COLLECTION SERVICES AGREEMENT

THIS AGREEMENT is made and entered into by and between the Upper Kittitas County District Court (hereinafter referred to as "Court") of Kittitas County (hereinafter referred to as "County"), a political subdivision of the State of Washington, and Washington Collectors Tri-Cities, Inc., a Washington corporation (hereinafter referred to as "Collectors").

WHEREAS, the Court has the authority to impose fines and to assess court costs and costs of prosecution; and

WHEREAS, some criminal defendants, other offenders and persons have failed to pay a part of, or all of their penalties, fines, costs, assessments, and/or restitution or any other penalties or fees adjudged to be due and owing by the Court; and

WHEREAS, pursuant to RCW 36.01.010 and RCW 36.32.120, the legislative authority of each county is authorized to enter into contracts on behalf of the County and have the care of County property and management of County funds and business; and

WHEREAS, the Board of County Commissioners constitutes the legislative authority of Kittitas County and desires to enter into this Agreement in the best interests of Kittitas County; and

WHEREAS, RCW 19.16.500 and 1982 c 65 s 1, authorize the use of collection agencies by counties for the purpose of collecting public debts owed by any person, including any restitution that is being collected on behalf of a crime victim and further authorizes the addition of fees for collection services to be added by the Court to the amount owed;

NOW THEREFORE, in consideration of the covenants and agreements herein contained and the terms and conditions hereof, the parties agree as follows:

1. **EFFECTIVE PERIOD:** This Agreement shall commence January 1, 2013 and remain in effect through December 31, 2013.

2. **PERFORMANCE:** Collectors shall do all collection work and furnish all equipment, labor and materials necessary to collect amounts due the Court for all accounts assigned for collection.

3. **SCOPE OF SERVICES:** Collection services shall be provided as directed in the following:

    a. Collectors shall provide personnel to photocopy information necessary to effect assignment of accounts of the Courts choosing for the collection process, or information may be transmitted by computer downloading using disk, tape to tape or other mode agreeable to both parties.

b. Collectors shall provide the Court with an alphabetized computer printout, with Court Case numbers and Collectors account numbers and amounts owed for each group of accounts sent to Collectors for pre-collection processing.

c. Collectors shall prepare, process, and mail the thirty (30) day notice forms required by Washington statute to the address provided by the Court. Collectors shall sort and mark mail returns and forwarding addresses. Collectors shall use a post office box for the Court as the return address for the thirty (30) day notice forms. Annual box rental fees shall be reimbursed to Collectors by the Court upon presentation of billing for same.

d. Collectors shall furnish all stationery, forms, envelopes and postage required in mailing the thirty (30) day notice.

e. The Court will send a copy of the current pre-collection list, indicating partial payments, payments in full, cancels and mail returns from 30 day notices. The updated list shall be received by the Collectors at least one (1) day prior to transferring to regular collection. On the day cases are to be transferred, telephone or facsimile contact will be made to update any additional payments in order to insure an accurate transfer.

f. Collectors shall prepare and process thirty (30) day notice forms, sort and mark mail returns and forwarding addresses. Collectors shall use a post office box for District Court pre-collection accounts separate from their other post office boxes.

g. Collectors will provide an account acknowledgment of those accounts still outstanding and subject to regular collection activity. The acknowledgment will show debtor name, case number and amount owing.

h. The Collectors' trained staff will mail collection notices, make direct contacts by telephone, utilize skip-tracing tools and all other resources available in accordance with State and Federal collection laws.

i. Collectors will advance legal costs and attorney fees when necessary.

j. Collectors shall withhold their collection commission and pay amounts received on Court cases on or about the 10th business day of each month for collections made the preceding month. Remittance checks will be accompanied by a statement showing debtor name, case number, amount paid, balance remaining and commission split when applicable.

k. If Collectors receive a dishonored check after the monthly remittance check has been disbursed, collectors shall handle the dishonored check as a separate item and funds will not be recalled from the Court.

l. Collectors shall submit to the Court monthly reports showing month to date, year to date and total amounts assigned and collected.

m. Both parties shall identify no less than three (3) contact persons within their respective offices who are familiar with and authorized to handle Court cases.

4. TERMINATION:

a. The Court may terminate this Contract in whole or in part whenever the Court determines, in its sole discretion that such termination is in the best interests of the Court. The Court may terminate this Contract upon giving ten (10) days written notice by Certified Mail to Collectors. In that event, the County shall pay the Collector for all costs incurred by the Collectors in performing the Contract up to the date of such notice termination. Payment shall be made in accordance with Section 5 of this Contract.

b. This agreement may be terminated by mutual consent of the parties hereto, for breach of contract upon thirty (30) days advance written notice, provided however, that waiver of breach by either party shall not be deemed a waiver of any subsequent breach. In the event of such a termination, Collectors will retain all previously listed accounts for continued collection action.

5. COMPENSATION: The County shall pay the Collectors for performance of the work described in and required by this agreement as follows:

a. No fee on the total amount collected during the initial thirty (30) day pre-collection period, pursuant to Chapter 19.16 RCW.

b. Dishonored checks will be accepted for collection and 100% of the face amount of the check will be returned to the County when collected.

c. Collectors shall collect and keep as remuneration for collection services, costs of collection, not to exceed forty (40) percent of the original amount placed by the Court for collection. Collectors shall pay the County all the original amount assigned, contingent upon collection.

d. Interest collected will be split at 50% on accounts assigned.

e. When money is collected for an individual consumer owing more than one Court account, it shall be applied to the oldest account first, unless otherwise specified by the consumer (in compliance with the requirements of the Fair Debt Collection Practices Act) or as directed by the Court.

f. The County shall be paid 100% of the original amount assigned, contingent upon collection, with monies collected being applied 75% to the County and 25% to the Collector until the full amount is paid. The account must remain open on the Court records until such time as both the Court obligation amount, plus any additional fees owed to Collector, including increased costs for legal fees and attorney fees have been paid in full.

g. It is Collectors policy to honor all reasonable requests for cancellation of accounts.

6. **INTEREST:** During any given month, Collector will charge an interest rate no higher than that posted in the Washington State Register pursuant to RCW 19.52.025.

7. **REPORTS:** Collectors shall provide the Court with all reports called for herein. In the event any additional reports are deemed necessary in the future for further breakdown purposes, Collectors shall make every effort to meet the needs of the Court.

8. **AUDITS:** Either party may audit the records pertaining to collection cases with provision of reasonable notice to the other party.

9. **INDEMNITY:** Either party shall indemnify, defend and save harmless the other party and its officers, agents and employees against and from any loss, damage, cost, charge, expense, liability, claim, demand or judgment of whatsoever kind or nature, whether to persons or property arising wholly or partially out of any act, action, neglect, omission or default on the part of that party, its' subcontractors and/or employees. In case any suit or cause of action shall be brought against either party on account of any act, action, neglect, omission or default on the part of the other party, its' agents, subcontractors and/or employees, the other party shall assume the defense thereof and pay any and all costs, charges, attorney fees and other expenses and any and all judgments that may be incurred or obtained.

10. **LIABILITY INSURANCE:** Collectors shall obtain and keep in force continually during the term of this Agreement, (including any renewal term) comprehensive general liability insurance coverage in the minimum amount of One Million Dollars ($1,000,000.00) per occurrence and Two Million Dollars ($2,000,000.00) aggregate.

11. **LICENSING and BONDING:** Collectors shall keep in force licensing and bonding in compliance with all State and Federal laws governing collection agencies.

12. **ASSIGNMENT OF AGREEMENT:** Neither party shall assign this Agreement, nor any interest, right or responsibility arising herein, without the written consent of the other party.

    a. The Collector shall perform the terms of the Contract using only its bona fide employees or agents, and the obligations and duties of the Collector under this Contract shall not be assigned, delegated, or subcontracted to any other person or firm without the prior express written consent of the Court.

    b. The Collector warrants that it has not paid nor has it agreed to pay any company, person, partnership, or firm, other than a bona fide employee working exclusively for Collector, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Contract.

13. INDEPENDENT CONTRACTOR:

a. The Collector's services shall be furnished by the Collector as an independent contractor and not as an officer, agent, or employee of the County. The Collector specifically has the right to direct and control Collector's own activities in providing the agreed services in accordance with the specifications set out in this Contract.

b. The Collector acknowledges that the entire compensation for this Contract is set forth in Section 5 of this Contract, and the Collector is not entitled to any County benefits, including, but not limited to: vacation pay, holiday pay, sick leave pay, medical, dental, or other insurance benefits, fringe benefits, or any other rights or privileges afforded to Kittitas County employees.

c. The Collector shall have and maintain complete responsibility and control over all of its subcontractors, employees, agents, and representatives. No subcontractor, employee, agent, or representative of the Collector shall be or deem to be or act or purport to act as an employee, agent, or representative of the County.

d. The Collector shall assume full responsibility for the payment of all payroll taxes, use, sales, income, or other form of taxes, fees, licenses, excises, or payments required by any city, county, federal, or state legislation which is not or may during the term of this contract be enacted as to all persons employed by the Collector and as to all duties, activities and requirements by the Collector in performance of the work on this project and under this Contract and shall assume exclusive liability therefore, and meet all requirements there-under pursuant to any rules or regulations.

e. The Collector agrees to immediately remove any of its employees or agents from assignment to perform services under this Contract upon receipt of written request from the County's contract representative or designee.

f. Collector acknowledges that the County has granted them no remedies and powers in addition to those which would be available to them as assignees of private creditors.

14. RENEWAL: Upon the mutual written consent of the parties hereto, this Agreement may be
renewed for additional twelve (12) month periods upon the same terms and conditions as contained herein. Notice of the desire of renewal shall be given by the party desiring renewal to the other party in writing not less than ninety (90) days prior to the expiration of the terms of this Agreement.

15. BREACH OF AGREEMENT: In any action for the breach of this Agreement, the prevailing party shall be entitled to reasonable attorney fees and venue shall be in Kittitas County.

16. **NONDISCRIMINATION:** The Collector, its assignees, delegates or subcontractors shall not discriminate against any person in the performance of any of its obligations hereunder on the basis of race, color, creed, religion, national origin, age, sex, marital status, veteran status, sexual orientation or the presence of any disability. Implementation of this provision shall be consistent with Initiative 200, Sec. 1 (effective 12/3/98).

THIS AGREEMENT is the entire agreement of the parties and shall not be modified except by a written modification signed by all parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement this ____ day of _____, 20___.

APPROVED:

UPPER KITTITAS COUNTY DISTRICT COURT

_____
Honorable Darrel R. Ellis

_____
Signature of Signatory
(Date 11/28/12)

SEAN LAMB
_____
Print Name of Signatory

Approved:

BOARD OF COUNTY COMMISSIONERS
KITTITAS COUNTY, WASHINGTON

_____
Alan A. Crankovich, Chairman

_____
Obie O'Brien, Vice-Chairman

_____
Paul Jewell, Commissioner

Attest:

_____
Clerk of the Board

Contractor Address:
Washington Collectors Tri-Cities, Inc.
510 N 20th Avenue, Suite D
Pasco, WA 99301

County's Address:
Kittitas County
205 West 5th Avenue, Suite 108
Ellensburg, WA 98926