

Contract #: 000002587
Attachment #1

**Title: Collections – Secondary Placement
Scope of Work**

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Contractor: **PMT Solutions**
Ollie Garrett
2330 130th Ave NE, Suite #101
Bellevue, WA 98005

Contract Term: One year contract with two one-year extensions.

Start Date: May 26, 2009

Initial Contract Term: May 26, 2009 through May 25, 2010

Purpose: The City of Seattle (the “City”) seeks collection services for secondary placement accounts from which would otherwise be written off to bad debt. The City will first focus on collecting secondary accounts for Department of Executive Administration (DEA) and for the following divisions and accounts:

1. DEA - Business Improvement Area’s

Other City Departments may choose to participate in the collection of secondary placement accounts.

This contract is established for the convenience of the City. This is not a mandatory use contract, and the City will use this contract only when the City needs arise that is suited to the Collection Agency’s (Vendor’s) services. There is currently no known usage for this service, and fees collected on behalf of the City can be anticipated from zero to a value no greater than \$7,000 per account.

This contract is established in anticipation of potential needs by City Departments, and fees collected are estimated to be less than \$44,000 annually. Should the fees on this contract exceed \$44,000 for an annual aggregated expenditure the City will undergo a separate competitive process. Further, should additional contractors identify capacity to perform similar work, the City may add additional such contractors for use by City Departments as well.

Background

1. The Finance Department currently collects on a variety of accounts on behalf of City departments. The City seeks to collect on secondary accounts, which have normally gone uncollected. Secondary accounts are unpaid debts owed to the City that the primary Collection Agency was unable to obtain.

Scope of Work:

A. Collection Fees:

Revised Code of Washington State (RCW) 19.16.500 allows the City to add the collection fee onto the amount due at time of placement.

Vendor's Compensation/Fees:

For purposes of secondary collections efforts, the City will waive its right to assess a collection fee at the time of placement with vendor. The City will, however, include any applicable fines and interest calculation date/rate at time of placement and Vendor will include these amounts in all collection efforts.

1. **Collections** - Vendor will be compensated for collections as follows:
 - a) The Vendor will apply a 30% commission to the amount due from the debtor.
 - b) The vendor will keep the 30% commission collected above the principle, fines and interest and will remit to the City the remaining proceeds.
 - c) All funds recovered from debtors for the City will be subject to a 30% commission.
 - d) Vendor may not negotiate with debtors the principle, fines and interest amounts without prior authorization from the City, but may at its sole discretion, negotiate with debtors on the 30% commission in the interest of obtaining any recoveries for City.
2. **Remittance Method** - For payments to accounts collected by the Vendor shall:
 - a) Deduct the collection fee prior to remitting the principal amount to the City as presently authorized by Washington State law.
 - b) Remittance shall occur on a weekly basis for guaranteed funds. Copies of remittance statements and deposit receipts shall be provided to the City's location.
3. **Reports** - Vendor shall:
 - a) Provide a detailed statement monthly, or upon the City's request, showing gross recoveries and net remittance to the City.
 - b) Implementation of the reports will be within thirty (30) days of contract signature.

B. Collection Office:

Collection activity will be conducted from 2330 130 Avenue, NE, Suite #101, Bellevue, WA 98005.

C. Recyclable Product Requirements: To promote and encourage environmentally sustainable practices for companies doing business with the City, the City requires that vendors under City contract use environmentally preferable products in production of City work products.

Paper and Paper Product Requirements:

- 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

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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.

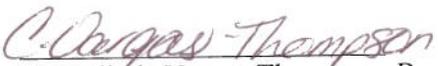
D. Confidentiality:

The contractor will have all of its employees assigned to the contract, execute confidentiality agreements incorporating State and Federal laws before gaining access to city information. The Contractor shall provide the original to Treasury of Operations and maintain an up-to-date file of these signed confidentiality agreements within 1 week of assigning the employee to the portfolio.

E. Contract Expansion:

This contract may be expanded to cover collection services for secondary accounts for other divisions within DEA and City Light, and other City Departments provided that such services are normally furnished by the Contractor, and that the Contractor agrees to provide collections for secondary accounts using similar fee structure.

1. All terms and conditions are incorporated into this contract. See Attachment #2.
2. Signatures below indicate acceptance of this contract including all terms and conditions, and addendums if any.


Carmalinda Vargas-Thompson, Buyer
City of Seattle


Ollie Garrett, President & CEO
PMT Solutions

5/21/09
Date

5-21-2009
Date