



BLANKET CONTRACT SIGNATURE PAGE

The City of Seattle
PURCHASING SERVICES
700 – 5th AVE #4112
PO Box 94687
Seattle, WA 98124-4687

Blanket Contract # 000002412	Date 03/31/09	Change Order
Payment Terms n/a	Freight Terms n/a	
Buyer: Carmalinda Vargas-Thompson	Phone: 206-615-1123	Fax: 206-233-5155

Vendor #: 0000178674
AllianceOne Receivables Management
6565 Kimball Drive, Suite 200
Gig Harbor, WA 98335
Contact: Susie Jensen
Title: Asst VP, Gov't Sales
Phone #: 253-620-2208
Email: sjensen@alliedcredco.com

Ship To: n/a
Bill To: Seattle Municipal Court 600 5 th Ave, Room 114 PO Box 34987 Seattle, WA 98124-4987

AllianceOne Receivables Management, Inc. is awarded a contract as a result of a RFP process with the City, in cooperation with King County District Court, in October 2008 for COLLECTION AGENCY SERVICES FOR SEATTLE MUNICIPAL COURT as specified in Attachment 1 - Terms and Conditions, Attachment A – Scope of Work and Exhibit 1 – Outreach Plan. The Contract shall be for five (5) years, with one extension allowed for two (2) additional years.

Original Contract Term: 04/01/09 through 03/31/16

The City does not guarantee utilization of this contract. Actual utilization will be based on availability, proximity of vendor facilities, frequency of deliveries, or any other factor deemed important to the City.

This contract is an acceptance of the offer dated 12/08/08 and is pursuant to the RFP# 2412.

awt 3/31/09

Authorized Signature/Date <i>[Handwritten Signature]</i> 3/31/9
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**City of Seattle
Contract for
Collection Agency Services for
Seattle Municipal Court**

This Contract is made effective **April 1, 2009** (the "Effective Date"), and entered into by and between the City of Seattle ("Seattle"), a Washington municipal corporation; and AllianceOne Receivables Management, Inc. ("Contractor"), a **corporation** of the State of Washington, and authorized to do business in the State of Washington.

Contractor Business	ALLIANCEONE RECEIVABLES MANAGEMENT, INC.
Name of Representative	Renee B. Linnabary, Sr. Vice President
Contractor Address	6565 Kimball Drive, Suite 200, Gig Harbor, WA 98335
Contractor Phone	253-620-2204
Contractor Fax	253-620-7348
Contractor E-mail	Renee.linnabary@allianceoneinc.com

WHEREAS, the purpose of this contract is to provide Collection Agency Services for Seattle Municipal Court an agency of the City of Seattle; and

WHEREAS, Contractor was selected as a result of a cooperative Request for Proposal process with King County District Court, initiated October, 3 2008, with the highest scored Proposer, AllianceOne Receivables Management, Inc. to provide such services.

WHEREAS, Pursuant to the State of Washington Interlocal Cooperation Act, RCW Chapter 39.34, the City of Seattle desires to acquire and Alliance One Receivables Management Inc. desires to provide Collection Agency Services for the Seattle Municipal Court.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance of the scope of work contained herein, as attached and made a part hereof, Seattle and Contractor mutually agree as follows:

- 1. Entire Agreement:** This Contract, including all attachments, amendments and subsequently issued change notices, comprises the entire agreement between the City of Seattle ("City"), and AllianceOne Receivables Management, Inc. ("Contractor"). King County District Court Contract **M10295M** is specifically included as part of this Agreement. The Request for Proposal ("RFP"), Addenda, and Contractor's Proposal are explicitly included as Attachments. Where there are conflicts between these documents, the controlling document will first be this Contract as amended, then the King County District Court Contract **M10295M**, and then the Contractor's proposal, the RFP and Addenda.
- 2. Term of Contract.**
This contract shall be for five (5) years, with one extension allowed, for two-years. Such extensions shall be automatic, and shall go into effect with or without written confirmation from the City to the Contractor, unless the City provides the Contractor advance notice of the intention to not renew. Such notice shall be given prior to the otherwise automatic renewal date.
- 3. Time of Beginning and Completion**
Contractor shall begin the work stated in the "Scope of Work" ("work") section upon receipt of written notice to proceed from Seattle. Seattle will acknowledge in writing when work is complete. Time limits established pursuant to this Contract shall not be extended because of delays for which

Contractor is responsible, but may be extended by Seattle, in writing, for its convenience or for conditions beyond Contractor's control. Time is of the essence.

4. Scope of Work.

Contractor shall provide the following products and/or services per Attachment A. These services shall be termed "work" herein.

5. Compensation and Method of Payment.

For services provided pursuant to this Contract, the Contractor shall be entitled to compensation as follows:

- A. **Pre-Collection Demand Letter:** As provided in Attachment A, Section D, Handling of Delinquent Accounts Prior to Referral to Collections.
- B. **Collection Fees:** RCW 3.02.045 allows the Court to assess court costs to an account in the amount of collection fees to be incurred. Unless otherwise instructed by the Court, for accounts assigned to collection by the City and collected by the Contractor from the debtor, the Contractor shall perform the ministerial act of adding on its computer system at the time of assignment, the Collection Fee to the principal amount of the debt to each account by category of account as set forth below:
 - 1. A 29% Add-on fee (0.2248 retained) for secondary/historical accounts that are either (a) transferred to the Contractor from former collection agency or (b) aged four years or older from the Effective Date of the Contract.
 - 2. A 24% Add-on fee (0.1935 retained) for secondary/historical accounts that are either (a) first assigned to the Contractor through its previous contract with the County or (b) aged up to four years from the Effective Date of the Contract.
 - 3. A 17.10% Add-on fee (0.1460 retained) for new accounts assigned to the Contractor on and after the Effective Date of this Contract.
 - 4. All accounts assigned under prior agreement(s) will remain at their existing rates.
- C. **Partial Payments:** Partial payments made on assigned accounts shall be remitted to the Court based upon the same pro rata formula applied to accounts that are paid in full. By way of illustration, and assuming a 17.1% add-on fee: \$100 fine x 17.1% = \$17.1 new balance to be collected.
- D. **Interest on Accounts:** Upon assignment to collections and only while in active collection status, interest shall accrue on unpaid civil judgments, penalties, fines, bail forfeitures, assessments, fees and costs at the rate of twelve percent per annum. The interest shall be added to the account by the Contractor, collected by the Contractor, and remitted in full by the Contractor to the Court.
- E. **Remittance Method:** For payments to accounts collected by the Contractor, the Contractor shall deduct the Collection Fee prior to remitting the principal amount to the Court, as presently authorized by state law and/or by Court Order.

- F. **Change in Law:** Should there be changes in laws or Court policy which prescribe/allow a different method for recovering Collection Fees, the Contractor shall modify its methods accordingly, upon instruction from the Court.

6. Taxes, Fees and Licenses.

- A. **Fees and Licenses:** Contractor shall pay for and maintain in a current status, any license fees, assessments, permit charges, etc., which are necessary for contract performance. It is the Contractor's sole responsibility to monitor and determine any changes or the enactment of any subsequent requirements for said fees, assessments, or charges and to immediately comply with said changes during the entire term of this Contract. Contractor must pay all custom duties, brokerage or import fees where applicable as part of the contract price. Contractor shall take all necessary actions to ensure that materials or equipment purchased are expedited through customs.
- B. **Taxes:** Where required by state statute, ordinance or regulation, Contractor shall pay for and maintain in current status all taxes that are necessary for contract performance. Unless otherwise indicated, Seattle agrees to pay State of Washington sales or use taxes on all applicable consumer services and materials purchased. No charge by the Contractor shall be made for federal excise taxes and Seattle agrees to furnish Contractor with an exemption certificate where appropriate.
- C. **Withholding payment for taxes/business license fees due the City of Seattle:** Seattle Municipal Code 5.45.060 specifies that the Contractor will have taxes or fees paid in full for Seattle Business License requirements, before receiving any warrant or the final payment for performing within any contract for the City. The Director of the Department of Executive Administration may withhold payment due a City contractor pending satisfactory resolution of unpaid taxes and fees due the City under title 5.45.060.
- D. **Supplier is to calculate and enter the appropriate Washington State and local sales tax on the invoice.** Tax is to be computed on new items after deduction of any trade-in, in accordance with WAC 458-20-247.

7. Delivery – Idling Prohibited.

Vehicles and/or diesel fuel trucks shall not idle at the time and location of the delivery to the City for more than five minutes. The City requires vendors to utilize practices that reduce fuel consumption and emission discharge, including turning off trucks and vehicles during delivery of products to the City. Exceptions to this requirement include when a vehicle is making deliveries and associated power is necessary; when the engine is used to provide power in another device, and if required for proper warm-up and cool-down of the engine. Specific examples include "bucket" trucks that allow a worker to reach wires on telephone poles or tree branches for trimming; and vehicles with a lift on the back of a truck to move products in and out of the truck. The City of Seattle has a commitment to reduction of unnecessary fuel emissions. The City intends to improve air quality by reducing unnecessary air pollution from idling vehicles. Limiting car and truck idling supports cleaner air, healthier work environments, the efficient use of city resources, the public's enjoyment of City properties and programs, conservation of natural resources, and good stewardship practices.

8. Contract Notices, Deliverable Materials and Invoices Delivery

The City of Seattle agent for Contract changes shall be the City of Seattle Buyer named below, hereinafter referred to as "Buyer." Contract notices such as change requests, shall be delivered to the Buyer at the following addresses (or such other address as either party may designate in writing):

To City: **If delivered by the U.S. Postal Service, it must be addressed to:**

Carmalinda Vargas-Thompson
City of Seattle Purchasing Services Division
PO Box 94687
Seattle, WA 98124-4687

To City: **If delivered by other than the U.S. Postal Service, it must be addressed to:**
Carmalinda Vargas-Thompson
City of Seattle Purchasing Services Division
Seattle Municipal Tower
700 5th Ave., #4112
Seattle, WA 98104-5042

Phone: 206-615-1123
Fax: 206-233-5155
E-Mail: Carmalinda.vargas@seattle.gov

Notices: Whenever this Agreement provides for notice to be provided by one part to another, such notice shall be in writing. Anytime within which a party must take some, invoices and communications shall be delivered to the City Representative:

To Municipal Courts:
Betty McNeely
Seattle Municipal Court
600 5th Avenue, Room 114
Seattle, WA 98104

Phone: 206-615-0070
E-Mail: betty.mcneely@seattle.gov

To Contractor:
Susie Jensen
Vice President of Business Development
6565 Kimball Drive, Suite 200
Gig Harbor, WA 98335

Phone: 253-620-2208
E-Mail: Susie.jensen@allianceoneinc.com

With copy to:
Harry Neerenberg
Sr. Vice President of Finance
4850 E. Street Road, Suite 300
Trevese, PA 19053

Phone: 866-568-9235
E-Mail: harry.neerenberg@allianceoneinc.com

9. Representations.

Contractor represents and warrants that it has the requisite training, skill and experience necessary to provide Work and is appropriately accredited and licensed by all applicable agencies and governmental entities.

10. Warranties

Contractor warrants that all materials, equipment, and/or services provided under this Contract shall

be fit for the purpose(s) for which intended, for merchantability, are properly package, proper instructions and warnings are supplied, that all goods comply with applicable safety and health standards, that an MSDS Sheet is supplied as required by law, and that products or services conform to the requirements and specifications herein. Acceptance of any service and inspection incidental thereto by Seattle shall not alter or affect the obligations of the Contractor or the rights of Seattle.

The Vendor shall warrant all materials and workmanship delivered under any resulting contract to be free from defects, damage or failure for any reason whatsoever which the City may reasonably determine is the responsibility of the Vendor, for a minimum of ninety (90) days after the date of final acceptance and without cost to the City for labor, materials, parts, installation or any other costs except where longer periods of warranty of guarantees are specified.

11. Independent Contractor.

It is the intention and understanding of the Parties that Contractor shall be an independent contractor and that Seattle shall be neither liable for nor obligated to pay sick leave, vacation pay or any other benefit of employment, nor to pay any social security or other tax that may arise as an incident of employment. The Contractor shall pay all income and other taxes as due. Industrial or other insurance that is purchased for the benefit of the Contractor shall not be deemed to convert this Contract to an employment contract. It is recognized that Contractor may or will be performing work during the term for other parties and that Seattle is not the exclusive user of the services that Contractor provides.

12. Inspection

The Work shall be subject, at all times, to inspection by and with approval of Seattle, but the making (or failure or delay in making) such inspection or approval shall not relieve Contractor of responsibility for performance of the Work in accordance with this Contract, notwithstanding Seattle's knowledge of defective or noncomplying performance, its substantiality or the ease of its discovery. Contractor shall provide sufficient, safe, and proper facilities and equipment for such inspection and free access to such facilities.

13. Performance.

Acceptance by Seattle of unsatisfactory performance with or without objection or reservation shall not waive the right to claim damage for breach, or terminate the contract, nor constitute a waiver of requirements for satisfactory performance of any obligation remaining to be performed by Contractor.

14. Affirmative Efforts for Utilization of Women and Minority Subcontracting and Employment, Non discrimination in providing services

- A. Employment Actions: Contractor shall not discriminate against any employee or applicant for employment because of race, religion, creed, age, color, sex, marital status, sexual orientation, gender identity, political ideology, ancestry, national origin, or the presence of any sensory, mental or physical handicap, unless based upon a bona fide occupational qualification. Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their creed, religion, race, age, color, sex, national origin, marital status, political ideology, ancestry, sexual orientation, gender identity, or the presence of any sensory, mental or physical handicap. Such action shall include, but not be limited to employment, upgrading, promotion, demotion, or transfer; recruitment or recruitment advertising, layoff or termination, rates of pay, or other forms of compensation and selection for training.
- B. In accordance with Seattle Municipal Code Chapter 20.42, Contractor shall actively solicit the employment and subcontracting of women and minority group members when necessary and commercially useful for purposes of fulfilling the scope of work required for this Contract. Contractors shall actively solicit subcontracting bids from subcontractors as needed to perform the work of this contract, from qualified, available and capable women and minority businesses.

Contractors shall consider the grant of subcontracts to women and minority bidders on the basis of substantially equal proposes in the light most favorable to women and minority businesses. At the request of Seattle, Contractor shall promptly furnish evidence of the Contractor's compliance with these requirements.

- C. Affirmative efforts shall include those that have been agreed upon between the City and/or Courts and the Contractor as a result of the Contractor's proposal response, and are incorporated herein by this reference as Exhibit 1.
- D. Affirmative efforts shall commence not later than 30-days after execution of this Agreement.
- E. Record-Keeping: The Contractor shall maintain, for at least 24 months after the expiration or earlier termination of this Agreement, relevant records and information necessary to document Contractor's affirmative efforts to solicit to women and minority business participation, including solicitations to subconsultants and suppliers, all subconsultant and supplier proposals received, and all subconsultants and suppliers actually utilized under this Agreement. The City and/or the Court shall have the right to monitor the affirmative efforts of the Contractor and to inspect and copy such records of the Contractor as are necessary to ensure compliance with the requirements of this Section.
- F. If upon investigation, the Director of Executive Administration finds probable cause to believe that the Contractor has failed to comply with the requirements of this Section, the Contractor and Seattle Municipal Court shall notified in writing. The Director of Executive Administration shall give Contractor an opportunity to be heard, after ten calendar days' notice. If, after the Contractor's opportunity to be heard, the Director of Executive Administration still finds probable cause, s/he will notify the Seattle Municipal Court of a possible contract suspension pending compliance by the Contractor with the requirements of this Section.
- G. Any violation of the mandatory requirements of this Section, or a violation of Seattle Municipal Code Chapter 14.04 (Fair Employment Practices), Chapter 14.10 (Fair Contracting Practices), Chapter 20.45 (City Contracts – Non-Discrimination in Benefits), or other local, state, or federal non-discrimination laws, shall be a material of contract for which the Contractor may be subject to damages and sanctions provided for by the Vendor Contract and by applicable law. In the event the Contractor is in violation of this Section shall be subject to debarment from City contracting activities in accordance with Seattle Municipal Code Section 20.70 (Debarment).

15. Maintenance of Records:

- A. The Contractor shall maintain, and shall require any sub-contractor to maintain, accounts and records, including personnel, property, financial, and programmatic records and other records as may be deemed necessary by the Court to ensure proper accounting for all contract funds and compliance with this Contract. All such records shall sufficiently and properly reflect all direct and indirect costs of any nature expended and services provided in the performance of this Contract. The Contractor shall make such documents available to the Court for inspection, copying, and auditing upon request.
- B. The Contractor shall provide access to its facilities, including those of any sub-contractor, to the Court, the state and/or federal agencies or officials at all reasonable times in order to monitor and evaluate the services provided under this Contract.
- C. The Contractor agrees to cooperate with the Court or its designee in the evaluation of the services provided under this Contract and to make available all information reasonably required by any such evaluation process. The results and records of said evaluation shall be maintained and disclosed in accordance with RCW Chapter 42.56

16. Equal Employment Opportunity.

All Contractors must comply with federal Executive Order 11246, "Equal Employment Opportunity," as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.

17. Civil Rights Act Title VI.

The Contractor must comply with the provisions of the Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.). The law provides that no person in the United States shall, on the grounds of race, color or national origin, be denied the benefits of, be excluded from participation in, or be subjected to, discrimination under any program or activity receiving federal financial assistance.

18. Equal Benefits.

Compliance with SMC Ch. 20.45: The Contractor shall comply with the requirements of SMC Ch. 20.45 and Equal Benefits Program Rules implementing such requirements, under which the Contractor is obligated to provide the same or equivalent benefits ("equal benefits") to its employees with domestic partners as the Contractor provides to its employees with spouses. At Seattle's request, the Contractor shall provide complete information and verification of the Contractor's compliance with SMC Ch. 20.45. Failure to cooperate with such a request shall constitute a material breach of this Contract. (For further information about SMC Ch. 20.45 and the Equal Benefits Program Rules call (206) 684-0430 or review information at <http://cityofseattle.net/contract/equalbenefits/>.)

Remedies for Violations of SMC Ch. 20.45: Any violation of this Section shall be a material breach of Contract for which the City may:

- A. Require Contractor to pay actual damages for each day that the Contractor is in violation of SMC Ch. 20.45 during the term of the Contract; or
- B. Terminate the Contract; or
- C. Disqualify Contractor from bidding on or being awarded a City contract for a period of up to five (5) years; or
- D. Impose such other remedies as specifically provided for in SMC Ch. 20.45 and the Equal Benefits Program Rules promulgated thereunder.

19. Publicity.

No news release, advertisement, promotional material, tour, or demonstration related to Seattle's purchase or use of the Contractor's product or services performed pursuant to this Contract shall be produced, distributed, or take place, without the prior, specific written approval of the City's Project Manager or his/her designee.

20. Proprietary and Confidential Information

Contractor's Understanding and Obligations:

1. Contractor understands that any records (including but not limited to bid or proposal submittals, the Agreement, and any other contract materials) it submits to the City, or that are used by the City even if the Contractor possesses the records, are public records under Washington State law, RCW Chapter 42.56. Public records must be promptly disclosed upon request unless a statute exempts them from disclosure. The Contractor also understands that even if part of a record is exempt from disclosure, the rest of that record generally must be disclosed.
2. Contractor must separate and clearly mark as "proprietary" all records related to this Agreement or the performance of this Agreement that the Contractor believes are exempt from disclosure. The Contractor is familiar with potentially-applicable public-disclosure exemptions and the limits of those exemptions, and will mark as "proprietary" only information that the Contractor believes legitimately fits within an exemption and will state the statutory exception upon which it is relying.
3. If Seattle notifies the Contractor under Paragraph B 2 of a public disclosure request, and the

Contractor believes records are exempt from disclosure, it is the Contractor's responsibility to make determination and pursue a lawsuit under RCW 42.56 to enjoin disclosure. The Contractor must obtain the injunction and serve it on the City before the close of business on the tenth business day after the City sent notification to the Contractor. It is the Contractor's discretionary decision whether to file the lawsuit.

4. If the Contractor does not timely obtain and serve an injunction, the Contractor is deemed to have authorized releasing the record.
5. Notwithstanding the above, the Contractor must not take any action that would affect (a) the City's ability to use goods and services provided under this Agreement or (b) the Contractor's obligations under this Agreement.
6. The Contractor will fully cooperate with the City in identifying and assembling records in case of any public disclosure request.

City's Obligations

1. The City will disclose those parts of records the Contractor has marked as "proprietary" information only to authorized persons unless:
 - (a) the City receives a public disclosure request, in which case steps 2 and 3 below will be exercised before release of the information or
 - (b) The Contractor has given the City express advance written permission to disclose the records. "Authorized persons" means those City officers, employees, contractors and consultants for whom the proprietary information is necessary to perform their duties or obligations to the City.

The term "proprietary information" does not include ideas, concepts, know-how or techniques related to any information that, at the time of disclosure, is in the public domain, unless the entry of that information into the public domain is a result of a breach of this Agreement.

2. If the City receives a public disclosure request for records that the Contractor has marked as "proprietary" information, the City may promptly notify the Contractor of the request. The City may postpone disclosing these records for ten business days after it has sent notification to the Contractor, in order to allow the Contractor to file a lawsuit under RCW 42.56 to enjoin disclosure. It is the Contractor's discretionary decision whether to file the lawsuit.
3. If the City has notified the Contractor of a public disclosure request, and the Contractor has not obtained an injunction and served the City with that injunction by the close of business on the tenth business day after the City sent notice, the City will then disclose the record.
4. The City has no other obligations concerning records the Contractor has marked as "proprietary information" under this Agreement. The City has no obligation to claim any exemption from disclosure. The City is not obligated or liable to the Contractor for any records that the City releases in compliance with this Section or in compliance with the order of a court of competent jurisdiction.

21. General Legal Requirements.

- A. General Requirement: Contractor, at no expense to Seattle, shall comply with all applicable laws of the United States and the State of Washington; the Charter and ordinances of Seattle; and rules, regulations, orders, and directives of their administrative agencies and the officers thereof. Without limiting the generality of this paragraph, the Contractor shall specifically comply with the following requirements of this section.

- B. Licenses and Similar Authorizations: Contractor, at no expense to Seattle, shall secure and maintain in full force and effect during the term of this Contract all required licenses, permits, and similar legal authorizations, and comply with all requirements thereof.
- C. Taxes: The Contractor shall pay, before delinquency, all taxes, import duties, levies, and assessments arising from its activities and undertakings under this Contract; taxes levied on its property, equipment and improvements; and taxes on the Contractor's interest in this Contract.

22. American with Disabilities Act.

Contractor shall comply with all applicable provisions of the Americans with Disabilities Act of 1990 (ADA) in performing its obligations under this Contract. In particular, if the Contractor is providing services, programs or activities to Seattle employees or members of the public as part of this Contract, the Contractor shall not deny participation or the benefits of such services, programs, or activities, to people with disabilities on the basis of such disability. Failure to comply with the provisions of the ADA shall be a material breach of, and grounds for the immediate termination of, this Contract.

23. OSHA/WISHA

Contractor agrees to comply with conditions of the Federal Occupational Safety and Health Acts of 1970 (OSHA), as may be amended, and, if it has a workplace within the State of Washington, the Washington Industrial Safety and Health Act of 1973 (WISHA), as may be amended, and the standards and regulations issued thereunder and certifies that all items furnished and purchased under this order will conform to and comply with said standards and regulations. Contractor further agrees to indemnify and hold harmless purchaser from all damages assessed against purchaser as a result of Contractor's failure to comply with the acts and standards thereunder and for the failure of the items furnished under this order to so comply.

24. Clean Air Act and Federal Water Pollution Control Act.

All Contractors and subcontractors shall comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the City immediately and to the Regional Office of the Environmental Protection Agency (EPA).

25. Indemnification.

To the extent permitted by law, the Contractor shall protect, defend, indemnify and hold the City harmless from and against all claims, demands, damages, costs, actions and causes of actions, liabilities, fines, penalties, judgments, expenses and attorney fees, resulting from the injury or death of any person or the damage to or destruction of property, or the infringement of any patent, copyright, or trademark, or trade secret arising out of the work performed or goods provided under this Contract, or the Contractor's violation of any law, ordinance or regulation, contract provision or term, or condition of regulatory authorization or permit, except for damages resulting from the sole negligence of the City. As to the City of Seattle, the Contractor waives any immunity it may have under RCW Title 51 or any other Worker's Compensation statute. The parties acknowledge that this waiver has been negotiated by them, and that the contract price reflects this negotiation.

26. Insurance.

Contractor shall maintain at its own expense at all times during the term of this Contract the following insurance:

1. **MINIMUM COVERAGES AND LIMITS OF LIABILITY.** Vendor shall at all times during the term of this Agreement maintain continuously, at its own expense, minimum insurance coverages and limits of liability as specified below:
 - A. **Commercial General Liability (CGL) insurance, including:**
 - Premises/Operations
 - Products/Completed Operations
 - Personal/Advertising Injury
 - Contractual
 - Independent Contractors
 - Fire/Tenant Legal
 - Stop Gap/Employers Liabilitywith minimum limits of liability of \$1,000,000 each occurrence combined single limit bodily injury and property damage ("CSL"), except:

\$1,000,000	Personal/Advertising Injury
\$2,000,000	General Aggregate
\$1,000,000	Each accident/disease/employee Stop Gap/Employer's Liability
 - B. **Automobile Liability insurance, including coverage for owned, non-owned, leased or hired vehicles with a minimum limit of liability of \$1,000,000 CSL.**
 - C. **Other:**
 - C.1 Professional Liability \$1,000,000 per claim/Aggregated(to include Legal/Collections coverage).
 - C.2 Crime Fidelity, Theft, Disappearance & Destruction Liability (to include Employee Dishonesty, wire transfer, forgery & mail coverage in the amount of \$250,000).
 - C.3 The City incorporates King County Insurance Requirements by reference and the City shall be named additional insured to King County Insurance Requirements.
 - D. **Worker's Compensation for industrial injury to Vendor's employees in accordance with the provisions of Title 51 of the Revised Code of Washington.**
2. **CITY AS ADDITIONAL INSURED.** The City of Seattle shall be included as an additional insured under CGL and Automobile Liability insurance for primary and non-contributory limits of liability.
3. **NO LIMITATION OF LIABILITY.** The limits of liability specified herein in subparagraph 1.A. are minimum limits of liability only and shall not be deemed to limit the liability of Vendor or any Vendor insurer except as respects the stated limit of liability of each policy. Where required to be an additional insured, the City of Seattle shall be so for the full limits of liability maintained by Vendor, whether such limits are primary, excess, contingent or otherwise.
4. **MINIMUM SECURITY REQUIREMENT.** All insurers must be rated A- VII or higher in the current A.M. Best's Key Rating Guide and licensed to do business in the State of Washington unless coverage is issued as surplus lines by a Washington Surplus lines broker.
5. **SELF-INSURANCE.** Any self-insured retention not fronted by an insurer must be disclosed. Any defense costs or claim payments falling within a self-insured retention shall be the responsibility of Vendor.
6. **EVIDENCE OF COVERAGE.** Prior to performance of any scope of work under paragraph 5, Vendor shall provide certification of insurance acceptable to the City evidencing the minimum coverages and limits of liability and other requirements specified herein. Such certification

must include a copy of the policy provision documenting that the City of Seattle is an additional insured for commercial general liability insurance on a primary and non-contributory basis. Certification should be issued to The City of Seattle, Risk Management Division, Seattle, WA and shall be delivered in electronic form either as an email attachment to riskmanagement@seattle.gov or faxed to (206) 470-1270.

27. Audit.

Upon request, Contractor shall permit Seattle, and any other governmental agency involved in the funding of the Work ("Agency"), to inspect and audit all pertinent books and records of Contractor, any subcontractor, or any other person or entity that performed work in connection with or related to the Work, at any and all times deemed necessary by Seattle or Agency, including up to six years after the final payment or release of withheld amounts has been made under this Contract. Such inspection and audit shall occur in King County, Washington or other such reasonable location as Seattle or Agency selects. The Contractor shall supply Seattle with, or shall permit Seattle to make, a copy of any books and records and any portion thereof. The Contractor shall ensure that such inspection, audit and copying right of Seattle and Agency is a condition of any subcontract, agreement or other arrangement under which any other person or entity is permitted to perform work under this Contract.

28. Examination of Records by Comptroller General.

FAR clause 52.215-2 incorporated by reference. The complete clause may be viewed at <http://www.whitehouse.gov/omb/circulars/a110/> The OMB A-110 provisions in effect at the time of this order govern. FAR clauses may be viewed at <http://www.arnet.gov/far/>

29. Contractual Relationship

The relationship of Contractor to Seattle Municipal Court an agency of the City of Seattle by reason of this Contract shall be that of an independent contractor. This Contract does not authorize Contractor to act as the agent or legal representative of Seattle Municipal Court an agency of the City of Seattle for any purpose whatsoever. Contractor is not granted any express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of Seattle Municipal Court an agency of the City or to bind Seattle Municipal Court an agency of the City in any manner or thing whatsoever.

30. Assignment and Subcontracting

Contractor shall not assign or subcontract any of its obligations under this Contract without Seattle's and or Court's written consent, which may be granted or withheld in Seattle's and/or Court's sole discretion. Any subcontract made by Contractor shall incorporate by reference all the terms of this Contract except for Equal Benefit provisions. Contractor shall ensure that all subcontractors comply with the obligations and requirements of the subcontract, except for Equal Benefit provisions. Seattle's consent to any assignment or subcontract shall not release the Contractor from liability under this Contract, or from any obligation to be performed under this Contract, whether occurring before or after such consent, assignment, or subcontract.

31. Federal Debarment for Primes and all Subcontractors.

Contractor shall immediately notify the City of any suspension or debarment or other action that excludes the Contractor and any subcontractor from participation in Federal contracting. Contractor shall verify all subcontractors that are intended and/or used by the Contractor for performance of City work are in good standing and are not debarred, suspended or otherwise ineligible by the Federal Government. Debarment shall be verified at <https://www.epls.gov/eplis/search.do>. The Contractor shall keep proof of such verification within the Contractor records.

32. Supervision and Coordination.

Contractor shall:

- Competently and efficiently, supervise and direct the implementation and completion of all contract requirements specified herein.
- Designate in its bid or proposal to Seattle, a representative(s) with the authority to legally commit Contractor's firm. All communications given or received from the Contractor's representative shall be binding on the Contractor.
- Promote and offer to Purchasers only those materials, equipment and/or services as stated herein and allowed for by contractual requirements. Violation of this condition will be grounds for contract termination.

33. Involvement of Former City Employees and/or Court Employees

Contractor shall promptly notify Seattle in writing of any person who is expected to perform any of the Work and who, during the twelve (12) months immediately prior to the expected commencement date of such work or subcontract, was a City officer or employee. Contractor shall ensure that no Work or matter related to the Work is performed by any person (employee, subcontractor, or otherwise) who was a City officer or employee within the past twelve (12) months; and as such was officially involved in, participated in, or acted upon any matter related to the Work, or is otherwise prohibited from such performance by SMC 4.16.075.

34. Anti-Trust Overcharges

Seattle maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore the Contractor hereby assigns to Seattle any and all claims for such overcharges except overcharges which result from antitrust violations commencing after the price is established under this contract and which are not passed on to Seattle under an escalation clause.

35. No Conflict of Interest

Contractor confirms that Contractor does not have a business interest or a close family relationship with any City officer or employee who was, is, or will be involved in the Contractor selection, negotiation, drafting, signing, administration, or evaluating the Contractor's performance.

36. No Gifts or Gratuities

Contractor shall not directly or indirectly offer gifts and resources to any person employed by the City that is intended, or may be reasonably intended, to benefit the Vendor by way of award, administration, or in any other way to influence purchasing decisions of the City. This includes but is not limited to, City Purchasing office employees and City employees that do business with, order, purchase or are part of decision-making for business, contract or purchase decisions. The Vendor shall not offer meals, gifts, gratuities, loans, trips, favors, bonuses, donations, special discounts, work, or anything of economic value to any such City employees. This does not prohibit distribution of promotional items that are less than \$25 when provided as part of routine business activity such as trade shows. Any violation of this provision may result in termination of this Contract. Nothing in this Contract prohibits donations to campaigns for election to City office, so long as the donation is disclosed as required by the election campaign disclosure laws of the City and of the State.

37. Errors & Omissions: Correction

Contractor shall be responsible for the professional quality, technical accuracy, and the coordination of all designs, drawings, specifications, and other services furnished by or on the behalf of the Contractor under this Contract. The Contractor, without additional compensation, shall correct or revise any errors or omissions in the designs, drawings, specifications, and/or other Contractor services immediately upon notification by Seattle. The obligation provided for in this section with respect to any acts or omissions during the term of this Contract shall survive any termination or expiration of this Contract and shall be in addition to all other obligations and liabilities of the Contractor.

38. Intellectual Property Rights.

Patents: Contractor hereby assigns to Seattle all rights in any invention, improvement, or discovery, together with all related information, including but not limited to, designs, specifications, data, patent rights and findings developed in connection with the performance of Contract or any subcontract hereunder. Notwithstanding the above, the Contractor does not convey to Seattle, nor does Seattle obtain, any right to any document or material utilized by Contractor that was created or produced separate from this Contract or was preexisting material (not already owned by Seattle), provided that the Contractor has clearly identified in writing such material as preexisting prior to commencement of the Work. To the extent that preexisting materials are incorporated into the Work, the Contractor grants Seattle an irrevocable, non-exclusive, fully paid, royalty-free right and/or license to use, execute, reproduce, display, and transfer the preexisting material, but only as an inseparable part of the Work.

Copyrights: For materials and documents prepared by Contractor in connection with the Work, Contractor shall retain the copyright (including the right of reuse) whether or not the Work is completed. Contractor grants to Seattle a non-exclusive, irrevocable, unlimited, royalty-free license to use every document and all other materials prepared by the Contractor for Seattle under this Contract. If requested by Seattle, a copy of all drawing, prints, plans, field notes, reports, documents, files, input materials, output materials, the media upon which they are located (including cards, tapes, discs and other storage facilities), software programs or packages (including source code or codes, object codes, upgrades, revisions, modifications, and any related materials) and/or any other related documents or materials which are developed solely for, and paid for by, Seattle in connection with the performance of the Work, shall be promptly delivered to Seattle.

Seattle may make and retain copies of such documents for its information and reference in connection with their use on the project. The Contractor does not represent or warrant that such documents are suitable for reuse by Seattle, or others, on extensions of the project, or on any other project. Contractor represents and warrants that it has all necessary legal authority to make the assignments and grant the licenses required by this Section.

39. Interlocal Cooperation Act.

RCW 39.34 allows cooperative purchasing between public agencies, and other political subdivisions. SMC 20.60.100 also allows non profits to use these agreements. If a public agency files or has filed an Intergovernmental Cooperative Purchasing Agreement with the City of Seattle, those agencies are eligible to purchase from Contracts established by the City. Such agencies may ask City of Seattle Contractors to accept orders from the agency, citing the City of Seattle contract as the basis for the order. The Vendor may accept or decline such orders. If the Vendor accepts an order from another public agency using the City of Seattle contract as the basis, the Vendor agrees to sell additional items at the contract prices, terms and conditions. The City of Seattle accepts no responsibility for the payment of the purchase price by other governmental agencies.

40. Extra Work.

Extra work shall be defined to include additional products or services ordered in connection with this project other than that expressly provided for in the "Scope of Work" section of this Contract. Contractor shall not proceed with extra work unless authorized by a written amendment issued by the RFP Coordinator. Such extra work may be authorized by a Contractor proposal and a written acceptance from the City through a Change Order issued to the Contractor, or may be authorized by a Change Order signed by both parties, whichever the City Buyer requires. Any costs incurred due to the performance of extra work prior to execution of an amendment will not be reimbursed under this Contract or an amendment. Notwithstanding the foregoing, the RFP Coordinator may make

reasonable and immaterial changes to this Contract, including place of delivery, installation or inspection, the method of shipment or packing, labeling and identification, extension of the contract, and ancillary matters that Contractor may accommodate without substantial additional expense to Seattle.

41. Key Persons.

Contractor shall not transfer or reassign any individual designated in this Contract as essential to the Work, without the express written consent of the Court which consent shall not be unreasonably withheld. If, during the term of this Contract, any such individual leaves the Contractor's employment, the Contractor shall present to Seattle one or more individual(s) with greater or equal qualifications as a replacement, subject to Seattle's approval, which shall not be unreasonably withheld. Seattle's approval or disapproval shall not be construed to release the Contractor from its obligations under this Contract.

42. Disputes and Material Breach

A. Disputes.

The parties shall endeavor to resolve any dispute or misunderstanding that may arise under this Contract concerning Contractor's performance, if mutually agreed to be appropriate, through negotiations between the Contractor's Project Manager and City's and/or the Court's Project Manager, or if mutually agreed, referred to the City's and/or the Court's named representative and the Contractor's senior executive(s). Any party may decline or discontinue such discussions and may then pursue other means to resolve such disputes including termination as allowed for within the contract, or may by mutual agreement pursue other dispute alternatives such as alternate dispute resolution processes. Nothing in this dispute process shall in any way mitigate the rights, if any, of the parties to terminate the contract for cause or convenience.

Notwithstanding all above, if the City/and or the Court believes in good faith that some portion of Work has not been completed satisfactorily, the City and/or the Court may require Contractor to correct such work prior to the Court remitting new accounts to the Contractor. In such event, the City and/or the Court will provide to Contractor an explanation of the concern and the remedy that the City and/or the Court expects. The City and/or the Court may withhold from any remittance of new accounts (and may recall current accounts as well) that is otherwise due, an amount that the City/and or the Court in good faith finds to be under dispute, or if the Contractor does not provide a sufficient remedy, the City/and or the Court may retain the amount equal to the cost to the City/and or the Court for otherwise correcting or remedying the work not properly completed.

Any dispute that does not fall under paragraph B will be handled in Section 43 A.

B. Material Breach

If the City and/or Court determines that a material breach of contract has occurred, that is the Contractor has failed to comply with any terms or conditions of this Contract or the Contractor has failed to provide in any manner the work or services agreed to herein, and if the Court deems said breach to warrant corrective action, the following sequential procedure will apply:

- A. The City will notify the Contractor and the Court in writing of the nature of the breach.
- B. The Contractor shall respond in writing within three (3) working days of its receipt of such notification, which response shall indicate the steps being taken to correct the specified deficiencies. The corrective action plan shall specify the proposed completion date for bringing the Contract into compliance, which date shall not be more than ten (10) days from

the date of the Contractor's response; unless the Court, at its sole discretion, specifies in writing an extension in the number of days to complete the corrective actions;.

- C. The Court will notify the Contractor in writing of the Court's determination as to the sufficiency of the Contractor's corrective action plan. The determination of sufficiency of the Contractor's corrective plan shall be at the sole discretion of the Court.
- D. In the event that the Contractor does not respond within the appropriate time with a corrective action plan, or the Contractor's corrective action plan is determined by the Court to be insufficient, the Court may commence termination of this Contract in whole or in part pursuant to Section 44. A.
- E. In addition, the Court may prohibit the Contractor from performing further services for rejected work until the Court is satisfied that corrective action has been taken or completed;
- F. Nothing herein shall be deemed to affect or waive any rights the parties may have pursuant to Section 44, Subsections A, B, C, D, E, F and G.

43. Termination.

- A. For Cause: The City may terminate this Contract if the Contractor is in material breach of any of the terms of this Contract, and such breach has not been corrected to City's reasonable satisfaction in a timely manner, as provided in accordance with Section 43.
- B. For City's Convenience: The City may terminate this Contract at any time, without cause and for any reason including the City's and/or Court's convenience, upon written notice to the Contractor.
- C. Nonappropriation of Funds: The City and/or the Court may terminate this Contract at any time without notice due to non-appropriation of funds, whether such funds are local, state or federal grants, and no such notice shall be required notwithstanding any notice requirements that may be agreed upon for other causes of termination.
- D. Acts of Insolvency: The City on the Court's behalf may terminate this Contract by written notice to Contractor if the Contractor becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under any bankruptcy or insolvency law whether domestic or foreign, or is wound up or liquidated, voluntarily or otherwise.
- E. Termination for Gratuities: The City may terminate this Contract by written notice to Contractor if the City and/or the Courts find that any gratuity in the form of entertainment, a gift, or otherwise, was offered to or given by the Contractor or any agent therefore to any City official, officer or employee.
- F. Notice: Except for Termination for Cause, The City and/or the Court is not required to provide advance notice of termination. Notwithstanding, the City Buyer may issue a termination notice with an effective date later than the termination notice itself. In such case, the Contractor shall continue to provide services as required by the Courts until the effective date provided in the termination notice.
- G. Actions Upon Termination: In the event of termination not the fault of the Contractor, Contractor shall retain acquired fees for the services properly performed prior to the effective termination

date that has been specified by the City Buyer, together with any reimbursable expenses then due. Contractor agrees that the acquired fees shall fully and adequately compensate Contractor and all subcontractors for all profits, costs, expenses, losses, liabilities, damages, taxes, and charges of any kind whatsoever (whether foreseen or unforeseen) attributable to the termination of this Contract. Upon termination for any reason, Contractor shall provide the City and/or Court with the most current design documents, contract documents, writings and other product it has completed to the date of termination, along with copies of all project-related correspondence and similar items. The City and/or the Court shall have the same rights to use these materials as if termination had not occurred.

44. Force Majeure – Suspension and Termination.

This section applies in the event that either party is unable to perform the obligations of this contract because of a Force Majeure event as defined herein, to the extent that the Contract obligations must be suspended in full. A Force Majeure event is an event that prohibits performance and is beyond the control of the party. Such events may include natural or man-made disasters, or an action or decree of a superior governmental body, which prevents performance.

Force Majeure under this Section shall only apply in the event that performance is rendered not possible by either party or its agents. Should it be possible to provide partial performance that is acceptable to the City under Section #2 (Emergencies or Disasters), Section #2 below shall instead be in force.

Should either party suffer from a Force Majeure event and is unable to provide performance, such party shall give notice to the remaining party as soon as practical and shall do everything possible to resume performance.

Upon receipt of such notice, the party shall be excused from such performance as is affected by the Force Majeure Event for the period of such Event. If such Event affects the delivery date or warranty provisions of this Agreement, such date or warranty period shall automatically be extended for a period equal to the duration of such Event.

45. Major Emergencies or Disasters:

The City may undergo an emergency or disaster that may require the Contractor to either increase or decrease quantities from normal deliveries, or that may disrupt the Contractor's ability to provide normal performance. Such events may include, but are not limited to, a storm, high wind, earthquake, flood, hazardous material release, and transportation mishap, loss of any utility service, fire, terrorist activity or any combination of the above. In such events, the following shall apply.

- (a) The City shall notify the Contractor that the City is experiencing an emergency or disaster, and will request emergency and priority services from the Contractor.
- (b) The City may request that the Contractor provide either increased or decreased quantities from traditional orders, or may request Contractor provide additional products or services.
- (c) Upon such notice by the City, the Contractor shall make reasonable efforts to provide the City the materials in the quantities requested and within the schedule specified by the City, adhering to the conditions in this Section.
- (d) The City of Seattle shall be the customer of first priority for the Contractor, except where preceded by State or Federal government mandates. The Contractor shall provide its best and priority efforts to provide the requested goods and/or services to the City of Seattle in as complete and timely manner as possible. Such efforts by the Contractor are not to be diminished as a result of Contractor providing service to other customers, except as mandated by State or Federal governments.
- (e) If the Contractor is unable to respond in the time and/or quantities requested by the City, the Contractor shall promptly assist the City to the extent practicable, to gain access to alternative materials and/or services. This may include:

- a. Coordinating with other distributors or subsidiaries beyond those in the local region to fulfill order requests;
- b. Offering the City substitutions provided the Contractor obtains prior approval from the City for such substitution.

46. City Debarment.

In accordance with SMC Ch. 20.70, the Director of Executive Administration or designee may debar a Vendor from entering into a Contract with the City or from acting as a subcontractor on any Contract with the City for up to five years after determining that any of the following reasons exist:

- a. Contractor has received overall performance evaluations of deficient, inadequate, or substandard performance on three or more City Contracts.
- b. Contractor failed to comply with City ordinances or Contract terms, including but not limited to, ordinance or Contract terms relating to small business utilization, discrimination, prevailing wage requirements, equal benefits, or apprentice utilization.
- c. Contractor abandoned, surrendered, or failed to complete or to perform work on or in connection with a City Contract.
- d. Contractor failed to comply with Contract provisions, including but not limited to quality of workmanship, timeliness of performance, and safety standards.
- e. Contractor submitted false or intentionally misleading documents, reports, invoices, or other statements to the City in connection with a Contract.
- f. Contractor colluded with another contractor to restrain competition.
- g. Contractor committed fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Contract for the City or any other government entity.
- h. Contractor failed to cooperate in a City debarment investigation.
- i. Contractor failed to comply with SMC 14.04, SMC Ch. 14.10, SMC Ch. 20.42, or SMC Ch. 20.45, or other local, State, or federal non-discrimination laws.

The Director may issue an Order of Debarment following the procedures specified in SMC 20.70.050. The rights and remedies of the City under these provisions are in addition to any other rights and remedies provided by law or under the Contract.

47. Recycle Products Requirements.

To promote and encourage environmentally sustainable practices for companies doing business with the City, the City requires that the primary vendor under the City contract use environmentally preferable products in production of City work products.

Paper and Paper Product Requirements:

- For Washington State Primary Vendor the City requires use of 100% PCF (post consumer recycled content, chlorine-free) Grays Harbor paper, to comply with the City Executive Order and to encourage environmentally preferable practices for City business. Such paper is available at City contract prices from Keeney's Office Supplies (contact at 425-869-7555).

- The City also requires Binders that are fully 100% recycled stock. "Rebinders" are a product that fit this requirement and are available at City contract prices from Keeney's Office Supplies (contact at 425-869-7555). Please do not use binders or plastic folders, unless essential.
- Contractors are to duplex all materials that are prepared for the City under this Contract, whether such materials are printed or copied, except when impracticable to do so due to the nature of the product being produced. This directive is executed under the Mayor's Executive Order, issued February 13, 2005.

48. Workers Right to Know

"Right to Know" legislation required the Department of Labor and Industries to establish a program to make employers and employees more aware of the hazardous substances in their work environment. WAC 296-62-054 requires among other things that all manufacturers/distributors of hazardous substances, including any of the items listed on this ITB, RFP or contract bid and subsequent award, must include with each delivery completed Material Safety Data Sheets (MSDS) for each hazardous material. Additionally, each container of hazardous material must be appropriately labeled with: the identity of the hazardous material, appropriate hazardous warnings, and the Name and Address of the chemical manufacturer, improper, or other responsible party.

Labor and Industries may levy appropriate fines against employers for noncompliance and agencies may withhold payment pending receipt of a legible copy of the MSDS. OSHA Form 20 is not acceptable in lieu of this requirement unless it is modified to include appropriate information relative to "carcinogenic ingredients: and "routes of entry" of the product(s) in question.

49. Miscellaneous Provisions.

- A. Amendments: No modification of this Contract shall be effective unless in writing and signed by an authorized representative of the City and the Court, except as otherwise authorized herein. The City and the Court shall issue change notices to Contractor, and such notices shall take effect under the signature of the City and the Court unless written objection of the notice is received by the Contractor upon Contractor receipt of the change notice.
- B. Conflict: In the event of conflict between contract documents and applicable laws, codes, ordinances or regulations, the most stringent or legally binding requirement shall govern and be considered a part of this contract to afford Seattle the maximum benefits.
- C. Liens, Claims and Encumbrances: All materials, equipment, or services shall be free of all liens, claims or encumbrances of any kind and if Seattle requests a formal release of same shall be delivered to Seattle.
- D. Binding Contract: This Contract shall not be binding until signed by both parties. The provisions, covenants and conditions in this Contract shall bind the parties, their legal heirs, representatives, successors, and assigns.
- E. Applicable Law/Venue: This Contract shall be construed and interpreted in accordance with the laws of the State of Washington. The venue of any action brought hereunder shall be in the Superior Court for King County, Washington
- F. Remedies Cumulative: Rights under this Contract are cumulative and nonexclusive of any other remedy at law or in equity.
- G. Captions: All titles, including sections or subsections, are for convenience only and do not define or limit the contents.

- H. Severability: Any term or provision of this Contract found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Contract.
- I. Waiver: No covenant, term, or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term or condition. Neither the acceptance by Seattle of any performance by the Contractor after the time the same shall have become due nor payment to the Contractor for any portion of the Work shall constitute a waiver by Seattle of the breach or default of any covenant, term or condition unless otherwise this is expressly agreed to by Seattle, in writing. The City's failure to insist on performance of any of the terms or conditions herein or to exercise any right or privilege or the City's waiver of any breach hereunder shall not thereafter waive any other term, condition, or privilege, whether of the same or similar type.
- J. Entire Contract: This document, along with any attachments and work orders, constitutes the entire agreement between the parties with respect to the Work. No verbal agreement or conversation between any officer, agent, associate or employee of Seattle and any officer, agency, employee or associate of the Contractor prior to the execution of this Contract shall affect or modify any of the terms or obligations contained in this Contract.
- K. Negotiated Contract: The parties acknowledge that this is a negotiated Contract, that they have had the opportunity to have this Contract reviewed by respective legal counsel, and that terms and conditions are not construed against any party on the basis of such party's draftsmanship thereof.
- L. No personal liability: No officer, agent or authorized employee of the City shall be personally responsible for any liability arising under this Contract, whether expressed or implied, nor for any statement or representation made herein or in any connection with this Contract.

IN WITNESS WHEREOF, in consideration of the terms, conditions, and covenants contained herein, or attached and incorporated and made a part hereof, the parties have executed this Contract by having their authorized representatives affix their signatures below.

AllianceOne Receivables Management, Inc

City of Seattle

By [Signature] 3/21/09
Signature Date
Harry M. Neerberg
(Printed Name)
VP and Treasurer
Title

By [Signature] 4/1/09
Signature Date
for NANCY LOCKE, City Purchasing Director

Washington State Unified Business Identifier Number (UBI): 602144355

Federal Tax ID Number: 23-2994246

Approved on behalf of Seattle Municipal Court

[Signature]
By:
Court Administrator
Title:

April 1, 2009
Date

**SCOPE OF WORK
FOR
SEATTLE MUNICIPAL COURTS**

This Scope of Work (Attachment A) to the Contract for Collection Contractor Services for Seattle Municipal Court ("Contract") supplements, and in some cases modifies Section 5 of the RFP— Project Specifications and Scope of Work for Seattle Municipal Courts, King County District Court, and the Contractor's Response to the RFP. It is intended to encompass those specific agreements reached during the course of the Parties' contract negotiations which are not otherwise contained in the Contract. Except to the extent modified by Contract or this Attachment A, all other provisions of Section 5 of the RFP and Contractor's Response shall remain unchanged and define the scope of the Contractor's work. Where there are conflicts between these documents, the controlling documents will first be the Contract (including this Exhibit A) and any future amendments thereto, then the RFP and then the Contractor's Response to the RFP.

A. SEATTLE MUNICIPAL COURT LOCATIONS

The Contractor shall provide collection and collection related services for Seattle Municipal Court. Court locations to be served include the staffing of windows at the Seattle Justice Center and a payment location at an agreed upon site in South King County. The services include but are not limited to; collecting delinquent accounts, providing a bill pay service for individuals who cannot pay their obligations immediately, processing demand letters, skiptracing undeliverables and out-of-state cases and processing garnishments.

B. REQUIRED

In a manner acceptable to Seattle Municipal Court and using security standards set by the City of Seattle for electronic data transmissions, the Contractor ("Contractor") must be able to send and/or receive the following automated electronic interfaces using Seattle Municipal Court record formats:

- Receive new debtor records, changes to existing debtor records, and other debtor information daily
- Confirm receipt of debtor records
- Send payment information daily
- Provide information on account status changes daily
- Specified performance reports monthly
- Accommodate new and additional system interfaces as requested

The Contractor must refer to all SMC accounts in an interface or other correspondence by SMC's identifier. (I.e., defendant number, case number, citation number)

User support shall be available during agreed upon business hours.

The Contractor's computer system shall be operational during agreed upon business hours. Scheduled downtime shall be outside these hours. SMC will be given 72 hours noticing for any anticipated downtime, and notified immediately in the event of an unanticipated down time (e.g., system crash).

The Contractor will provide a minimum of eighteen (18) ports with read only access to the Agencies computer system for designated Court employees. The Court's employees will only have "read only" access to the Court's accounts.

The Contractor must be willing to participate in periodic meetings either at City locations or be teleconferencing. SMC will set the date and time for regularly scheduled meetings. Either party may request a meeting in addition to regularly scheduled meetings.

The Contractor must have access to a national database of names and addresses as well as access to all major Reporting Bureaus and be capable of meeting trends in the industry.

The Contractor must have the ability to produce electronic reports for all collection efforts and payment activity in a format determined by the SMC Compliance Manager or their designee. The reports shall be electronically transferred to SMC on a schedule to be determined by SMC. All personal identifiers of all debtors must receive the ultimate in safeguarding.

The Contractor shall utilize an accounts receivable system for collections that is compatible with the Court's information system and other technology requirements. The Contractor shall make available to the Court the use of this accounts receivable system if appropriate for pre-collections activities through a licensing agreement.

The Contractor shall employ a Certified Public Accounting (CPA) firm subject to peer review to perform an annual financial audit of the accounting records of the Contractor. A copy of the financial statements will be forwarded to the Court Compliance Manager or their designee promptly after the completion of an annual audit. An internal audit report may be submitted at the discretion of the SMC Court Compliance Manager or their designee. This determination will be made in the first quarter of each calendar year.

The Contractor will submit to on-site performance audits by the City or its Agent when and if desired by the City without prior notices either written or oral. Any exceptions or findings shall be remedied by the Contractor within a court-approved timeline from the City's notification to the Contractor. They Contractor will be required to pay the City for these audit services. The audit will not be more frequent than every other year and the cost will not exceed an estimated cost of \$30,000 per audit. The City audit's scope shall not be limited by the Contractor. The City will have access to all Contractor records and personnel for the purposes of these audits.

The Contractor will staff a minimum of two (2) payment windows at the Court's location at their expense. These windows must be staffed to coincide with the hours of the court.

SMC Compliance Manager or their designee must approve all text in correspondence.

C. COLLECTIONS EFFORTS

The Municipal Court of Seattle is interested in capturing a rate of return at or above the national average. If the Collection efforts should consistently fall below this average, it could result in renegotiations or termination of the contract.

The Municipal Court of Seattle firmly believes in a positive approach in dealing with debtors. The Contractor shall abide by all federal and state laws and regulations and shall not use tactics which may be interpreted as harassment, demeaning or reflect poorly on SMC's collection efforts. SMC will review and disallow any collection enforcement procedure not consistent with SMC desires. SMC requires that the Contractor employ high ethical standards in their collection philosophy and techniques. The Contractor shall conduct its collection business in a professional manner, which preserves the dignity of The Municipal Court of Seattle and its relationship with its citizens. Dedicated representatives must conduct all collection efforts and these efforts should be conducted in the United States. These representatives will be trained in appropriate collection efforts.

The Court will send the collection Contractor (1) delinquent judgments resulting from civil infractions, including parking infractions, traffic infractions, and miscellaneous offense and (2) delinquent fines, penalties, fees and costs related to criminal cases and civil cases. (The Court will also refer the NSF check fees that the City adds to a defendant's monetary obligations when a bank returns a check for non-sufficient funds.) The Court may send the collection Contractor delinquent restitution accounts where the Court collects payments from defendants and remits to victims. The Court may also send delinquent probation fees for collection.

The Court has an expectation that the chosen collection Contractor will be committed to the relicensing of our defendants. The efforts expected will include; the allowance of payment plans that will result in the lifting of driver's license suspensions and the assurance that Court collection issues will not be intertwined with non-court collection matters. The Court may also request that a Contractor representative be available to support relicensing calendars held at the Court.

The Court continues to be committed to the philosophy of Universal Cashiering. The collection Contractor will be expected to plan an integral role in this process.

Collection efforts shall include the following:

- a.) The Contractor shall pursue collection on all judgments the Court refers and remit to the Court all monies the Contractor collects on such judgments less any applicable fee. The Court has the authority to limit the number of garnishment requests based upon staffing issues.
- b.) The Contractor shall produce and mail a pre-collection letter within three (3) business days after referral from the Court. The letter will inform the debtor that their delinquent judgments will be turned over to a collection Contractor if not paid. The Court will approve the text of this correspondence. The Contractor will also have a means to transfer cases and citations from pre-collection to the collection status.
- c.) When a pre-collection letter is returned as undeliverable, the Contractor will send a new pre-collection letter to the debtors when the skip tracing efforts (including information received from DMV searches) result in a more current address or if the Court supplies the Contractor with a more current address.
- d.) The Contractor will return to the Court all pre-collection letters and disputes received as a response to the pre-collection letter. If a dispute is raised, all collection efforts will cease and the Court will provide the necessary research information to address the dispute.
- e.) The Contractor will provide skip tracing to any and all judgments or pre-collection accounts that is referred with unknown addresses. Skip tracing will also be provided to judgments or pre-collection accounts that are returned due to insufficient addresses.

- f.) The Contractor shall supply registered owner information (Department of Motor Vehicle searches) using the date of violation in the Court system's format for all out of state plates.
- g.) The Contractor will be responsible for all costs; in the case of legal costs incurred in garnishment or other legal proceedings, the Contractor may pay its recoverable costs out of first moneys collected.
- h.) The Statute of Limitations on the judgments which are to be referred is controlled by RCW Section 4.16.020 which states: "The period prescribed for the commencement of actions shall be as follows: Within ten years: For an action upon a judgment or decree of any court of any state within the United States"; and by RCW Section 4.16.020(3), which states: "After June 9, 1994, a party in whose favor a judgment has been filed ..., or the assignee or the current holder thereof, may, within ninety days before the expiration of the original ten-year period, apply to the court that rendered the judgment ... for an order granting an additional ten years during which an execution, garnishment, or other legal process may be issued."
- i.) The Contractor will operate payment windows at the Court's Justice Center location. The payment window will be available for business during the hours of the Court. The Contractor and the Court will, through mutual agreement, determine an appropriate number of Contractor employees to place on-site in the Court facility. The Contractor will supervise its employees. The City will provide space, data and telephone lines. The Contractor will provide hardware and software for connectivity to its system, and necessary office furnishings and supplies for its personnel. The Contractor and the Court will meet periodically to assess the needs of the Court and evaluate the Contractor's collection efforts at the Court's location, and at no cost to the Court.
- j.) The Contractor will operate payment site in South Seattle. The site will be operational within six (6) months of the first year of this contract.
- k.) The Contractor shall ensure court cases will not be sent outside the United States.
- l.) The Contractor has the capabilities to accept Web based payments.

D. CUSTOMER SERVICE IN COLLECTION EFFORTS

Location of Primary Office: The Contractor shall maintain a local presence within the geographical jurisdiction of the Court.

Compliance with Law: The Contractor shall handle and process all accounts referred by the Court, in strict conformity with all applicable Federal and Washington State laws, and any applicable laws the Court may enact, including but not limited to:

Washington State laws enacted or hereinafter amended governing collection agencies and practices, including but not limited to, Revised Code of Washington Chapter 19.16 "Washington State Collection Contractor Act", 1986 and "Unfair Business Practices Act" and 3.02 "Use of Collection Agencies".

Federal laws enacted or hereinafter amended governing collection agencies and practices, including but not limited to, the "Fair Debt Collection Practices Act" (15 U.S.C. 1692 et seq.), and all applicable laws and regulations of the United States Postal Service and the Federal Trade Commission.

Contractor Collection Efforts at Court's Location: The Contractor shall operate a payment window and/or windows at the Court's Justice Center location. The payment window shall be available for business during the hours of the Court. The Contractor and the Court will, through mutual agreement, determine an appropriate number of Contractor employees to place on-site in the Court facility. The Contractor shall supervise its employees and ensure that they meet all court computer access security requirements. The City shall provide space, data and telephone lines. The Contractor shall provide hardware and software for connectivity to its system, and necessary office furnishings and supplies for its personnel. The Contractor and the Court will meet periodically to assess the needs of the Court and evaluate the Contractor's collection efforts at the Court's location.

The contractor shall also provide a payment site in South Seattle to provide an additional payment site for SMC Customers.

Handling of Delinquent Accounts Prior to Referral to Collections: Except for out-of-state defendants, the Court will prepare and mail delinquency notices for Parking Citations. For out-of-state defendants and when a delinquency notice is returned to the Court as undeliverable, the Court will submit the Parking Citations to the Contractor. The Court shall assess a \$15.00 delinquency notice fee per account as the Contractor's compensation. The Contractor shall perform skip-tracing services as needed and send a delinquency notice to the defendant. In the event the defendant requests a time payment plan for the amount included in the delinquency notice sent by the Contractor, the Court shall establish and monitor the time payment plan.

For all other citation types, the Contractor will prepare and mail demand letters. The Court shall assess a demand letter fee of \$13 per account to the principal amount owed by the defendant. The Contractor shall perform skip-tracing services for demand letters returned as undeliverable. In the event the defendant requests time payment for the amount included in the demand letter sent by the Contractor, the Contractor shall establish and monitor the time payment plan at no additional cost. The Contractor shall notify the Court of a defendant failing to make a payment pursuant to the time payment plan for the Court to determine whether the account should be referred to collections.

E. REMITTANCE

The Contractor shall remit by electronic transfer to the appropriate court's bank account, the principal amount, and One Hundred Percent (100%) interest collected on the Courts behalf. Court remittances are to occur on a daily basis, for guaranteed funds, by electronic transfer on each business day following collection. Copies of remittance statements and deposit receipts shall be provided to the Court location.

In the event other courts have "piggybacked" on the Court contract and the Contractor receives payment from a debtor who owes money to more than one court using the contract, it is the preference that money be applied to the cases in date order beginning with the oldest case first.

In the event that the Contractor receives payment from a debtor who owes money to other parties not related to the Court, the Contractor shall pay the Court first, unless specifically directed otherwise by the debtor.

F. SYNCHRONIZATION:

Synchronization of account records between the Court and the Contractor shall be done quarterly, at a minimum. The Court will request a schedule fitting with its business needs quarterly. The purpose of the comparison will be to verify and insure the integrity of data and account information. The Contractor will incur the cost of comparison.

G. GARNISHMENT

To offset garnishment costs the Contractor will provide one half-time employee to Seattle Municipal Court. The primary function of this employee is to interface with the Contractor and process approval for legal action on the City's behalf. This will involve verifying the account balances and processing abstracts. The Court will be reimbursed a maximum of \$2,000 per month to cover said expense, and the contractor's reimbursement will be linked to the City's market rate adjustments. The employee's efforts under the reimbursed amount will be devoted to facilitating the processing of legal requests. The Contractor shall be responsible for reimbursing Seattle Municipal Court three (3) months from the effective date of this agreement.

H. DEBT REDUCTION PROGRAM

The Contractor will assist Seattle Municipal Courts in executing an amnesty program.

I. PERFORMANCE MEASURES

As indicated in the RFP for Collection Services, Performance Indicators are essential to the court's monitoring of the executed contract.

Performance Measures include and can exceed the following:

1. Rates of Return
 - *Recovery at (1) year interval* 25.50%
 - *Recovery at (2) year interval* 28.0 %
2. Complaint Resolution
3. Synchronization of Records
4. Timeliness of Response
5. Outcomes of Outreach Plan (Exhibit 1)
 - A. The contractor will provide a monthly written report (design as determined by SMC representative) to the court. The report designs will be confirmed prior to implementation. Implementation of the reports will be within thirty (30) days of contract signature.
 - B. The Vendor Outreach report will include a year to date revenue report to include but not limited to the following:
 1. Include number of tier 1 cases/accounts and the average age of accounts
 2. Percentage placed from Contractor to sub-contractor
 3. Number of cases
 4. Number collected from subcontractor
 5. Number of cases recalled from subcontractor
 6. Monthly revenue of subcontractor.

J. RESPONSE TO DEFICIENCIES IN PERFORMANCE MEASURES

1. Court and/or City of Seattle representative shall notify, in writing, deficiencies in Performance Measures and establish a written notice to set up initial meeting to discuss deficiencies and a plan of action.
2. Meet with court representative(s) and/or City of Seattle representative(s), and Contractor to define issues.
3. Written corrective action plan to be provided by contractor within seven (7) business days of notification.
4. Court and/or City of Seattle to respond in writing with approval of Contractor's corrective action plan or Court and/or City of Seattle to decline Contractor's action plan
 - 4.1 Decline of action plan: Contractor to resubmit plan of action within five (5) business days to the Courts and/or City of Seattle.
 - 4.2 If Court and/or City of Seattle determine 2nd action plan remains insufficient, Court and/or City of Seattle to meet with Contractor to reconcile outstanding issues and finalize action plan
 - 4.3 Failure to provide action plan or resolve outstanding issues could result in a breach of contract, see Terms and Conditions.
5. Court and/or City of Seattle to review Contractor's progress within thirty (30) days of the approval letter to the Contractor.
6. Court and/or City of Seattle to send secondary notice to Contractor
7. Failure to correct deficiency(s) could result in a breach of contract (see Terms and Conditions)

EXHIBIT 1

City of Seattle Outreach Plan

(SMC CH. 20.42)

Please use additional sheets if necessary to complete this plan.

To meet affirmative effort and equality in contracting of Seattle Municipal Code Ch. 20.42, Vendor shall respond to the questions below. The information will be evaluated to determine compliance with the affirmative efforts requirements of the Contract. The City reserves the right to request additional information.

The information provided becomes a part of the Contract.

Bid//RFP Number & Title: City of Seattle Municipal Court & King County District Court, RFP 2412

Vendor Name: AllianceOne Receivables Management, Inc.

Vendor Designation: Specify whether Bidder is at least 51% women and/or minority owned. Bidder does not need a state or federal certification, but shall self-identify company ownership.

Women-Owned: Yes ___ No **X** Minority Owned: Yes ___ No: **X** Combined Women/Minority: Yes: ___ No: **X**

- 1) If Vendor proposes to hire additional employees to service this contract, complete Section A below.
- 2) If Vendor proposes first-tier subcontracting to achieve affirmative efforts, complete Section B below.

A. EMPLOYMENT: If Vendor replies yes to employment, fill out this Section.

If Vendor intends to hire new employees to service this contract, indicate employment goals for women and minorities. Such goals shall not represent a utilization requirement, but are a commitment to goals that the Vendor proposes to be reasonably achievable.

How many new employees are required?

Of new employees that would be hired to achieve this contract, what is % of new hires the Vendor aspires to achieve?

Goal for Minorities: 41.7 %

Goal for Women 69.9 %

If you plan to hire new employees to service this contract, provide a statement indicating the efforts that Vendor has made or plans to make to solicit women and minorities.

Current Government Services Division percentages per July 2008 Equal Employment Opportunity report.

B: SUBCONTRACTING-FIRST TIER: If Vendor replies YES to subcontracting, complete this Section. First-tier subcontracting is work or production directly correlated at the first-tier level to the City contract.

What is the % of first-tier subcontracting Contractor proposes as a goal?

What is the % share of the total contract value that you intend to subcontract?	What % of first-tier subcontracting will Bidder subcontract to Women or Minority business
15	15

Identify subcontractors that Vendor solicited interest from and which vendors were selected for subcontracting.

Name of WMBE Company Solicited	Specify whether a Women (W) or Minority (M)	Describe First Tier Function	Do you intend to Contract w/Firm Y/N	Describe what share of the City contract will be subcontracted to this WMBE
PMT Solutions	W and M	Collections	Y	15%

Describe your past success at achieving participation on contracts or provide evidence of the likelihood of the Bidder achieving the proposed Affirmative Efforts. This will be evaluated for your past performance, experience, success and responsibility for achievement of these expectations on the upcoming City contract.

AllianceOne has utilized MBE/WBE/VBE/SBE firms with:

Cook County, IL	30% BSG MBE	tier 1
Richmond, VA	20% Genesis Collections MBE	tier 1
	Unified Office Services	tier 2
	Cascade Legal Services	tier 2
	Aaron's Janitorial Services	tier 2

Additionally, we utilize second tier subcontractors with the City of Indianapolis, including the Law Office of Everett Powell (MBE) and Tamara Brown (WBE) for legal services. There are discussions pending with other subcontractors.