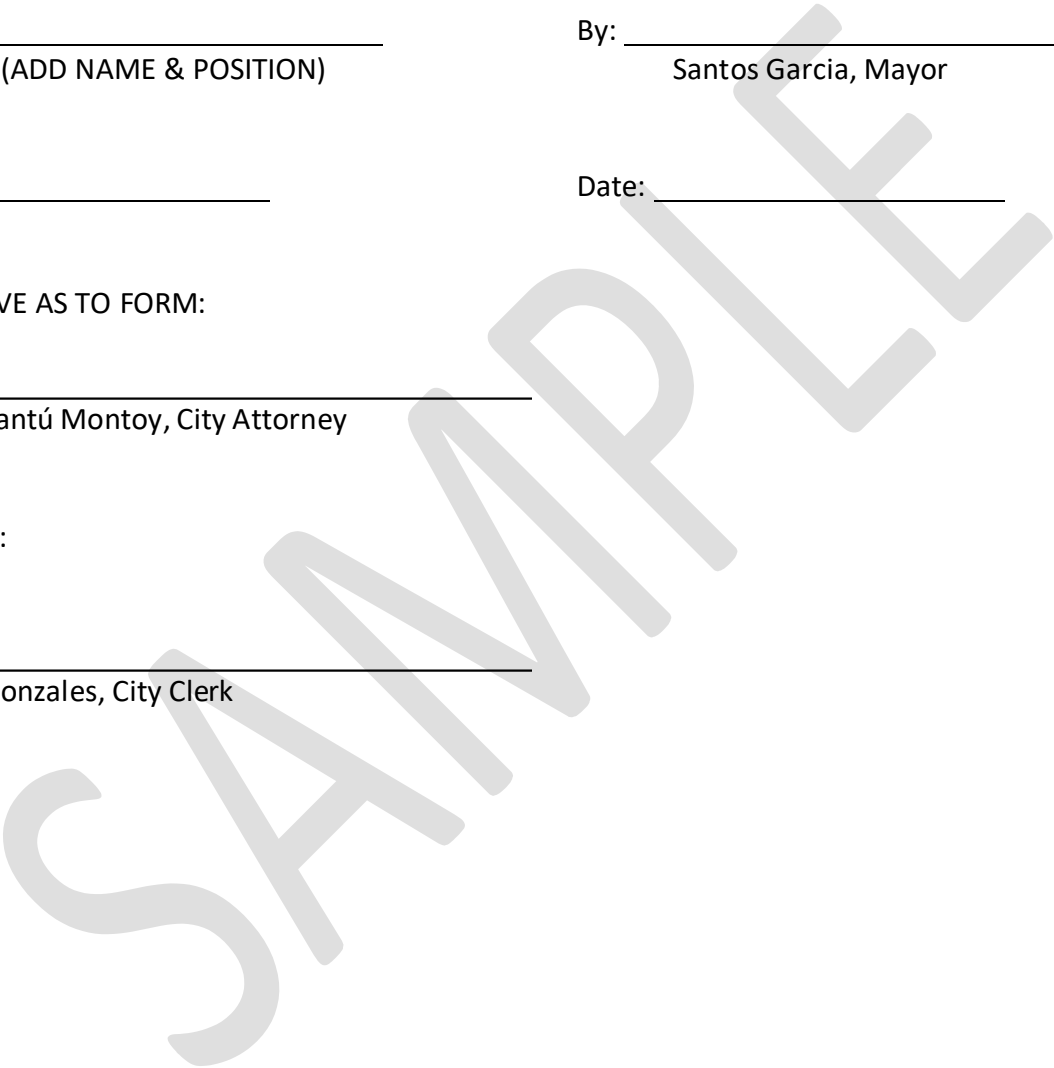
Date: \_\_\_\_\_

**APPROVE AS TO FORM:**

\_\_\_\_\_  
Hilda Cantú Montoy, City Attorney

**ATTEST:**

\_\_\_\_\_  
Alicia Gonzales, City Clerk



**EXHIBIT A**  
**SCOPE OF SERVICES**

SAMPLE

**EXHIBIT B**  
**SCHEDULE OF COMPENSATION**

SAMPLE

## EXHIBIT C INSURANCE

### A. Insurance Requirements

Service Provider shall maintain limits no less than:

- \$2,000,000 **General Liability** (including operations, products and completed operations) per occurrence, \$4,000,000 general aggregate, for bodily injury, personal injury and property damage, including without limitation, blanket contractual liability. Coverage shall be at least as broad as Insurance Services Office (ISO) Commercial General Liability coverage form CG 00 01. General liability policies shall be endorsed using ISO form CG 20 10 that the City and its officers, officials, employees and agents shall be additional insureds under such policies.
- \$2,000,000 **Automobile Liability** combined single limit per accident for bodily injury or property damage at least as broad as ISO Form CA 00 01 for all activities of Service Provider arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles. Automobile Liability policies shall be endorsed to provide that the City and its officers, officials, employees and agents shall be additional insureds under such policies.
- **Worker's Compensation** as required by the State of California and \$1,000,000 **Employer's Liability** per accident for bodily injury or disease. Service Provider shall submit to the City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of the City, its officers, agents, employees, and volunteers.
- \$1,000,000 **Professional Liability (Errors & Omissions)** per claim and in the aggregate. Service Provider shall maintain professional liability insurance that insures against professional errors and omission that may be made in performing the Services to be rendered in connection with this Agreement. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement, and Service Provider agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this Agreement. The cost of such insurance shall be included in Service Provider's bid.

#### *Maintenance of Coverage*

Service Provider shall procure and maintain, for the duration of the contract, insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Work hereunder by Service Provider, its agents, representatives, employees, subcontractors or subconsultants as specified in this Agreement.

#### *Proof of Insurance*

Service Provider shall provide to the City certificates of insurance and endorsements, as required, as evidence of the insurance coverage required herein, along with a waiver of

subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by the City prior to commencement of performance. Current evidence of insurance shall be kept on file with the City at all times during the term of this Agreement. Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

*Acceptable Insurers*

All insurance policies shall be issued by an insurance company currently authorized by the Insurance commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and a Financial Size Category Class VII (or larger), in accordance with the latest edition of Best's Key Rating Guide.

*Waiver of Subrogation*

All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against the City, its elected or appointed officers, agents, officials, employees, and volunteers, or shall specifically allow Service Provider, or others providing insurance evidence in compliance with these specifications, to waive their right of recovery prior to a loss. Service Provider hereby waives its own right of recovery against the City and shall require similar written express waivers and insurance clauses from each of its subconsultants or subcontractors.

*Enforcement of Contract Provisions (non estoppel)*

Service Provider acknowledges and agrees that any actual or alleged failure on the part of the Agency to inform Service Provider of non-compliance with any requirement imposes no additional obligations on the City, nor does it waive any rights hereunder.

*Specifications not Limiting*

Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If Service Provider maintains higher limits than the minimums required above, the entity shall be entitled to coverage at the higher limits maintained by Service Provider.

*Notice of Cancellation*

Service Provider agrees to oblige its insurance agent or broker and insurers to provide to the City with thirty (30) calendar days' notice of cancellation (except for nonpayment for which ten (10) calendar days' notice is required) or nonrenewal of coverage for each required coverage.

*Self-insured Retentions*

Any self-insured retentions must be declared to and approved by the City. The City reserves the right to require that self-insured retentions be eliminated, lowered or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the City's Risk Manager

*Timely Notice of Claims*

Service Provider shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Service Provider's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

*Additional Insurance*

Service Provider shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgement may be necessary for its proper protection and prosecution of the Work.

SAMPLE



ATTACHMENT 4

TAB K

COST PROPOSAL

Firm shall indicate in detail in the space provided on this form their compensation fee schedule to include the type of structure and collection fees required under the contract.

<b>SCHEDULE A, COLLECTION SERVICES - <u>City of Madera Utility Accounts</u></b>		
<b>Accounts that pay before 15-day Letter Services expires:</b>		<b>Commission charged 0%</b>
<b>After 30 days expires:</b>	<b>Day 16 to Day 182 (6 months)</b>	<b>Commission charged __22%</b>
	<b>Day 183 to Day 365 (1 year)</b>	<b>Commission charged __22%</b>
	<b>Day 366 to Day 730 (2 years)</b>	<b>Commission charged __22%</b>
<b>After 2 years expires:</b>	<b>If no activity from customer:</b>	<b>Cancel Back to City of Madera 0%</b>
<p>Any account that comes back on active, current service with City of Madera, and as a condition of service; must pay referred account in full: that amount is cancelled back from credit bureau and ONLY charged 10% commission fee.</p> <p><b>In addition: The Vendor must be capable of sending and receiving updates electronically through a secure and encrypted connection at the vendor's expense.</b></p>		

<b>SCHEDULE B, COLLECTION SERVICES – <u>City of Madera Miscellaneous Collection Accounts</u></b>		
<b>Accounts that pay before 15-day Letter Services expires:</b>		<b>Commission charged 0%</b>
<b>After 30 days expires:</b>	<b>Day 16 to Day 182 (6 months)</b>	<b>Commission charged __22%</b>
	<b>Day 183 to Day 365 (1 year)</b>	<b>Commission charged __22%</b>
	<b>Day 366 to Day 730 (2 years)</b>	<b>Commission charged __22%</b>
<b>After 2 years expires:</b>	<b>If no activity from customer:</b>	<b>Cancel Back to City of Madera 0%</b>
<p><b>In addition: The Vendor must be capable of sending and receiving updates electronically through a secure and encrypted connection at the vendor's expense.</b></p>		