

## GENERAL SERVICE CONTRACT WITH THE CITY OF GEORGETOWN, TEXAS

This General Service Contract is by and between the **City of Georgetown**, a Texas Home-Rule Municipal Corporation (the “City”), and **Credit Systems International, Inc.** (the “Contractor”), for the following work: **Collection on Utility Customer Care Delinquent Accounts** as described in the Scope of Services attached as **Exhibit “A”**.

- 1. Consideration.** In consideration for the services performed in the Scope of Services and Contractor’s completion of work in conformity with this Contract, the City shall pay the Contractor in accordance with the Payment Schedule set forth in **Exhibit “B”** attached hereto, not to exceed **Four Hundred Thousand and No/100 Dollars (\$400,000.00)**.
- 2. Payment Application.** Within **seven (7)** calendar days of completion of the services the Contractor will submit its payment application to the City.
- 3. City’s Payment and Approval.** All payments will be processed in accordance with Texas Prompt Payment Act, Texas Government Code, Subtitle F, Chapter 2251. The City will pay Contractor within thirty days after of receipt of a correct payment application for services. The Contractor may charge a late fee (fee shall not be greater than that permitted under the Texas Prompt Payment Act) for payments not made in accordance with this prompt payment policy; however, the policy does not apply to payments made by the City in the event: (a) there is a bona fide dispute between the City and Contractor concerning the goods, supplies, materials, equipment delivered, or the services performed, that causes the payment to be late; (b) the terms of a federal agreement, grant, regulation or statute prevents the City from making a timely payment with Federal funds; (c) there is a bona fide dispute between the Contractor and a subcontractor and its suppliers concerning goods, supplies, material or equipment delivered, or the services performed, which caused the payment to be late; or (d) the payment application is not mailed to the City in accordance with Agreement.
- 4. Term.** The initial term of the Contract is for one (1) year from the Effective Date, hereinafter defined. Upon expiration of the initial term of the Contract and upon mutual agreement of both parties, the Contract may be renewed for three (3) additional one (1) year terms for a total of four (4) years. Any renewal will be under the same terms and conditions as the original Contract and must be in writing and executed by the parties.
- 5. Executed Contract.** **The “Notice to Proceed” will not be given nor shall any work commence until this Contract is fully executed and all exhibits and other attachments are completely executed and attached to the Contract.**
- 6. Change Orders.** Changes will not be made, nor will invoices for changes, alterations, modifications, deviations, or extra work or services be recognized or paid, except upon the prior written order from authorized personnel of the City. The Contractor will not execute change orders on behalf of the City or otherwise alter the scope of the services except in the event of a duly authorized change order approved by the City as provided in this Contract.

- 7. Dispute Resolution.** If either the Contractor or the City has a claim or dispute, the parties shall first attempt to resolve the matter through this dispute resolution process. The disputing party shall notify the other party in writing as soon as practicable after discovering the claim, dispute or breach. The notice shall state the nature of the dispute and list the party's specific reasons for such dispute. Within ten (10) business days of receipt of the notice, both parties shall make a good faith effort, in person or through generally accepted means, to resolve any claim, dispute, breach or other matter in question that may arise out of, or in connection with, this Agreement. If the parties fail to resolve the dispute within sixty (60) days of the date of receipt of the notice of the dispute, then the parties may submit the matter to non-binding mediation upon written consent of authorized representatives of both parties. If the parties cannot resolve the dispute through mediation, then either party shall have the right to exercise any and all remedies available under law regarding the dispute. If there is a dispute between the Contractor and the City respecting any service provided or to be provided hereunder by the Contractor, the Contractor agrees to continue providing on a timely basis all services to be provided by the Contractor hereunder, including any service as to which there is a dispute.
- 8. Independent Contractor.** It is understood and agreed by the parties that the Contractor is an independent contractor retained for the services described in the Scope of Services. The City will not control the manner or the means of the Contractor's performance, but shall be entitled to work product as detailed in the Scope of Services. The City will not be responsible for reporting or paying employment taxes or other similar levies that may be required by the United States Internal Revenue Service or other State or Federal agencies. This Contract does not create a joint venture.
- 9. Subcontractor.** The term "subcontractor" shall mean and include only those hired by and having a direct contract with Contractor for performance of work on the Project. The City shall have no responsibility to any subcontractor employed by a Contractor for performance of work on the Project, and all subcontractors shall look exclusively to the Contractor for any payments due. The Contractor shall be fully responsible to the City for the acts and omissions of its subcontractors. Nothing contained herein shall create any contractual or employment relations between any subcontractor and the City.
- 10. Insurance.** Contractor shall procure and maintain at its sole cost and expense for the duration of this Agreement insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, volunteers, employees or subcontractors. The policies, limits and endorsements required are set forth in **Exhibit D**. Contractor's insurance certificate satisfying the City insurance requirements is attached as **Exhibit E**.
- 11. INDEMNIFICATION. THE CONTRACTOR SHALL INDEMNIFY, HOLD HARMLESS, AND DEFEND THE CITY, ITS OFFICERS, AGENTS, VOLUNTEERS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS, AND LIABILITY OF EVERY KIND, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEYS' FEES, FOR INJURY TO OR DEATH OF ANY PERSON OR FOR DAMAGE TO ANY PROPERTY ARISING OUT OF OR IN CONNECTION WITH THE WORK DONE BY THE CONTRACTOR, ITS AGENTS, REPRESENTATIVES, VOLUNTEERS, EMPLOYEES, OR SUBCONTRACTORS UNDER THIS CONTRACT. SUCH INDEMNITY SHALL APPLY REGARDLESS OF WHETHER**

**THE CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS, OR LIABILITY ARISE IN WHOLE OR IN PART FROM THE NEGLIGENCE OF THE CITY, ANY OTHER PARTY INDEMNIFIED HEREUNDER, THE CONTRACTOR, OR ANY THIRD PARTY.**

**12. RELEASE.** THE CONTRACTOR ASSUMES FULL RESPONSIBILITY FOR THE WORK TO BE PERFORMED HEREUNDER AND HEREBY RELEASES, RELINQUISHES, AND DISCHARGES THE CITY, ITS OFFICERS, AGENTS, VOLUNTEERS, AND EMPLOYEES FROM ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER, INCLUDING THE COST OF DEFENSE THEREOF, FOR ANY INJURY TO OR DEATH OF ANY PERSON AND ANY LOSS OF OR DAMAGE TO ANY PROPERTY THAT IS CAUSED BY, ALLEGED TO BE CAUSED BY, ARISING OUT OF, OR IN CONNECTION WITH THE WORK TO BE PERFORMED HEREUNDER BY CONTRACTOR, ITS AGENTS, REPRESENTATIVES, VOLUNTEERS, EMPLOYEES, OR SUBCONTRACTORS. THIS RELEASE SHALL APPLY REGARDLESS OF WHETHER SAID CLAIMS, DEMANDS, AND CAUSES OF ACTION ARE COVERED IN WHOLE OR IN PART BY INSURANCE AND REGARDLESS OF WHETHER SUCH INJURY, DEATH, LOSS, OR DAMAGE WAS CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF THE CITY, ANY OTHER PARTY RELEASED HEREUNDER, THE CONTRACTOR, OR ANY THIRD PARTY.

**13. Performance.** Contractor, its employees, associates, or subcontractors shall perform all the services described in the Scope of Services in a professional manner and be fully qualified and competent to perform those services. Contractor shall undertake the work and complete it in a timely manner.

**14. Termination for Convenience.** The City shall have the right to terminate this Agreement, in whole or in part, without cause any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Agreement, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds appropriated or otherwise legally available for such purposes, for all services performed and obligations incurred prior to the date of termination.

**15. Termination for Cause.** In addition to the termination rights described above, either party may terminate this Agreement effective upon written notice to the other if the other breaches any of the terms and conditions of this Agreement and fails to cure that breach within thirty (30) days after receiving written notice of the breach. In the event of an incurable breach, the non-breaching party may terminate this Agreement effective immediately upon written notice to the breaching party.

**16. Governing Law and Venue.** This Contract has been made under and shall be governed by the laws of the State of Texas. The parties agree that performance and all matters related thereto shall be in Williamson County, Texas.

**17. Amendment.** This Contract may only be amended by written instrument approved and executed by the parties.

- 18. Taxes.** The City is exempt from payment of state and local sales and use taxes on labor and materials incorporated into the project. If necessary, it is the Contractor's responsibility to obtain a sales tax permit, resale certificate, and exemption certificate that shall enable the Contractor to buy any materials to be incorporated into the project and then resell the aforementioned materials to the City without paying the tax on the materials at the time of purchase.
- 19. Compliance with Laws.** The Contractor will comply with all applicable federal, state, and local statutes, regulations, ordinances, and other laws.
- 20. Waiver of Terms.** No waiver or deferral by either party of any term or condition of this Contract shall be deemed or construed to be a waiver or deferral of any other term or condition or subsequent waiver or deferral of the same term or condition.
- 21. Successors and Assigns.** This Agreement shall bind and inure to the benefit of the parties hereto and any subsequent successors and assigns; provided however, that no right or interest in the Agreement shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this Paragraph.
- 22. Entire Agreement.** This Contract represents the entire and integrated agreement between the City and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral.
- 23. Effective Date.** This Contract will be effective when it is signed by the last party making it fully executed.
- 24. Notices.** Any notice or communication permitted or required by this Agreement shall be deemed effective when personally delivered or deposited, postage prepaid, in the first class mail of the United States properly, or sent via electronic means, addressed to the appropriate party at the address set forth below:

Notice to the Contractor:

Credit Systems International, Inc.  
Attn: Laura Beam  
1277 Country Club Lane  
Fort Worth, Texas 76112  
[lbeam@creditsystemsintl.com](mailto:lbeam@creditsystemsintl.com)

Notice to the City:

City of Georgetown  
ATTN: City Manager  
P.O. Box 409  
Georgetown, Texas 78627  
[David.morgan@georgetown.org](mailto:David.morgan@georgetown.org)

With a copy to:

City of Georgetown  
ATTN: City Attorney  
P.O. Box 409  
Georgetown, Texas 78627  
[skye.masson@georgetown.org](mailto:skye.masson@georgetown.org)

- 25. Contractor Certification regarding Boycotting Israel.** Pursuant to Chapter 2270, *Texas Government Code*, Contractor certifies that either (1) Contractor is a sole proprietorship or company with fewer than ten (10) employees, or (2) does not currently boycott Israel and will not boycott Israel during the Term of this Agreement. Contractor acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.
- 26. Contractor Certification regarding Business with Certain Countries and Organizations.** Pursuant to Subchapter F, Chapter 2252, *Texas Government Code*, Contractor certifies Contractor is not engaged in business with Iran, Sudan, or a foreign terrorist organization. Contractor acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.
- 27. Severability.** This Agreement is severable and if any one or more parts of it are found to be invalid, such invalidity shall not affect the remainder of this Agreement if it can be given effect without the invalid parts.
- 28. Duplicate Originals.** The parties may execute this Contract in duplicate originals, each of equal dignity.
- 29. Third Party Beneficiaries.** Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the City or the Contractor.
- 30. Exhibits.** All exhibits to this Contract are incorporated and made part of this Agreement for all purposes.

**List of Exhibits**

- A. Scope of Services
- B. Payment Schedule
- C. Insurance Requirements
- D. Certificates of Insurance

*[The parties' respective signatures to this Contract are set forth on the following page.]*

**Credit Systems International, Inc.**

**CITY OF GEORGETOWN**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Mayor

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

Title: \_\_\_\_\_

**APPROVED AS TO FORM:**

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

\_\_\_\_\_

City Attorney

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

## EXHIBIT A

### SCOPE OF SERVICES

The terms and conditions of the body of this Contract shall take precedence and control over any term or provision of this Scope of Services that in any way conflicts with, differs from, or attempts to alter the terms of the body of this Contract.

#### **A. TRANSFER OF FILES/ELECTRONIC CAPABILITY**

1. Contractor shall send and receive data files in a format designated and approved by the City.
2. City shall assign Contractor customer account data by means of electronic transmission, electronic file, hard copy, or in writing. The assignment will include the following information, if available, and any other relevant information in the City's possession at the time of referral if available and deemed appropriate:
  - a. Customer account number
  - b. Customer name
  - c. Driver's license number and/or Social security number or Tax Identification Number
  - d. Service address
  - e. Last known mailing address
  - f. Contact phone numbers
  - g. Contact email address(es)
  - h. Account balance due
  - i. Customer's Date of Birth (DOB)
  - j. Service On Date
  - k. Service Off Date
  - l. Date and Amount of Last Payment
3. City may additionally provide online access to the records referred, and all costs of implementation, equipment, and operation shall be borne by the Contractor. Contractor shall be PC and Windows based (Windows 10 compatible version) with Internet access.
4. Contractor shall provide any and all reports in Microsoft Excel 2010.
5. Contractor shall provide a dedicated Portfolio Manager. Portfolio Manager must be available Monday – Friday from 8AM to 5PM Central Time via email and telephone.
6. Contractor shall provide immediate assistance through a toll-free client line.
7. Contractor shall create, submit, receive and read data files on collected payments in a format designated and approved by the City. Contractor shall transfer the remittance information to the City utilizing an FTP server provided by the Contractor on a schedule determined by the City. The FTP server will require a unique City user identification and password for access. The FTP server will have a folder structure unique to the City. The data transfer process will utilize a file naming convention dictated by the City that contains current date information. All data transfer files must be Secure FTP (SFTP) and encrypted using PGP ("Pretty Good Privacy") with a public key supplied by the City.

8. Contractor shall ensure a minimum of 20% of the staff dedicated to the City under this Contract shall have Spanish reading and speaking abilities.

**B. IMPLEMENTATION:**

1. System Requirements: Contractor shall maintain a suitable computer program, mail-out, and telephone system to handle the volume of delinquent accounts assigned.
2. Contractor shall electronically record all calls with City customers. Contractor shall maintain phone (voice) records and hard-copy records of interactions with City customers for at least six (6) months and shall make such records available for City review as requested.
3. All other records related to the performance of this Contract shall be retained for a period of three (3) years following the final payment under the Contract.
4. Assignment of Account(s): City may, at its sole discretion, make placements as frequently as daily.
5. Recall of Account(s): City may, at its sole discretion, recall an account placed with Contractor. If City recalls an account, the Contractor's authority to collect debt is then terminated. Contractor shall immediately return the account to the City, withdraw from the credit bureau reporting and desist from any further collection attempts. No commission is due to Contractor after an account has been recalled regardless of the lapsed time between the original placement and the return of the account to the City.
6. Reports: The following types of reports will be required.
  - a. Monthly Commission Report: At the end of each calendar month, Contractor shall give the City a "Monthly Commission Report." The Monthly Commission Report shall include a statement of the amount of the Total Payments (also itemized by account) received since the Contractor's Monthly Commission Report for the preceding month. "Total Payments" shall consist of:
    - i. The remittance(s) from Contractor to City described in Exhibit "B".
    - ii. All other payments which have been received from referred accounts.
  - b. Monthly Detailed Report: At the end of each calendar month, Contractor shall provide the City an excel report reflecting collections, legal actions; adjustments, updated addresses and corrections. Monthly reports must also include detailing the status of each account, including the customer name and number, current address, the beginning balance, collections received during the month, current balance, and collection status by the 10th of the following month.
7. Credit Bureau Notification: Contractor shall file notification of collections to the appropriate Credit Bureaus according to Contractor protocols. City reserves the right to request the Contractor to recall any account from the Credit Bureau due to error or City business needs and to request a paper copy of the deletion made on behalf of debtor to Credit Bureau. A copy of the deletion notice shall be provided electronically to the City and hard copy mailed to the customer.
8. Exchange of Information: In the event that Contractor receives notice of Bankruptcy, Probate, or other legal proceedings pertaining to any account, Contractor shall



immediately notify the City thereof. Contractor agrees to terminate all collection efforts on any account which is subject to Bankruptcy or Probate proceedings and to immediately return said account to the City.

9. Evaluation of Contractor(s) Performance: Contractor's performance will be evaluated on an on-going basis.
  - a. City will monitor, among other performance standards:
    - i. Monthly placements versus a rolling eleven (11) month average
    - ii. Monthly collections versus a rolling eleven (11) month average
    - iii. Subsequent monthly recovery rates versus a rolling eleven (11) month average
    - iv. Year-To-Date total placements versus recoveries
    - v. Annual placements, collections and recovery rates
    - vi. Any monthly or annual percent increases or decreases in all of above
    - vii. Life to date total placements versus recoveries
  - b. Mobilization and Rollback: Contractor shall bear all costs pertaining to set up, rollback and any other steps or processes required under this Contract to provide conforming collection account management.

### **C. CONTRACTORS RESPONSIBILITIES**

1. Contractor shall assume sole responsibility for all aspects of their behavior of the collection process in compliance with State and Federal laws, including problem resolution with debtors.
2. Contractor shall be responsible for Federal and State regulations regarding fair debt collection practices. Collection shall be conducted through ethical and lawful means with the highest level of customer service
3. Contractor shall not forward any account or any other request received of the City for collection to any other party, including transferring account(s) to any other location of the Contractor other than the Contractor's address as listed in the Contract, without first obtaining the written consent of the City.
4. Contractor shall ensure mutually negotiated collection efforts are performed on all assigned account(s) regardless of the amount of money owed on the account. Contractor shall not stop collections activities on any account unless specifically requested do so by the City.
5. Contractor shall submit all funds collected to the City as indicated in Exhibit "B".
6. Contractor shall verify receipt of account(s) via e-mail to include the number and dollar amount of account(s) received.
7. Contractor shall notify the City in advance and coordinate with the City on any software upgrades. All software upgrades necessary to maintain service level functionality required under this contract shall be at Contractor's expense.
8. Contractor shall ensure that all inquiries, complaints, and disputes from debtors are resolved satisfactorily as determined by the City.
9. Upon City request, Contractor shall ensure that collection efforts are immediately suspended, and account(s) are returned to the City.

10. Contractor shall provide ad hoc reports as requested by the City.
11. Contractor shall provide City all information on collection efforts made on individual accounts as requested by the City. City reserves the right to forward collection efforts information to the account holder.
12. Contractor shall comply with the plan submitted with the RFP response and approved by City covering account set up, mobilization and de-mobilization pertaining to the electronic transmission of individual account information and funds remittance.
13. Contractor will be required to have access to confidential data and represents, warrants, and certifies that it will:
  - a. hold information in the strictest confidence and will not use or disclose information except as:
    - i. permitted or required by this RFP and any resulting agreement,
    - ii. required by law, or
    - iii. otherwise authorized by the City in writing;
  - b. safeguard information according to commercially reasonable administrative, physical and technical standards (e.g., National Institute of Standards and Technology, Center for Internet Security, GrammLeach Bliley Act, Payment Card Industry Data Security Standards (PCI-DSS))
  - c. continually monitor its operations and take any action necessary to assure the information is safeguarded in accordance with the terms of this Request for Proposals and any resulting agreement. At the request of the City, Contractor agrees to provide to the City a written summary of the procedures the contractor uses to safeguard this information. If an impermissible use or disclosure of any of the confidential data occurs, Contractor must provide written notice to the City within one (1) business day after Contractor's discovery of use or disclosure. Contractor will promptly provide the City all information requested by the City regarding the impermissible use or disclosure. In addition to any other termination rights set forth in this RFP and any resulting and any other rights at law or equity, if the City reasonably determines that the Contractor has breached any restrictions or obligations set forth in this section, the City may immediately terminate any Agreement.
14. Contractor shall maintain separate files for each account for audit purposes. Audit of any and all assigned records is left to the discretion of the City at any time.
15. Contractor shall accept and process credit card payments via telephone for Visa and MasterCard as a minimum requirement. The Contractor is responsible for all costs associated with credit card payments, including but not limited to payment of the merchant's discount fee.
16. Contractor shall maintain the ability to collect monies 24 hours per day 7 days a week.
17. Contractor shall remit collected monies to the City on a monthly basis by the 10<sup>th</sup> of every month for previous month's collection. Remittance should include a breakdown by collection category. The cost of this service is the responsibility of the Contractor.
18. Contractor shall maintain a disaster recovery plan to protect the City's receivables and the confidentiality of the information contained therein.

19. Contractor shall refrain from selling, publishing or otherwise providing client information for any purposes other than those processes necessary for the collection process.
20. Contractor shall maintain compliance with Driver Privacy Protection Act (DPPA) 18 USC 2721 guidelines.
21. Contractor shall maintain all confidential information collected in the process of providing these services in a secured environment and take all necessary steps to prevent exposure of confidential information to third parties by unauthorized access or use.
22. Contractor shall provide updated address/name or status information to the City as necessary.
23. Contractor shall immediately return all accounts still pending upon termination of this Contract by any party.

**D. CITY RESPONSIBILITIES**

1. City shall provide Contractor with prescribed format for specified reports upon execution of the Contract.
2. City shall pay Contractor according to the Contract.
3. City shall provide to Contractor regular records of any payments made directly to the City on accounts already released to Contractor.
4. City shall extract the data for the creation of the placement and payment/adjustment files that will be submitted to Contractor.
5. When a customer requests validation of his, her, or its balance, City shall provide Contractor with the most-recent bill and an itemization of the charges that are being collected. City shall provide Contractor any requested documentation within five (5) business days.
6. Upon request from Contractor for a commercial account, City shall provide Contractor with copies of any applications, work orders, or contracts, or City may in its sole discretion recall the account. If a customer alleges a damage claim, Contractor may request any photographs, copy of dig tests, police reports, etc., and City shall provide Contractor with copies of such information, or City may in its sole discretion recall the account. Contractor will only request this information on an as needed basis. City shall provide Contractor any requested documentation within five (5) business days.

## EXHIBIT B

### PAYMENT SCHEDULE

Contractor pursue any and all accounts assigned by City to Contractor on an equal basis. Contractor shall be authorized to collect all monies owed to the City on any accounts placed with Contractor, and Contractor shall be authorized to retain as commission an amount equal to the following:

- 17.9% of all amounts collected on accounts up to 180 days from Service Termination (Date of Last Charge)
- 21.9% of all amounts collected on accounts over 180 days from Service Termination (Date of Last Charge)

Contractor shall remit collected monies to the City on a monthly basis by the 10th of every month for previous month's collection. Remittance should include a breakdown by collection category. The cost of this service is the responsibility of the Contractor.

Contractor shall submit monthly net payments to the City Accounts Payable Department (ap@georgetown.org). Contractor shall submit an electronic statement in Excel and PDF format, itemizing collections made by City of Georgetown customer account number, customer name, and amount received. Statements shall reflect transmittal date of account to Contractor and all other information needed to review any fee retained. Statements shall include detail of the fee that was netted out and reflect any adjustments made to each account so that total payment amount to Contractor is reflected on both electronic and paper invoices. Net Invoicing will not be paid and will be returned to the Contractor.

Contractor shall not charge any set up fees or programming charges.