

PROFESSIONAL SERVICES AGREEMENT

Project: Utility Billing Collection Agency Services

THIS AGREEMENT is made and entered into this ___ day of _____, 20 __, by and between the City of Roseville, a municipal corporation (“CITY”), and L J Ross Associates, Inc., a Michigan corporation (“CONSULTANT”); and

W I T N E S S E T H:

WHEREAS, CITY desires professional services consisting of Utility Billing Collection Agency Services; and

WHEREAS, CONSULTANT has prepared a proposal in response to RFP No. 07-091, dated June 13, 2023 which describes the scope of work to be performed by CONSULTANT, the budget for the work, and the schedule for performance of the work; and

WHEREAS, CONSULTANT is qualified and experienced to provide such professional services.

NOW, THEREFORE, the parties agree as follows:

1. Term. The term of this Agreement shall commence upon execution and expire on October 31, 2026 The City Manager may, in his or her discretion, elect to extend the Agreement in one (1) year increments for up to an additional two (2) years by giving CONSULTANT thirty (30) days advance written notice of each optional one (1) year renewal. Such extensions shall be memorialized by a written amendment to this Agreement.

2.. Services. CONSULTANT shall perform, at the direction of CITY, the scope of services as described in EXHIBIT "A," attached hereto and incorporated herein by this reference.

3. Compensation. For its services provided hereunder, CONSULTANT shall be compensated on a contingency fee basis in accordance with the collections fee schedule as described in EXHIBIT B," attached hereto and incorporated herein by this reference. CITY shall pay invoices within thirty (30) days after receipt, if the services specified in the invoice have been satisfactorily completed.

4. Indemnification. To the fullest extent allowed by law, CONSULTANT shall defend, indemnify, and save and hold harmless CITY, its officers, agents, employees and volunteers from any claims, suits or actions of every name, kind and description brought forth, or on account of, injuries to or death of any person (including but not limited to workers and the public), or damage to property, resulting from or arising out of CONSULTANT's willful misconduct or negligent act or omission while engaged in the performance of obligations or exercise of rights created by this Agreement, except those matters arising from CITY's sole negligence or willful misconduct. The parties intend that this provision shall be broadly construed.

CONSULTANT agrees to defend and indemnify CITY if, despite the parties intent and practice, any venue, agency, or court with competent jurisdiction determines that CONSULTANT and/or any of its agents, officers, employees, volunteers, independent contractors, or subcontractors, are characterized as employee(s) of CITY.

CONSULTANT's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnity obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement.

5. Insurance. CONSULTANT agrees to continuously maintain, in full force and effect, the following minimum policies of insurance during the term of this Agreement.

<u>COVERAGE</u>	<u>LIMITS OF LIABILITY</u>
Workers' Compensation	Statutory
Commercial General Liability	\$1,000,000 each occurrence \$2,000,000 aggregate Personal Injury: \$1,000,000 each occurrence \$2,000,000 aggregate
Automobile Liability	\$1,000,000 combined single limit
Professional Liability (errors and omissions)	\$1,000,000 per claim \$2,000,000 aggregate

a. Form. CONSULTANT shall submit a certificate evidencing such coverage for the period covered by this Agreement in a form satisfactory to Risk Management and the City Attorney, prior to undertaking any work hereunder. Any insurance written on a claims made basis is subject to the approval of Risk Management and the City Attorney.

b. Additional Insureds. CONSULTANT shall also provide a separate endorsement form or section of the policy showing CITY, its officers, agents, employees and volunteers as additional insureds for each type of coverage, except for Workers' Compensation and Professional Liability. Such insurance shall specifically cover the contractual liability of CONSULTANT. The additional insured coverage under the CONSULTANT's policy shall be

primary and noncontributory, as evidenced by a separate endorsement or section of the policy, and shall not seek contribution from CITY's insurance or self-insurance. In addition, the additional insured coverage shall be at least as broad as the Insurance Services Office ("ISO") CG 20 01 Endorsement. Any available insurance proceeds in excess of the specified minimum insurance coverage requirements and limits shall be available to the additional insureds.

Furthermore, the requirements for coverage and limits shall be: (1) the minimum coverage and limits specified in this Agreement; or (2) the full coverage and maximum limits of any insurance proceeds available to the named insureds, whichever is greater.

c. Cancellation/Modification. CONSULTANT shall provide ten (10) days written notice to CITY prior to cancellation or modification of any insurance required by this Agreement.

d. Umbrella/Excess Insurance. The limits of insurance required in this Agreement may be satisfied by a combination of primary and excess insurance. Any excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of CITY (if agreed to in a written contract) before CITY's own insurance shall be called upon to protect it as a named insured.

e. Subcontractors. CONSULTANT agrees to include in its contracts with all subcontractors the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, to the extent they apply to the scope of the subcontractor's work. Furthermore, CONSULTANT shall require its subcontractors to agree to be bound to CONSULTANT and CITY in the same manner and to the same extent as CONSULTANT is bound to CITY under this Agreement. Additionally, CONSULTANT shall obligate its subcontractors to comply with these same provisions with respect to any tertiary subcontractor,

regardless of tier. A copy of CITY's indemnity and insurance provisions will be furnished to the subcontractor or tertiary subcontractor upon request.

f. Self-Insured Retentions. All self-insured retentions ("SIR") must be disclosed to Risk Management for approval and shall not reduce the limits of liability. Policies containing any SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or CITY. CITY reserves the right to obtain a full certified copy of any insurance policy and endorsements. The failure to exercise this right shall not constitute a waiver of such right.

g. Waiver of Subrogation. CONSULTANT hereby agrees to waive subrogation which any insurer of CONSULTANT may acquire from CONSULTANT by virtue of the payment of any loss under a Workers Compensation, Commercial General Liability or Automobile Liability policy. All Workers Compensation, Commercial General Liability and Automobile Liability policies shall be endorsed with a waiver of subrogation in favor of CITY, its officers, agents, employees and volunteers for all worked performed by CONSULTANT, its employees, agents and subcontractors.

h. Liability/Remedies. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve CONSULTANT of liability in excess of such coverage, nor shall it preclude CITY from taking such other actions as are available to it under any other provisions of this Agreement or law.

6. Records. CONSULTANT and its subcontractors shall maintain all files and records relating to the services performed hereunder during the term of this Agreement and for a period of not less than one (1) year after the date of termination or expiration. Provided, however, that in the event of litigation or settlement of claims arising from the performance of

this Agreement, CONSULTANT and its subcontractors shall maintain all files and records until such litigation, appeals or claims are resolved. Duly authorized representatives of CITY shall have right of access during normal business hours and after reasonable notice to CONSULTANT's and subcontractors' files and records relating to the services performed hereunder and may review and copy the files and records at appropriate stages during performance of the services and during the one (1) year period following termination or expiration of this Agreement. CONSULTANT shall include this provision in its contracts with all subcontractors.

7. Time is of the Essence. Time is of the essence of this Agreement.

8. Prevailing Wages. When applicable, for purposes of this Agreement, CONSULTANT and its subcontractors shall comply with all applicable prevailing wage laws, e.g., but not limited to, California Labor Code Sections 1770 et seq. In accordance with said Section 1775, CONSULTANT shall forfeit as a penalty to the City two hundred dollars (\$200) for each calendar day or portion thereof for each worker paid less than the prevailing rates for such work or craft in which such worker is employed for any work done on-site under the Agreement by CONSULTANT or by any subcontractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 to 1780, inclusive. In addition to said penalty and pursuant to said Section 1775, the difference between such stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage shall be paid to each worker by CONSULTANT or the applicable subcontractor.

Pursuant to the provisions of California Labor Code Section 1773, the contracting department has identified the source, stated below, of the general prevailing rate of wages

applicable to the site to be done, for straight time, overtime, and holiday work. The holiday wage rate listed shall be applicable to all holidays recognized in the collective bargaining agreement of the particular craft, classification or type of worker concerned. These wage rates may be obtained from the State Department of Industrial Relations and/or the following website address: <http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm>.

Pursuant to Labor Code Section 1773.2, general prevailing wage rates set forth above, which forms a part of this Agreement, shall be posted by CONSULTANT at a prominent place at the work site. Prevailing wage rates to be posted at the work site will be furnished by the contracting department. The possibility of wage increases is one of the elements to be considered by CONSULTANT in determining its proposal and will not under any circumstances be considered as the basis of a claim against CITY or the Agreement.

9. Compliance with Laws. CONSULTANT shall comply with all federal, state and local laws, ordinances and policies as may be applicable to the performance of services under this Agreement.

10. Ability to Perform. CONSULTANT agrees and represents that it has the time, ability and professional expertise to perform the services required under this Agreement.

11. Governing Agreement. In the event of any conflict between this Agreement and its EXHIBITS, the provisions of this Agreement shall govern. In the event of any conflict between any of the EXHIBITS, the provisions of the first in order of attachment shall govern.

12. Assignment. CONSULTANT is employed to perform unique personal services. CONSULTANT shall not assign this Agreement without the prior written consent of CITY. CONSULTANT shall not employ or otherwise incur any obligation to pay other specialists or experts for services in connection with this Agreement, without prior written consent of CITY.

13. Independent Contractor. CONSULTANT, inclusive of its agents, officers, employees, volunteers, independent contractors, and subcontractors, shall act as an independent contractor, and covenants and agrees that it will conduct itself consistent with such status, that it will neither hold itself out as, nor claim to be, an officer or employee of CITY by reason of this Agreement.

CONSULTANT and CITY agree that: (a) CONSULTANT is free from the control and direction of CITY in connection with the performance of the work; (b) CONSULTANT is providing services directly to CITY; (c) CONSULTANT has and will maintain at all relevant times a business license; (d) CONSULTANT maintains a business location that is separate from CITY; (e) CONSULTANT is customarily engaged in an independently established business of the same nature as that involved in the work performed hereunder; (f) CONSULTANT actually contracts with other businesses to provide the same or similar services and maintains a clientele without restrictions from CITY; (g) CONSULTANT advertises and holds itself out to the public as available to provide the same or similar services; (h) CONSULTANT provides its own tools, vehicles, and equipment to perform the services; (i) CONSULTANT has negotiated its own rates; (j) CONSULTANT set its own hours and location of work in accomplishing CITY's on-call needs; and (k) CONSULTANT has the right to control the manner and means of accomplishing the result desired and exercises its own expert independent judgement.

14. Representations and Warranties. CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working for CONSULTANT, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or

making of this Agreement. For breach or violation of this warranty, CITY shall have the right to terminate as void this Agreement, without liability, or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

15. Successors in Interest. This Agreement shall be binding upon the heirs, successors, executors, administrators and assigns of the respective parties hereto.

16. Copyright, Ownership and Use of Materials. All tangible material (“Material”) created or delivered pursuant to this Agreement is considered a work made for hire under the Copyright Act. To the extent such Material does not qualify as a work made for hire, CONSULTANT hereby assigns to CITY all right, title, and interest, including but not limited to all copyrights, in all Material created by CONSULTANT in its performance under this Agreement. Material constitutes the scope of work outlined in Exhibit A and attached hereto, and all written and other tangible expressions, including but not limited to, drawings (including computer aided drawings), papers, documents, reports, surveys, renderings, exhibits, sketches, maps, models, prints, paintings or photographs, in any and all media or formats in which such materials have been created or are maintained. All Material furnished by CONSULTANT is, and shall remain, the property of CITY.

CONSULTANT shall execute any documents necessary to effectuate such assignment. In the event that CONSULTANT uses, employs, designates, or retains any person or entity who is not an employee of CONSULTANT, to perform any work required of it pursuant to this Agreement, CONSULTANT shall require said person or entity to execute an agreement containing the preceding paragraph.

17. Termination of Agreement. The City may terminate this Agreement without cause by giving CONSULTANT ten (10) days advance written notice from the City Manager. CONSULTANT may terminate this Agreement without cause by giving CITY thirty (30) days advance written notice. In the event of termination through no fault of CONSULTANT, CITY shall compensate CONSULTANT for services performed as of the date of termination, upon the release to CITY of all Material hereunder, in any and all media or formats in which such materials have been created or are maintained. CITY retains the right to receive and use any Material, notwithstanding any termination or any dispute regarding the amount to be paid.

18. Attorney's Fees; Venue; Governing Law. If either party commences any legal action against the other party arising out of this Agreement or the performance hereof, the prevailing party in such action shall be entitled to recover its reasonable litigation expenses, including but not limited to, court costs, expert witness fees, discovery expenses, and attorney's fees. Any action arising out of this Agreement shall be brought in Placer County, California, regardless of where else venue may lie. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

19. Modification. This Agreement and each provision contained herein may be waived, amended, supplemented or eliminated only by mutual written agreement of the parties.

20. Severability. If any of the provisions contained in this Agreement are for any reason held invalid or unenforceable, such holding shall not affect the remaining provisions or the validity and enforceability of the Agreement as a whole.

21. Notices. Any notices to parties required by this Agreement shall be delivered personally or mailed, U.S. first class postage prepaid, addressed as follows:

CITY OF ROSEVILLE

CONSULTANT

Andrea Blomquist
Utility Billing Operations Manager
116 S. Grant Street
Roseville, CA 95678

Rebecca Roberts-Stewart (Project Lead)
Chief Operating Officer
4 Universal Way
Jackson, MI 49202

Either party may amend its address for notice by giving notice to the other party in writing.

22. Integrated Agreement. This is an integrated agreement and contains all of the terms, considerations, understanding and promises of the parties. It shall be read as a whole.

IN WITNESS WHEREOF, the City of Roseville, a municipal corporation, has authorized the execution of this Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Resolution No. _____, adopted by the Council of the City of Roseville on the ___ day of _____, 20 __, and CONSULTANT has caused this Agreement to be executed.

CITY OF ROSEVILLE, a
municipal corporation

L J ROSS ASSOCIATES, INC., a
Michigan corporation

BY: _____
DOMINICK CASEY
City Manager

BY: Julius D. Runley
its: President & CEO

ATTEST:

and
BY: Julie McSweny
its: CEO

BY: _____
CARMEN AVALOS
City Clerk

[SIGNATURES CONTINUED ON NEXT PAGE]

APPROVED AS TO FORM:

BY: _____
MICHELLE SHEIDENBERGER
City Attorney

APPROVED AS TO SUBSTANCE:

BY:  _____
Daniel Beans (Oct 18, 2023 09:47 PDT)
DANIEL BEANS
Electric Utility Director

EXHIBIT "A"



TAB D: Project Understanding – Based on the available information, supplemental research, field observations, and experience with similar projects, provide a narrative describing your understanding of the services requested in this RFP, your general approach and any major challenges to achieving the City’s stated goals. Include any issues that you believe will require special consideration for this project. Also identify any unique approaches or strengths that your firm may have related to this project. City staff will assess your understanding of all aspects of the project based on the overview.

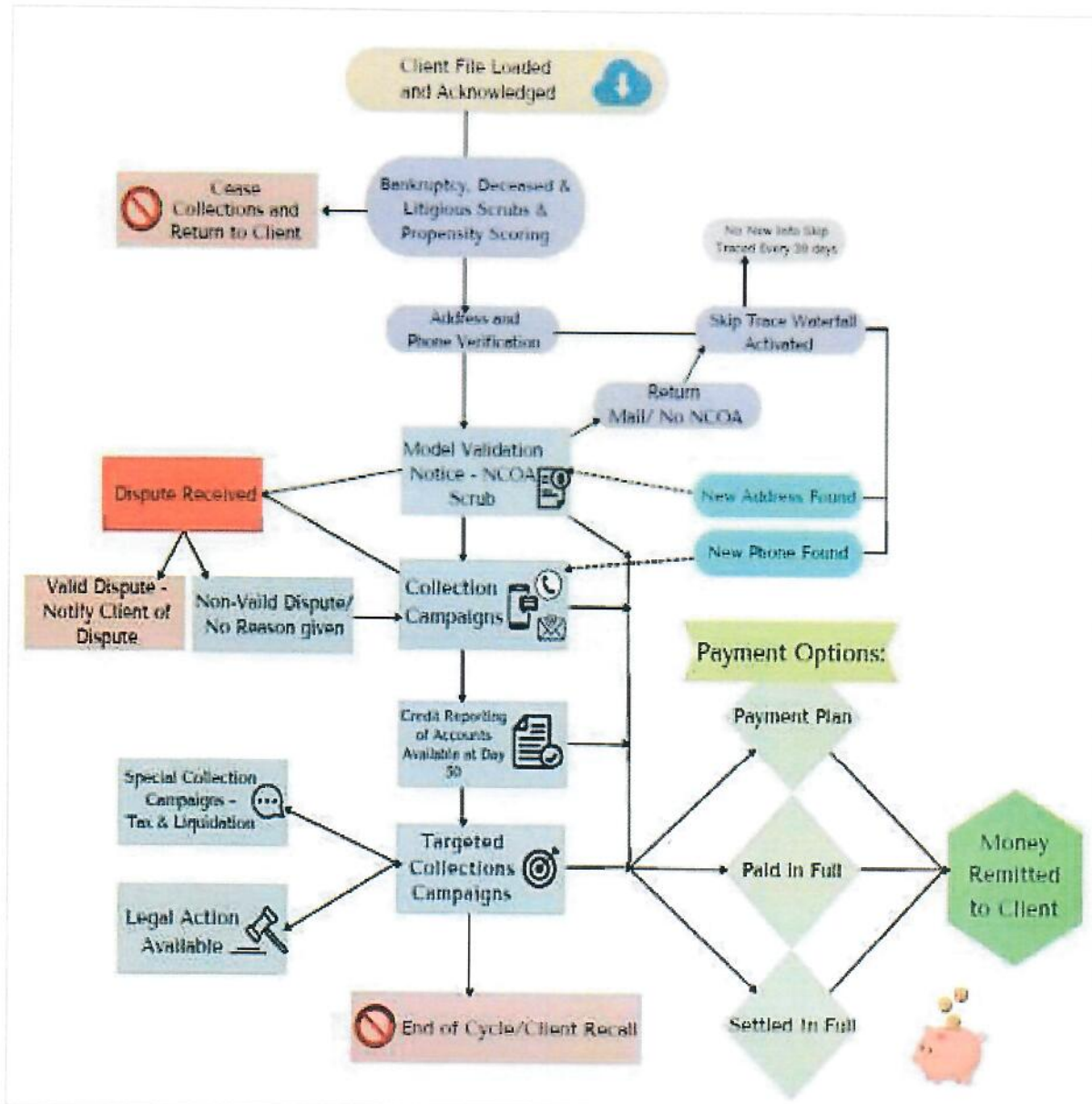
L J Ross understands the City of Roseville is seeking a vendor to provide debt collection services at a fair rate while maintaining the goodwill of its customers. Our well-documented and proven track record of providing similar services makes L J Ross a reputable and qualified candidate for this RFP. There are no major challenges identified in completing this project or special considerations requested.

The general approach L J Ross takes to resolving debts is that bad things happen to good people. It is assumed that there are obstacles or challenges faced by consumers who are past due on their bills. L J Ross Agents are well-trained and prepared to assist consumers in overcoming those barriers with the goal of **ONE CALL RESOLUTION**.

Our greatest strength is the ability to develop the “secret sauce” for each client by taking tried and true processes and treatments, then tailoring them for continuous improvement. The following processes, methodologies, and tools make up the “secret sauce”:

Standard Collection Workflow

The following Standard Collection Workflow is a jumping-off point and is adjusted according to our client's Scope of Work. The Workflow is continually improved based on results.





Notable Processes, Tools, and Methodologies:

Collection Software

L J Ross utilizes Ontario Systems FACS (Flexible Automated Collection System) to record all collection activity on accounts, including payments, number of call attempts, letters, etc. It is one of the most adaptable software systems in the industry. Customized and supported by our own in-house IT Department, role-based access is granted to provide pertinent, complete, and current information. In addition, L J Ross utilizes FACS to consistently record, monitor and review work productivity, including "real-time" collector monitoring/activity. All account activity, including automated processes and human-initiated processes, are recorded in FACS at the account level.

Dialing Platform

L J Ross employs a hosted dialing system (Contact Savvy) which follows the requirements of FCC's Telephone Consumer Protection Act (TCPA). Our dialing system screens out wrong numbers, no answers, disconnects, busy signals, and voicemails which permits our collectors to spend most of the time speaking directly to customers. After three failed dialer attempts, Contact Savvy will automatically re-route accounts to our waterfall skip-tracing process.

Bankruptcy/Deceased/Litigious Scrubs

After the initial placement, accounts are "scrubbed" for litigious, deceased, or bankrupt customers. Once an account is deemed as such, it will be closed and returned to the City of Roseville.

Scoring

L J Ross segments accounts by a propensity to pay. Our proprietary segmentation model captures 1,500 data points that allow for specialized strategies to maximize recoveries. Those strategies include allocating more resources to higher propensity-to-pay accounts. 100% of accounts are worked, but the specific treatments vary by score.



Skip Tracing

Address and cell phone verification (NCOA) occur upon new business placement. Once the account information is confirmed, the collection process begins; however, if at any time the contact information is determined to be incomplete or incorrect, the account is placed in our “Waterfall” skip-tracing process. L J Ross does not have a minimum or maximum threshold for skip tracing.

L J Ross utilizes an electronic “Waterfall” skip-tracing process. The accounts lacking customer contact information are sent to supplier #1. Updates are electronically uploaded in our software and accounts with no new information continue to supplier #2 for a more aggressive search. Again, updates are electronically uploaded in our software, and accounts with no new information continue to supplier #3 where dedicated client services representatives manually data mine, utilizing tools such as Google, TLO, LexisNexis, and other information-bearing websites.

Credit Reporting

If approved by the City of Roseville, L J Ross can report debts on day 50 from the date of placement. Our file is sent once every week to all three agencies (Experian, Equifax, and Transunion) with new information/listings, updated payment information and removal requests. Should there be a need for immediate updates or removals from credit bureaus, L J Ross has the capability to manually make requests to the three agencies via eOscar.

Legal Accounts

Accounts above \$500.00 with a verified place of employment and a verified physical home address, can be forwarded for legal review. All court costs and fees are fronted and paid by L J Ross. Once the customer makes a payment, costs and fees are netted out of the first receipt. After the account is with the attorney and payment is made to the principal, the invoice will reflect the litigation contingency rate.

When the account is forwarded to the attorney our contingency fee would increase to our legal rate.



Communication Methods

L J Ross believes providing communication choices fosters the best customer experiences. New generation mobile payment and communication channels, alongside traditional telephony technology, provide customers with a variety of ways to communicate with us or simply manage their accounts on their own. Below are the omni channel capabilities that L J Ross utilizes for communication with account holders:

- **Traditional telephone calls/attempts:** L J Ross attempts to call each phone number at different times of the day on each account to maximize right-party contacts. In the event we are unable to reach the customer in the AM, we would try again at midday or PM to reach the customer to resolve their outstanding balance.
 - L J Ross uses a speech analytics tool that records 100% of calls and offers real-time quality assurance notifications.
- **USPS Mail:** Individuals with a past due account are initially sent a validation notice, which may then be followed with a series of collection letters.
- **24/7 IVR access:** Customers may access their accounts to pay or make inquiries through the L J Ross 24/7 IVR.
- **Customer Self-Service Portal:** Trends demonstrate many customers prefer “no contact” account resolution. L J Ross offers a 24/7 self-service portal linked through our website, which provides resources to resolve accounts at a time of convenience to the customer. Some options for customers to make payments, request for receipts, provide bankruptcy information, or update contact information, etc.
- **Chat Function:** L J Ross offers a chat box function on our website to assist customers with questions, disputes, and payment assistance.
- **Email & Text Communication:** L J Ross offers text and email with proper consent. These modalities of communication are quick and easy, and preferred by many customers.
- **Voicemail Message Drop:** Direct drop voicemail technology delivers voice messages directly to mobile phones and the consumers can call back at their convenience.

Note: L J Ross adheres to Reg F’s 7/7/7 rule not to attempt to contact a consumer more than 7 times in 7 days, per account. Once we speak to the consumer, we may not speak to them again for another 7 days without consent. Otherwise, there is no limit to the attempts L J Ross will make to communicate with consumers. Activity continues for the length of placement of the accounts.

Speech Analytics

100% of L J Ross calls are recorded and use speech analytics to evaluate Agent soft skills, negotiating tactics, and client/regulatory compliance. Furthermore, speech analytics allows for Agent continuous improvement training specific to their needs.



Collection Approach

The L J Ross collection approach is a **ONE-CALL RESOLUTION**. While being firm but fair, our collectors are trained to ask for balance in full upon first contact. It is common for customers to use stalls and objections which our collectors know how to overcome through their extensive experience and training.

Utility-specific training and experience includes, but is not limited to:

- Final Meter Reading/Bill Process
- Client-specific billing statements
- Electric Rate Assistance Programs
 - Active U.S. Military Families
 - Senior Customers (65+)
- Home Energy Assistance Programs (HEAP)
- Budget Billing
- Medical Device Use Discounts
- Shut-off Protection
 - Medical Necessity
 - State and local moratorium
- Salvation Army
- Client-specific low-income and other offered programs

Our agents are trained to actively listen to each customer's situation and determine an alternative resolution for balances that can't be paid immediately on first contact.



TAB E: Project Plan – Provide a detailed discussion of your firm’s approach to the successful implementation of this project. Include thorough discussions of methodologies you believe are essential to accomplishing this project. Include a proposed work schedule to accomplish all of the required tasks within the desired timeline. Identify the staff who would be assigned to each task, including sub-consultants and sub-contractors. List any necessary equipment, training, or installation services required.

L J Ross has a core team of staff that is responsible for onboarding clients and is committed to ensuring the successful implementation of this project and achieving the goals outlines in the RFP. L J Ross’ Compliance/Project Manager utilizes project management software to assign due dates to responsible parties ensuring the onboard timeline aligns with the client's go-live targets.

The L J Ross implementation team meets weekly throughout the implementation process to discuss implementation status and review progress. Post-go-live, our Compliance Specialist/Project Manager conducts a series of go-live audits to ensure our client’s scope of work, and deliverables were met, and implementation was successful. The implementation team conducts a post-go-live meeting to discuss opportunities for improvement.

To ensure 100% on-time performance the City of Roseville’s dedicated Compliance Specialist/Project Manager will ensure all key deliverables and milestones are met during implementation. L Ross’s policy is to meet monthly to continuously strive to meet the City of Roseville’s needs and ensure satisfaction is exceeded.

The Implementation Schedule below is the timeframe L J Ross can meet the timeframe for implementation but can be modified to suit the implementation requirements listed in the RFP.



Implementation Schedule	Responsible Party	Timeframe
Phase 1: Planning <ul style="list-style-type: none"> • Kick-off Period: Meeting(s) with management team to discuss specific goals, reporting requirements, and implementation plan. 	L J Ross Project Team and Client	~ 1 Day
Phase 2: Testing <ul style="list-style-type: none"> • Data Mapping <ul style="list-style-type: none"> • Client to provide a file layout template. • L J Ross maps data to fields on our collection system. • File Testing <ul style="list-style-type: none"> • Client sends test file. • L J Ross confirms information has reached the proper fields. • Report Testing <ul style="list-style-type: none"> • Client confirms desired reports and frequency. • L J Ross will create and export sample reports for Client's approval. 	L J Ross IT Team and Client L J Ross IT Team and Client L J Ross IT Team and Client	~ 7 Days
Phase 3: Training & Account Transfer <ul style="list-style-type: none"> • Provide Client Access Web training for Client's staff. • Transferring of accounts for collection begins. Collection activity will commence within 24 hours. 	L J Ross Relationship Manager and Client L J Ross IT Team and Client	~ 7 Days
Phase 4: Go-Live <ul style="list-style-type: none"> • Accounts are placed by the Client. • Collection workflow begins. 	L J Ross IT Team and Client	~ 1 Day



Scope of Services

L J Ross meets all the collection activities and requirements listed in the scope of work. Per the Q & A response, the bidder is to include the scope of work/requirements responses in this section. Please see our responses below:

- **Closed account collection processing**

L J Ross agrees to the City of Roseville's standards for closed account processing.

- **Accountholder notification program – Types of letters, frequency of notices and calls. Provide sample notices and letters as well as a mailing schedule**

All customers with a past due account are initially sent a validation notice, which may then be followed with a series of collection letters. All letters are requested in our system the day accounts load and the files are sent to our letter vendor the next business day. Please see copies of our sample letters provided in **Exhibit C, Sample Letters.**

L J Ross attempts to call each phone number at different times of the day on each on each account to maximize right party contacts.

L J Ross adheres to Reg F's 7/7/7 rule not to attempt to contact a customer more than 7 times in 7 days, per account. Once we speak to the customer, we may not speak to them again for another 7 days without consent. Otherwise, there is no limit to the attempts L J Ross will make to communicate with customers. Activity continues for the length of placement of the accounts.



- **Collection processing reporting and frequency of those reports. Please provide examples of reporting that would be provided to the City by your firm**

L J Ross' Support Services and Information Technology (IT) teams are both readily available to generate and develop reports based on the City of Roseville's needs. All reports will be customized and dispersed at any frequency demanded by your operational team.

Custom reporting functionality

Because our collection system is so flexible, it requires an experienced user to create complex reports. L J Ross has the capability to publish any report with any frequency in any sort of order desired by the City of Roseville. We can customize reports specific to your needs.

Below are some of the canned performance and activity reporting available:

Month Batch Report

This report indicates the total placement each month by the number of accounts as well as the dollar amount listed. It also shows the number of accounts closed, collected on, and contingency fees.

Month Batch Report (Inventory)
 Date Range: Jan 2022 - May 2022
 Last Refresh: June 13, 2022 Duration: 1 minute

		Accounts Listed		Adjustments To List		Client Recalled To Date			Returned Accounts To Date			PIF/ SIF	Collections				Active Accounts		
		No.	\$Amount	No.	\$Amount	No.	\$Amount	PCT	No.	\$Amount	PCT		No.	\$Amount	PCT	\$Amount	PCT	No.	\$Amount
2022	01/2022	12,428	3,726,992	-411	-622,077	485	273,898	8.8	3,021	862,478	30.5	3,258	76,440	2.7	607,665	21.5	5,273	1,354,784	40.2
	02/2022	12,117	2,804,884	-354	-184,062	403	235,350	8.9	2,895	570,290	23.7	3,237	6,359	0.2	452,981	16.8	5,228	1,382,196	48.1
	03/2022	10,214	2,453,548	-269	-166,545	391	190,299	6.6	2,471	671,231	31.4	2,483	5,955	0.3	359,787	16.8	4,610	1,105,686	45.4
	04/2022	7,741	1,919,222	-212	-141,057	267	147,108	8.3	2,075	492,388	29.6	1,540	8,591	0.5	248,410	15.2	3,647	900,258	46.8
	05/2022	9,336	2,758,622	-282	-421,210	205	166,656	7.1	2,175	438,642	20.2	1,606	5,637	0.3	406,275	16.7	4,976	1,325,628	52.9
	06/2022	8,603	2,579,690	-216	-307,590	238	353,720	15.6	7	456	0.0	1,617	9,675	0.5	322,267	16.8	6,531	1,595,625	60.8
	07/2022	18,629	4,624,858	-467	-277,979	368	158,604	3.6	5	1	0.0	4,347	13,234	0.3	714,876	17.1	13,442	3,473,399	77.1
	08/2022	12,495	3,154,182	-288	-256,555	283	118,262	4.1	3	1	0.0	2,262	9,810	0.4	346,113	12.5	9,659	2,433,231	80.7
	09/2022	10,210	2,705,234	-220	-135,278	193	124,568	4.8	6	2	0.0	1,842	13,623	0.6	316,650	12.9	7,949	2,128,736	79.0
	10/2022	10,222	2,701,880	-241	-165,901	272	54,924	3.3	2	0	0.0	1,668	10,826	0.4	271,262	11.1	8,009	2,179,793	83.2
	11/2022	8,162	2,316,648	-210	-230,956	144	75,477	3.4	1	0	0.0	1,254	14,815	0.7	208,518	10.2	6,553	1,808,697	83.5
	12/2022	8,698	3,085,358	-195	-167,531	126	622,797	21.3	1	0	0.0	1,421	11,686	0.5	293,482	12.8	6,951	2,001,547	55.5
	Total	128,845	34,831,018	-3,359	-3,062,743	3,339	2,506,683	7.9	12,862	3,025,497	10.3	26,625	186,469	0.6	4,546,316	15.9			63.3



Percent Recovery Report

Our Percent Recovery report provides summary information of the total placements and total collections each month. This report illustrates "batch track" liquidation on your portfolio placed with our agency. The L J Ross team uses this report to ensure each batch is meeting expected liquidations. If a batch is "behind", the operations team customizes special work queues and skip tracing batches to hone in on the batch.

Percent Recovery Report
 FACS Name/Address: 000
 Date Range: 2022-01 To 2023-06
 Last Refresh: June 13, 2023 Duration: 1 Month

Adjusted \$ List	\$\$\$ Collected	Percentage Cum%	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
2022-01	\$2,824,527	\$872,865	21.81%	\$84,228	\$102,800	\$88,654	\$36,185	\$78,089	\$21,151	\$30,714	\$16,602	\$10,754	\$15,417	\$6,278	\$6,288	\$15,014	\$13,258	\$8,278	\$5,288	\$76,448
2022-02	\$2,405,472	\$452,981	18.83%	\$47,962	\$129,152	\$49,072	\$30,547	\$22,965	\$23,393	\$34,251	\$16,500	\$15,622	\$12,565	\$13,910	\$16,232	\$10,551	\$18,208	\$6,453	\$6,350	
2022-03	\$2,136,703	\$359,787	16.84%	\$80,309	\$19,890	\$30,671	\$21,500	\$22,583	\$14,286	\$13,288	\$13,703	\$14,268	\$7,542	\$11,392	\$10,203	\$28,090	\$6,387	\$3,885		
2022-04	\$1,631,087	\$248,410	15.23%	\$44,003	\$45,547	\$20,545	\$21,724	\$13,252	\$8,150	\$13,529	\$6,328	\$8,395	\$9,056	\$6,478	\$8,817	\$6,444	\$8,801			
2022-05	\$2,170,748	\$408,275	18.72%	\$34,728	\$119,818	\$51,908	\$34,885	\$15,849	\$10,941	\$14,887	\$20,284	\$7,695	\$13,290	\$7,472	\$12,138	\$5,837				
2022-06	\$1,048,377	\$322,257	16.80%	\$43,769	\$49,494	\$35,433	\$25,100	\$20,211	\$21,849	\$84,170	\$15,258	\$8,608	\$8,817	\$6,580	\$9,875					
2022-07	\$4,188,278	\$714,879	17.07%	\$138,878	\$192,507	\$75,872	\$49,004	\$52,448	\$40,360	\$41,460	\$38,807	\$50,679	\$23,321	\$13,234						
2022-08	\$2,776,249	\$346,113	12.45%	\$68,088	\$78,626	\$63,870	\$26,804	\$17,480	\$27,776	\$20,491	\$23,238	\$11,882	\$8,810							
2022-09	\$2,448,388	\$318,680	12.95%	\$50,798	\$78,012	\$34,860	\$16,758	\$38,127	\$30,859	\$30,208	\$21,382	\$13,623								
2022-10	\$2,481,053	\$271,262	11.07%	\$62,039	\$50,580	\$41,327	\$35,738	\$21,710	\$23,240	\$18,618	\$10,926									
2022-11	\$2,018,216	\$206,518	10.25%	\$42,488	\$66,185	\$37,440	\$23,525	\$13,045	\$9,040	\$14,815										
2022-12	\$2,268,030	\$293,482	12.79%	\$58,744	\$93,848	\$35,713	\$81,078	\$14,413	\$13,688											
2023-01	\$2,177,083	\$293,206	13.09%	\$69,339	\$68,815	\$58,389	\$28,878	\$58,016												
2023-02	\$2,024,998	\$203,645	10.01%	\$44,892	\$30,759	\$28,742	\$36,851													
2023-03	\$2,829,854	\$234,792	7.94%	\$68,576	\$35,688	\$72,549														
2023-04	\$2,096,104	\$161,063	7.38%	\$43,814	\$117,855															
2023-05	\$3,658,836	\$44,024	1.20%	\$44,024																
TOTAL	\$42,928,278	\$5,440,052	12.67%																	

Year	Adjusted \$ List	\$\$\$ Collected	Percentage Cum
2022	\$29,261,592	\$4,546,316	15.54%
2023	\$13,666,686	\$853,736	6.54%
Totals:	\$42,928,278	\$5,440,052	12.67%



Account Status Report

Our account status report provides summary information of the status, original balance, current balance, list date, and number of calls/contacts and can be tailored to include any additional information requested.

LJRA ACCT #	CLIENT ACCT#	CLIENT NAME	STATUS	ORIGINAL BALANCE	CURRENT BALANCE	LIST DATE	# OF CALLS	# OF CONTACTS
123456	1165	SAMPLE	3NSI	73.53	73.53	6/15/2022	0	0
123456	1166	SAMPLE	3ANS	172.06	172.06	6/16/2022	97	1
123456	1168	SAMPLE	3NSI	185.73	185.73	6/17/2022	51	3
123456	1172	SAMPLE	3ACT	171.91	171.91	6/18/2022	79	3
123456	1173	SAMPLE	3ACT	267.25	250.00	6/19/2022	119	5
123456	1175	SAMPL F	3ACT	171.44	25.00	6/20/2022	111	0
123456	1183	SAMPLE	3NSI	184.19	184.19	6/21/2022	98	0
123456	1185	SAMPLE	3NSI	187.50	187.50	6/22/2022	0	0



- **Data processing procedures and resources. Please include the firm's methods and strategies in regards to data handling and security measures (Put our facts up-front) File Exchange (SFTP) with client, how we secure data internally. Procedures for data security.**

L J Ross is committed to providing heightened protection of the sensitive information required to provide services to our clients. This commitment is the driver behind the adoption of the world's best-known standard for information security management systems (ISMS): ISO/IEC 27001:2013; and the world's best-known standard for security compliance: SOC 2 Type II. Below are methods and strategies used by L J Ross:

- **File/Data Sharing with Clients**
 - Files are exchanged through a client or L J Ross owned SFTP site (client choice). L J Ross uses 256-bit encryption.
- **Data Storage**
 - Physical premise
 - Strict keycard access and lanyard designation
 - Security cameras – 90 days stored
 - Server Room
 - Door 1 – code entry
 - Door 2 – biometric access
 - All data received is stored in on-premise Windows 2019 servers in Jackson, MI
 - Data is protected by an Intrusion Prevention System, an Intrusion Detection System, a Firewall, and Anti-virus/Malware software
 - Multi-layered network security
 - Admin access requires Multi-Factor Authentication
 - Payment Information
 - Credit card/ACH account information obtained over the phone is not voice recorded, by system default
 - Credit card/ACH account information entered into collection software is masked
- **Security Policies & Procedures**
 - Role-Based Access
 - Requires Multi-Factor Authentication
 - Access strictly granted according to roles and responsibilities
 - SOC 2 Type II – formal annual audit; no history of non-conformity
 - ISO/IEC 27001:2013 – formal annual audit; no history of non-conformity
 - PCI Compliance – annual audit; no history of non-conformity
 - Penetration Tests (Internal and External) – Annual tests; no history of breach



Requirements: Implementation

1. **30 days needed to develop a custom output file based on the selected collection agencies requirements**
 - a) **Define the type of file or processing means needed for customer/payment reporting requirements**
 - **File includes customer information such as; New accounts, payments received directly to customer account, updated customer information, canceled accounts**

L J Ross acknowledges and agrees to the implementation plan requirements for the custom output file and file processing.

The primary and most efficient method used by most clients is an L J Ross or client owned SFTP site. The most common encryption method used in conjunction with the SFTP site is PGP. Encrypted WinZip files or Excel files are also used via secure/encrypted e-mail.

2. **60 days are needed to thoroughly test the implementation of the custom output file of the selected collection agency with our billing system (CIS system)**

L J Ross acknowledges and agrees with the timeframe needed to thoroughly test the implementation of the custom output file.

Requirements: Processes

1. **Returned check process**
 - a) **Please describe how returned checks are handled with your system when an account is paid off with a check but the check is then returned for NSF.**

If a check is returned for non-sufficient funds, L J Ross corrects the payment in our Ontario FACS collection system and adds an NSF fee (if applicable). A letter is mailed immediately to the customer along with phone calls from our senior collection staff to re-coup the payment.

NFS returns are itemized on the client's monthly invoice.



2. **Ability for staff to all have the same access to all uploaded files in the selectees system**
 - b) **Ability for all staff members who work collections to have access to all files uploaded into the selectees system to monitor as needed**

The City of Roseville's staff will have access to all accounts uploaded into the system via our Client Access Web portal to check on the status of accounts.

Requirements: Secure Communication

1. **Process all customer payments in accordance with applicable Payment Card Industry (PCI and PII) security requirements**

L J Ross is self-attested PCI compliant and complies with the Payment Card Industry (PCI and PII) data security requirements of the PCI DSS standards.

We use a variety of connectivity methods to exchange encrypted data for automated placement, remittance, and return of accounts.
2. **SFTP Secure upload**

L J Ross provides its clients with an SFTP site to allow the transmittal of encrypted files and secure upload.
3. **Collection Agency runs on supported Operating Systems**
 - a) **Microsoft: Server 2019 or above (preferred)**

L J Ross runs on supported Operating Systems; Microsoft Server 2019.
 - b) **Linux: RHEL**

L J Ross does not run on Linux: RHEL
4. **Operating System is fully licensed and under active support**

L J Ross agrees that our operating system is fully licensed and under active support.
5. **Operating System is supported by vendor for 5+ years**

L J Ross' operating system has been supported for 5+ years.
6. **All Roseville data and end user data will be stored on servers located solely within the United States**

All data stored by L J Ross is stored on services located solely within the United States.
7. **In accordance with the Fair and Accurate Credit Transaction (FACT) Act, the collection agency must have the identity theft prevention program in place**

L J Ross has an Identity theft Prevention program in place that is in accordance with the Fair and Accurate Credit Transaction (FACT) Act.



8. **Collection Agency warrants that all Roseville data and end user data will be encrypted in transmission (including via web interface) at a level equivalent to or stringer than 128_bit level encryption.**

L J Ross employs 256-bit encryption for data in transit and at rest.

Requirements: Payments

1. **All payments received by the Collection Agency are reported and paid in full to Roseville in the form of a check so the customer account balances can be updated accurately in Roseville's billing system.**

L J Ross acknowledges and agrees to the payment requirements listed.

2. **The collection agency submits an itemized invoice to the City of Roseville for their portion of the charges and the City will remit payment to the collection agency in the form of a check.**

L J Ross acknowledges and agrees to the gross remit requirements.

Requirements: Contact and Availability

1. **Roseville requires access to the Collection Agencies customer service lines during our business hours of operation from 8am to 5pm PST**

L J Ross acknowledges and agrees to have our customer service lines open during business hours from 8 AM to 5 PM PST.

2. **Roseville requires a dedicated account representative to be assigned to the City**

L J Ross acknowledges and agrees to have a dedicated account representative assigned to the City.



Requirements: Accountability and Expectations

1. The collection agency selected shall be fully responsible for maintaining accurate records of all correspondences, working papers, and other related evidence. These records shall be made available to Roseville as requested.
2. The collection agency must guarantee the confidentiality, security, and safety of all files, documents and information provided by the City, except disclosure required by federal and state laws and regulations.
3. The collection agency shall represent themselves and not Roseville when conducting collection activities.
4. The collection agency will instruct consumers to submit payments to the collection agency and not to the City of Roseville
5. The collection agency will be solely responsible for any and all costs incurred in and associated with the collection of debts referred to the agency by the City

L J Ross accepts all accountability and expectation requirements listed.

Requirements: Multiyear Agreements

The initial contract will be 3 years from date of the signed award. The City reserves the right to renew the contract for 2 additional years, one year at a time at its sole discretion. The Consultant receiving the contract award for the initial contract will retain that contract award throughout the life of the contract, including the optional renewal years.

The initial contract will be awarded based on the prices determined through the initial contract negotiation process. Sixty days prior to the expiration date of the current contract, the City is willing to re-negotiate out-year pricing (increases and/or decreases) based on market fluctuations. The pricing for each renewal year will be evaluated based on what the City deems to be fair and reasonable pricing. Any requests made by the Consultant for a price increase must be fully documented utilizing an appropriate Consumer or Producer Price Index or other relevant market data to justify a price change. In its request for price increases Consultant shall cite sources, specific conditions, and document how those conditions affect the cost. The City of Roseville is also willing to re-negotiate pricing if it is affected by catastrophic circumstances (example: unforeseen national/world crisis or acts of God).

Price adjustments will not be automatic. They must be mutually agreed upon by both the City and the Consultant. The City will review the proposed pricing and determine if it is allowable, fair, reasonable, and in the best interest of the City to extend the agreement.

L J Ross agrees to the Multiyear Agreements for 3 years with the right to renew for 2 additional years.

EXHIBIT "B"



TAB F: Cost Proposal – Provide a total cost proposal for all products and services to be delivered, and a breakdown of costs delineated by tasks as described in your project plan. Include a schedule of hourly rates for all proposed staff and the amount of time each person will be devoted to this project. Define any reimbursable expenses requested to be paid by the City.

L J Ross operates on an all-inclusive contingency fee basis with extremely competitive rates. These rates are based on portfolio characteristics such as: average age, average volume, the length of placement, historical liquidation rates; average dollar balance, if legal is permitted, if credit reporting is permitted, number of agencies servicing placements, and number of letters required, and any other specific service level agreement requirements. Each of the previously listed categories helps determine the associated costs of collecting and projected liquidation rates.

L J Ross is always open to discussions regarding prices that are mutually beneficial for both companies. Please see our proposed commission rates below:

Placement Tier	Commission Rate
Primary Collection Services	14.75%
Secondary Collection Services	20.75%
Legal	40%