



# **ARIZONA SUPREME COURT**

**Administrative Office of the Courts  
1501 West Washington, Suite 221  
Phoenix, Arizona 85007**

**Request for Qualification**

**RFQ 03-01**

**COLLECTION SERVICES**

**January 31, 2003**

This Request for Qualification (RFQ) package contains all the information needed to complete and submit a response. Vendors are encouraged to review the Request for Qualification (RFQ) package in detail.

A complete proposal package will include all the items as listed in Section V. Each page should be clearly marked with the Vendor's name and the Response Identification Number 03-01.

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**SECTION I**

**LEGAL ADVERTISEMENT**

The Arizona Supreme Court invites sealed responses from vendors who wish to be pre-qualified to provide professional collection services to individual courts on an As-needed@ basis. Request for Qualification 03-01 may be obtained from the Arizona Judicial Department's website at: <http://www.supreme.state.az.us/rfp> or by contacting:

Don Bentley  
Arizona Supreme Court  
Administrative Office of the Courts  
1501 West Washington, Suite 221  
Phoenix, Arizona 85007  
Telephone: (602) 542-9329

Persons with disabilities may call Mr. Bentley at the above number or text telephone (TDD) (602) 542-9545 regarding availability of information in alternate formats.

Completed, sealed responses must be physically in the possession of Mr. Bentley at the above stated address no later than 4:00 p.m., Arizona Time on February 19, 2003. A public opening will be conducted shortly thereafter.

## **Important Information Not Included in the Legal Advertisement**

The public opening will be conducted shortly after 4:00 p.m., Arizona Time, on February 19, 2003, in Conference Room 230, 1501 West Washington, Phoenix, Arizona.

This Request for Qualification (RFQ) does not commit the Arizona Supreme Court, AOC to award any contract(s) or to pay any costs incurred in the preparation of responses. The AOC reserves the right to accept or reject, in whole or in part, all responses submitted and/or to cancel this RFQ.

This RFQ is being issued solely for the procurement of contracts for professional services in which no warranty, express or implied, is made to the vendor(s) by the AOC, that any services will be purchased during the term of the contract. Any contract(s) awarded pursuant to this RFQ shall state that the services will be purchased only on an *as needed* basis. The specific tasks, deliverables, and costs for services purchased under any contract(s) awarded pursuant to this RFQ shall be detailed in a written work order signed by both parties. This work shall be performed in accordance with the terms of the vendor's contract.

Any contract(s) awarded shall be:

1. Based upon the response(s) most advantageous to the AOC, price and other factors considered.
2. Based upon the demonstrated competence and qualifications for the types of services required and at fair and reasonable prices.
3. Subject to the availability of funds.

Work orders will be negotiated between the court(s), or the AOC on behalf of the courts, and the vendor.

The AOC reserves the right to issue other Invitations for Bids, Requests for Proposals, or Requests for Qualification regarding the same or similar services as specified in this RFQ during the term of any contract(s) awarded pursuant to this RFQ.

### **Americans with Disabilities Act:**

People with disabilities may request special accommodations such as interpreters, alternative formats, or assistance with physical accessibility. Requests should be made as early as possible to allow time to arrange the accommodation.

If you require special accommodations, please call (602) 542-9527 or text telephone (TDD) (602) 542-9545.

**SECTION II**  
**RESPONSE SCHEDULE**

	<u>Activity</u>	<u>Date</u>
1.	Request for Qualification (RFQ) Published.....	January 31, 2003
2.	Response Due Date* .....	February 19, 2003

*Note: The Court may deviate from this schedule and make modifications as necessary. Notice of any changes will be posted on the Arizona Judicial Department-s website at: <http://www.supreme.state.az.us/rfp>.*

Responses received after 4:00 p.m., Arizona Time, on February 19, 2003, will be accepted but will not be opened and will not be taken into consideration.

### SECTION III

#### INSTRUCTIONS AND PROCEDURES FOR SUBMITTING RESPONSES

1. A vendor who wishes to submit a response for the provision of services should respond to all applicable items in Section V.
2. The response should take the form of a narrative or outline for each of the services and tasks listed. Generally, the response should indicate the expertise and qualifications of the vendor to perform the services outlined in Sections IV and V. Expertise should be substantiated by documentation consisting of sample material or description of previous collection programs.
3. Documentation should also consist of names and telephone numbers of references for whom previous collection services were provided. Resumes and other listings of professional credentials, qualifications, and accomplishments shall be provided for all proposed staff. A complete listing of organizations for which collection services have been provided in the past shall also be submitted. Preference will be given to vendors with demonstrated experience and expertise in performing work of a similar or related nature for the public sector, and courts in particular.
4. By submission of a response, the vendor certifies that:
  - a. The vendor has not paid or agreed to pay any person, other than a bona fide employee, a fee or a brokerage resulting from the award of this contract.
  - b. The prices in the response have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition as to any matter relating to such prices with any other vendor.
5. The vendor has sole responsibility for any contracts/agreements made with any sub-contractors in relationship to the RFQ.
6. Preparation of the Response:
  - a. Vendors are expected to examine all documents, forms, specification, standard provisions, and instructions. Failure to do so will be at the vendor-s risk.

- b. Each vendor shall furnish all information required by the RFQ for each response submitted. Vendors should refer to Section V for the list of items to be submitted with each response.

7. Submission of Request:

- a. Sealed responses, clearly marked RFQ 03-01 must be received no later than February 19, 2003, at 4:00 p.m., Arizona Time, by the Arizona Supreme Court, Administrative Office of the Courts, 1501 West Washington, Suite 221, Phoenix, Arizona 85007. Responses must be in the actual possession of the Arizona Supreme Court on or prior to the exact time and date indicated. Late responses will not be opened or considered under any circumstances.
- b. If a vendor wishes to submit multiple responses, each must be submitted separately.
- c. Responses must be submitted in a sealed envelope with the RFQ number (03-01) and the vendor-s name and address clearly indicated. All responses must be typewritten. A sealed original and six (6) copies of the response must be provided. An electronic copy of the response on CD-ROM or diskette in either Word, WordPerfect, or PDF format must also be provided.
- d. Vendors submitting responses shall indicate the vendor-s name and RFQ number (03-01) on each page of the document.
- e. Erasures or other modifications in the response must be initialed by a person authorized to sign the vendor response.

8. Explanation to vendors:

Any explanation or clarification desired by a vendor regarding the meaning or interpretation of the RFQ, specifications, etc., shall be directed to:

Don Bentley  
Procurement Officer  
Arizona Supreme Court  
Administrative Office of the Courts  
1501 West Washington, Suite 221  
Phoenix, Arizona 85007  
Phone: (602) 542-9329/FAX: (602) 542-9735

Any oral explanations, clarifications, or instructions, regarding the meaning or

interpretation of this RFQ given prior to the award of a contract will not be binding. Oral discussion regarding this RFQ between vendors and representatives of the AOC shall not be construed as an act of collusion against the Arizona Supreme Court or the State of Arizona. In no case will the price of any specified response be discussed.

If any vendor desires a formal binding interpretation or clarification of this RFQ, the written question shall be submitted, and received by the person listed above, at least ten (10) days prior to the response due date. Written response to binding clarification questions will be posted to the Arizona Judicial Department's website at: <http://www.supreme.state.az.us/rfp> and will be mailed to vendors upon request.

The AOC may, by written notice to the vendors, cancel any award under this RFQ, if it is found by the AOC that gratuities, in the form of entertainment, gifts or otherwise, were offered or given to any representative of the AOC with a view toward securing favorable treatment with respect to this RFQ.

A vendors conference will NOT take place.

9. Public Opening: A public opening of responses shall be held in Conference Room 230, 1501 West Washington, Phoenix, Arizona, on February 19, 2003, shortly after 4:00 p.m., Arizona Time. At that time, the name of each offeror shall be publicly read and recorded. This record shall be open to public inspection after the opening. The responses shall be open for public inspection after any contract is executed. However, where the vendor designates and the AOC concurs, trade secrets or other proprietary data contained in the response documents shall remain confidential.
10. Vendors submitting responses shall furnish upon execution of contract satisfactory evidence of acceptable insurance coverage meeting the requirements detailed in Paragraph 8 of the sample contract included as Appendix G. Acceptable insurance coverage consists of:
  - a. Commercial General Liability Insurance;
  - b. Business Automobile Liability Insurance;
  - c. Workers Compensation and Employers Liability Insurance, and
  - d. Professional Liability Insurance.

The State of Arizona and the Arizona Supreme Court shall be named as Additional Insureds.



11. Vendors submitting responses shall furnish a performance bond upon execution of a contract to ensure that the contractor can produce and deliver the services that meet defined criteria.
12. The Rules Prescribing Procurement Policies and Procedures for the Judicial Branch (hereafter referred to as the Judicial Procurement Rules) adopted by the Arizona Supreme Court in accordance with the provisions of Arizona Revised Statutes ' 41-2501.E are incorporated by reference herein. Copies of these rules can be obtained from Don Bentley, 1501 West Washington, Suite 221, Phoenix, Arizona 85007, Telephone (602) 542-9329 or from the Arizona Judicial Department's website at: <http://www.supreme.state.az.us/rfp> .

## **SECTION IV**

### **SPECIFICATIONS**

#### **Background:**

Arizona courts are committed to improving the quality and consistency of justice by ensuring compliance with court orders. The purpose of this Request for Qualification is to solicit proposals for collection efforts against non-compliant defendants.

The intent of this request is to solicit proposals to qualify collection services (vendors). Through a proposal and interview evaluation process, a short list of qualified vendors will be selected. It is expected that selected vendors will directly market their services to Arizona courts statewide and the AOC who may enter into a work order on behalf of the courts. It is the vendor-s responsibility to solicit business, negotiate the work order, and set up each court as an individual client consistent with the vendor-s contract.

The collection needs of the Arizona courts may be characterized as a high volume of relatively low-dollar receivables. In one large metropolitan court, the average receivables due balances for typical items are: parking ticket/local ordinance - \$50; civil traffic citation - \$100; and criminal citation - \$300. A successful proposal will clearly demonstrate the vendor-s ability to provide immediate and consistent efforts in collections. Maximizing the court-s recovery rate through expanded collection programs will improve the court-s public image, preserve integrity and advance the administration of justice.

#### **Objective:**

The objective of this RFQ is to qualify collection service vendors to aid Arizona courts in collecting outstanding court ordered fines, fees, and costs. It is expected that qualifying vendors will adhere to professional standards for customer service, collect outstanding receivables, and maintain accurate historical and transactional databases.

#### **Procedural Requirements:**

1. No minimum or maximum volume of accounts will be guaranteed by a contract or a work order. Volume will be determined by the number of outstanding receivables and the success of the collection program.
2. The court(s) will provide the vendor with an initial list of receivables. Subsequent receivables will be issued to the vendor per work order agreement. Receivables may be transmitted electronically or by hard copy. A receivable may include the following data items depending on the availability of information and the case type (traffic, criminal, etc.):

Defendant Name	Vehicle Make	Sentencing Date
Defendant Phone	Vehicle Year	Warrant Number
Defendant Address	Defendant SS #	Warrant Status
Defendant D.L.#	Case Number	Date of Warrant Status
Defendant DL State	Citation Number	Balance Outstanding
Date of Birth	Date of Offense	Employer
Sex	Offense Description	Employer Phone
License Plate Number	Incarceration Date	

3. The court will not make a full assignment of judgments to the collection service. Judgments will be assigned on a contingency basis only. This means that the vendor awarded the work order will not have full right to the obligations owed to the court and will pursue collection on behalf of the court(s).
4. The court shall retain control over the accounts referred to the contractor. The court(s) may recall at its discretion any account referred to the contractor at any time without charge or penalty.
5. At the court's option, the work orders negotiated with the vendor may provide for performing primary collection activities and/or progressive collection activities. Primary collection activities would be performed on accounts that have not been previously referred to any professional collection agency contracting with the court. Progressive collection activities would be performed on accounts that have previously been referred to a *different* collection agency for primary collection activities for at least six continuous months without producing payment in full and which have been recalled by the court. It shall be at the court's discretion to designate accounts for primary or progressive collection activities.
6. Payments received in the courts within the first ten (10) days after referral to the contractor shall not be assessed a collection agency fee. Monies collected more than ten (10) days after referral are subject to a collection agency fee.
7. Payments received by the court within the first ten (10) days after expiration, termination or cancellation of a work order are subject to a collection agency fee. Payments received more than ten (10) days after expiration, termination or cancellation of a work order will not be assessed a collection agency fee, unless specifically authorized in writing by the court.
8. Payments received by the court as a result of intercepting a debtor's Arizona state or federal tax refund, intercepting Arizona lottery winnings, following arrest on a warrant, or as a result of a driver license suspension or vehicle registration hold

imposed by the Arizona Department of Transportation's Motor Vehicle Division shall not be subject to a collection agency fee.

9. The court(s) will provide the contractor a report itemizing payments received by the court(s) on receivables assigned to the contractor. The data may be provided to the contractor electronically or by hard copy according to a mutually agreed upon schedule.
10. The contractor shall perform all services as provided for within their proposal unless the contractor can explain in detail that the deviation would be of material benefit to the court(s). The contractor in performance of their service, will use due diligence, reasonable and ethical collection methods, and comply with state and federal consumer and collection laws.
11. The contractor must clearly demonstrate, in their proposal and through references, their customer service orientation.
12. The contractor shall maintain open lines of communication for the purpose of managing the collection program, resolving problems, and promoting understanding. Therefore, the contractor will designate a project manager and an alternate manager to meet, as requested, with the court(s) and/or the AOC to discuss contractor services.
13. In the event of a dispute regarding the defendant's fine, the contractor will stop collection efforts on the obligation(s) in question. The contractor shall obtain verification of the receivable. The court will provide the contractor all information required by law. The defendant must forward written notice of the dispute to the contractor. If the defendant requests copies of supporting documentation, the court will provide the copies to the defendant. The defendant is responsible for the cost of the copies provided by the court. The contractor will maintain complete records on disputes.
14. The contractor in collaboration with the court shall agree upon a procedure to document disputed accounts. This includes documentation for each account on which a dispute is filed. Documentation must include the contractor's written response to the defendant.
15. The contractor will submit routine written procedures, within the scope of these specifications, for handling the services described herein. Procedures are subject to the approval of the court(s).
16. The contractor(s) will provide services compatible with the court's standard work week, Monday through Friday 8 a.m. to 5 p.m. The contractor may provide services

during expanded legally allowed times as agreed upon with the court.

17. The contractor shall provide training to court staff to facilitate communication and understanding between the court(s) and the contractor concerning the services provided by the contractor and the court's responsibilities.
18. The contractor is responsible for start-up and ongoing operational costs. All facilities, supplies, equipment, staff and communications necessary for the collection of court receivables under a work order shall be provided by the contractor at no cost to the court(s) other than the fees specified herein.
19. The contractor must have sufficient financial capacity, working capital, and other financial, technical and management resources to perform the work order.
20. Vendors shall provide a list of at least five courts for which they do business (or for which they have done business within the last 3 years), including all courts serviced in Arizona. Include the name and telephone number of a person to contact.
21. The contractor shall post a performance bond in the amount of two hundred and fifty thousand dollars (\$250,000), conditioned upon full performance of all obligations imposed upon a contractor, under an agreement pursuant to this RFQ. The bond shall be delivered to the court(s) within ten business days after the execution of a contract between the contractor and the court(s). The bond shall be executed by a company authorized to do business as a qualified surety in the State of Arizona.
22. The contractor shall provide proof of a fidelity bond in the amount of two hundred and fifty thousand dollars (\$250,000). Proof shall be presented at the contract signing. The bond shall be executed by a company authorized to do business as a qualified surety in the State of Arizona.
23. Employees of the contractor shall be required to sign a Disclosure Affidavit and Confidentiality Agreement similar to that presented in Appendix F with each court for which they provide services.

**Programmatic Requirements:**

1. The contractor shall be qualified to do business legally in the State of Arizona and all other applicable jurisdictions.
2. The contractor shall have an automated system to facilitate the exchange of account placements, payment information, and status reports. System requirements include E-mail and /or Internet capabilities. Data may be delivered electronically or by hard copy.

3. The contractor shall provide adequate computer backup systems and procedures to accommodate equipment failure. The backup system must capture and preserve all data necessary to ensure accurate accounting of monies collected and to create all mandated reports.
4. The backup system must also provide all information necessary to enable the contractor and the court(s) to assist the public.
5. All computer programming, data analysis, and development shall be mutually agreed on by the court and the contractor.
6. The contractor shall assure the security and safety of all court and computer files and documents.
7. The contractor shall have the ability to accept credit card and debit card payments.
8. The contractor shall maintain accurate records of any collection transactions received.
9. The contractor shall submit citation or case numbers corresponding to payments on all payment transactions.
10. The contractor is responsible for attempting to contact payers when insufficient data is available to identify the correct corresponding case and party.
11. The contractor is responsible for collecting non-sufficient fund items. The contractor may assess a charge for returned check items. See Appendix B for Arizona Revised Statutes ' 44-6852.
12. The contractor shall provide prompt telephone contact (within 24 hours) in response to court inquiries.

The contractor shall treat all information, and in particular social security numbers and information relating to defendants, which is obtained by the contractor through its performance under the contract, as confidential information to the extent that confidential treatment is provided under State and federal law, and shall not use any information so obtained in any manner except as necessary for the proper discharge of its obligations and protection of its rights.

### **Reporting Requirements:**

1. The contractor shall provide the reports indicated below and any additional reports as determined by the court(s) and/or the AOC. The court(s) and the AOC shall have unlimited rights to the use of all contractor reports, statistical data, and notes for the benefit of the court(s) and/or the AOC. The reports shall be generated by the contractor's automated system. Reports shall be provided for each court location in a form acceptable to the court(s) and/or the AOC. Unless otherwise indicated, all information shall be reported first by court and then by case type (such as: traffic, criminal etc.). Case types shall be subtotaled. Defendant names shall be displayed, last name first.
2. Reports shall be submitted, unless otherwise indicated, monthly upon request. Reports shall reflect at a minimum the following information:
  - a. New Accounts: This report will ensure that the contractor reconciles to the total account balance assigned by the court. This report shall be produced the same day accounts are input into the contractor's system. Each report shall include the defendant's name, case number and balance. Reports are to be generated either in alphabetical order by defendant last name or by case number as requested by the court.
  - b. Monthly Receivable Aging: This report will provide the court and the AOC with statistical data regarding the time to collection. Aged receivables shall be reported by category in thirty (30) day increments up to 120 days, then: 121 days to 180 days, 181 days to 365 days. Accounts exceeding 365 days are aged on a yearly basis. For the purposes of this report aging commences at the date of referral to the contractor.
  - c. Daily Cash Receipt Report: Will provide the court with a daily accounting of all payments received by the contractor for that day. The report shall reflect referral date, number of days to collection, defendant's name, case number, amount paid, previous amount paid, total paid, balance due, and contractor's commission.
  - d. Daily Adjustment Report: Will provide the court with a daily accounting summary of all adjustments and a comprehensive list of adjustments by court. The report shall reflect the date of the adjustment, the type of adjustment (bad check etc.), amount of adjustment, referral date, defendant's name, case number, original amount referred, and balance due after adjustment.
  - e. Monthly Collection Analysis Report: Will provide the court with a monthly status report of all accounts in the contractor's system. A comprehensive report indicating number of referrals, total dollar value, gross collections, collection rate, adjustments, and collection commission fees reflected in dollars and percentages (***This is for informational purposes only.***)

**Collection fees can not be subtracted from collection revenues. See page 16, no. 8),** number of remaining receivable accounts, dollar value outstanding, number of accounts paid in full, and number of accounts closed including the closure reason.

**Services:**

1. Upon successful execution of a work order the contractor shall provide the court-specific procedures, report formats and notice designs.
2. The contractor shall adjust the account receivable record within two (2) business days of any modification information transferred by the court(s).
3. The contractor shall adjust the receivable record to reflect returned check items immediately upon receipt.
4. Contractor shall be able to report outstanding receivables on behalf of the court(s) to a nationally available credit history reporting database (credit bureau). The contractor shall, with the approval of the court, select a credit bureau which will best serve the reporting needs of the court. There shall be no additional fee for this service. It shall be the court's option whether specific court approval is required prior to submitting reports of outstanding receivables to a credit bureau.
5. The contractor will utilize various skiptracing and collection techniques to locate defendants. Techniques shall include the capability to: communicate in Spanish both orally and in written form; pursue defendants residing within the boundaries of the United States, including military bases and Indian Reservations, or in foreign countries.
6. The contractor is not required to institute legal action and shall not institute any legal action unless directed to do so by the court, including written court approval
7. The contractor shall monitor bankruptcy cases nationwide on accounts referred for collection. Bankruptcy Code Sec. 362(b), the Automatic Stay provision only exempts governmental proceedings that are based on the **government's police powers and not aimed at debt collection or restitution.**  
  
Bankruptcy Code Sec. 523 (a)(7) exempts from discharge certain unpaid debts that represent governmental fines, penalties and forfeitures as long as those debts are not compensation for actual pecuniary loss.
8. The contractor shall remit the **entire amount** of the receivable collected to the court. Cash and cash instruments made payable to the contractor may be deposited by the contractor into the contractor's bank account with the



subsequent issuance of a check made payable to the court for the exact sum of the payments received. The contractor must forward the check to the court with supporting documentation on a daily, weekly or monthly basis at the discretion of the court. The contractor shall have the capability to forward funds electronically.

*Note: Courts, cities and counties do not have the authority to use a portion of fines and surcharges to pay collection services. The local treasurer shall remit the amount due the collection service from a budgeted amount either in the local government's or court's budget. Alternative sources of payment may be grant funds, or a local government assessment for collection costs ( A.R.S. '22-404E, A.R.S. '11-251.08 A,B,C,D and ARS '12-116.03). See appendix C, D and E.*

9. If there is no collection activity after 180 days, the court(s) may recall the account. The contractor and the court shall prescribe the criteria and procedures for returning uncollected accounts to the court. When an account is returned, the contractor shall give the reasons why the account is deemed to be uncollectible and make a recommendation on future action (e.g., continue to pursue in some other manner, write off, etc.).
10. The contractor shall maintain and make available for inspection, audit, and reproduction to authorized representatives of the court(s) any books, documents, or other relevant information pertaining to collections performed for the court(s).
11. Data exchanges between the court and the contractor shall provide sufficient information to allow the court to remain in compliance with the Minimum Accounting Standards (MAS) for Arizona Courts. The MAS may be viewed at: <http://www.supreme.state.az.us/courtserv/CRTASSIST/cra.htm> .

#### **Termination/Expiration of Contract:**

1. The contractor understands that the relinquishment of duties and return of accounts shall be scheduled so as to provide for the orderly transition of business and prevent the disruption of service.
2. The contractor shall provide a forty-five (45) day close-out period. The contractor understands that the contract will not be considered terminated until all receivables, returned to the court or the court's designee, have been validated and accepted by the court. Return of the receivables will be in a mutually agreed-upon medium.
3. The contractor shall return all accounts to the court regardless of payments or arrangements made on the accounts. If the contractor has notified a credit bureau of the receivable, the contractor shall notify the credit bureau to remove the receivable when the accounts are returned to the courts.

4. Upon request the contractor shall provide a summary of financial activity, including original amount referred, total adjustments, total payments, ending balance, all demographic data, including defendant-s name, last known address, last known phone number for all accounts receivable, first by court and then by case type (traffic, criminal, etc.). The report shall be in a format acceptable to the court.
5. The contractor shall balance total accounts receivable returned to the court with the last monthly *Receivable Report* provided by the contractor.
6. The contractor agrees to maintain all contracted services and shall continue normal payment remittance schedules during the validation and acceptance period.
7. The contractor shall forward to the court(s), or the court-s designee, all phone calls, correspondence, and payments related to the accounts returned to the court for a period of forty-five (45) days after the closing date.

## SECTION V

### PROPOSAL SUBMITTAL DOCUMENTS

The following documentation shall be included:

#### **Company Profile:**

1. Provide a history of the company.
2. Provide a list of at least five current or previous (within the last 3 years) collection contracts and references. Include all courts serviced in Arizona. Indicate if each contract is current or previous. Each reference should contain the name, title, address, and telephone number of a contact person who is familiar with the vendor and the vendor's performance.
3. Provide an organizational chart of the company and the Arizona office including personnel for this specific project.
4. Identify what special services or capabilities the company possesses which would enhance the company's value to the court(s).
5. Identify any special credentials, memberships, or affiliations which pertain to the record and/or reputation of the vendor.
6. Provide details concerning the financial stability of the company.
7. State the name(s) of the person(s) authorized to bind the vendor by signing the response to the Request for Qualification. (See Appendix A)
8. State whether the vendor is local, regional, or national.
9. State the location of the office that will have primary responsibility for the collections services as well as the number of professional staff employed at that office.
10. State the location of the office or offices where the database containing court data will be located and the location of the programmers and network administration staff who will have access to that data.
11. Describe the range of activities performed by the firm.

**Staff Identification:**

Identify, by name and job title, the staff that will be involved in the performance of the proposed services. Specifically, identify all current employees, consultants, and vendors, who will provide any portion of the services required herein, and describe their credentials, relevant experience, role in service provision and the results of background checks. Provide a résumé for employees in key positions (management, supervisors, programmers). State if any conflict of interest may exist in representing any court in the State of Arizona. Identify employees with prior felony/criminal convictions.

**Collection Procedures:**

1. Provide a summary of collection activities proposed to collect the court(s) receivables. (Use examples of collection letters, telephone contact, skiptrace techniques, day and evening collection staff, etc.)
2. State the vendor's methodology for handling defendants' questions, problems and disputes.
3. State the vendor's methodology for handling non-English speaking defendants, the hearing impaired, or blind defendants.

**Collection Notices:**

1. Provide examples of all written collection notices to be mailed and describe the ability for courts to review and customize the language of these notices.
2. Provide a copy of telephone collector's guide and training material.

**Computer Network:**

1. Give a brief description of the vendor's computer system and its update capabilities.
2. State whether terminal access will be made available for on-line inquiry. If so where will the terminal be placed and how will access be supplied?
3. Describe the vendor's ability to maintain records of placements, collections, recovery, producing reports, and billing of an unlimited number of defendants. Describe computer backup capabilities. What methods are used to ensure the safety and security of all court records and documents?

4. Provide documentation regarding the vendors capacity to interface with the courts. Describe the modes of data transmission employed by the vendor in the conduct of business with the reference entities.
5. Provide details of other automated systems used to enhance collection activities (such as interactive voice response systems, Web-based credit and/or debit card systems, and call distributors).

**Management Reports:**

The vendor shall acknowledge the need for a cooperative effort and open communications between the vendor and the court(s). The frequency of reporting and the content of data transmitted to the court(s) must be identified. Include examples of reports.

**Fee Structures:**

The fee structures will be expressed as percentages (%) of actual monies collected. All fees paid to the vendor by the court(s) depend on the amount of money collected. The total allowable fee per account shall represent a flat fee calculated by multiplying the collection fee percentage times the total court obligation referred for collection on that account. When the debtor makes multiple payments, the portion of each payment paid to the collection agency shall be proportional to the amount of the court obligation being paid. Example: Court obligation of \$400 x collection percentage of 25% = \$100 (maximum amount payable to vendor for account). \$400 court obligation + \$100 collection fee = \$500 due. The court would then get 80% of each partial payment and the vendor would get 20%.  $\$400/\$500 = 80\%$ .

1. The vendor shall submit in the proposal the percentage of the standard collection fee to be earned for primary collection activities on the assigned accounts (accounts that have been placed for collection).
2. The vendor shall submit in the proposal the percentage of the standard collection fee to be earned for progressive collection activities on the assigned accounts (accounts that have been placed for collection that were previously assigned to a different collection agency for a continuous period of six months without resulting payment in full).
3. State any incentive structure for collection within specified time table and for the collection of small dollar accounts.

## SECTION VI

### RESPONSE EVALUATION CRITERIA

Responses shall be evaluated in two phases:

1. An initial review to determine if the response, as submitted, is complete. To be considered complete, a response must meet the following tests:
  - ▶ The original, six (6) copies, and an electronic copy (see page 7, no. 7c) must be physically in the possession of the Administrative Office of the Courts by the date and time specified in the RFQ.
  - ▶ The response must be complete and contain no substantive errors or omissions and be in the format specified.
  - ▶ The submission letter must be included and be properly signed by the person legally authorized to obligate the vendor.
  
2. A second in-depth analysis and review will be based on the criteria below and their associated weights.

<u>Evaluation Criteria</u>	<u>Relative Importance</u>
Experience and qualifications of the organization	30%
Collection Procedures	25%
Cost	20%
Automation/Technology Capabilities	15%
References	10%

Vendors may be invited to make a presentation to the evaluation committee.

## **SECTION VII**

### **CONTRACT**

The successful bidders will be required to sign a contract in substantially the same form as the sample contract presented in Appendix G. Any exceptions to the contract language shall be listed in the proposal.

**APPENDIX A  
Response Submittal Letter**

Don Bentley  
Arizona Supreme Court  
Administrative Office of the Courts  
1501 West Washington, Suite 221  
Phoenix, Arizona 85007-3231

Dear Mr. Bentley:

In response to your Request for Qualification (RFQ) 03-01, dated January 31, 2003, the following response is submitted.

This response shall cover all aspects of a collection service as detailed in Sections IV and V.

In submitting this response, I hereby certify that:

- \$ The RFQ has been read and understood;
- \$ Documentation and justification of costs/prices, and any other background or reference materials requested by the RFQ are enclosed;
- \$ All information provided is true, accurate, and complete to the best of my knowledge.
- \$ This response is submitted by an:  
Individual G      Partnership G      Corporation G

This response is submitted by the party that will be legally responsible for service delivery, should a contract be awarded.

Signature of Authorized Official: \_\_\_\_\_ Date: \_\_\_\_\_

Typed Name of Signatory: \_\_\_\_\_

Title: \_\_\_\_\_ Phone No: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Federal Tax ID or SSN: \_\_\_\_\_



**APPENDIX B**

**44-6852. Dishonored checks: service fee**

Notwithstanding any other law, the holder, payee or assignee of the holder or payee of a dishonored check, draft, order or note may charge and collect from the maker or drawer a service fee of not more than twenty-five dollars plus any actual charges assessed by the financial institution of the holder, payee or assignee of the holder or payee as a result of the dishonored instrument.

**APPENDIX C**

**22-404. Disposition of fines and forfeitures.** (Sub-sections A & E only)

- A. All fines and forfeitures that are collected in a municipal court maintained by a city or town that pays the salaries of the municipal court officers shall be paid to the treasurer of the city or town in which the court is located.
  
- E. A city or town may establish and assess fees for court programs and services.

**APPENDIX D****11-251.08 County fee for service authority; alternate fee schedule; fee limits; adoption procedures.**

- A. In addition to any other county power or authority the board of supervisors may adopt fee schedules for any specific products and services the county provides to the public. Notwithstanding fee schedules or individual charges in statute, a board of supervisors may adopt an additional charge or separate individual charge.
- B. Any fee or charge established pursuant to this section must be attributable to and defray or cover the expense of the product or service for which the fee or charge is assessed. A fee or charge shall not exceed the actual cost of the product or service.
- C. Before adoption of a fee for service or an additional or separate charge pursuant to this section, the board of supervisors shall hold a public hearing on the issue with at least fifteen days published notice.
- D. Nothing in this section shall apply to products and services provided to cities and towns.

## **APPENDIX E**

### **12-116.03 Collection Agencies**

A court may contract with public agencies or private entities to assist in collecting fines, fees, penalties, costs, surcharges, restitution and assessments that remain unpaid. The court may add to any underlying amount owed reasonable costs charged by the contracting agency or entity.

**APPENDIX F  
SAMPLE**

**(COURT NAME) COURT  
DISCLOSURE AFFIDAVIT AND CONFIDENTIALITY AGREEMENT  
FOR  
CONTRACTED COLLECTION SERVICES**

I agree that all information obtained by me during the performance of my duties for accounts assigned by the (Court Name) Court will be kept confidential and will not be utilized for any purpose other than collection services. I acknowledge that the confidentiality standards for the (jurisdiction name) have been explained to me and I am aware that disclosure of confidential information is unethical.

To avoid conflict of interest or appearance of impropriety, as an employee of (collection agency name), a firm contracted with the (Court Name) Court, I hereby disclose all matters and their resulting disposition or status brought against me and are now pending at the (Court Name) Court.

I understand that assignment to perform collection services for the (Court Name) Court accounts will be contingent upon disclosing any matters, resolving the disposition of items that are pending and that providing any misleading or incomplete information will be grounds for disqualification from consideration.

Below I have listed all matters as requested above, the year and date of the alleged violation, the current status or outcome of each matter, and provided detailed explanation where appropriate.

I declare this information to be accurate and complete to the best of my knowledge,

Full Name \_\_\_\_\_  
(printed)

Signature \_\_\_\_\_ Date

Date of Birth Month \_\_\_\_ Day \_\_\_\_ Year

**APPENDIX G  
SAMPLE CONTRACT**

**ARIZONA SUPREME COURT  
ADMINISTRATIVE OFFICE OF THE COURTS**

**DEBT COLLECTION SERVICES CONTRACT  
RFQ \_\_\_\_\_**

This Contract is made by and between the ARIZONA SUPREME COURT, ADMINISTRATIVE OFFICE OF THE COURTS, herein referred to as "AOC," located at 1501 West Washington, Suite 415, Phoenix, Arizona, 85007, and \_\_\_\_\_, herein referred to as "Contractor," located at \_\_\_\_\_.

**Recitals**

Whereas, Article 6, Section 3, of the Arizona Constitution grants administrative supervision over all the courts of the state to the Arizona Supreme Court. In carrying out its constitutional and statutory responsibilities, the AOC provides administrative support and technical assistance to all of Arizona's courts, and

Whereas, the AOC has determined that it is desirable to pre-qualify vendors to provide professional debt collection services to individual courts on an "as needed" basis and to establish a fee for such services, and

Whereas, the AOC issued Request for Qualification \_\_\_\_\_ (ARFQ®) on \_\_\_\_\_ with respect to the pre-qualification of vendors for the provision of professional debt collection services and Contractor submitted a response dated \_\_\_\_\_ (AContractor's Response®), and

Whereas, the AOC has determined that the Contractor's Response fulfills its needs and objectives, and that the Contractor should be pre-qualified to provide professional debt collection services to the courts, and

Whereas, the AOC and the Contractor desire to set forth the terms and conditions upon which Agency will collect delinquent accounts for the individual courts,

Now, therefore, in consideration of the mutual promises set forth below, the parties agree as follows:

**1. Purpose and use**

The purpose of this Agreement is to establish general terms and conditions for the provision of certain debt collection services for the Arizona courts on an "as needed" basis. The AOC intends to award multiple contracts that will allow individual courts to order services from any qualified vendor as the need arises, without formal bidding procedures. Contractor is not guaranteed any work under this contract.

**2. Statewide purchasing**

Any Arizona court or any political subdivision acting on behalf of a court may obtain services under this Agreement. If requested, Contractor will provide such services at the rates and according to the terms specified herein. Once the Contractor is selected, a work order will be prepared describing the details regarding the work to be performed and payment. The work order will refer to this Agreement, will incorporate all the terms of this Agreement and may include additional terms not inconsistent with this Agreement. All obligations undertaken in such work order are the obligations of the parties thereto and not of the AOC unless the AOC is a party to the work order. The work order is subject to termination by the local court under the termination provisions of this Agreement. Any attempt to represent any material and/or service as being under contract with the AOC which is not covered under this Agreement is a violation of the Agreement and the Judicial Branch Procurement Rules. Any such action is subject to the legal and contractual remedies available to the AOC inclusive of, but not limited to, Contract cancellation, suspension and/or debarment of the Contractor.

**3. Term**

This Agreement shall be effective as of the date of the last signature and shall terminate on the last day of \_\_\_\_\_ unless extended. The Agreement may be extended for up to two additional one year periods upon mutual agreement.

**4. Documents**

The RFQ and Contractor's Response are incorporated by reference and made a part of this Agreement. In the event of a conflict between these documents, they shall be interpreted in the following order of precedence:

- A. This Agreement
- B. The RFQ
- C. The Contractor's Response

**5. Services**

Upon the request of any Arizona court or local governing body on behalf of a court, Contractor agrees to provide those debt collection services described in and according to the requirements of the RFQ and Contractor's Response, as further specified in the applicable work order.

The AOC does not guarantee the Contractor any minimum or maximum volume of accounts pursuant to this Agreement or any work order issued by the courts hereunder. From time to time, individual Arizona courts or local governing body on behalf of a court will complete a work order pursuant to this Agreement and provide the Contractor with an initial list of receivables for collection. Subsequent referrals will be made to the Contractor per the work order. Judgments will be assigned to the Contractor on a contingency basis only and must be collected by the Contractor on behalf of the courts.

**6. Fees**

For debt collection services pursuant to this Agreement, the Contractor shall charge fees not to exceed those specified in Schedule 1 attached hereto. All fees shall be payable 30 days from the date the invoice is received by the court unless otherwise agreed. The Contractor shall not withhold its fee from amounts collected. The Contractor will invoice the courts monthly, using standard vouchers and format instructions approved by the

courts. The Contractor's fee shall apply to payments made directly to the courts as well as payments made directly to the Contractor on those receivables assigned to the Contractor. The courts will provide the Contractor with a report itemizing the payments they have received directly on receivables assigned to the Contractor. The parties agree that prompt reporting and reconciliation of payments made by debtors is a material mutual obligation under this Agreement

Payments received in the courts within the first ten days after the date of referral of an account to the Contractor shall not be subject to the Contractor's fee. Payments received by the courts within the first ten days after recall of an account or expiration, termination or cancellation of a work order will be subject to the Contractor's fee. Payments received by the courts after such date shall not be subject to the Contractor's fee unless specifically authorized in writing by the court.

Payments received by the court as a result of intercepting a debtor's Arizona state or Federal tax refund, intercepting Arizona lottery winnings, following arrest on a warrant, or as a result of a driver license suspension or vehicle registration hold imposed by the Arizona Department of Transportation's Motor Vehicle Division shall not be subject to the Contractor's fee.

## 7. Bonds

The Contractor will post a performance bond in the amount of \$250,000, conditioned upon full performance of all obligations imposed upon the Contractor under this Agreement. The bond shall be delivered to AOC within ten business days after the execution of this Agreement. Contractor shall also provide proof of a fidelity bond in the amount of \$250,000 upon execution of the Agreement. Both bonds shall be executed by a company authorized to do business as a qualified surety in the State of Arizona.

## 8. Insurance

Without limiting any liabilities or any other obligation of the Contractor, the Contractor shall purchase and maintain, in a company or companies lawfully authorized to do business in the State of Arizona, and rated at least AA VII® in the current A.M. Best's, the minimum insurance coverage below:

A. Commercial General Liability, with minimum limits of \$1,000,000 per occurrence and an unimpaired products and completed operations aggregate limit and general aggregate minimum limit of \$2,000,000. Coverage shall be at least as broad as the Insurance Services Office, Inc. Form CG25031185, issued on an occurrence basis and endorsed to add the State of Arizona and Arizona Supreme Court as Additional Insureds with reference to this contract. The policy shall include coverage for:

- Bodily Injury
- Broad Form Property Damage (including completed operations)
- Personal Injury
- Blanket Contractual Liability
- Products and Completed Operations, and this coverage shall extend for one year past acceptance, cancellation or termination of the services or work defined in this contract
- Fire Legal Liability

B. Business Automobile Liability, with minimum limits of \$1,000,000 per occurrence combined single limit, with Insurance Service Office Inc. declarations to include Symbol One (Any Auto) applicable to claims arising from bodily injury, death or property damage arising out of the ownership, maintenance or use of any auto. The policy shall be endorsed to add the State of Arizona and Arizona Supreme Court as Additional Insureds with reference to this contract.



C. Workers Compensation and Employers Liability insurance as required by the State of Arizona Workers Compensation statutes, as follows:

Workers Compensation (Coverage A):	Statutory Arizona benefits
Employers Liability (Coverage B):	\$500,000 each accident
	\$500,000 each employee/disease
	\$1,000,000 policy limit/disease

Policy shall include endorsement for All State coverage for the state of hire.

D. Professional Liability Insurance with minimum limits of \$1,000,000 Each Claim (or Each Wrongful Act) with a Retroactive Liability Date (if applicable to Claims-Made coverage) the same as the effective date of this contract. The policy shall cover professional misconduct or lack of ordinary skill and errors and omissions for those positions providing services under this Agreement.

The State of Arizona and Arizona Supreme Court shall be named as Additional Insureds as their interests may appear. The policy shall contain an Extended Claim Reporting Provision of not less than one year following termination of the policy.

E. The AOC reserves the right to request and receive certified copies of all policies and endorsements at any time during the term of the contract. Upon such request, contractor shall deliver the requested information within 10 calendar days.

F. Certificates of Insurance acceptable to the AOC shall be issued and delivered prior to the commencement of the work defined in this contract, and shall identify this Agreement and include certified copies of endorsements naming the State of Arizona and Arizona Supreme Court as Additional Insureds for liability coverages. The certificates, insurance policies and endorsements required by this paragraph shall contain a provision that coverages afforded will not be canceled until at least 50 days prior written notice has been given to the AOC. All coverages, conditions, limits and endorsements shall remain in full force and effect as required in this contract.

G. Failure on the part of the Contractor to meet these requirements shall constitute a material breach of contract, upon which the AOC may immediately terminate this agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, and all monies so paid by the AOC or the State of Arizona shall be repaid by the Contractor upon demand, or the AOC may offset the cost for the premiums against any monies due to the Contractor. Costs for coverages broader than those required or for limits in excess of those required shall not be charged to the AOC. Contractor and its insurer(s) providing the required coverages shall waive their rights of recovery against the AOC, State of Arizona, and their Departments, Employees and Officers, Agencies, Boards and Commissions.

## 9. Evaluation of Performance

The AOC, contracted courts or their designees may audit the Contractor's performance on a monthly basis to assess Contractor's compliance with this Agreement, the RFQ requirements, Contractor's proposal and estimated collections and collection ratios. The Contractor shall provide on-line access by an authorized representative of the AOC or the courts to the Contractor's system upon request. Unsatisfactory performance or failure to meet any of these requirements is grounds for termination for cause. Successful achievement of estimated collections and collection ratios and service availability throughout the state will be considered when evaluating the Contractor's performance for contract renewal beyond the initial term.

## 10. Confidentiality

Except for information that is already public and data already in the possession of the Contractor, and except as expressly permitted herein, the Contractor shall not disclose, publish or disseminate confidential data concerning AOC or the courts that is identified as such and provided by the AOC or courts to the Contractor ("Client Data"), to anyone other than the AOC, the courts and the employees of the Contractor, its affiliates, agents and representatives with a need to know for the discharge of their employment duties. The Contractor agrees to take reasonable precautions to prevent any unauthorized use, disclosure, publication or dissemination of Client Data which are in the possession of the Contractor.

The Contractor agrees not to use Client Data for any purpose other than its performance hereunder without the prior written consent of AOC or the courts in each instance.

Any information provided by AOC or the courts on defendants will be used solely for skip tracing and/or collecting the account placed by AOC. This information will be held by Contractor in the strictest of confidence and will be used for no other purpose.

## 11. Termination

A. Termination for convenience. The AOC may at any time terminate this Agreement or any work order, in whole or in part, upon 45 days notice to Contractor. In the event of termination under this section, the Contractor shall be entitled to receive payment for services performed in accordance with this Agreement prior to the effective date of termination.

B. Termination for cause. If Contractor fails to carry out any material obligation, term or condition of the Agreement or any work order and such default has not been cured within 30 days or such longer period permitted by AOC after written notice is given to the Contractor specifying the default, the AOC may, upon notice to the Contractor, terminate this Agreement or any work order, in whole or in part, as of the date specified by AOC. In the event of termination under this section, the Contractor shall be entitled to receive reimbursement for services satisfactorily performed under this Agreement prior to the effective date of the termination.

C. Return of accounts upon termination. Following termination for any reason of this Agreement or any work order, the Contractor shall return all accounts to the court(s) in a mutually agreed-upon medium regardless of payments or arrangement made on the accounts. The Contractor shall balance total accounts receivables returned to the court with the last monthly receivable report provided by the Contractor. If the Contractor has notified a credit bureau of the receivable, the Contractor shall notify the credit bureau to remove the receivable when the accounts are returned to the court. Upon request, the Contractor shall provide a summary of financial activity, including original amount referred, total adjustments, total payments, ending balance, all demographic data, including defendant's name, last known address, last known phone number, for all accounts receivable, first by court and then by case type (traffic, criminal, etc.). The report shall be in a format acceptable to the court.

The Contractor understands that The Agreement will not be considered terminated until all receivables are returned to the court or the court's designee and have been validated and accepted by the court. The Contractor agrees to maintain all contracted services and shall continue normal payment remittance schedules during the validation and acceptance period. The Contractor shall forward to the courts, or their designees, all phone calls, correspondence and payments related to the accounts returned to the court for a period of 45 days after the closing date.

**12. General Terms**

**A. Undue Influence.** The AOC may, by written notice to the Contractor, terminate this Agreement and any outstanding work orders if it is found that gratuities in the form of entertainment, gifts, or otherwise were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the state with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performance of such Contract; provided, that the existence of the facts upon which the AOC makes such findings shall be in issue and may be reviewed in any competent court. If the Agreement is terminated under this section the AOC shall be entitled, by way of penalty, to exemplary damages in the amount of three times the costs incurred by the Contractor in providing any such gratuities to any such officer or employee, in addition to any other damages to which it may be entitled by law.

**B. Conflicts of Interest.** The AOC may cancel this Agreement and any outstanding work orders without penalty or further obligation to the State pursuant to A.R.S. 38-511, if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement on behalf of the AOC is or becomes at any time, while this Agreement or any extension of this Agreement is in effect, an employee of any other party to the Agreement in any capacity or a consultant to any other party to this Agreement with respect to the subject matter of this Contract. Cancellation shall be effective when written notice from the AOC Administrative Director is received by all parties to the Agreement unless the notice specifies a later time.

**C. Acts of Insolvency.** The AOC may terminate this Agreement and any outstanding work orders by written notice to Contractor, and may regard Contractor as in default of this contract, if 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 the subject of any proceedings under any bankruptcy or insolvency law whether domestic or foreign, or has wound up or liquidated, voluntarily or otherwise.

**D. Availability of Funds.** Payments for contractual obligations are contingent on funds for that purpose being appropriated, budgeted, and otherwise made available, and the provisions of this Agreement shall be come effective only when funds appropriated for the purpose of compensating Contractor actually become available to the local court for disbursement. The presiding judge or designee shall be the sole judge and authority in determining the availability of funds under this Agreement and shall keep the Contractor informed as the availability of funds. The court shall not be liable for any purchases or subcontracts entered into by Contractor in anticipation of funding.

**E. Assignments and Subcontracts.** No rights or obligations under this Agreement shall be assigned, delegated, or subcontracted, in whole or in part, without the prior written approval of the AOC. No subcontract shall be entered into by Contractor with any other party to furnish any of the material, service or construction specified herein without the advance written approval of the AOC. All subcontracts shall comply with federal and state laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were Contractor. Contractor is responsible for contract performance whether or not subcontractors are used. The AOC shall not unreasonably withhold approval and shall notify Contractor of the AOC's position within 15 days of receipt of written notice by Contractor.

**F. Other Contracts.** This agreement shall not be interpreted to grant the Contractor the exclusive right to perform these services. The AOC or local court may perform additional work related to this

Agreement and/or award other contracts for such work. The Contractor shall cooperate fully with such other contractors or state employees in the scheduling of and coordination of its own work with such additional work.

**G. Recordkeeping.** Contractor shall retain and shall require its subcontractors to retain all financial books, records, and other documents relevant to this Agreement for five years after final payment or until after the resolution of any audit questions or contract disputes, whichever is longer. Court, state, or federal auditors, as applicable, and any other persons duly authorized by AOC shall have full access to, and the right to examine, copy, and make use of any and all said materials. Contractor shall reimburse AOC for services that are not adequately supported and documented in the Contractor's books and records for work performed under this contract. At any time during the term of this contract, Contractor's financial operations related to this Agreement may be audited by the AOC, by auditors designated by the AOC, or by any other appropriate contractor of the state or federal government.

**H. Indemnification.** Contractor agrees to defend, indemnify, and hold harmless the AOC, local courts, the State of Arizona and its departments, agencies, boards and commissions, and all their officers, agents, and employees, each severally and separately, against any and all liabilities, demands, claims, damages, losses, costs, and expenses of whatsoever kind or nature arising out of, resulting from, or which would not have occurred or existed but for the negligence of the Contractor, its employees, or its agents.

**I. Disputes.** If any dispute arising under this Agreement is not disposed of by agreement between the parties within thirty (30) days after mailing written notice of the dispute by certified mail, return receipt requested, to the Contractor, then the contract administrator identified in the notice section of this Agreement shall decide the dispute in writing and send a copy of the decision to Contractor. The contract administrator's decision may be appealed in writing according to Supreme Court Administrative Policy 7.04. Pending the final decision of a dispute hereunder, Contractor shall proceed diligently with the performance of the Agreement in accordance with the contract administrator's decision. The parties agree to use arbitration, after exhausting applicable administrative reviews, to resolve disputes arising out of this Agreement where the sole relief sought is monetary damages of Five Thousand Dollars (\$5,000) or less, exclusive of interest and costs, pursuant to A.R.S. Sec. 12-1518. Disputes between the Contractor and individual courts shall be handled at the local level. The AOC may or may not intervene in any dispute between Contractor and an individual court, and such a dispute will not be treated as a dispute under this section except as determined by the AOC.

**J. Licenses and Permits.** Contractor shall, at its expense, obtain and maintain all licenses, permits, and any other authority necessary to do business, render services, and perform work under this Agreement, and shall comply with all laws regarding unemployment insurance, disability insurance, and workmen's compensation.

**K. Rights and Remedies.** No provision in this document or in Contractor's offer shall be construed, expressly or by implication as a waiver by either party of any existing or future right and/or remedy available by law in the event of any claim of default or breach of contract. The failure of either party to insist upon the strict performance of any term or condition of the Agreement or to exercise or delay the exercise of any right or remedy provided in the contract, or by law, or the acceptance of materials or services, or the payment for materials or services, shall not release either party from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of either party to insist upon the strict performance of the contract.

**L. Impossibility of Performance**

1. Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Agreement if and to the extent that such party's performance of this Agreement is prevented by reasons beyond its control without its fault or negligence. This includes acts of God, acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts, or failures or refusal to act by government authority; and other similar occurrences beyond the control of the party which such party is unable to prevent by exercising reasonable diligence. The impossibility of performance shall commence when the party notifies the other party and shall continue as long as the results or effects prevent the party from resuming performance in accordance with this contract.

2. Impossibility of performance shall not include the following occurrences:

a. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market.

b. Late performance by a subcontractor unless the delay arises out of a situation making it impossible for the subcontractor to perform.

3. The delayed party shall notify the other party in writing of such delay, as soon as is practical, and shall specify the causes of such delay in the notice. The notice shall be hand delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract modification for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this contract.

**M. Arizona Procurement Code.** The Arizona Procurement Code (A.R.S. Title 41, Chapter 23) and the Arizona Supreme Court Rules Prescribing Procurement Policies and Procedures for the Judicial Branch (Judicial Branch Procurement Rules) are incorporated as a part of this document as if fully set forth herein.

**N. Provisions Required By Law.** Each and every provision of law and any clause required by law to be in the contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the contract shall forthwith be physically amended to make such insertion or correction.

**O. Severability.** If any provision of the contract is held invalid or unenforceable, the remaining provisions shall continue valid and enforceable to the full extent permitted by law.

**P. Relationship of Parties.** It is clearly understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose whatsoever. Contractor is an independent contractor in the performance of work and the provision of services under this Agreement, and taxes or Social Security payments shall not be withheld from any payment issued hereunder.

**Q. Public Record.** This contract is a public record, available for review, as required by state law.

**R. Applicable Law.** The laws and regulations of the State of Arizona shall govern the rights of the parties, the performance of this contract and any dispute thereunder. Any action relating to this contract shall be brought in an Arizona court. Any changes in the governing laws, rules and regulations during the term of this contract shall apply and do not require an amendment to this contract.

**S. Entire Agreement.** This contract contains the entire agreement between the AOC and Contractor concerning the subject transaction and shall prevail over any and all previous contracts, proposals, negotiations, purchase orders or master agreements in any form.

**T. Notices.** Notice required pursuant to the terms of this Contract shall be in writing and shall be directed to the AOC's contract administrator and Contractor's representative at the addresses specified immediately below or to such other persons or addresses as either party may designate to the other party by written notice. Notice shall be delivered in person or be certified mail, return receipt requested.

<u>Notice to the AOC:</u>	<u>Notice to the Contractor:</u>
Administrative Office of the Courts	_____
Arizona Supreme Court	_____
1501 W. Washington, Suite 221	_____
Phoenix, Arizona 85007	Attn: _____
Attn: Don Bentley, Contract Administrator	

**U. Amendments and Waivers.** Amendments to this Agreement shall be in writing and shall be signed by all parties. To the extent that any amendments to the Agreement are in conflict with the basic terms and conditions of the Agreement, the amendments shall control the interpretation of the Agreement. No condition or requirement contained in or made a part of this Agreement shall be waived or modified without a written amendment to this Agreement.

<b>ARIZONA SUPREME COURT</b>	<b>CONTRACTOR</b>
Administrative Office of the Courts	_____
By _____	By _____
Title _____	Title _____
Date _____	Date _____

**Federal Employer Identification Number:** \_\_\_\_\_

**SCHEDULE 1  
DEBT COLLECTION SERVICES CONTRACT  
BETWEEN THE ARIZONA SUPREME COURT AND**

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**Fees Due to the Contractor Under This Agreement**

**For primary debt collection services for the Arizona courts pursuant to this Agreement, the Contractor shall charge fees not to exceed \_\_\_\_\_% of the amount of money collected.**

**For progressive debt collection services for the Arizona courts pursuant to this Agreement, the Contractor shall charge fees not to exceed \_\_\_\_\_% of the amount of money collected.**

**Lower rates may be agreed to in the work order depending upon factors such as referral volumes, dollar amounts, age of delinquency, and the needs of the specific court (e.g. reduced services).**