

REQUEST FOR PROPOSAL
State of Oregon
State Procurement Office
Dept of Administrative Services
1225 Ferry ST. S.E. U140
Salem, Oregon 97301-4285

PAGE NO. 1
RFP NO. 102-5020-5
RFP NAME: Debt Collection Svcs
AGENCY: Statewide & ORCPP's
RFP ISSUE DATE: 01/21/06
PROPOSAL DUE DATE: 03/10/06

VENDOR/
PROPOSER NO.: _____
PROPOSER NAME: _____ BUYER: T. HAY

_____ PHONE#: 503/378-4650

FOB: DESTINATION RFP TYPE: SERVICE CONTRACT
ITEM: DEBT COLLECTION SERVICES FOR STATE OF OREGON
AGENCIES AND ORCPP MEMBERS.

CONTRACT PERIOD: 1 Year with renewal options

ESTIMATED PURCHASES:

ATTACHMENTS: STANDARD TERMS AND CONDITIONS AND INSTRUCTIONS TO PROPOSERS ARE INCLUDED IN THE SOLICITATION DOCUMENTS AND SUPERCEDE THOSE ON ORPIN AND DAS WEB SITE.

You can view or download the appropriate standard attachments for this RFP, on-line on the Oregon Procurement Information Network (ORPIN).

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ADDENDA

You can view or download the appropriate standard Addenda for this RFP on-line on ORPIN. You can view these attachments or download them to your computer. Note: If you selected an RFP you should consult ORPIN regularly to assure that you have not missed any Addenda announcements. It is the sole responsibility of each Proposer to obtain all Addenda information concerning this RFP from ORPIN. By submitting a Proposal, each Proposer thereby agrees that it accepts all risks associated with or related to its failure to obtain Addenda information.

ADDRESSING YOUR PROPOSAL

To assure that your Proposal receives priority treatment within our mailing system, please follow the label format below:

Proposal # Proposal Due Date & Time: 03/10/2006 3:30 pm

Oregon Dept Of Administrative Services
State Procurement Office
1225 Ferry St SE U140
Salem, Or 97301-4285

All Proposals must be received by the State Procurement Office, 1225 Ferry St. S. E., Salem, OR 97301-4285 prior to the closing date and time shown above.

SECTION A - INTRODUCTION AND SUMMARY OF SOLICITATION

This Section is included to familiarize potential Proposers with the overall scope of the anticipated procurement, the selection criteria, and the method of award. Refer to detailed Sections identified in Section B, the Table of Contents, for complete information.

A.1 PURPOSE OF SOLICITATION: The Department of Administrative Services(DAS) as an authorized agent for the State of Oregon hereby solicits proposals for Collection Services on behalf of state agencies/departments, boards and commissions and local ORCPP members. The initial term of Contract awarded will be for 1 year, with an option to extend for an additional 4 terms. (See Section G.1.)

A.2 ESTIMATE OF COLLECTIONS: The State of Oregon estimates that there are in excess of 1.5 Billion dollars in uncollected debt owed to State Agencies and ORCPP members. Because of the high volume of outstanding debt the State anticipates multiple awards to those private Collection Agencies that meet a minimum number of points for Desirables and References.

A.3 SUMMARY OF PROPOSAL ELEMENTS:

A.3.a SUMMARY OF MANDATORY REQUIREMENTS:

Proposer shall submit a written explanation of all items listed under Section D.5. The purpose is to identify the Proposer's documented approach to collecting debts, this will be the standard to which the Proposer will be held if awarded a contract. Proposer must be in compliance with all Federal and State Taxes. Proposer must also be able to comply with any existing or future systems and file transfer security protocols as documented by Department of Administrative Services Enterprise Security Office.

A.3.b SUMMARY OF DESIRABLE FEATURES:

Proposer will submit a written response to the questions identified in Section D.6. The responses will be scored according to the values identified in Section E.3. Those proposals that meet the minimum score required will then be scored based on the results of the reference contacts. Those proposals that meet the minimum score for both the Desirables and references will be evaluated for the price proposal.

A.3.c SUMMARY OF PRICE FACTORS:

Proposals meeting the minimum requirements as described in E.3 and E.4 will be scored based upon the collection fee proposed in Section J Category I. Each Proposal will be awarded a percentage of the maximum potential Pricing Point Score based upon the percentage proposed in relation to the lowest percentage bid of those proposals meeting the Mandatory Requirements and the minimum required scores for both the Desirable Features and the Proposer Qualifications and References.

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A.4 SUMMARY OF EVALUATION/SELECTION CRITERIA: All proposals will be reviewed by an Evaluation Team to determine if they meet the Mandatory Requirements of this RFP. Only those proposals which meet the Mandatory Requirements will be evaluated and scored according to their responses to the Desirables, references and Pricing. Any proposals that do not meet the Mandatory Requirements or the minimum points required for Desirables and References will not be considered for award. The State intends to award contracts to ten (10) Contractors as a result of this RFP. However, the State reserves the right to increase or decrease the number of contracts awarded based on the results of the evaluation and scoring.

A.5 PROPOSAL SUBMISSION: Proposers who are able to comply with all of the Mandatory Requirements of the RFP and accept the contractual provisions of the RFP must submit the following documents prior to the closing date and time, in accordance with Part C. Proposal Preparation and Submission and Part G Proposal Format and Contents:

- Seven (7) copies of the Proposal
- Seven (7) copies of the Pricing Proposal
- Two (2) sets of all Published Information (if applicable).

A.6 SCHEDULE OF EVENTS:

RFP Issue/Release	01/21/2006
Mandatory Pre-Proposal Conference	02/03/2006
Deadline for Protest of Requirements or Contractual Language	02/17/2006
Closing Date	03/10/2006
Contract Start Date	To Be Determined

Note: All dates listed are subject to change.

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SECTION B - TABLE OF CONTENTS

SECTION A - INTRODUCTION AND SUMMARY OF SOLICITATION

SECTION B - TABLE OF CONTENTS

SECTION C - GENERAL PROPOSAL INFORMATION

1. Definitions
2. General Information
3. Proposal Format
4. Proposal Content
- 5-10. Procedures
- 11-24. Opening, Review and Selection

SECTION D - PROPOSAL ELEMENTS-

1. General Information
2. Background
3. Confidentiality
4. Statistics
5. Mandatory Requirements
6. Desirables

SECTION E - SELECTION/EVALUATION CRITERIA

1. Evaluation Committee
2. Mandatory Requirements
3. Desirable Features(point scoring)
4. References
5. Evaluation Committee Scoring
6. Pricing
7. Total Score
8. Reserved
9. Award

SECTION F - STANDARD CONTRACTOR TERMS AND CONDITIONS

- 1-16 Standard contract terms
17. Events of default
18. Termination
- 19-30 Standard contract terms

SECTION G - SPECIAL CONTRACT TERMS AND CONDITIONS

1. Term of contract
2. Extensions
3. Price Adjustments
4. Security of Debtor Information
5. Administrative Fees and Volume Sales Reports
6. Additional Requested Information
7. Commencement of work
8. Contractor's Contact Person
9. Contractor's Personnel
10. Authorized Price Agreement Users

SECTION H - INSURANCE REQUIREMENTS

1. Commercial General Liability
2. Workers' Compensation
3. Automobile Liability
4. Professional Liability
5. "Tail Coverage"
6. Duration
7. Additional Insured
8. Notice of Cancellation or Change
9. Certificate(s) of Insurance

SECTION I - CONTRACTOR STATEMENT OF WORK

1. Legal issues
 - a. Fair employment and non-discrimination
 - b. Oregon tax laws
 - c. Confidentiality
 - d. Information disclosures
2. Contractor Specifications
 - a. Central contact person
 - b. Reasonable access for debtor to contact contractor
 - c. Record retention
 - d. Data encryption
 - e. Electronic Funds Transfer
3. Authorized Purchaser Specific Requirements
 - a. Department of Revenue
 - b. Oregon State System of Higher Education
4. Purchase Order Requirements
 - a. Purchase Order required to commence work
 - b. Mandatory Purchase Order language
5. Account Assignment Requirements
 - a. Contractor shall accept all accounts assigned
 - b. Undertake prompt and diligent collection
 - c. Security of Debtor Information
6. Collection Requirements
 - a. Approved Correspondence
 - b. No additional collection charges
 - c. Foreign Currency
 - d. Interest Calculation
 - e. Remittance and invoicing
 - f. Deposit requirement
 - g. Payment plans
 - h. Returned checks
 - i. In state litigation
 - j. Out of state litigation
 - k. ORCCP litigation
 - l. Compromise or settlements
 - m. Debtor bankruptcy
 - n. Deceased debtors
 - o. Uncollectible determinations
 - p. Records of returned accounts
 - q. Suspend action upon request
 - r. Request for Authorized Purchaser garnishment

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7. Small Claims Court
8. Garnishments
9. Notification of Small Claims and Garnishments
10. Reporting Requirements
 - a. Monthly inventory
 - b. Legal Fees
 - c. Returned Accounts
 - d. Collections
 - e. Report timing and format
11. Payment for services
 - a. Assignment on contingency only
 - b. Sole consideration
 - c. Payments to Contractor within 30 days of return
 - d. Payments made directly to Authorized Purchaser
12. Exemptions to Collection Fee
 - a. Payment to Authorized Purchaser within 30 days
 - b. Offset of refunds
 - c. Payment to Authorized Purchaser from Pre-offset notice
 - d. Sale, refinance or purchase of real or personal property
 - e. Foreclosure, probate and bankruptcy trustee payments
 - f. Reduced or canceled accounts
 - g. Withholding for violations

SECTION J - PRICING PROPOSAL

Section I - Residency Statement

Section II - Certification of Compliance with Nondiscrimination Laws

Section III - Certification of Compliance with Tax Laws

Section IV - Responsibility

Section V - Recycled Products

Section VI - Contract Signature Page

Exhibit A - Small Claims Court Form 15.010.1d

SECTION C - GENERAL PROPOSAL INFORMATION

C.1 GENERAL DEFINITIONS:

- C.1.a "Account" - means a debt relationship between a state agency, board or commission, and an individual or any entity. A debtor may have multiple debt types within one (1) account.
- C.1.b "Addendum" or "Addenda" means an addition or deletion to, a material change in, or clarification of, the RFP. Addenda shall be labeled as such and shall be made available to all interested Proposers in accordance with OAR 125-247-0430.
- C.1.c "Assignment" - means the placement of accounts with a Contractor for collections services.
- C.1.d "Authorized Purchaser" - means any state agency/department, board or commission and local ORCPP members for whom the services will be performed under this Price Agreement.
- C.1.e "Closing" means the date and time set in the RFP for Proposal submission, after which Proposals may not be submitted, modified, or withdrawn by Proposer.
- C.1.f "Contract" means the entire agreement between the Contractor and the State, comprised of the RFP and the Offer.
- C.1.g "Contractor" means the Entity with whom the State enters into a Contract setting prices for the purchase of Services and Goods, if any, pursuant to the RFP.
- C.1.h "DAS" means the Oregon Department of Administrative Services.
- C.1.i "Debtor" - means an individual or entity that owes money to an Authorized Purchaser.
- C.1.j "Entity" means a natural person with legal capacity to contract, sole proprietorship, limited liability company, corporation, partnership, limited liability partnership, limited partnership, profit or non-profit unincorporated association, business trust, two or more persons each with legal capacity to contract and having a joint or common economic interest, or any other person with legal capacity to contract, or a government or governmental subdivision. Entity does not include a State Agency.
- C.1.k "Goods" means all those items, including all installed components and accessories, if any, supplied under the Contract that are incidental to the provision of Services.
- C.1.l "Opening" means the same date and time set for Closing, unless otherwise specified in Section C.11.

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C.1.m "ORCPP" means the Oregon Cooperative Purchasing Program whose participants include but are not limited to: cities, counties, school districts, special districts, Qualified Rehabilitation Facilities (QRF's), residential programs under contract with the Oregon Department of Human Services, United States governmental agencies, and American Indian tribes or agencies.

C.1.m.1 "ORCPP" also includes quasi-State Agencies such as the Oregon University System, Oregon Health Sciences University, and Oregon State Lottery with statutory authority or autonomy to solicit for Services independently.

C.1.n "Price Agreement" - means the entire written agreement between the parties, including but not limited to the Request for Proposal and its specifications, terms and conditions; instructions to Proposers; change notices, if any; the accepted proposal; and the Price Agreement Document.

C.1.o "Project" means the scope of the Contract, including all Services and Goods to be provided thereunder.

C.1.p "Proposal" means the Proposer's written offer submitted in response to an RFP, including all necessary attachments. (Refer to Section C.4.a.)

C.1.q "Proposer" means the Entity that submits a Proposal in response to an RFP.

C.1.r "Request for Proposals" or "RFP" means the entire solicitation document, including all parts, sections, exhibits, attachments, and Addenda.

C.1.s "Services" means all work required to be performed under the Contract.

C.1.t "SPO" means State Procurement Office.

C.1.u "State" means the State of Oregon and its boards, commissions, departments, institutions, branches, and agencies.

C.1.v "State Procurement Office" means the central purchasing office of the Transportation, Purchasing & Print Services Division of DAS.

C.1.w "UCC" means the Uniform Commercial Code, ORS chapters 71, 72, and 72A, as applicable and as amended from time to time.

C.1.x "VCAF" is the Vendor-Collected Administrative Fees charged by SPO for the administration of State Contracts.

C.1.y "VSR" or "Volume Sales Reports" refers to the report submitted quarterly that provides information to DAS for the inventory and collections performed for the previous quarter.

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C.2 GENERAL INFORMATION:

C.2.a PROPOSAL SUBMITTAL ADDRESS AND CLOSING: SPO will receive sealed Proposals until 3:30 PM (Pacific time) on the Closing date specified on page one (1) of the RFP, or as amended by Addenda, at the State Procurement Office, at the receptionist's desk, on the north end of the second floor, in the General Services Bldg., at 1225 Ferry St. SE, U140, Salem, Oregon 97301-4285.

C.2.b SINGLE POINT OF CONTACT: There will be only one point of contact during the procurement process. This includes requests for change, clarification, and protests; the award process; and/or any other questions that may arise. The contact point for this RFP is Tim Hay, State Procurement Analyst, who can be contacted at 503-378-4650, via fax at (503) 373-1626, or via e-mail to tim.hay@state.or.us.

C.2.c ORPIN:

C.2.c.1 RFPs: RFPs, including all Addenda and most attachments, are posted on the Oregon Procurement Information Network ("ORPIN"). Proposers who do not have access to ORPIN may download copies at a Plan Center, or at the State Procurement Office, 1225 Ferry St. SE, Salem, Oregon. Proposers may also order hard copies from the State Procurement Office for a fee.

C.2.c.2 ATTACHMENTS: Some exhibits and attachments may not be available on ORPIN. These must be purchased separately from the State Procurement Office, where so specified in the RFP. See Section C.2.b "SINGLE POINT OF CONTACT."

C.2.c.3 ADDENDA: Addenda can be downloaded from the Addenda Menu on ORPIN. Proposers must consult ORPIN regularly until closing to assure that they have not missed any Addenda announcements. It is the sole responsibility of each Proposer to obtain all Addenda information concerning this ITB from ORPIN. By submitting a Proposal, each Proposer thereby agrees that it accepts all risks associated with or related to its failure to obtain Addenda information.

C.2.c.4 PLAN HOLDER'S LIST: IN ORDER TO APPEAR ON THE PROPOSAL PLAN HOLDERS LIST, VENDORS MUST BE ENTERED ON ORPIN. Vendors can enter their vendor information via the internet at:

<http://orpin.oregon.gov>

VENDORS ARE RESPONSIBLE FOR ENSURING THAT THEIR VENDOR INFORMATION IS CURRENT AND CORRECT. SPO shall accept no responsibility for incorrect vendor information shown on ORPIN, or information missing from it.

C.2.d OFFERORS NOTE: SECTION D "PROPOSAL ELEMENTS", SECTION E "SELECTION/EVALUATION CRITERIA", SECTION I "STATEMENT OF WORK", SECTION J "PRICING PROPOSAL" AND SECTIONS ROMAN NUMERALS I THROUGH VI CONTAIN INFORMATION REQUIRING RESPONSES OR SIGNATURE CERTIFICATION FROM OFFEROR.

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C.2.e TRADE SECRETS: Any information Proposer submits in the RFP that Proposer considers a trade secret under ORS 192.501(2) or confidential proprietary information, and Proposer wishes to protect from public disclosure, must be clearly labeled with the following:

"This information constitutes a trade secret under ORS 192.501(2) or confidential proprietary information, and is not to be disclosed except in accordance with the Oregon Public Records Law, ORS Chapter 192."

Proposers are cautioned that price information submitted in response to an RFP is generally not considered a trade secret under the Oregon Public Records Law. Further, information submitted by Proposer that is already in the public domain is not protected. The State shall not be liable for disclosure or release of any information when authorized or required by law or court order to do so. The State shall also be immune from liability for disclosure or release of information under the circumstances set out in ORS 646.473(3).

C.3 PROPOSAL FORMAT:

C.3.a IN WRITING: Proposals and pricing information shall be prepared by typewriter or in ink. No oral, telegraphic, telephone, e-mail or facsimile Proposals will be accepted.

C.3.b FORMS TO BE USED: Required information shall be submitted on the forms specified in the RFP. Any information Proposer submits that is not required to be included on forms prescribed by SPO shall be formatted in the order called for in the RFP and submitted on Proposer's letterhead.

C.4 PROPOSAL CONTENTS:

C.4.a TABLE OF CONTENTS: The Proposal must contain a table of contents with the following sections, and be fully paginated with tabs corresponding to each section.

Cover Letter
Statement
Response to Mandatory Requirements
Response to Desirable Features
Additional Information
Signature Page

C.4.b COVER LETTER: Each Proposal shall contain a cover letter on Proposer's letterhead summarizing the salient features of the Proposal, including conclusions and recommendations.

C.4.c STATEMENT: Each Proposal shall contain a brief statement demonstrating Proposer's experience and competence in providing the Services and Goods, if any, required, including both Mandatory Requirements and Desirable Features.

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C.4.d RESPONSE TO MANDATORY REQUIREMENTS: Proposers shall respond to each Mandatory Requirement in narrative form or by page and paragraph reference to documentation included in the Proposal, or both. The Proposer's response to each Mandatory Requirement shall be presented below a restatement of the Mandatory Requirement in question.

C.4.e RESPONSE TO DESIRABLE FEATURES: Proposers shall respond to each Desirable Feature in narrative form in detail. Page and paragraph references to documentation included in the Proposal may also be cited. Proposer's response to each Desirable Feature shall be presented below a restatement of the Desirable Feature in question.

C.4.f (Reserved)

C.4.g ADDITIONAL INFORMATION NECESSARY FOR EVALUATION: Proposers shall include all additional information/documentation necessary to aid in evaluation of the Proposal.

C.4.h SIGNATURE REQUIRED; OFFEROR AFFIRMATIONS: Proposals must be signed in ink by an authorized representative of the Proposer. Proposer's signature and submission of a signed Proposal in response to the RFP constitutes Proposer's affirmation that:

C.4.h.1 Proposer has completely read and understands all the provisions of the RFP.

C.4.h.2 The Proposal submitted is in response to the specific language contained in the RFP, and Proposer has made no assumptions based upon either (a) verbal or written statements not contained in the RFP, or (b) any previously-issued RFP, if any.

C.4.h.3 The Proposal was prepared independently from all other Proposers, and without collusion, fraud, or other dishonesty.

C.4.h.4 The State shall not be liable for any claims or be subject to any defenses asserted by Proposer based upon, resulting from, or related to, Proposer's failure to comprehend all requirements of the RFP.

C.4.h.5 The State shall not be liable for any expenses incurred by Proposer in either preparing and submitting its Proposal, or in participating in the Proposal evaluation/selection or Contract negotiation process, if any.

C.4.h.6 Proposer accepts and agrees to be bound by the terms and conditions of the RFP and any proposed terms and conditions it offers for negotiation to the extent accepted by SPO in the negotiation process. Proposer further accepts and agrees to be bound by all the terms and conditions of the Contract awarded, and to provide all Services and Goods, if any, required to be provided thereunder.

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C.4.i JOINT VENTURES/PARTNERSHIP INFORMATION: Partnerships and joint ventures shall supply, with Proposal submission, the name of the contact person for the partnership or joint venture. Prior to award, joint ventures and partnerships submitting Proposals must provide a copy of the joint venture agreement or agreement evidencing authority to submit a Proposal and to enter into the resulting Contract to be awarded, together with corporate resolutions (if applicable) evidencing corporate authority to participate as a joint venturer or partner. A contact person must also be designated for purposes of receiving all notices and communications under the Contract. All partners and joint venturers will be required to sign the Contract awarded.

C.4.j NECESSARY INFORMATION/ATTACHMENTS: RFP submittals shall be complete in all respects, including necessary signatures, certifications, documentation, responses on pricing and reference forms, and any other required information. All necessary attachments (residency statement, references, descriptive literature, etc.) must be submitted with the Proposal in the required format.

C.4.k SUBSTANTIAL COMPLIANCE REQUIRED: Incomplete Proposals (not in substantial compliance with RFP requirements) cannot be considered, and cannot be supplemented by submissions delivered after Closing. However, SPO may waive minor informalities and irregularities, and may seek clarification of any response that, in its sole discretion, it deems necessary or advisable.

C.5 METHODS OF SEEKING MODIFICATIONS TO RFP PROVISIONS:

C.5.a PROCEDURE: The appropriate means of seeking modifications to provisions of an RFP are through (a) requests for clarification; (b) formal submittal of requests for changes to contractual terms or specifications; and (c) formal submittal of protests of contractual terms or specifications. Any Proposal that takes exception to the specifications or contractual terms of the RFP may be deemed non-responsive and may be rejected.

C.5.b REQUEST FOR CLARIFICATION: Any Proposer requiring clarification of any provision of the RFP may make a request for clarification in writing, to the Single point of contact listed in C.2.b. To be considered, the request for clarification must be received by SPO by the deadline specified in C.5.e.

C.5.c REQUEST FOR CHANGES TO CONTRACTUAL TERMS AND SPECIFICATIONS: Any Proposer may submit a request for changes to contractual terms or specifications, in writing, to the contact point listed in C.2.b. To be considered, the request for changes must be received by SPO by the deadline specified in C.5.e. The request shall include the reason for requested changes, supported by factual documentation, and any proposed changes.

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C.5.d PROTEST OF CONTRACTUAL TERMS OR SPECIFICATIONS: Any Proposer who believes contractual terms or specifications are unnecessarily restrictive or limit competition may submit a protest, in writing, to the contact point listed in C.2.b. To be considered, the protest must be received by SPO by the deadline specified in C.5.e. The protest shall include the legal and factual grounds for the protest, a description of the resulting prejudice to the Proposer if the protest is not granted, and any proposed changes.

C.5.e METHOD OF SUBMITTING REQUESTS FOR MODIFICATION OF RFP PROVISIONS: Envelopes containing requests for clarification, requests for change, and protests shall be marked as follows:

Request for Clarification /Request for Change/Protest
RFP Number
Closing Date

and must be received by SPO by 5:00 P.M. (Pacific time) on 02/17/2006. Unless this specific deadline is extended by subsequent Addenda, no requests for clarification, requests for change, or protests of provisions contained in the originally-issued RFP will be considered after the date specified herein.

C.5.f RESPONSE TO REQUESTS FOR CLARIFICATION OR CHANGE, AND PROTESTS: SPO shall promptly respond to each properly-submitted written request for clarification, request for change, and protest. Where appropriate, SPO will issue revisions and clarify RFP provisions via Addenda posted on ORPIN. SPO may also informally respond to Proposer questions. HOWEVER, INFORMAL RESPONSES DO NOT AFFECT THE PROVISIONS OF THE RFP. SPECIFICATIONS, CONTRACTUAL TERMS, AND PROCUREMENT REQUIREMENTS OF THE RFP CAN ONLY BE CHANGED VIA FORMAL ADDENDA ISSUED BY SPO AND POSTED ON ORPIN.

C.6 PROTEST OF ADDENDA: Requests for clarification, requests for change, and protests of Addenda provisions must be received by SPO by 5:00 P.M. (Pacific time) on the date specified in the Addendum, or they will not be considered. SPO will not consider requests or protests of matters not added or modified by the Addendum.

C.7 PROPOSAL MODIFICATION: Alterations and erasures made before Proposal submission must be individually initialed in ink by the person signing the Proposal. Proposals, once submitted, may be modified in writing before Closing. Modifications made after Proposal submission shall be prepared on company letterhead, be signed by an authorized representative, and state that the modifications supersede or modify the identified portions of the prior Proposal. Failure to comply with the requirements of this paragraph of Section C.7 may result in Proposal rejection.

C.7.a Modifications must be submitted in a sealed envelope marked as follows:

Proposal Modification
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C.7.b Proposers may not modify Proposals after Closing.

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C.8 PROPOSAL SUBMISSION:

C.8.a NUMBER OF COPIES; SIGNATURE REQUIRED: Proposers shall submit a total of seven (7) copies of the Proposal, including all additional information/documentation submitted. AT LEAST ONE PROPOSAL SUBMITTED BY OFFEROR MUST BEAR AN ORIGINAL SIGNATURE ON THE SIGNATURE PAGE. FAILURE TO SUBMIT A PROPOSAL BEARING AN ORIGINAL SIGNATURE WILL RESULT IN REJECTION OF THE PROPOSAL. Failure to submit the proper number of copies will result in imposition of an administrative fee, which must be paid before the Proposal will be evaluated.

C.8.b SEALED ENVELOPE; ADDRESS AND COVER INFORMATION:

C.8.b.1 PROPOSALS: Proposals shall be submitted in sealed packages or envelopes. To ensure proper identification and handling, all packages and envelopes shall be clearly marked as follows:

RFP Number
Closing Date
Closing Time

OREGON DEPT. OF ADMINISTRATIVE SERVICES
STATE PROCUREMENT OFFICE
1225 FERRY STREET SE, U140
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C.8.b.2 PRICING INFORMATION: The pricing portion of the Proposal must be submitted in a SEPARATE sealed package or envelope. In addition to the address and cover information specified in C.8.b(1), the separately-sealed pricing portion must be clearly marked "PRICING INFORMATION."

C.8.b.3 DELIVERY FEES: Proposals must be delivered postage or shipping pre-paid. SPO will not accept Proposal packages with shipping fees or postage due.

C.8.b.4 SPO will not be responsible for the proper handling of Proposals, including the pricing section, not properly identified, marked and submitted in a timely manner.

C.9 PROPOSAL WITHDRAWALS: Proposals may be withdrawn in writing when submitted on company letterhead, signed by an authorized representative, and received by SPO prior to Closing. Proposals may also be withdrawn in person before Closing upon presentation of appropriate identification and evidence of authorization to act for Proposer.

C.10 PROPOSALS CONSTITUTE FIRM OFFERS: Submittal of a Proposal shall constitute Proposer's affirmation that all terms and conditions, including pricing, constitute a binding offer that shall remain firm for a period of one hundred twenty (120) days from date of Closing, unless extended by mutual agreement in writing.

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C.11 OPENING: Opening will be held at 3:30 p.m. (Pacific Time) on the Closing date specified on page one (1) of the RFP, at the State Procurement Office, Department of Administrative Service, in the General Services Building, at 1225 Ferry St. SE, U140, Salem, Oregon 97301-4285. Only Proposers' names will be read at the Opening. It is optional for Proposers to attend Opening. Award decisions will not be made at Opening.

C.12 EVALUATION COMMITTEE REQUESTS FOR FURTHER CLARIFICATION: An Evaluation Committee comprised of representatives of selected State Agencies and ORCPP Members will be established to evaluate Proposals. Proposers must remain available during the evaluation period (30 days after the Closing date specified on page one (1) of the RFP) to respond to requests for additional clarification. The Evaluation Committee may request additional clarification from Proposers of any portion of the Proposal. Proposers must submit written, signed clarification(s) by 5:00 p.m. the business day following receipt of the request, or the Proposal may be rejected as non-responsive.

C.13 REJECTION OF PROPOSALS:

C.13.a REJECTION OF ALL PROPOSALS. SPO may reject all Proposals for good cause upon its finding that it is in the public interest to do so.

C.13.b REJECTION OF PARTICULAR PROPOSALS. SPO may reject a particular Proposal for any of the reasons listed under OAR 125-247-0640.

C.14 PROPOSAL EVALUATION: Proposals will be evaluated to identify the best responsive Proposal submitted by a responsible Proposer and not otherwise disqualified. (Refer to OAR 125-247-0640 (1)(b), and to Section E "Selection/Evaluation Criteria.")

C.14.a RESPONSIVENESS: To be considered responsive, the Proposal must substantially comply with all requirements of the RFP and all prescribed public solicitation procedures. In making such evaluation, SPO may waive minor informalities and irregularities.

C.14.b RESPONSIBILITY: Prior to award of a Contract, SPO may investigate Proposer and request information in addition to that already required in the RFP, when SPO, in its sole discretion, considers it necessary or advisable in order to evaluate whether the Proposer meets the applicable standards of responsibility identified in OAR 125-247-0640(1)(c)(F).

C.14.c RECIPROCAL PREFERENCE: For Proposal price evaluation purposes only, SPO will add a percent increase to each out-of-state Proposer's Proposal price which is equal to the percent preference, if any, given to resident Proposers of the Proposer's state. For example, if the Proposer is from a state that grants a ten percent (10%) preference to local Proposers, SPO will add ten percent (10%) to that Proposer's Proposal price. Price adjustments made to account for reciprocal preferences will be for Proposal pricing section evaluation purposes only. No such adjustments shall operate to amend Proposer's Proposal or any Price Agreement awarded pursuant thereto.

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C.15 (Reserved)

C.16 PROCESSING OF PROPOSALS: Neither the return of a Proposal, nor acknowledgment that the selection process is complete, shall operate as a representation by SPO that any Proposal submitted was complete, sufficient, or lawful in any respect.

C.17 WITHDRAWAL BY SPO OF PROPOSAL ITEMS PRIOR TO AWARD: SPO reserves the right to delete Proposal items or award categories. The deletion of one or more Proposal items or award categories will not affect the method of award.

C.18 INTENT-TO-AWARD ANNOUNCEMENT: SPO reserves the right to announce its intent to award prior to formal Contract award by posting the tabulation sheet of Proposal results on ORPIN, or by letter or fax ("Intent-to-Award Announcement"). The Intent-to-Award Announcement shall serve as notice to all Proposers that SPO intends to make an award.

C.19 REVIEW OF PROPOSAL FILES: Proposers shall have seven (7) calendar days from the date of the Intent-to-Award Announcement within which to view the Proposal files (by appointment).

C.20 PROTEST OF INTENT TO AWARD: Adversely affected or aggrieved Proposers shall have seven (7) calendar days from the date of the Intent-to-Award Announcement within which to file a written protest. Protests submitted after that date will not be accepted. Protests must specify the grounds upon which the protest is based (Refer to OAR 125-247-0740.)

C.21 RESPONSE TO INTENT-TO-AWARD PROTESTS: SPO will respond in writing to properly-filed intent-to-award protests submitted by adversely affected or aggrieved Proposers. However, any response provided by SPO is not intended to, and shall not in and of itself constitute, confirmation that the Proposer is, in fact, adversely affected or aggrieved, and therefore entitled to protest an intent to award.

C.22 AWARD: After expiration of the seven (7) calendar-day file review and intent-to-award protest period, and resolution of all protests, SPO will proceed with final award.

C.23 REVIEW OF AWARDED PROPOSAL FILES: Awarded Proposal files are public records and available for review at the State Procurement Office by appointment.

C.24 PARTICULAR PROPOSAL ISSUES:

C.24.a INSURANCE. The apparent successful Proposer shall provide all required proofs of insurance to SPO within ten (10) calendar days of notification of intent to award. Failure to present the required documents within the ten (10) calendar-day period may result in Proposal rejection. Proposers are encouraged to consult their insurance agent(s) about the insurance requirements contained in the RFP prior to Proposal submission.

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C.24.b MANDATORY PRE-PROPOSAL CONFERENCE: A mandatory pre-proposal conference is scheduled for:

Date: 02/03/2006
Time: 2:00 PM
Location: Veteran's Auditorium
700 Summer St. NE
Salem, OR 97301.

The purpose of the mandatory pre-Proposal conference is to provide interested Proposers with any necessary clarification of the requirements of the RFP and to give the Proposers an opportunity to ask questions regarding the RFP requirements. Attendance is mandatory. Regardless of statements made at the conference, Proposers are cautioned that RFP requirements will change only if confirmed by a written Addendum to the RFP documents issued by DAS Central Purchasing. All Addenda will be made available to all Proposers through the ORPIN.

NOTE: DUE TO THE COMPLEXITY OF THIS RFP, IT IS REQUIRED THAT POTENTIAL PROPOSERS ATTEND THE PRE-PROPOSAL CONFERENCE. FAILURE TO ATTEND THIS PRE-PROPOSAL CONFERENCE WILL DISQUALIFY PROPOSERS FROM SUBMITTING PROPOSALS FOR THIS RFP.

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SECTION D - PROPOSAL ELEMENTS (MANDATORY REQUIREMENTS, DESIRABLE FEATURES,
PRICING SECTION)

D.1 GENERAL INFORMATION: The State of Oregon (DAS) is seeking contractor(s) to provide comprehensive services for collections of delinquent debts owed to Oregon state agencies/departments, boards or commissions, and any ORCPP members. The State's objective is to enter into Price Agreement(s) that will provide comprehensive services.

These state agencies are responsible for the collection of delinquent debts from in-state and out-of-state debtors whose debts include but are not limited to Oregon state taxes, penalties and interest. This includes, but is not limited to liabilities owed by individuals or businesses for all programs administered by State of Oregon departments, agencies, boards and commissions, and any ORCPP members. The contractor shall provide all labor and materials necessary to complete the required services, including items such as supplies, equipment, vehicles and incidentals. All charges or fees (excluding those fees associated with the Contractor Recovery Amount identified in I.7 and I.8) including bank fees and card processing fees are the responsibility of the Contractor.

Collection activities shall be in compliance with federal, State and local laws and regulations and shall be conducted in a courteous and businesslike manner.

Our expectation of any collection firm we contract with is that their values align with our values of highly ethical conduct, operational excellence, fiscal responsibility, respect for ourselves and others, and responsiveness to our customers. We also expect all Authorized Purchaser representatives to build long term positive relationships with our customers to help increase voluntary compliance with the payment of state debts.

Upon notification to Contractor, the Authorized Purchaser may withdraw any and all accounts referred to Contractor. The Authorized Purchaser may withdraw an account, in writing or verbally.

The proposed Price Agreement(s) shall be for an initial term to begin on July 1, 2006, and expiring on June 30, 2007. All future renewal periods will be from July 1 to June 30, beginning July 1, 2007.

The selected Contractor(s) should be aware that it may take some time after award or issuance of a Notice to Proceed for the transfer of accounts held for collection by previous contractors to the selected Contractor(s).

This period is anticipated to be approximately ninety (90) days. The State shall have the sole authority to propose extensions of the contract for additional periods not to exceed a total Price Agreement term of five years. The State reserves the right to make multiple awards if it is in the State's best interest to do so. The State reserves the right to delete or withdraw any items or categories from the RFP, before Price Agreement award.

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D.2. AUTHORIZED PURCHASER BACKGROUND INFORMATION: As specified in ORS 293.231 et seq., a state agency, unless otherwise prohibited by law or exempted by rule, shall offer for assignment every liquidated and delinquent account to a private collection agency or to the Department of Revenue as provided in ORS 293.250.

D.2.a. EXCEPTION: ORS 305.850 authorizes the Department of Revenue to engage the services of a collection agency to collect any taxes, interest and penalties resulting from an assessment of taxes and assign such debts to the agency for collection purposes only. In consideration for such services, ORS 305.850 authorizes the Authorized Purchaser to pay reasonable charges on a contingent fee basis.

D.3. CONFIDENTIALITY: Both federal and state law protects the confidentiality of information contained in tax returns and other correspondence used to collect a debt. This includes all of the information which the Authorized Purchaser will be forwarding to the contractor when assigning debts for collection.

Contractor shall be considered an agent of the Department of Revenue for the purposes of protecting such confidentiality only and shall be subject to the same disclosure and secrecy agreements as any employee of the Department of Revenue. Copies of disclosure and secrecy agreements may be obtained by contacting Renee Sibley at (503)945-8135.

D.4. VOLUME OF LIQUIDATED AND DELINQUENT ACCOUNTS AS OF 6/30/05:

NUMBERS	DOLLARS
1,466,853	\$1,510,569,800

D.4.a. COLLECTION FIRM STATISTICS FY 2005:

Year	Dollars <u>Collected</u>	Inventory <u>Assigned</u>	\$ of Assigned <u>Accounts</u>
2005	\$14,877,523	591,119	\$440,487,527

The statistics in D.4 and D.4.a are as reported by state agencies to the Legislative Fiscal Office.

The State of Oregon in no way represents, warrants or guarantees the minimum or maximum amount of accounts that may be forwarded for collection under this Price Agreement. Contractor agrees that it shall not have, and shall not make, any claim against the State or against any Authorized Purchaser based on the number or amounts of accounts that may or may not be forwarded for collection under this Price Agreement.

Contractor understands and agrees that there are no minimum or maximum number of Authorized Purchasers required to forward accounts to the Contractor under this Price Agreement, and there is no guarantee on the number or amounts of accounts that may be forwarded to Contractor by an Authorized Purchaser. In the event one Authorized Purchaser withdraws its accounts from collection under this Price Agreement, the accounts of other Authorized Purchasers will remain in place, and the Price Agreement shall remain in full force and effect with respect to the remaining accounts.

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D.5. THE MANDATORY REQUIREMENTS: The Mandatory Requirements describe the minimum qualifications, service(s) compatibility, and performance requirements that all proposals must comply with. Proposals that do not literally comply with all Mandatory Requirements of this Part will be rejected. Each Proposer shall respond in writing to EACH Mandatory Requirement. Proposers must give a detailed description of how their proposal complies with the Mandatory Requirements of the RFP.

Only proposals that 100% comply with the Mandatory Requirements will be evaluated for Desirable Features. After the Proposer has met all Mandatory Requirements, the evaluation team, comprised of representatives from selected state agencies and ORCPP members, will evaluate and assign points to the Desirables.

D.5.a. Proposer shall submit a business plan to provide collection services. The business plan shall include all elements necessary to provide comprehensive collection services to include but not limited to the following:

- (1) Clear listing of what states that Contractor is licensed to perform services in.
- (2) Clearly written description of the procedures used to locate debtors.
- (3) Clearly written description of how collection attempts will be made (i.e., collection letters, telephone contacts, personal contacts, asset location attempts, forwarding to an office in the same geographic area as the debtor, internal company timelines for each action, etc.). Attach a sampling of collection letters used. These sample letters MUST NOT include real debtor names or identifying numbers or addresses.
- (4) The method of documenting collection attempts.
- (5) A description of the methods used for recording, verifying and reporting of services performed, and for the control of funds. Describe your record keeping process, how it will comply with the RFP requirements such as no collection charges on payments to Authorized Purchaser in the first 30 days after assignment, and how the Authorized Purchaser can gain access to records upon request.
- (6) A description of out-of-state offices, affiliates or call centers, if any, to which Proposer intends to forward accounts, including the geographic locations of such offices or affiliates, the address, telephone number, email address, and key contact name. Due to information security and personal identity theft concerns, at no time may accounts, account files, or any information about a debtor that would permit the identification of the individual debtor be forwarded to offices outside the United States or be disclosed outside the United States.

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D.5.b. Proposer shall provide samples (no real debtor information) of measurement reports summarizing collection activities and results that the Proposer has provided to clients, both on an account-by-account basis and on a monthly, quarterly, or annual basis. The format of the measurement reports may change from Authorized Purchaser to Authorized Purchaser.

D.5.c. Proposer shall provide a statement that specifies the number of accounts monthly on which the Proposer can timely and effectively provide collection services in accordance with the RFP requirements. For example, "our firm can work an additional 10,000 accounts at the current staff level, for each 5,000 accounts above 10,000 we would hire one (1) additional collector".

D.5.c.1 If DAS determines through examination of records (as referred to in F.22) that Contractor has not maintained staffing levels in accordance with D.5.c, DAS may exercise the option to terminate the contract for material breach.

D.5.d. Proposer shall describe its philosophy and approach used in the collection of delinquent and/or repeat debtors.

D.5.e. Proposer shall provide a narrative response to this question: What does your firm believe is a reasonable amount of time to collect a debt?

D.5.f. Except as identified in I.7 and I.8 regarding the Contractor Recovery Amount, at no time may Contractor pass any fee or charge on to the debtor.

D.5.g. The Authorized Purchaser and DAS reserve the right at any time after Price Agreement award or during the term of the Price Agreement, including extensions, to verify the Contractor's employees compliance with Oregon tax laws. Contractor will be required to submit an authorization to disclose tax information, which authorizes the release tax compliance information to DAS. Findings of non-compliance may be cause for Price Agreement termination.

D.5.h Proposer will supply a current copy of its Business Continuity Plan and testing plans. The Business Continuity Plan must identify the timeframe for resuming operation.

D.5.i Proposer will provide a written description of current data encryption capabilities (if applicable), systems access and information technology security protocols for all systems and/or file transfers. If selected for a contract, proposer must conform to any system and file security protocol standards that are required fby DAS Enterprise Security Office and/or Authorized Purchaser. If the State standards are changed during the term of the Price Agreement, Contractor will be notified in writing and have sixty (60) days to provide a written confirmation of compliance.

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D.5.j Proposer shall document how it will systematically identify accounts assigned under this Price Agreement and ensure that all terms and conditions are upheld from the date of assignment by Authorized Purchaser.

D.6. DESIRABLES: The Desirable Requirements for this Part specify features or functions which will further improve and enhance the level of service and support. Responses to Desirable Requirements are optional; however, points will be awarded based on how well the Proposers response complies with each Desirable item and its value to the State (refer to E.3 for more information regarding scoring). If you choose not to reply to a Desirable your total point score will be less than a Contractor that is able to deliver every Desirable. Responses must be in written narrative form.

D.6.a How do you document collection attempts? (i.e., Manual or computerized recording)

D.6.b What methods do you use to locate debtors? (Please list)

D.6.c Please describe your collection methods based on dollar amount. For example an account less than \$500 vs. an account over \$5,000.

D.6.d Ethical and Customer Service Oriented approach used in Collection Process

D.6.d.1 Have you ever had a violation upheld with the Federal Trade Commission, Department of Consumer Business Services or Better Business Bureau?

D.6.d.2 Describe any customer service features you offer to the debtor. (i.e., payment options, business hours, toll free numbers, bi-lingual staff, etc.)

D.6.e List any local or national trade organizations that you are a member of. Attach a copy of certificate for each organization.

D.6.f What alternative or electronic debtor payment options do you accept? For example, debit or credit cards, ACH, etc. (Note: Convenience fees or bank charges are the responsibility of the Contractor and cannot be passed to the debtor)

D.6.g Describe any information about unique or additional services (i.e., Web access to account records, guaranteed collection rates) you offer (at no additional charge) that will be available to an Authorized Purchaser under this Price Agreement.

SECTION E - SELECTION/EVALUATION CRITERIA

E.1 EVALUATION COMMITTEE: An Evaluation Committee will be established composed of representatives from selected State agencies and ORCPP members. Each Committee member will conduct his/her own evaluation of each Proposal, and will assign points for Desirable Features and points for pricing. Points will be added for a final total.

E.2 MANDATORY REQUIREMENTS: Mandatory Requirements will be evaluated by the Evaluation Committee on a pass/fail basis. Those proposals which do not comply with all Mandatory Requirements will be rejected.

Those proposals that comply with the Mandatory Requirements will be evaluated on the Desirable Features.

E.3 DESIRABLE FEATURES: Desirable Features specify criteria which provide the level of service required by the Authorized Purchaser. Points will be awarded based on how well the Proposer's response complies with each Desirable Feature and its value to the Authorized Purchaser. Maximum point values are assigned to indicate the relative importance of each category. All scores will be rounded to the nearest whole number. Categories and point value ranges are as follows.

- | | |
|--|-----------|
| E.3.a Method of Documenting Collection Attempts: | 60 Points |
| E.3.b Method of Locating Debtors: | 50 points |
| E.3.c Type of Collection based on Dollar Amount: | 80 Points |
| E.3.d Ethical and Customer Service Oriented approach used in Collection Process: | |
| 1. Adherence to Fair Debt Collection Act: | 80 Points |
| 2. Customer service features | 60 points |
| E.3.e Members of trade organizations
(Include a copy of certificate for each member) | 30 Points |
| E.3.f Alternative debtor payment options | 60 Points |
| E.3.g Additional services offered (ie. Web access to account Records, guaranteed collection rates) | 80 Points |

Total Desirable points: 500

E.3.h The minimum number of Desirable points to be considered for award is 350.

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E.4 PROPOSER QUALIFICATIONS AND REFERENCES: Proposer shall submit at least six (6) independent references from clients with the largest number of accounts in the 2005 fiscal year (July-June). A minimum of three (3) references must be from Government agencies but not limited to Oregon agencies. No more than one (1) reference can be from an Oregon State Agency.

For each reference list:

- a. Business name
- b. Individual contact name, and title
- c. Telephone number of contact
- d. A brief description of the business activity of the entity and services provided by the Proposer and dates the services were provided.

It is the Proposer's responsibility to ensure that the contact names and telephone numbers are current. References to entities which are owned by the Proposer or any of its subcontractors, or are owned by an individual or entity which also owns a significant interest in the Proposer or any subcontractor, are not acceptable and do not comply with the requirement of this subsection.

References will be contacted to provide responses to questions from the following general categories regarding services:

1. Type of accounts collected
2. Documentation provided (such as inventory reports or account history reports)
3. Accessibility
4. Customer Service
5. Problem resolution
6. Collection Performance

The Evaluation Committee will attempt to contact each reference. A maximum of three attempts will be made. If the three attempts are unsuccessful, the Proposer will receive zero points for that reference. For references contacted and questioned, each reference will be asked one question from each category (the same question to all Proposers references). The Committee will rate the Proposers performance, regarding that question, on a scale from 1 to 5, 5 being the best.

(6 questions x 5 points possible per each question equals 30 points per reference with a maximum of 180 points for each Proposer.)

NOTE: The minimum number of Proposer Qualification and Reference points to be considered for award is 130.

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E.5 EVALUATION COMMITTEE SCORING: Desirable Features will be evaluated by the Evaluation Committee on a point system, with a maximum potential score of six hundred eighty (680) points. Points will be awarded based upon how well Proposer's response to Desirable Features meets the desired requirements. Maximum point values are assigned to indicate the relative importance of each Desirable. All final scores are rounded to the nearest whole number. Any Proposer that does not meet the minimum point requirements for both Desirables and References will not be considered for award.

E.6 PRICING: Proposals meeting the Mandatory Requirements as well as the minimum point requirements for Desirables and References shall be evaluated for pricing. Pricing points will be awarded based upon the collection fees proposed in Section J, with a maximum potential Pricing Point Score of 220 points. For purposes of scoring the pricing proposals in Section J, DAS shall determine a "net collection rate" using the following calculation:

Category I: _____ % X 0.75 = Net rate Category I
Category II: _____ % X 0.25 = Net rate Category II
"net collection rate" = Net rate Category I + Net rate Category II

"Net collection rate" Example calculation:

	Bid	Weight	Net
Category I	20%	75%	15.00%
Category II	10%	25%	2.50%
"Net Collection Rate" =			17.50%

Proposals will be awarded a percentage of the maximum potential Pricing Point Score based upon the "net collection rate". The lowest "net collection rate" shall be awarded the maximum 220 points, while higher "net collection rate" shall receive a percentage of the maximum points. Points will be determined by the following methodology. The lowest percent offered divided by the next lowest percent offered to receive a percentage. That percentage multiplied by 220 to calculate the points. Example:

Proposer A offers 20 %, Proposer B offers 22%, Proposer C offers 25%.

Proposer A receives 220 Points
Proposer B receives 200 Points $20/22 = .90$ $.90 \times 220 = 200$
Proposer C receives 176 Points $20/25 = .80$ $.80 \times 220 = 176$

E.7 TOTAL SCORE: The Desirable Feature point score total established by the Evaluation Committee will be added to the Pricing Point Score total for Proposer's point score total, with a maximum potential score of nine hundred (900) points. The Committee will review the results of their evaluation of the finalists. The findings of the Committee will be summarized and recommendation forwarded to SPO, which will approve or reject the evaluation.

E.8 (Reserved)

E.9 AWARD: Will be made to the responsible Proposer(s) with whom the negotiation team is able to reach agreement on terms in accordance with the procedures set out in 125-247-0600(4)(a)(d). The State intends to award contracts to ten (10) Contractors as a result of this RFP. However, the

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State reserves the right to increase or decrease the number of contracts awarded based on the results of the evaluation and scoring.

The Proposer(s) will be listed with DAS for Authorized Purchasers to contract with for collection services throughout the Price Agreement period. The review committee will summarize information on each successful Proposer to be used during the Price Agreement period to help state agencies select Contractor(s) to purchase services based upon the information.

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SECTION F - STANDARD SERVICE CONTRACT TERMS AND CONDITIONS

F.1 ORDER OF PRECEDENCE: The printed terms and conditions set out in this Section F are the Oregon Standard Service Contract Terms and Conditions established for trade services. The State may also provide Special Terms and Conditions in Section G, which apply only to the Contract awarded as a result of this solicitation. Whenever possible, all terms and conditions are to be harmonized. In the event of a conflict between the Standard and Special Terms and Conditions, the Special Terms and Conditions take precedence, unless the Standard term in question is required by law. In the event of any other conflict, the Contract shall be interpreted utilizing the following order of precedence: (i) the Special Terms and Conditions, (ii) these Standard Terms and Conditions, (iii) the remaining portions of the Request for Proposal, and (iv) the Proposal.

F.2 INVOICES: Contractor shall invoice Authorized Purchaser as required in Section I.10.d.

F.3 PAYMENT; OVERDUE ACCOUNT CHARGES: Payment shall be due and owing no later than forty five (45) days from date of acceptance of Services or expiration of the acceptance period, whichever occurs first. Contractor may only assess overdue account charges, in accordance with the provisions of ORS 293.462(3), up to a maximum rate of two-thirds of one percent per month (8% per annum).

F.4. PAYMENT ADDRESS: Payment shall be sent to Contractor at the address specified in the invoice.

F.5 SOURCE OF FUNDS; FUNDS AVAILABLE AND AUTHORIZED: Contractor shall look solely to Authorized Purchaser for payments due and owing under the Contract. Authorized Purchaser has sufficient funds available and authorized within its biennial appropriation or limitation to finance the cost of purchases under this Price Agreement prior to the end of the current biennium. Contractor understands and agrees that any Authorized Purchaser's payment of any amounts under the Contract attributable to purchases made after the last day of the current biennium is contingent on the Authorized Purchaser's receiving from the Oregon Legislative Assembly, where applicable, appropriations, limitations, or other expenditure authority sufficient to allow the Authorized Purchaser, in the exercise of its reasonable administrative discretion, to continue to make payments under the Contract

F.6 MOST FAVORABLE PRICES AND TERMS: Contractor represents that all prices, terms and benefits offered by Contractor are equal to or better than the equivalent prices, terms and benefits being offered by Contractor to any other State or local government unit.

F.6.a Should Contractor, during the term of this Price Agreement, enter into any contract, agreement or arrangement that provides lower prices, more favorable terms or greater benefits to any other government unit, this Price Agreement shall thereupon be deemed amended to provide the same price or prices, terms and benefits to the

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Authorized Purchasers. This provision applies to comparable Services, and to purchase volumes by the Authorized Purchaser that are not less than the purchase volumes of the government unit that has received the lower prices, greater benefits or more favorable terms.

F.6.b Donations of Goods or Services to charitable, nonprofit or government entities, if the donations are recognized as such and are deductible under the federal Internal Revenue Code, shall not be considered contracts, agreements, sales or arrangements with other government units that call for the application of this paragraph.

F.7 INSPECTIONS/ACCEPTANCE: The Authorized Purchaser shall have forty five (45) calendar days from date of receipt of the Contractor's invoice within which to review for accuracy. If the Authorized Purchaser identifies any errors or disputes any charges, the Authorized Purchaser shall provide Contractor with written notification of the error or dispute. Authorized Purchaser shall pay any non-disputed items according to F.3.

F.7.a CURE:

F.7.a.1 SERVICES. Authorized Purchaser may elect to have the Contractor perform remedial Services that comply with the Contract specifications and warranties, or may, in its sole discretion, have the Services performed by other forces and charge the cost to Contractor.

F.7.a.2 Nothing in this Section F.7.a shall preclude Authorized Purchaser from other remedies to which it may be entitled.

F.8. WARRANTIES:

F.8.a AUTHORITY; BINDING OBLIGATION. Contractor represents and warrants that Contractor has the power and authority to enter into and perform this Price Agreement and that this Price Agreement, when executed and delivered, shall be a valid and binding obligation of Contractor enforceable in accordance with its terms.

- F.8.b WARRANTY ON SERVICE STANDARDS. Contractor warrants that all Services to be performed under this Price Agreement shall be performed in accordance with the highest applicable professional or industry standards, and that only workmanship of the first quality shall be employed in the performance of this Price Agreement.

- F.8.c WARRANTIES CUMULATIVE. The warranties set forth in this section are in addition to, and not in lieu of, any other warranties provided in this Price Agreement. All warranties provided in this Price Agreement shall be cumulative, and shall be interpreted expansively so as to afford the State the broadest warranty protection available.

F.9 INDEPENDENT CONTRACTOR; RESPONSIBILITY FOR TAXES AND WITHHOLDING:

F.9.a Contractor shall perform all required Services as an independent contractor. Although Authorized Purchaser reserves the right

(i) to determine (and modify) the delivery schedule for the Services to

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be performed and
(ii) to evaluate the quality of the completed performance, Authorized Purchaser cannot and will not control the means or manner of Contractor's performance. Contractor is responsible for determining the appropriate means and manner of performing the Services.

F.9.b If Contractor is currently performing work for the State or the federal government, Contractor warrants and certifies that: Contractor's performance of Services under this Price Agreement creates no potential or actual conflict of interest as defined by ORS 244 and no rules or regulations of Contractor's employing agency (state or federal) would prohibit Contractor's performance of Services under this Price Agreement. Contractor is not an "officer", "employee", or "agent" of the State or of any Authorized Purchaser, as those terms are used in ORS 30.265.

F.9.c Contractor shall be responsible for all federal or State taxes applicable to compensation or payments paid to Contractor under this Price Agreement, and unless Contractor is subject to backup withholding, Authorized Purchaser will not withhold from such compensation or payments any amount(s) to cover Contractor's federal or State tax obligations. Contractor is not eligible for any social security, unemployment insurance or workers' compensation benefits from compensation or payments paid to Contractor under this Price Agreement, except as a self-employed individual.

F.10 COMPLIANCE WITH APPLICABLE LAWS AND STANDARDS:

F.10.a Contractor shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to this Price Agreement. Without limiting the generality of the foregoing, Contractor expressly agrees to comply with the following laws, regulations and executive orders to the extent they are applicable to the Contract: (i) Titles VI and VII of Civil Rights Act of 1964, as amended; (ii) Sections 503 and 504 of the Rehabilitation Act of 1973, as amended; (iii) the Americans with Disabilities Act of 1990, as amended; (iv) Executive Order 11246, as amended; (v) The Age Discrimination in Employment Act of 1967, as amended, and the Age Discrimination Act of 1975, as amended; (vi) The Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended; (vii) ORS Chapter 659, as amended; (viii) all regulations and administrative rules established pursuant to the foregoing laws; and (ix) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. The laws, regulations, and executive orders applicable to this Price Agreement are incorporated by reference where so required by law. For public Contracts as defined in ORS 279A.020. Authorized Purchaser's performance is conditioned upon Contractor's compliance with ORS ORS 279B.020 279B.230 and 279B, the terms of which are incorporated by reference into such Contracts.

F.10.b In the event of a conflict between the drawings and/or specifications, if any, and applicable federal or State laws, the federal or State laws shall prevail. Provided, however, in the event any conflict is based solely upon minimum standards such as quality or safety, the

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higher or more stringent standard shall apply. Contractor shall be responsible for making any modifications required to achieve compliance with the required laws and standards. Contractor shall notify Authorized Purchaser immediately of any such required modifications upon receipt of knowledge or notification of such.

F.10.c In the sole discretion of DAS, a change in the law or recall of a Good frustrates the purpose of this Price Agreement or would result in a change in contract price, DAS may terminate this Price Agreement without penalty. Contractor's remedy shall be limited to reimbursement for the percentage of the Services completed. In the alternative, if price renegotiation or amendment is available to DAS, DAS may require Contractor to complete necessary modifications, where applicable, in a timely manner. In such case, where applicable, the parties shall negotiate the price of necessary changes in good faith.

F.11 FOREIGN CONTRACTOR: If the amount of a Contract with an Oregon Authorized Purchaser exceeds \$10,000 and if Contractor is not domiciled in or registered to do business in the State of Oregon, Contractor shall promptly provide to the Oregon Department of Revenue all information required by that Department relative to the Contract. The Oregon Authorized Purchaser shall be entitled to withhold final payment under the Contract until Contractor has met this requirement.

F.12 SAFETY AND HEALTH REQUIREMENTS: Contractor warrants that Goods and Services provided under this Price Agreement comply with all applicable federal health and safety standards, including but not limited to, Occupational Safety and Health Administration (OSHA), and with all Oregon safety and health requirements, including, but not limited to, those of the State Workers' Compensation Division.

F.13 MATERIAL SAFETY DATA SHEET: Contractor shall provide the Authorized Purchaser with a Material Safety Data Sheet as defined by the Occupational Safety and Health Administration (OSHA) for any Goods provided under this Price Agreement which may release or otherwise result in exposure to a hazardous chemical under normal conditions of use. In addition, Contractor must label, tag or mark such Goods.

F.14 RECYCLED PRODUCTS: Contractor shall use recycled and recyclable products to the maximum extent economically feasible in the performance of all Contracts with Authorized Purchasers subject to ORS 279B.270. These products shall include recycled paper, recycled PETE products, as defined in ORS 279A.010(ff), and other recycled plastic resin products. Contractor shall specify the minimum percentage of recycled product used.

F.15 TIME IS OF THE ESSENCE: Contractor agrees that time is of the essence in Contractor's performance of its obligations under this Price Agreement.

F.16 FORCE MAJEURE: Neither Authorized Purchaser nor Contractor shall be held responsible for delay or default caused by fire, riot, acts of God, war, or any other cause which is beyond the party's reasonable control. Contractor shall, however, make all reasonable

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efforts to remove or eliminate such a cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under the Contract. The Authorized Purchaser may terminate the Contract upon written notice after reasonably determining that such delay or default will likely prevent successful performance of the Contract.

F.17 EVENTS OF DEFAULT:

F.17.a CONTRACTOR. Contractor shall be in default under this Price Agreement and under any Contract with an Authorized Purchaser if:

F.17.a.1 Contractor commits any material breach or default of any covenant, warranty, certification, or obligation it owes under this Price Agreement or under any Contract with an Authorized Purchaser;

F.17.a.2 Contractor institutes an action for relief in bankruptcy or has instituted against it an action for insolvency; makes a general assignment for the benefit of creditors; or ceases doing business on a regular basis of the type identified in Contractor's obligations under this Price Agreement; or

F.17.a.3 Contractor attempts to assign rights in, or delegate duties under, this Price Agreement or any Contract, or sells or otherwise transfers title or an ownership interest in rented Goods.

F.17.a.4 If Contractor fails to comply with any procedures required by an Authorized Purchaser or the laws or regulations applicable to a particular Authorized Purchaser, such failure shall constitute a default under this Price Agreement and under any Contract with an Authorized Purchaser. Upon the occurrence of such an event of default, the State of Oregon may, in its discretion, immediately terminate this Price Agreement and the affected Authorized Purchaser may immediately withdraw its accounts from Contractor.

F.17.a.5 Contractor shall not, under any circumstances, violate Fair Debt Collection Laws or any federal or state law, including but not limited to disclosure and confidentiality laws. Any such violation will result in immediate termination of this Price Agreement.

F.17.a.6 The Contractor shall collect no more interest than that authorized and approved as detailed in its Purchase Order Agreement with an Authorized Purchaser. Any additional interest charges not approved or authorized by the Authorized Purchaser is a violation of the law, ORS 646.639(2)(n), and will be grounds for cancellation of this Price Agreement and of any Contract with an Authorized Purchaser, and grounds for review by the Department of Justice for possible prosecution.

F.17.a.7 If DAS determines through examination of records (as referred to in Section F.22) that Contractor has not maintained minimum staffing levels as proposed in Section D.5.c, DAS may exercise the option to terminate this Price Agreement for material breach.

F.17.b ADDITIONAL REMEDIES FOR CONTRACT VIOLATIONS. In addition to, and not in limitation of, the remedies provided in Section F.17.a and elsewhere in this Price Agreement, DAS may, by providing Contractor written notice of Contractor's Contract violation, take the following Contract enforcement actions. Contractor and DAS understand and agree that the determination of the actual damages sustained by the State as a result of the Violations identified below would be extremely difficult, and that the remedies provided below constitute the equivalent of liquidated, and not a penalty.

F.17.b.1. MINOR VIOLATIONS.

For the purposes of this Section F.17.b., Minor Violations consist of Contractor's violation of the following provisions (including subsections) of this Price Agreement:

(i)	F.22	(ii)	I.2.a
(iii)	I.2.b	(iv)	I.2.d
(v)	I.2.e	(vi)	I.5.a
(vii)	I.6.a	(viii)	I.6.c
(ix)	I.6.g	(x)	I.6.h
(xi)	I.6.o	(xii)	I.6.p
(xiii)	I.10	(xiv)	I.11
(xv)	I.12		

Each violation of any Section identified above with respect to a single debt account constitutes a separate violation.

For a First Minor Violation, DAS will issue to Contractor a Reminder Letter that identifies the violation and directs Contractor to cure the Minor Violation;

For a Second Minor Violation of the same Section of this Price Agreement, DAS will issue to Contractor a Warning Letter that identifies the First and Second Minor Violation, directs Contractor to cure the Second Minor Violation (and any previous Minor Violation that Contractor has not cured), and warns Contractor that a Third Minor Violation will result in the suspension of assignments of new debt accounts to Contractor;

For a Third Minor Violation of the same Section of this Price Agreement, DAS will issue to Contractor a Suspension Letter that identifies the First, Second and Third Minor Violations, directs Contractor to cure the Third Minor Violation (and any previous Minor Violations that Contractor has not cured), and imposes a 60-day suspension of assignments of new debt accounts to Contractor.

For a Fourth Minor Violation of the same Section of this Price Agreement, DAS will issue to Contractor a Suspension Letter that identifies the prior Minor Violations, directs Contractor to cure the Fourth Minor Violation (and any previous Minor Violation that Contractor has not cured), imposes a new, 90-day suspension of assignments of new debt accounts to

Contractor, and imposes a withholding by DAS of Contractor's Collection Charges (defined in Section I.12.g.) under this Price Agreement for a period of thirty (30) days.

A Fifth Minor Violation of the same Section of this Price Agreement shall constitute sufficient grounds for DAS to terminate this Price Agreement, effective on the delivery of written notice of termination to Contractor.

F.17.b.2. MAJOR VIOLATIONS.

For the purposes of this Section F.17.b, Major Violations consist of Contractor's violation of the following provisions of this Price Agreement:

(i)	F.24	(ii)	F.29
(iii)	G.4	(iv)	G.5.f
(v)	G.9	(vi)	I.1.b
(vii)	I.1.c	(viii)	I.1.d
(ix)	I.2.c	(x)	I.3.a
(xi)	I.3.b	(xii)	I.4.a
(xiii)	I.5.b	(xiv)	I.5.c
(xv)	I.6.b	(xvi)	I.6.d
(xvii)	I.6.e	(xviii)	I.6.f
(xix)	I.6.i	(xx)	I.6.j
(xxi)	I.6.l	(xxii)	I.6.m
(xxiii)	I.6.n	(xxiv)	I.6.q
(xxv)	I.7	(xxvi)	I.8

Each violation of any section identified above with respect to a single debt account constitutes a separate violation.

For a First Major Violation, DAS will issue to Contractor a Warning Letter that identifies the violation, directs Contractor to cure the Major Violation, and warns Contractor that a Second Major Violation will result in the suspension of assignments of new debt accounts to Contractor;

For a Second Major Violation of the same Section of this Price Agreement, DAS will issue to Contractor a Suspension Letter that identifies the First Major Violation, directs Contractor to cure the Second Major Violation (and any previous Major Violations that Contractor has not cured), and imposes a 90-day suspension of assignments of new debt accounts to Contractor.

For a Third Major Violation of the same Section of this Price Agreement, DAS will issue to Contractor a Suspension Letter that identifies the prior Major Violations, directs Contractor to cure the Third Major Violation (and any previous Major Violation that Contractor has not cured), imposes a new, 120-day suspension of assignments of new debt accounts to Contractor, and imposes a withholding by DAS of Contractor's Collection

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Charges (defined in Section I.12.g.) under this Price Agreement for a period of thirty (30) days.

A Fourth Major Violation of the same Section of this Price Agreement shall constitute sufficient grounds for DAS to terminate this Price Agreement, effective on the delivery of written notice of termination to Contractor.

F.17.b.3. Minor and Major Violations will continue to accumulate throughout the term of this Price Agreement and any extensions of this Price Agreement.

F.17.b.4. During any period of the suspension of the assignment of new debt accounts to Contractor and any period of withholding of Contractor's Collection Charges under this Price Agreement, Contractor must continue to pursue collection on those accounts already assigned to Contractor in accordance with the requirements of this Price Agreement. Contractor's failure or refusal to so pursue collection action shall constitute sufficient grounds for DAS to immediately terminate this Price Agreement.

F.17.c AUTHORIZED PURCHASER. Authorized Purchaser shall be in default under the Contract if it commits any material breach or default of any covenant, warranty, certification, or obligation it owes under the Contract.

F.18 TERMINATION:

F.18.a MUTUAL CONSENT. This Price Agreement and any Contract with an Authorized Purchaser may be terminated at any time by mutual written consent of the parties to the Price Agreement or Contract.

F.18.b AUTHORIZED PURCHASER. SPO shall act on behalf of Authorized Purchasers in terminating this Price Agreement.

F.18.b.1 FOR CONVENIENCE. SPO may, without penalty to the State or any Authorized Purchaser, and at its sole discretion, terminate this Price Agreement at any time, in whole or in part, for convenience.

F.18.b.2 LACK OF FUNDING/LEGAL PROHIBITION. Authorized Purchaser is excused from performance, and SPO may without penalty to the State or any Authorized Purchaser terminate this Price Agreement and any Contract with an Authorized Purchasere, in whole or in part, immediately upon notice to Contractor, or at such later date as SPO may establish in such notice, upon the occurrence of any of the following events:

(i) Authorized Purchaser fails to receive funding, or appropriations, limitations or other expenditure authority at levels sufficient to pay for the Goods to be purchased and/or the services to be provided under the Contract; or

(ii) federal or state laws, regulations, or guidelines are modified or interpreted in such a way that either the purchase of Services and/or Goods under this Price Agreement or any Contract is prohibited, or the

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Authorized Purchaser is prohibited from paying for such Services and/or Goods from the planned funding source.

Pursuant to this section, upon receipt of written notice of termination, Contractor shall stop performance under this Price Agreement and Contract as directed by SPO.

F.18.c EVENT OF DEFAULT. Authorized Purchaser is excused from performance and SPO may terminate this Price Agreement and any Contract with an Authorized Purchaser, in whole or in part, immediately upon an event of default by Contractor. In the event a court of competent jurisdiction determines that insufficient evidence of Contractor's default has been established, the termination shall be deemed for the State's convenience under Section F.18.b.1.

F.18.c.1 In the event of termination due to default of the Contractor, the Contractor hereby agrees to pay Authorized Purchaser for any and all costs associated with processing the return and reassignment of all accounts assigned to Contractor at the time of termination.

F.18.d RETURN OF DOCUMENTS/DELIVERABLES. Upon termination of any Contract by SPO, Contractor shall deliver to the affected Authorized Purchaser all documents, information, works-in-progress, and other property that are or would be deliverables had the Contract been completed. Contractor shall also deliver to Authorized Purchaser all property in Contractor's possession or subject to its control required to complete the Contract.

F.18.e CONTRACTOR. Contractor may terminate the Contract, in whole or in part, immediately upon an event of default by Authorized Purchaser.

F.19 INDEMNIFICATION:

F.19.a Contractor shall defend, indemnify, save and hold harmless the State, each Authorized Purchaser, and their officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities, and costs and expenses of any nature whatsoever resulting from, arising out of, or relating to (i) the activities of Contractor or its officers, employees, subcontractors, or agents, (ii) the Goods sold, or (iii) the Services provided pursuant to this Price Agreement.

F.19.b Provided, however, that the Oregon Attorney General must give written authorization to any legal counsel purporting to act in the name of, or represent the interests of, the State and/or its officers, employees and agents prior to such action or representation. Further, the State, acting by and through its Department of Justice, may assume its own defense, including that of its officers, employees and agents, at any time when in the State's sole discretion it determines that

- (i) proposed counsel is prohibited from the particular representation contemplated;
- (ii) counsel is not adequately defending the interests of the State and/or its officers, employees and agents; (iii) important governmental interests are at stake; or (iv) the best interests of the State are served thereby. Contractor's obligation to pay for all

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costs and expenses shall include those incurred by the State in assuming its own defense and/or that of its officers, employees, and agents under (i) and (ii) above.

F.20 REMEDIES:

F.20.a STATE. In addition to the remedies afforded elsewhere herein, the State and any Authorized Purchaser shall be entitled to recover any and all actual and incidental damages suffered as the result of Contractor's breach of Contract. The State and any Authorized Purchaser shall also be entitled to any equitable remedies to which it may show itself entitled.

F.20.b CONTRACTOR. Contractor's sole remedy for an Authorized Purchaser's breach of Contract shall be a claim for the sum designated for performing the Services multiplied by the percentage of Services completed and accepted by the Authorized Purchaser, less previous amounts paid by the Authorized Purchaser under the terms of the Contract, if any, and any right to setoff the State or the Authorized Purchaser may have.

F.20.c ATTORNEY'S FEES. With the exception of defense costs and expenses under Section F.19, neither party shall be entitled to recover attorney's fees, court and investigative costs, or any other fees or expenses associated with pursuing a remedy for damages arising out of or relating to this Price Agreement or any Contract with an Authorized Purchaser.

F.21 TRADE SECRETS: Contractor shall label the information and documentation qualifying as trade secrets under ORS 293.501(2) that it wishes to protect from disclosure to third parties with the following: "This data constitutes a trade secret under ORS 192.501(2) and is not to be disclosed except as required by law." Authorized Purchaser will take reasonable measures to hold in confidence all such labeled information and documentation. Provided, however, neither the State nor any Authorized Purchaser shall be liable for release of any information when authorized or required by law or court order to do so, whether pursuant to Oregon Public Records Law or otherwise. Further, the State and any Authorized Purchaser shall also be immune from liability for disclosure or release of information under the circumstances set out in ORS 646.473(3).

F.22 ACCESS TO RECORDS: Per ORS 697.058 Contractor shall retain, maintain, and keep accessible all records relevant to Contractor's performance of the Contract, including records of collections for and payments to customers (collectively, "Records") for a minimum of six (6) years from the date of the last entry thereon, or such longer period as may be required by applicable law following expiration or termination of this Price Agreement, or until the conclusion of any audit, controversy or litigation arising out of or related to this Price Agreement, whichever date is later. Contractor shall maintain all fiscal Records during the Record-retention period in accordance with generally-accepted accounting principles. DAS, as well as its duly authorized representatives, shall have access to Records for purposes of examination and copying.

F.23 AUTHORIZED REPRESENTATIVES/NOTICES: For DAS, the authorized representative shall be the individual identified as the contact person in

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C.2.b. For Authorized Purchaser, the contact person shall be identified on the Purchase Order. Contractor's authorized representative shall be the individual specified in the Proposal. Any changes to contact persons by any party shall be provided in writing including email notification.

All notices required under the Contract shall be in writing and addressed to the appropriate authorized representative. Mailed notices shall be deemed given five (5) days after post-marked, when deposited, properly addressed and prepaid, into the U.S. postal service. Faxed notices shall be deemed given upon electronic confirmation by the transmitting machine of successful transmission to the designated fax number.

F.24 INSURANCE: Contractor shall maintain during the term of the Contract the insurance required under Section H.

F.25 GOVERNING LAW: The Contract shall be governed by and construed in accordance with the internal laws of the State of Oregon without regard to principles of conflicts of law.

F.26 VENUE; CONSENT TO JURISDICTION: Any claim, action, suit or proceeding (collectively, "Claim") between the parties that arises from or relates to this Price Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon. Provided, however, if a Claim must be brought in a federal forum, then unless otherwise prohibited by law it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. CONTRACTOR HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS. Nothing herein shall be construed as a waiver of the State's sovereign or governmental immunity, whether derived from the Eleventh Amendment to the United States Constitution or otherwise, or of any defenses to Claims or jurisdiction based thereon.

F.27 SURVIVAL: Termination of this Price Agreement shall not extinguish or prejudice the State's or any Authorized Purchaser's right to enforce the warranty, indemnification, access to records, governing law, venue, consent to jurisdiction, and remedies provisions.

F.28 SEVERABILITY: If any provision of this Price Agreement is declared by a court of competent jurisdiction to be illegal or otherwise invalid, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Price Agreement did not contain the particular provision held to be illegal or otherwise invalid.

F.29 ASSIGNMENT/SUBCONTRACT/SUCCESSORS: Contractor shall not assign, sell, transfer, or subcontract rights or delegate responsibilities under this Price Agreement or under any Contract with an Authorized Purchaser, in whole or in part, without the prior written approval of SPO. Further, no such written approval shall relieve Contractor of any obligations under this Price Agreement or any Contract, and any assignee, transferee, or delegate shall be considered the agent of Contractor. The provisions of this Price Agreement shall be binding upon and shall inure to the benefit of the

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parties to this Price Agreement and their respective successors and permitted assigns.

F.30 MERGER CLAUSE; AMENDMENT; WAIVER: This Price Agreement constitutes the entire agreement between the parties on the subject matter thereof. There are no understandings, agreements, or representations, oral or written, not specified therein regarding this Price Agreement. No waiver, consent or amendment shall bind either party unless in writing and signed by both parties, and all necessary approvals have been obtained (including that of SPO). Waivers and consents shall be effective only in the specific instance and for the specific purpose given. The failure of the State or an Authorized Purchaser to enforce any provision of this Price Agreement or any Contract shall not constitute a waiver by the State or the Authorized Purchaser of that or any other provision.

Amendments. The State has determined that during the term of the Price Agreement and Contracts, the parties may need to modify selected terms, conditions, prices and types of work under circumstances related to the following illustrative, although not exhaustive, categories of anticipated amendments:

(a)Amendments required as a result of necessary changes in the State's business process that may restructure a State Agency or any Authorized Purchaser;

(b)Amendments to the Statement of Work of a Contract to add Services within the scope of the RFP, the Price Agreement, and the Contract;

(c)Amendments to delete Services from the Statement of Work of a Contract;

(d)Amendments to extend the term of this Price Agreement in accordance with Section G.2 and amendments to extend the term of a Contract with an Authorized Purchaser.

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SECTION G - SPECIAL CONTRACT TERMS AND CONDITIONS

G.1 TERM OF CONTRACT/OPTION TO EXTEND: The initial term of this Price Agreement shall be one (1) year and become effective on the date this Price Agreement is signed by every party hereto. Upon concurrence of the parties, this Price Agreement may be extended for additional terms ("Extension Terms"). Provided, however, that the maximum duration of this Price Agreement, including all extensions, shall not exceed five (5) years.

G.2. EXTENSIONS: SPO shall notify Contractor in writing of the State's intent to extend this Price Agreement ("Renewal Notice") at least thirty (30) days prior to the expiration of the then-current term. If Contractor consents to the extension, it shall sign and return the Renewal Notice to SPO within the time period specified therein. If the Contractor does not consent, this Price Agreement shall expire according to its terms, unless earlier terminated.

G.3. PRICE ADJUSTMENTS: Prices shall remain firm for the duration of the Price Agreement period, including extensions.

G.4. SECURITY OF DEBTOR INFORMATION:

G.4.a. To maintain information security and protect debtors against personal identity theft, at no time may accounts, account files, or any information about a debtor that would permit the identification of the individual debtor be forwarded to offices outside the United States or be disclosed or transmitted outside the United States.

G.5. ADMINISTRATIVE FEES AND VOLUME SALES REPORTS:

G.5.a ADMINISTRATIVE FEES/PAYMENT:

G.5.a.1 Contractor shall pay to the Department of Administrative Services (DAS), State Procurement Office, Vendor-Collected Administrative Fees (VCAF) in an amount equal to One Percent (1%) of total amounts collected (for which a Commission was paid) on all debt collection accounts of all Authorized Purchasers using this Price Agreement during the preceding quarter (the "Administrative Fees"). For the purposes of this Section G.4, the "total amounts collected on all debt collection accounts" shall not include either: (i) the amounts collected off-the-top as the CONTRACTOR Recovery Amount described in Section I.7.g of this Price Agreement; or (ii) the amounts collected off-the-top that are attributable to the items identified in ORS 18.910(4) under Section I.8.i. For the purposes of this Price Agreement, quarters end March 31, June 30, September 30, and December 31.

G.5.a.2 The DAS State Procurement Office will bill the VCAF to Contractor on a State invoice generated upon receipt of, and using the volume of sales reported by Contractor on, the Volume Sales Report (VSR) from Contractor. Contractor shall be responsible for timely reporting and payment, regardless of the entity that actually reports or makes the VCAF payment to the DAS State Procurement Office. Contractor shall not charge, reflect or identify any VCAF calculation or fee on any billing to an Authorized Purchaser using this Price Agreement.

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G.5.b. ACCOUNTING AND REQUIRED REPORTS: Contractor shall submit a Volume Sales Report not later than fifteen days after the end of each calendar quarter. Contractor shall provide the following information on the VSR:

- PA item number
- Authorized Purchaser name. Separately identify State Agencies and ORCPP. List each Authorized Purchaser separately
- Purchase Order number
- Total ending inventory quantity and balance due
- Complete and accurate details of the Net Receipts for the relevant quarterly period
- Calculation of the VCAF due to the DAS State Procurement Office for that period
- Such other information as Department may request

Contractor shall submit a Volume Sales Report each quarter, whether or not there are reportable sales or VCAF due to the DAS State Procurement Office.

G.5.c. VOLUME SALES REPORT FORMAT: Contractor shall provide Reports in a format approved by the DAS Contract Administrator. Reports must be submitted by e-mail to vcaf.reporting@state.or.us and to swarm@das.state.or.us; the subject line shall identify the Contractor name, reporting dates and the PA number.

G.5.c.1. All other report formats other than electronic must be approved and agreed upon by DAS Contract Administrator and Contractor prior to submission of the first report.

G.5.d. REPORT RECEIPT/ACCEPTANCE: The Department of Administrative Services' (DAS') receipt or acceptance of any of the reports furnished pursuant to this Price Agreement, or any sums paid hereunder, shall not preclude DAS from challenging the validity thereof at any time.

G.5.e. DAS RESERVES THE RIGHT TO CANCEL THIS PRICE AGREEMENT IF VOLUME SALES REPORTS ARE NOT RECEIVED AS SCHEDULED.

G.5.f. PAYMENT OF VCAF: Upon receipt of the invoice from DAS State Procurement Office, Contractor shall remit payment to DAS Procurement Office for the amount indicated on the invoice. Contractor shall contact the Contract Administrator identified in this Price Agreement if no invoice is received within thirty (30) days after sending the VSR to the DAS State Procurement Office. Failure to send a VSR does not release Contractor from the requirement to remit the required VCAF.

G.5.f.1 The fee shall be in the form of a check remitted to:

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G.5.g. INTEREST: Any payments Contractor makes or causes to be made to the DAS State Procurement Office after the due date indicated on the invoice shall accrue interest at a rate of 18% per annum or the maximum rate permitted by law, whichever is less, until such overdue amount shall have been paid in full. DAS' right to interest on late payments under this Section G.5.g. shall not preclude DAS from exercising any of its other rights or remedies under this Price Agreement or otherwise with regard to Contractor's failure to make timely remittances.

G.5.h AUDIT: The DAS State Procurement Office, at its own expense (except as provided herein), shall have the right during regular business hours upon reasonable notice, by itself or by a person authorized by it, to audit Contractor's Records and other pertinent data, to determine and verify the figures reported in any Administrative Reports furnished by and other pertinent data available to DAS or its authorized representative at Contractor's business premises. In the event that any such audit reveals underpayment of VCAF, Contractor shall forthwith pay the amount of deficiency, together with interest thereon at the rate provided in Section G.5.g. At DAS' request, Contractor shall pay the reasonable cost of an audit, but only if the audit reveals that an underpayment exists.

G.6. ADDITIONAL REQUESTED INFORMATION: Upon request by DAS or SPO, Contractor shall furnish any additional requested information regarding accounts under this Price Agreement.

THE STATE PROCUREMENT OFFICE RESERVES THE RIGHT TO CANCEL THIS PRICE AGREEMENT IF THE ADDITIONAL REQUESTED INFORMATION IS NOT RECEIVED WHEN AND AS REQUESTED.

G.7 COMMENCEMENT OF WORK: Contractor shall commence no work under this Price Agreement until all requirements have been met and a Notice to Proceed has been issued.

G.8. CONTRACTOR'S CONTACT PERSON(S): Contractor shall designate one or more person(s) responsible for Contractor's work under this Price Agreement. Contractor shall provide to the State the names, addresses and telephone numbers of such person(s) and shall keep this information current at all times. Should contact with such person(s) require long distance calls, the State reserves the right to call collect. Contractor shall provide a facsimile number to the State for the transmissions of documents related to this Price Agreement.

G.9. CONTRACTOR'S PERSONNEL: Contractor shall have all personnel necessary to perform the services required under this Price Agreement and such personnel shall be qualified, experienced and licensed as required by laws and regulations to perform debt collection and other related services.

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G.10. AUTHORIZED PRICE AGREEMENT USERS:

G.10.a SALES TO UNAUTHORIZED PURCHASERS: It is Contractor's responsibility to verify purchasers' authority to contract pursuant to this Price Agreement. If Contractor is found to have entered into two or more Contracts with an entity other than an Authorized Purchaser, Contractor will be deemed to be in material breach of this Price Agreement. ORCPP Participants can be verified via on-line at: <http://procurement.oregon.gov/DAS/PFSS/SPO/coop-menu.shtml>

G.10.b ORCPP: ORCPP Participants may also be entitled to make purchases under this Price Agreement. DAS has only an estimate of the volume of those potential purchases or the number of potential users. However, by agreeing to accept orders from ORCPP Participants, Proposer agrees to supply all Services ordered by ORCPP Participants during the term of any Price Agreement awarded. The Oregon Cooperative Purchasing Program recognizes the following agencies and organizations as other authorized Price Agreement users: registered members/participants of ORCPP (collectively referred to as "Participants").

G.10.c Contractor, by executing this Price Agreement, acknowledges and agrees that the State shall only be liable for purchases made by State Agencies under Purchase Order Contracts entered into pursuant to this Price Agreement, and that each ORCPP Participant shall be responsible for any purchases it makes under Contracts entered into pursuant to this Price Agreement. The State expressly disclaims any liability for purchases made by ORCPP Participants, whether or not authorized.

G.10.d Contractor agrees to look solely to the ORCPP Participants for payment, and for any other rights and remedies Contractor may have at law or in equity, arising out of the sale and purchase of Contractor's Services and the resulting contractual relationship, if any, with each such Participant.

G.10.e Further, Contractor acknowledges and agrees that authorized ORCPP Participants shall be entitled to the same warranties, rights, remedies and benefits as the State has required under this Price Agreement for any purchases made by such Participants under Contracts entered into pursuant to this Price Agreement.

G.10.f ORCPP PARTICIPANTS: ORCPP Participants shall use their own Purchase Order forms to order under this Price Agreement. The Mandatory Purchase Authorization Language set out in Section I.4.b shall be required on the front page of each Purchase Order submitted to Contractor by an ORCPP Participant for services ordered under this Price Agreement.

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SECTION H - INSURANCE REQUIREMENTS

H.1 COMMERCIAL GENERAL LIABILITY. Contractor shall obtain, at Contractor's expense, and keep in effect during the term of the Contract, commercial general liability insurance covering bodily injury and property damage. This insurance shall include personal injury coverage, contractual liability coverage for the indemnity provided under the Contract, and products/completed operations liability coverage. Combined single limit per occurrence shall not be less than \$1,000,000. Each annual aggregate limit shall not be less than \$1,000,000, when applicable.

H.2 WORKERS' COMPENSATION. The Contractor, its subcontractors, if any, and all employers providing work, labor or materials under the Contract are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide Oregon workers' compensation coverage that satisfies Oregon law for all their subject workers.

H.3 AUTOMOBILE LIABILITY. Contractor shall obtain, at Contractor's expense, and keep in effect during the term of the Contract, automobile liability insurance covering owned, non-owned and/or hired vehicles, as applicable. This coverage may be written in combination with the commercial general liability insurance. Combined single limit per occurrence shall not be less than \$1,000,000.

H.4 PROFESSIONAL LIABILITY: Contractor shall obtain, at Contractor's expense, and keep in effect during the term of this Contract, Professional Liability insurance covering any damages caused by an error, omission or any negligent acts. Combined single limit per occurrence shall not be less than \$1,000,000.

H.5 "TAIL COVERAGE". If any of the required liability insurance is arranged on a "claims made" basis, "tail" coverage will be required at the completion of the Contract for a duration of 24 months or the maximum time period the Contractor's insurer will provide such if less than 24 months. Contractor will be responsible for furnishing certification of "tail" coverage as described or continuous "claims made" liability coverage for 24 months following Contract completion. Continuous "claims made" coverage will be acceptable in lieu of "tail" coverage, provided its retroactive date is on or before the effective date of the Contract. This will be a condition of final acceptance of work or services and related warranty(ies), if any.

H.6 DURATION. All insurance will be required to be kept in effect to the end of the warranty period.

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H.7 ADDITIONAL INSURED. The liability insurance coverages, except professional liability if included, required for performance of the Contract shall include the Authorized Purchaser (or the State of Oregon, its agencies, divisions, officers and employees, if Authorized Purchaser is a State Agency) as Additional Insureds, but only with respect to the Contractor's activities to be performed under the Contract.

H.8 NOTICE OF CANCELLATION OR CHANGE. There shall be no cancellation, material change, potential exhaustion of aggregate limits or intent not to renew insurance coverage(s) without 30 days' written notice from the Contractor or its insurer(s) to the Authorized Purchaser (or SPO if Authorized Purchaser is a State Agency subject to SPO purchasing authority). Any failure to comply with the reporting provisions of this insurance, except for the potential exhaustion of aggregate limits, shall not affect the coverage(s) provided thereunder.

H.9 CERTIFICATE(S) OF INSURANCE. As evidence of the insurance coverages required by the Contract, the Contractor shall furnish Certificate(s) of Insurance to the Authorized Purchaser (or SPO if Authorized Purchaser is a State Agency subject to SPO Purchasing Authority) prior to Contractor's delivery of Goods or performance of services under the Contract. The Certificate(s) will specify all of the parties who are Additional Insureds (or Loss Payees). Insurance coverages required under the Contract shall be obtained from acceptable insurance companies or entities. The Contractor shall be financially responsible for all deductibles, self-insured retentions, and/or self-insurance included hereunder.

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SECTION I - CONTRACTOR STATEMENT OF WORK- Mandatory Service Specifications

I.1 Legal issues

I.1.a Contractor shall comply with all applicable fair employment and nondiscrimination laws.

I.1.b Contractor shall be in compliance with State tax laws.

I.1.c All financial, statistical and personal data and information relating to the Authorized Purchasers' operations which is confidential and made available to Contractor for the purpose of performance under this Price Agreement, will be protected by Contractor and Contractor's employees from unauthorized use and disclosure. Contractor shall comply with all requirements and follow procedures established by the State of Oregon relating to non-disclosure of confidential data and information. The identification of all such confidential data and information as well as the Authorized Purchaser's requirements for protection of such data and information from unauthorized use and disclosure will be provided in writing to Contractor by the Authorized Purchaser.

I.1.d Contractor and all of its full-time or part-time employees, consultants and business associates, in the performance of this Price Agreement, shall be held to the same standards of confidentiality, service and courtesy imposed on the Authorized Purchaser that assigned the account. Contractor and all of its full-time or part-time employees, consultants and business associates will be liable under state and federal statutes for unauthorized disclosure.

I.2 Contractor Specifications

I.2.a Contractor shall provide each Authorized Purchaser for which work is being performed a central contact person. The person identified shall have knowledge of the requirements of this Price Agreement and be capable of providing current account information regarding collection efforts taken and amounts recovered for all Authorized Purchaser accounts.

I.2.a.1 The central contact person shall be available to make contact and reply to any Authorized Purchaser contact within 24 hours (Monday through Friday excluding weekends and holidays) of the Authorized Purchaser's initial contact.

I.2.a.2 Any changes of the contact person shall be reported to all Authorized Purchasers within 5 business days of the change.

I.2.b Contractor shall provide fair and reasonable means of communication by supplying all debtors with an address, email or telephone number (toll free if available) at which the debtor may contact Contractor for information relating to the debtor's account.

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I.2.c Contractor shall maintain all written materials and computerized records concerning the Authorized Purchaser's accounts in a secure manner with access limited only to Contractor's staff who have signed secrecy certificates, if required by the assigning Authorized Purchaser for a period of six (6) years or such longer period as may be required by applicable law following final payment and termination of this Price Agreement, or until the conclusion of any audit, controversy or litigation arising out of or related to this Price Agreement, whichever date is later.

I.2.d Contractor shall be capable to send and receive any files with debtor information in an encrypted format, if so specified in any Purchase Order Agreement with an Authorized Purchaser.

I.2.e Contractor shall be capable of electronically transferring monies into the Authorized Purchaser's account, at such time or in accordance with such schedule as the Authorized Purchaser requests.

I.3 Authorized Purchaser Specific Requirements

I.3.a INFORMATION REQUIRED BY THE DEPARTMENT OF REVENUE when collecting their accounts: Contractor and all of its full-time or part-time employees, Consultants and business associates, in the performance of this Price Agreement will be required to sign a secrecy certificate as set forth in ORS 314.840(3). Initially, the secrecy certificates shall be completed, mailed to and acknowledged by the Oregon Department of Revenue prior to the issuance of a Notice to Proceed and before performance under this Price Agreement begins. Contractor shall request, complete, and return additional certificates as contractor hires new employees. New employees shall not begin performance under this Price Agreement until certificates are acknowledged by the Department of Revenue. Contractor shall participate in Department of Revenue (DOR) disclosure training before working DOR accounts. Contractor shall then be responsible for providing on-going training to all Contractor's employees working DOR accounts and shall notify DOR when training has been completed.

I.3.a.1 Contractor shall provide, only for the Department of Revenue, a listing of Contractor and all of Contractor's employees in contact with any account or account information including names, and social security numbers for income tax compliance verification by the Department of Revenue. Any employee not in compliance with filing and paying State of Oregon taxes can not work accounts assigned by the Oregon Department of Revenue. All employees' names and social security numbers, including new and rehires, must be kept current during the term of this Price Agreement.

I.3.b OREGON UNIVERSITY SYSTEM: Requires Contractor to ensure compliance with all applicable federal and state statutes, regulations, practices and policies including, without limitation, the Family Education Rights and Privacy Act (FERPA), 20 USC Section 1232 (g) and regulations thereunder, 34 CFR Section 674 et seq. and laws referenced therein, federal due diligence requirements for student loan collections, and 26 USC Section 6103 (m) (4) and (5) applicable to addresses obtained by the System from the IRS.

I.4 Purchase Order Requirements

I.4.a A Purchase Order is required prior to commencement or continuation of work. The Purchase Order must contain all items identified in Section I.4.b. Contractor must submit, within three (3) business days after Contractor's receipt thereof, a copy of the Purchase Order from each Authorized Purchaser to the DAS SWARM Coordinator at the address in Section I.9.a.

I.4.b MANDATORY PURCHASE ORDER LANGUAGE:

THIS PURCHASE IS PLACED AGAINST STATE OF OREGON SOLICITATION #102-5020-5 AND PRICE AGREEMENT # (*ORDERING ORGANIZATION WILL INSERT PRICE AGREEMENT #*). THE CONTRACT TERMS AND CONDITIONS AND SPECIAL CONTRACT TERMS AND CONDITIONS (T'S & C'S) CONTAINED IN THE PRICE AGREEMENT APPLY TO THIS PURCHASE ORDER AND TAKE PRECEDENCE OVER ALL OTHER CONFLICTING T'S AND C'S, EXPRESS OR IMPLIED.

Specific Items that Purchase Order must at minimum contain:

- * Contractor Commission Rate(s)
- * Service renewal date
- * Interest rate and method of calculation requirements
- * Whether authorized purchaser passes along the cost of collection to the debtor under ORS 293.231 (12)
- * Payment Plan guidelines
- * Identification of whether Authorized Purchaser will entertain compromise or settlement offers
- * Identification of whether Authorized Purchaser has warrant or garnishment authority
- * Reporting and remittance date(s)(at minimum- once a month, refer to I.10 for more details)
- * Banking codes for ACH remittance of funds collected
- * Reporting format (electronic or paper)
- * Authorized Purchaser requirements regarding confidentiality and protection of data
- * Authorized Purchaser requirements for data encryption of file transfers
- * Credit Bureau disclosure instructions
- * Small Claims and Garnishment authorizations
- * Specified maximum length of time (not to exceed 24 months) Contractor can work an account without payment before Contractor is required to cancel account back to Authorized Purchaser as uncollectible
- * A provision that states whether the Authorized Purchaser has elected to bill the Contractor the 2 percent deduction for debtors' payments received directly by the Authorized Purchaser, as authorized by Section I.6.e.4. of this Price Agreement.

I.5 Account Assignment Requirements

I.5.a Contractor shall accept, in accordance with the Price Agreement terms, conditions and specifications, all accounts which the Authorized Purchaser refers to it for collection. For purposes of account

assignment, Contractor must record at minimum; agency principal, accumulated interest, collection fees added per ORS 293.231 (12). Contractor shall maintain balances for principal, interest and collection fees. Refer to I.6.d, I.6.d.1 and I.10.a for more information on interest, collection fee calculations and payment application.

I.5.b Contractor shall promptly undertake through proper and lawful means the diligent collection of all accounts referred by the Authorized Purchaser.

I.5.c To maintain information security and protect debtors against personal identity theft, at no time may accounts, account files, or any information about a debtor that would permit the identification of the individual debtor be forwarded to offices, affiliates or call centers outside the United States or be disclosed or transmitted outside the United States.

I.5.c.1 If the debtor moves outside the United States and Contractor has offices, affiliates or call centers in that country, Contractor may request permission from both DAS and the Authorized Purchaser to forward the account to the identified office, affiliate or call center. Only with written permission from DAS and the Authorized Purchaser may Contractor proceed to forward the account.

I.6 Collection Requirements

I.6.a. Contractor shall only use debtor correspondence that has been approved by the Authorized Purchaser.

I.6.a.1 Contractor shall ensure that any accounts pursued under Sections I.7 or I.8 have any and all Contractor Recovery Amounts clearly identified in correspondence to the debtor.

I.6.b. Contractor shall add no collection charge, fee or other assessment to an assigned account. This includes bank fees and convenience charges including those incurred through Contractor's use of any third party provider. However, this prohibition shall not be construed as preventing the addition of court costs, disbursements, and attorney fees, if otherwise allowable, in legal actions approved in writing by the Authorized Purchaser.

I.6.c. If Contractor receives funds in foreign currency, the Contractor is responsible to ensure exchange rates are applied to ensure accurate credit to the account.

I.6.d. Contractor shall monitor all accounts and calculate all interest owed to the date of recalculation per Purchase Order. Contractor shall assess interest using ONLY the rate and method of calculating of interest indicated on the Purchase Order.

I.6.d.1 If Authorized Purchaser has indicated in I.4.b that Authorized Purchaser passes along the cost of collection, then Contractor shall at the same time interest is calculated also adjust the collection fees to be equal to the result of the following calculation:

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((Principal + Interest) divided by (1- Collection percentage from Section J, Category I)) less (Principal + Interest)= Collection Fee

This calculation will ensure that the Authorized Purchaser has recovered all costs of collection once account is paid in full.

I.6.e. Contractor shall remit to the Authorized Purchaser monies collected each week. At the discretion of the Authorized Purchaser, as identified in the Purchase Order, the Contractor may be required to remit monies less than once a week but not less than once a month. If the Authorized Purchaser allows for a remittance of less than once a week the Contractor shall be required to remit upon the balance of the trust account (I.6.f) exceeding \$1,000.

I.6.e.1 Contractor shall use Automated Clearing House or ACH as prescribed in NACHA rules and State Treasury policy to remit all funds to the Authorized Purchaser. This remittance shall be in the gross amount.

I.6.e.2 An invoice for the agreed-upon percentage for the Contractor's Services must be delivered at the same time as the remittance to the Authorized Purchaser (Refer to Section I.10.d for payment for Services).

I.6.e.3 If a Contractor has multiple accounts for the same Debtor, from more than one Authorized Purchaser, the first account received by the Contractor will be paid off first.

I.6.e.4. When provided for in the Authorized Purchaser's Purchase Order (see Section I.4.b of this Price Agreement), the Authorized Purchaser will submit an invoice to Contractor for a contract compensation adjustment of 2 percent of any payment that the debtor remits by check directly to the Authorized Purchaser on an account that is currently assigned for collection to Contractor. This section I.6.e.4. shall not apply to payments received during any period of withholding by DAS for contract violations as prescribed in Sections F.17.b.1 and F.17.b.2. This section applies only to those payments a debtor makes directly to the Authorized Purchaser by check; it does not apply to payments made in cash, by credit card, or by other medium.

I.6.f. The Contractor shall deposit all monies collected from the debtor into a public funds "depository" as defined in ORS 706.008 and ORS 295.005, or into other depositories as required by law until remitted to the Authorized Purchaser. Amounts collected by Contractor Firm must be deposited in a special non interest bearing trust account separate from any other monies in accordance with ORS 697.058. This account must be identified as public funds held for the State of Oregon and must be collateralized as required by ORS Chapter 295.

I.6.f.1. The provisions of this amendment are subject to the monitoring of the Oregon State Treasurer as provided in ORS Chapter 295 and subject to audit by the Secretary of State Audits Division as disclosed under contract sections F.22 and I.2.c and as further provided for under ORS Chapter 293 and 297.

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I.6.f.2 Per ORS 293.265, the deposit must occur not later than one (1) business day after collection or receipt thereof.

I.6.f.3 The provisions of I.6.e through I.6.f are subject to modification as laws or requirements of the Secretary of State and Oregon State Treasurer may change. Contractor will be notified in writing of any modifications to the requirements of I.6.e through I.6.f and must comply within 60 days.

I.6.g. PAYMENT PLANS: Contractor may enter into payment plans with a debtor only if the plan meets criteria established by the Authorized Purchaser in the Purchase Order Agreement. Any deviation from the Authorized Purchaser's written criteria must be approved in writing by the Authorized Purchaser.

I.6.h. RETURNED CHECKS: All payments received by Contractor while performing collections under this Price Agreement are the sole liability of the Contractor.

I.6.i. Except as expressly authorized by Sections I.7 and I.8, Contractor may not pursue litigation anywhere for collection of State accounts either in its own name or in the name of the State without first receiving the written approval of the Authorized Purchaser and if required, written approval from the Oregon Department of Justice. Litigation within the State of Oregon shall normally be handled by the Oregon Department of Justice. If such litigation is necessary, Contractor shall inactivate the account and wait for the Department of Justice to issue Contractor directives or to take other appropriate action. Neither the State, DAS, the Department of Justice, nor any Authorized Purchaser that is a State agency shall reimburse Contractor for attorney fees.

I.6.j. Contractor may pursue litigation in a state other than Oregon in the name of the State only if:
1) given written approval by the Authorized Purchaser; and
2) the attorney retained by Contractor has first received from the Oregon Department of Justice the designation of Special Assistant Attorney General (SAAG) for that type of litigation.

I.6.k. ORCCP litigation: The State of Oregon and the Oregon Department of Justice do not have any jurisdiction over ORCCP members who are not departments or agencies of the State of Oregon. Any litigation involving those ORCCP members must be arranged between Contractor and the ORCCP member's legal representative.

I.6.l. Contractor shall not have authority to approve or solicit a compromise settlement offer. Should Contractor receive a compromise settlement offer, Contractor shall refer to the Authorized Purchaser's Purchase Order to determine if the Authorized Purchaser will entertain compromise or settlement offers. If yes, discontinue any further collection activity, acknowledge receipt of the offer, and advise the debtor that the offer shall be presented to the Authorized Purchaser for consideration. If no, inform the debtor that the Authorized Purchaser has indicated that it will not accept settlement offers and continue collection

action.

I.6.l.1 If Contractor accepts a settlement offer without authorization from the Authorized Purchaser, the Contractor shall pay (in addition to any amounts collected under the settlement) the balance of the account to the Authorized Purchaser and close the account.

I.6.m Should Contractor become aware that a debtor has filed a petition for bankruptcy, Contractor shall immediately stop collection activity. Contractor shall obtain the date, the case number, chapter of the bankruptcy, and the name and address of the court in which the petition was filed. Contractor shall immediately notify the Authorized Purchaser of the bankruptcy information. Once the Authorized Purchaser has confirmed bankruptcy status, the Authorized Purchaser will request the return of the accounts if appropriate or request Contractor to resume collection if account is exempted from bankruptcy.

Per Section I.12.e, the Authorized Purchaser shall pay no collection charges to Contractor for any payments received from a bankruptcy trustee (an example would be if the citizen listed the Contractor for the Authorized Purchaser debt and payments were made to the Contractor).

I.6.n. Should Contractor become aware that a debtor is deceased, Contractor shall immediately stop collection activity. Contractor shall immediately notify the Authorized Purchaser of any details available regarding the account, including any estate information. The Authorized Purchaser will either request the return of the account if appropriate or request Contractor to attempt collection from the estate if applicable.

I.6.o. Contractor shall continue collection efforts and keep all accounts referred by an Authorized Purchaser until Contractor or the Authorized Purchaser reasonably determines that an account is uncollectible, or is paid in full.

If, after a reasonable time as defined in the Authorized Purchaser Purchase Order (not to exceed 24 months), the Contractor is unable to collect a payment on the account, the Contractor shall return the account to the Authorized Purchaser and identify the account as uncollectible.

I.6.p. Multiple accounts for the same debtor and from the same Authorized Purchaser may be returned on the same form. Upon request by the Authorized Purchaser, a record of collection efforts shall be transmitted to the Authorized Purchaser (refer to Section I.10.c.1 for details and format). The Authorized Purchaser may allow the collection period to be extended if approved legal action has commenced, or for other reasons agreed to by the Authorized Purchaser. No collection charges shall be due on payments made to the Authorized Purchaser on returned accounts except as provided under Section I.11 ("Special Requirements/Consideration"), below.

I.6.q. Contractor shall immediately suspend action on any account, either temporarily or permanently, upon request from the Authorized Purchaser.

I.6.r. If Contractor identifies a source of garnishment, Contractor may request the Authorized Purchaser to file a garnishment. If the Authorized

Purchaser agrees to file the garnishment, Contractor shall return the account to the Authorized Purchaser before the Authorized Purchaser can proceed with the garnishment. Upon realizing any recovery in a garnishment under this Section I.6.r., the Authorized Purchaser shall, within a reasonable period of time (not to exceed 30 days), notify Contractor of any payments received as a result of the garnishment and submit payment to Contractor of compensation at the rate identified in Part J, Category II of this Price Agreement within 45 days. Payments received under this Section I.6.r are subject to the terms of Section G.5 Administrative Fees and Volume Sales Reports.

I.7 Small Claims Court

I.7.a. Contractor may commence an action in the Small Claims Department of an Oregon circuit court or the Small Claims Department of an Oregon justice court for the collection of an account assigned to Contractor by an Authorized Purchaser only if the following conditions have been satisfied.

I.7.b. Contractor must have submitted a written request, on a form prescribed by DAS to the Authorized Purchaser that assigned a collections account to Contractor, with a copy to the Oregon Department of Administrative Services (DAS), for a General Authorization to commence and conduct Small Claims actions for the collection of State accounts. If the Authorized Purchaser approves the request, the Authorized Purchaser will forward it to DAS. DAS may, in its sole discretion, limit the General Authorization to the accounts of specified state agencies, or to particular classes or categories of State accounts or Small Claims actions. DAS may, subject to the approval of the Oregon Department of Justice, in the exercise of DAS' discretion to decide what best will serve the interests of the State and the Authorized Purchaser(s) that have assigned accounts to Contractor:

1. grant a request for a General Authorization;
2. deny a request for a General Authorization;
3. impose restrictions on the scope or classes of accounts and cases in a General Authorization;
4. modify the limitations on a previously issued General Authorization; or
5. suspend or revoke a General Authorization.

The decision of DAS concerning a General Authorization or a request for a General Authorization under this section shall be conclusive on the matter, and shall be final.

I.7.c. Contractor must have received, from DAS, a written General Authorization to commence and conduct Small Claims actions for the collection of State accounts.

I.7.d. If Contractor is in possession of a current, unrevoked and

unsuspended General Authorization, then Contractor may request, from the Authorized Purchaser that assigned the account to Contractor, authorizations to commence Small Claims proceedings to collect particularly identified accounts that were assigned to Contractor by that Authorized Purchaser. The Authorized Purchaser will consider the requests on a case-by-case basis, and communicate its decision on each request to Contractor in writing or by e-mail.

I.7.e. Upon receipt of an authorization from the Authorized Purchaser, Contractor may, but only in Contractor's name, commence and prosecute, as authorized by ORS 697.045 and in accordance with ORS chapter 46 or ORS chapter 52, as applicable, the Small Claims case or cases that are subject to the authorization. Immediately upon commencing a Small Claims action, Contractor shall provide an accurate and complete copy of the claims form Contractor filed under ORS 46.425 to:

- i. the Authorized Purchaser that assigned the account to Contractor; and
- ii. the DAS SWARM Coordinator at the address stated in Section I.9.a.

I.7.e.1 Upon receiving a debtor's Answer in any Small Claims proceeding initiated by Contractor, Contractor must, within five (5) business days of its receipt of the Answer, submit an accurate and complete copy of the Answer to:

- i. the Authorize Purchaser that assigned the account to Contractor; and
- ii. the DAS SWARM Coordinator at the address stated in Section I.9.a.

I.7.f.1 If the defendant in any authorized Small Claims action files a counterclaim of any character, if the claim is transferred to any tribunal other than the Small Claims Department of an Oregon circuit court or justice court, or if the claim results in a demand for a jury trial, Contractor must immediately inform the Oregon Department of Justice and the Authorized Purchaser of that occurrence. In any of these instances, the State shall have the right to assume prosecution and defense of the action, and Contractor promptly shall make available to the State all records related to the action and take all actions and execute all documents reasonably requested by the State to enable the State to effectively litigate the case.

I.7.f.2 If the State assumes the case under this Section, Contractor may recover the CONTRACTOR RECOVERY AMOUNT described in Section I.7.g., except the prevailing party fee (which will be retained by the State), only if the State actually realizes a net recovery of some or all of the amounts owed under the assigned account that is the subject of the action. If the amount of the net recovery is not sufficient to cover the CONTRACTOR RECOVERY AMOUNT (exclusive of the prevailing party fee) described in Section I.7.g., Contractor's recovery shall be limited to the net recovery of amounts owed under the assigned account the State actually realizes as a result of the action. To the extent the State actually realizes a net recovery of amounts owed under the assigned account, Contractor also may recover the collection percentage set forth

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in the Financial Proposal Form, Part J of Contractor's Proposal, based on the amount actually realized by the State in the action.

I.7.g. On making any recovery in a Small Claims action brought by Contractor, Contractor must, within one (1) business day of release of the recovery per court procedure, deposit into the depository identified in Section I.6.e. of this Price Agreement all moneys recovered except:

(1) The costs and service expenses actually awarded by the court under Item 16. of Form 15.010.1d (SMALL CLAIMS JUDGMENT; MONEY AWARD) prescribed in the Oregon Rules of Court, State, 2005 (a copy of which is attached to this Price Agreement as Exhibit A and incorporated herein by this reference);

(2) The prevailing party fee actually awarded by the court under Item 17 of Form 15.010.1d (SMALL CLAIMS JUDGMENT; MONEY AWARD), Exhibit A; and

(3) The amounts that Contractor is entitled to recover and has recovered under ORS 18.910 with respect to the account.

Contractor may deduct and retain, off-the-top of the recovered amount, only the total amount of the three foregoing items, which shall be known as the CONTRACTOR RECOVERY AMOUNT. However, if the amount actually recovered by Contractor in any Small Claims proceeding is not sufficient to cover the CONTRACTOR RECOVERY AMOUNT, the amount retained off-the-top by Contractor shall be limited to the amount actually recovered.

With the exception of the prevailing party fee, in no event shall the Contractor recover or be paid a CONTRACTOR RECOVERY AMOUNT that exceeds the amount of the fees, costs and expenses actually and reasonably incurred by Contractor in each Small Claims action.

Upon Contractor's request to the DAS SWARM Coordinator at the address stated in Section I.9.a., the DAS SWARM Coordinator will provide Contractor written examples of how to compute and deduct the CONTRACTOR RECOVERY AMOUNT under this Section.

I.7.h. Nothing in this Section I.7. shall be construed as preventing Contractor from recovering, as part of the CONTRACTOR RECOVERY AMOUNT, both:

(1) The initial fees recoverable under ORS 18.910(4) that Contractor actually incurred in initiating a garnishment that resulted in Contractor's receipt of no return on the garnishment; and

(2) The fees recoverable under ORS 18.910(4) that Contractor actually incurred in instituting a subsequent garnishment with respect to the same collection account.

Nothing in this Section I.7. shall be construed as preventing Contractor from collecting county recording fees in instances in which Contractor reasonably decides, in pursuit of recovery on a collection account, to

establish a judgment in another county under ORS 18.152.

I.7.i. As a condition of this Price Agreement, Contractor must comply with ORS 18.910(5), which provides that Contractor shall be responsible for doing all of the following:

- (1) Maintaining a precise accounting of moneys recovered under ORS 18.910(1)(a) and making the accounting available for any proceeding relating to that judgment or debt; and
- (2) Providing reasonable notice to the defendant of moneys Contractor recovers under ORS 18.910(1)(a).

Contractor shall create and maintain accurate and precise records that demonstrate its compliance with ORS 18.910(1)(a) in a form that reasonably permits the use of those records to determine, on a quarterly and on an annual basis, Contractor's compliance with respect to all accounts assigned to Contractor for collection under Section I.5 of this Price Agreement.

I.7.j. Contractor must deposit into the depository identified in Section I.6.f. of this Price Agreement all moneys recovered as a result of any Small Claims action other than the CONTRACTOR RECOVERY AMOUNT described in Section I.7.g. From the moneys deposited, the Authorized Purchaser will then pay Contractor the collection percentage set forth in the Financial Proposal Form, Part J of Contractor's Proposal. The collection percentage shall be computed based on the amount of moneys deposited into the depository.

I.7.k. Upon receiving any final decision or Notice of Entry of Judgment in a Small Claims action, Contractor must, within five (5) business days of receipt of the decision, submit an accurate and complete copy of the judgment or transcription of judgment, and any Notice of Entry of Judgment to:

1. the Authorized Purchaser that assigned the account to Contractor; and
2. the DAS SWARM Coordinator at the address stated in Section I.9.a.

I.7.l. Upon Contractor's receipt of notice that the court has issued a notice of lien entry in any Small Claims action, Contractor must, within five (5) business days of receipt of the notice, submit an accurate and complete copy of that document, together with information on the date on which the judgment became or will become a lien, to:

1. the Authorized Purchaser that assigned the account to Contractor; and
2. the DAS SWARM Coordinator at the address stated in Section I.9.a.

I.7.m. The State reserves the right to require Contractor to re-assign any account back to the Authorized Purchaser at any time and for any reason that constitutes good cause for the State to require Contractor to re-assign

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the account to the Authorized Purchaser. Once an account has been assigned to Contractor, that account will remain assigned to Contractor for purposes of collection for a period of no fewer than twelve (12) calendar months from the date of the assignment unless good cause arises to require Contractor to re-assign the account to the Authorized Purchaser. For purposes of this Section, "good cause" means any circumstance that arises in connection with an assigned account under which the State can more effectively protect its legal or financial interests, or its interests in matters of public law, ethical practices or similar public concerns, by re-assuming control of the account.

I.7.m.1 If an assigned account is for any reason re-assigned back to the Authorized Purchaser prior to the commencement of a Small Claims action on the account, Contractor shall be entitled to receive no CONTRACTOR RECOVERY AMOUNT under Section I.7.g. and shall not be entitled to payment of any collection percentage (as set forth in the Financial Proposal Form, Part J of Contractor's Proposal) with respect to the account, unless Contractor can prove to the satisfaction of the Authorized Purchaser that any collection on the account was a direct result of Contractor's action.

I.7.m.2 If an assigned account is for any reason re-assigned back to the Authorized Purchaser after Contractor's commencement of a Small Claims action on the account, then if the Authorized Purchaser realizes any recovery on the account, the State will reimburse Contractor only the Contractor RECOVERY AMOUNT for the action, unless Contractor can prove to the satisfaction of the Authorized Purchaser that any collection on the account was a direct result of Contractor's action, in which case Contractor also may recover its collection percentage (as set forth in the Financial Proposal Form, Part J of Contractor's Proposal) with respect to the collected amount. If the amount of the State's recovery is not sufficient to cover the CONTRACTOR RECOVERY AMOUNT, Contractor's recovery shall be limited to the amounts the State actually realizes on the account.

I.7.n. In every instance in which Contractor has obtained a judgment in a Small Claims action and the account or the case is returned for any reason to the Authorized Purchaser, Contractor promptly must execute a formal assignment of the judgment to the Authorized Purchaser in accordance with ORS 18.205, and take all reasonable actions and execute all documents necessary to accomplish the Authorized Purchaser's filing of the assignment of judgment with the court.

I.7.o. Sections I.7.a. to I.7.n. do not apply to Small Claims collection actions undertaken by Contractor with respect to accounts assigned to Contractor by local public bodies and other Authorized Purchasers that are not departments or agencies of the State of Oregon. Without violating this Price Agreement, Contractor and Authorized Purchasers that are not departments or agencies of the State of Oregon may negotiate separate arrangements (but not changes to Contractor's collection percentage set forth in the Financial Proposal Form, Part J of Contractor's Proposal) under which the Authorized Purchasers may authorize Contractor to undertake Small Claims actions and establish the obligations of Contractor with respect to the litigation of those actions, subject to the fee addition the

Authorized Purchaser may impose under ORS 697.105.

I.8 Garnishments

I.8.a. Contractor may take action to garnish moneys for the collection of an account assigned to Contractor by an Authorized Purchaser only when the garnishment action is based on a Small Claims judgment (issued by the Small Claims Department of an Oregon circuit court or justice court) or other judgment issued by an Oregon state court. Contractor may take action to garnish moneys for the collection of such an account assigned to Contractor by an Authorized Purchaser only if the following conditions have been satisfied.

I.8.b. Contractor must have submitted a written request to undertake garnishment activity, on a form prescribed by DAS, to the Authorized Purchaser that assigned a collections account to Contractor, with a copy to DAS, which accurately reports and includes the following:

1. Contractor's business name and address;
2. A statement of the classes or categories of accounts on which Contractor wants to undertake garnishment activity;
3. The names of the individual attorney or attorneys whom Contractor has retained to represent or advise Contractor in or with respect to the garnishment activities; and
4. A certificate of good standing with the Oregon State Bar for each attorney who is proposed to represent Contractor in the garnishments.

I.8.c. If the Authorized Purchaser approves the request, it will forward the request to DAS. DAS will consult with the Oregon Department of Justice (DOJ) to consider whether the attorney or attorneys proposed to represent Contractor qualify to serve in that capacity.

I.8.c.1 If the Authorized Purchaser declines the request or DAS determines that the proposed attorney or attorneys do not qualify, Contractor shall continue to accept and pursue collection on the Authorized Purchaser's accounts as required by Section I.5. of this Price Agreement, but Contractor shall undertake no garnishment action in connection with those accounts.

I.8.d. DAS, subject to the approval of DOJ, may in its sole discretion limit the approval of the proposed attorney or attorneys to particular classes or categories of State accounts or to the accounts of particular State agencies. DAS may, in the exercise of the department's discretion to determine what best will serve the interests of the State, professional and ethical considerations, and the Authorized Purchaser(s) that have assigned accounts to Contractor:

1. grant the request for approval;
2. deny the approval;
3. impose restrictions on the scope or classes of accounts and cases that may be subject to garnishment activity under the approval;
4. modify the limitations on a previously granted approval; or

5. suspend or revoke a previously granted approval.

The decision of DAS concerning an approval under this section shall be conclusive on the matter, and shall be final.

I.8.e. If DAS approves the proposed attorney or attorneys, it will notify Contractor in writing of the approval and of any restrictions applicable to the approval, with copies to the Authorized Purchaser.

I.8.f. If Contractor is authorized to engage in garnishment activities and its legal representative has been granted an approval under Section I.8.e., then Contractor may request, from the Authorized Purchaser that assigned the account to Contractor, authorizations to institute garnishments as provided in ORS chapter 18 to collect particularly identified accounts that were assigned to Contractor by that Authorized Purchaser. The Authorized Purchaser will consider the requests to pursue garnishment on a case-by-case basis, and communicate its decision on each request to Contractor in writing or by e-mail. The Authorized Purchaser's communication must contain a confirmation of the current amount of the debt owing on the account, including the principal amount of the debt, interest accrued to date, and any penalty.

I.8.g. On receipt of an authorization from the Authorized Purchaser, Contractor may, but only in its own name as garnishor, issue or cause to be issued a writ of garnishment in accordance with ORS chapter 18, with respect to each account that is subject to the authorization. Immediately upon the issuance of a writ of garnishment, Contractor shall provide, or cause its attorney to provide, true and correct copies of the writ of garnishment and the debt calculation to:

1. the Authorized Purchaser that assigned the account to Contractor; and
2. the DAS SWARM Coordinator at the address stated in Section I.9.a.

I.8.h. In prosecuting a writ of garnishment Contractor may pursue, in addition to the debt represented by an account, the recovery of all moneys identified in ORS 18.910(4).

I.8.i. On realizing any recovery in a garnishment, Contractor must, within one (1) business day of release of the recovery per court procedure, deposit into the depository identified in Section I.6.f. of this Price Agreement all moneys recovered except the moneys identified in ORS 18.910(4). Contractor may deduct and retain, off-the-top of the amounts recovered under the writ of garnishment, any amounts attributable to the items identified in ORS 18.910(4). However, if the amounts recovered by Contractor under any writ of garnishment are not sufficient to reimburse Contractor for its out-of-pocket expenses incurred with respect to items listed in ORS 18.910(4)(a), the amount retained by Contractor shall be limited to the amount actually recovered.

I.8.i.1 In no event may Contractor deduct, retain or be paid any amount under this Section I.8.i. that exceeds the amount of the fees, costs and expenses actually and reasonably incurred by Contractor in seeking

recovery on each account that has been subjected to garnishment.

I.8.i.2 Nothing in this Section I.8. shall be construed as preventing Contractor from recovering, as part of the CONTRACTOR RECOVERY AMOUNT, both:

- (i) The initial fees recoverable under ORS 18.910(4) that Contractor actually incurred in initiating a garnishment that resulted in Contractor's receipt of no return on the garnishment; and
- (ii) The fees recoverable under ORS 18.910(4) that Contractor actually incurred in instituting a subsequent garnishment with respect to the same collection account.

Nothing in this Section I.8. shall be construed as preventing Contractor from collecting county recording fees in instances in which Contractor reasonably decides, in pursuit of recovery on a collection account, to establish a judgment in another county under ORS 18.152.

I.8.j. Contractor must deposit into the depository identified in Section I.6.f. of this Price Agreement all moneys recovered as a result of any writ of garnishment other than the amounts recoverable under ORS 18.910(4). From the moneys deposited, the Authorized Purchaser will then pay Contractor the collection percentage set forth in the Financial Proposal Form, Part J of Contractor's Proposal. The collection percentage shall be computed based on the amount of moneys deposited into the depository.

I.8.k. Contractor shall report to the Authorized Purchaser that assigned the account to Contractor, at the same time it provides its monthly or bi-monthly statement of all monies collected (see Section I.10.d of this Price Agreement), the status of, and the amounts collected on, each account for which Contractor initiated a garnishment.

I.8.k.1 Contractor shall report to the DAS Swarm Coordinator, on a quarterly basis, the status of, and the amounts collected in, all accounts for which Contractor has initiated a garnishment. The reports must be broken down by Authorized Purchaser and must be made on and in accordance with forms prescribed by DAS.

I.8.l. The State reserves the right to require Contractor to re-assign any account back to the Authorized Purchaser at any time and for any reason that constitutes good cause for the State to require Contractor to re-assign the account to the Authorized Purchaser. For purposes of this Section, "good cause" means any circumstance that arises in connection with an assigned account under which the State can more effectively protect its legal or financial interests, or its interests in matters of public law, ethical practices or similar public concerns, by re-assuming control of the account.

I.8.l.1 If an assigned account is for any reason re-assigned back to the Authorized Purchaser prior to the filing of a writ of garnishment with respect to the account, but after Contractor has successfully secured a judgment in a Small Claims action with respect to the account, then if the Authorized Purchaser realizes any recovery on the account, the State will reimburse Contractor the CONTRACTOR RECOVERY AMOUNT under Section

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I.8.i. with respect to the account, but Contractor shall not be entitled to payment of any collection percentage (as set forth in the Financial Proposal Form, Part J of Contractor's Proposal) with respect to the account, unless Contractor can prove to the satisfaction of the Authorized Purchaser that any collection on the account was a direct result of Contractor's action. It is Provided, However, that if the amount of the State's recovery is not sufficient to cover the CONTRACTOR RECOVERY AMOUNT and any collection percentage to which Contractor may show itself entitled, then Contractor's recovery under this Section shall be limited to the amounts the State actually realizes on the account.

I.8.m. By undertaking Small Claims actions or issuing writs of garnishments under Sections I.7. and I.8. of this Price Agreement, Contractor agrees to assume all risks arising out of or related to any such action, writ or proceeding, including but not limited to adverse judicial decisions, the failure to be able to recover all amounts sought, and the application of the various statutes, legal principles, and possible moratoriums that affect debtors' rights or which may affect debtor's rights in the future. Contractor hereby WAIVES AND RELIQUISHES ANY AND ALL CLAIMS AND DEMANDS OF ANY NATURE AGAINST THE STATE OF OREGON, AND ITS AGENCIES, DIVISIONS, OFFICERS, EMPLOYEES AND AGENTS, THAT MAY ARISE OUT OF OR RELATE TO ANY SUCH ACTION, WRIT OR PROCEEDING. Nothing in this Section may be construed as creating or imposing any new or additional obligation on Contractor to provide any indemnification that exceeds the scope of the obligations contained in Section F.19 of this Price Agreement.

I.8.n. Sections I.8.a. to I.8.m. do not apply to garnishments undertaken by Contractor with respect to accounts assigned to Contractor by local public bodies and other Authorized Purchasers that are not departments or agencies of the State of Oregon. Without violating this Price Agreement, Contractor and Authorized Purchasers that are not departments or agencies of the State of Oregon may negotiate separate arrangements under which the Authorized Purchasers may authorize Contractor to undertake Garnishments and establish the obligations of Contractor with respect to the Garnishments.

I.9 Notification Addresses for Small Claims Actions and Garnishments.

I.9.a. Requests, written notifications and copies of documents required to be transmitted under Sections I.7. or I.8. shall be sent to the following persons and addresses, or to such persons and addresses as any of the parties named below may subsequently designate by providing the parties written notice of the new designation:

DAS SWARM Coordinator

Name: Gerold Floyd
Address: DAS State Controllers Division
155 Cottage Street NE, U 150
Salem, OR 97301-3969
E-mail Address: Gerold.j.Floyd@state.or.us

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Contractor

Name: _____

Address: _____

E-mail Address: _____

I.10 Reporting Requirements

I.10.a. Contractor shall provide to each Authorized Purchaser a monthly inventory report, provided in a medium requested by the Authorized Purchaser, listing all accounts currently assigned to Contractor. This report shall clearly identify each account, the date the account was assigned, the status of the account (for example active, un-collectable, bankruptcy filed), the agency principal, accrued interest, collection fees and the balance owing.

I.10.b For accounts filed in Small Claims Court or a garnishment issued, a report shall be provided identifying any legal fees associated with the filing of the case and must be clearly identified as to the nature of the charge and the balance of the CONTRACTOR RECOVERY AMOUNT. This report shall be provided to the authorized purchaser along with the inventory reports identified in I.10.a.

I.10.c When an account is returned for any reason, Contractor shall provide to the Authorized Purchaser a monthly report listing all accounts canceled or returned to the Authorized Purchaser during the preceding month.

I.10.c.1 Upon request by the Authorized Purchaser, Contractor shall provide a collection history/summary which shall include a record of contacts made with the debtor, including the current mailing address and telephone number(s), the dates and amounts of all payments and charges and any other information necessary for the Authorized Purchaser to comply with federal due diligence requirements and the future collection of the account. The Contractor shall also return all documentation provided by the Authorized Purchaser, any notices of bankruptcy, etc., and any documentation obtained during litigation.

I.10.c.2 The Contractor will assign its interest in judgments to the Authorized Purchaser when an account is returned or this Price Agreement ends. Such accounts shall be returned on a monthly basis, and no backlog shall exist at any time.

I.10.c.3 All legal fees (CONTRACTOR RECOVERY AMOUNT) still owing, if applicable must be clearly identified on the return report as identified in I.10.c. If future payment is received, Authorized Purchaser shall remit payment to Contractor up to the amount of the CONTRACTOR RECOVERY AMOUNT.

I.10.d Contractor shall provide an invoice to the Authorized Purchaser

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listing the Contractor's collection charges (refer to Section J for pricing) for all monies collected during the preceding period. The invoice shall accompany the remittance and be for the same time period as required by the Purchase Order. The invoice shall clearly identify each account, show the total amount collected for each account, the date collected and the applicable Contractor's collection charges. (Refer to Section I.6.e for remittance requirements).

I.10.e All reports supplied by Contractor shall be timely, clearly readable, accurate, and complete. Each Authorized Purchaser may have different reporting format requirements. The Authorized Purchaser reserves the right to request new reports as well as modifications to existing reports as needed during the term of this Price Agreement.

I.11 Payment for Services

SPECIAL REQUIREMENTS/CONSIDERATION: The Authorized Purchaser agrees to pay Contractor for services performed under this Price Agreement, according to the following terms:

I.11.a. All accounts assigned for collection shall be on a contingency basis; there shall be no charge to the Authorized Purchaser if Contractor is unable to recover monies on accounts so assigned.

I.11.b. The sole consideration (Contractor's Collection Charge) to be paid to Contractor for its services shall be the percentage of collections less exclusions listed in Section I.12. This percentage shall remain unchanged throughout the term of this Price Agreement.

I.11.b.1. Except for the CONTRACTOR RECOVERY AMOUNT identified in Sections I.7 and I.8, Contractor may not assess any charge or fee, including convenience fees or bank charges, to the debtor. This prohibition also includes fees or charges issued or imposed by any third-party provider.

I.11.b.2. Contractor and each Authorized Purchaser agree that ORS 293.231(12) and 697.105(2) impose on the Authorized Purchaser the duty to compute and correctly identify any additional fee the Authorized Purchaser may, by giving a debtor notice of the fee, add to the debtor's debt obligation. Contractor will not be responsible for the correct computation or identification of the fee percentage in any notice an Authorized Purchaser may give under ORS 293.231(12) or 697.105(2).

I.11.c. Except as otherwise provided in Sections I.7.m. and I.8.1., in the event that the Authorized Purchaser withdraws an account referred to the Contractor, any payments received directly by the Contractor for such accounts within thirty (30) days after the date of notification of withdrawal shall be subject to the Contractor's Collection Charge (as set forth in the Financial Proposal Form, Part J of Contractor's Proposal).

I.11.d. The Authorized Purchaser shall, within a reasonable period of time, not to exceed 30 days, notify Contractor of any payments received

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directly by the Authorized Purchaser for accounts referred to Contractor.
Refer to Section I.6.e.4. of this Price Agreement for additional
information regarding payments received by the Authorized Purchaser.

I.12 Exemptions to Collection Fee

I.12.a. Any payment received by the Authorized Purchaser within
thirty (30) days after the account was referred to Contractor shall
not be subject to the Contractor's Collection Charge.

I.12.b. The Authorized Purchaser reserves the right to set off refunds from
the U.S. Internal Revenue Service, Oregon Department of Revenue, or other
credits due the debtor against any account referred to Contractor.
Contractor shall not be entitled to Contractor's Collection Charge for any
amount so offset.

I.12.c. No payment received by an Authorized Purchaser as a result of a
Pre-offset Notice shall be subject to Contractor's Collection Charge.

I.12.d. The Authorized Purchaser shall not pay a charge for collections
resulting from the sale or refinance or purchase of real or personal
property unless Contractor can prove to the Authorized Purchaser's
satisfaction that the collection was a direct result of Contractor's
action.

I.12.e. The Authorized Purchaser shall pay no collection charges to
Contractor for any payments from foreclosure, probate or bankruptcy
trustee.

I.12.f. If an account is reduced or canceled by the Authorized Purchaser,
no Contractor's Collection Charge shall be due Contractor for the amount so
reduced or canceled, except as provided in Section I.6.r. of this Price
Agreement.

I.12.g Authorized Purchaser shall pay no collection charges to Contractor
during any period of withholding by DAS for violations as prescribed in
F.17.b.1 and F.17.b.2.

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SECTION J FINANCIAL PROPOSAL FORM

Proposer shall submit a proposal for both Category I and Category II. Refer to Section E.6 for details of pricing evaluation.

CATEGORY I
Collection rate for general collection services according to I.11 _____%

CATEGORY II
Collection rate when Payment received is the result of a warrant or garnishment issued by Authorized Purchaser at the request of the Contractor.
(Refer to I.6.r for more information) _____%

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SECTION I - RESIDENCY INFORMATION

ORS 279A.120 provides that in determining the lowest responsible bidder, a contracting agency shall, for the purpose of awarding the contract, "...add a percent increase on the bid of a nonresident bidder equal to the percent, if any, of the preference given to that bidder in the state in which the bidder resides."

"Resident bidder" means a bidder that has paid unemployment taxes or income taxes in this state during the 12 calendar months immediately preceding submission of the bid/proposal, has a business address in this state and has stated in the bid whether the bidder is a "resident bidder". (ORS 279A.120(1)(a))

"Non-resident bidder" means a bidder who is not a "resident bidder" as defined above. (ORS 279A.120(1)(a))

- a. Check one: Bidder is a () resident bidder () non-resident bidder.
b. If a resident bidder, enter your Oregon business address:

c. If a non-resident bidder, enter state of residency: _____

d. If a non-resident bidder, do you or your firm receive, or are you or your firm eligible for, any preference in award of contracts with your state's government or with other governmental bodies in your state?
Check one: () Yes () No

If yes: state the preference percentage: _____%

If yes, but not a percentage of bid/proposal price, describe the preference:

If yes, state the law or regulation that allows the preference described (legal citation):

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PROPOSER NAME: _____

SECTION II - CERTIFICATION OF COMPLIANCE WITH DISCRIMINATION LAWS

By my signature in Section VI-A of this RFP, I, hereby represent, warrant and certify under penalty of perjury:

that I am authorized to act on behalf of Contractor and that to the best of my knowledge, Contractor has not discriminated against minority, women or emerging small business enterprises in obtaining any required subcontracts, and that Contractor is not in violation of any discrimination laws.

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 SECTION III - CERTIFICATION OF COMPLIANCE WITH TAX LAWS

Business Name		Employer Identification Number (EIN)	
DBA		Oregon Business Identification Number (BIN)	
Street Address	City	State	Zip Code
Business Telephone Number		Fax Number	

Type of business (check one) Sole Proprietor Partnership Corporation
 Other (specify) _____

I hereby authorize for the entity named above the release of information showing that the entity has filed all required tax returns and whether the entity has paid all taxes due, which includes adherence to an acceptable payment plan. This authorization applies to the three tax years preceding and for any tax years subsequent to the date of this authorization. This authorization remains in effect until June 30, 2011 or until a notice of revocation is received from the entity, whichever is sooner.

Signature	Print Name	Date
Title (if applicable)		Telephone Number

By my signature in Section VI-A of this RFP, I, hereby attest or affirm under penalty of perjury:

that I am authorized to act on behalf of the Contractor in this matter, that I have authority and knowledge regarding the payment of taxes, and that Contractor is, to the best of my knowledge, not in violation of any Oregon Tax Laws.

For purposes of this certification, "Oregon Tax Laws" means those programs listed in ORS 305.380(4) which is incorporated herein by this reference. Examples include the state inheritance tax, personal income tax, withholding tax, corporation income and excise taxes, amusement device tax, timber taxes, cigarette tax, other tobacco tax, 9-1-1 emergency communications tax, the homeowners and renters property tax relief program and local taxes administered by the Department of Revenue (Lane Transit District Self-Employment Tax, Lane Transit District Employer Payroll Tax, Tri-County Metropolitan Transit District of Oregon ("Tri-Met") Employer Payroll Tax, and Tri-Met Self-Employment Tax).

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SECTION IV - RESPONSIBILITY

The State reserves the right, pursuant to OAR 125-247-0500, to investigate and evaluate, at any time prior to award and execution of the Contract, the apparent successful Proposer's responsibility to perform the Contract. Submission of a signed offer shall constitute approval for the State to obtain any information the State deems necessary to conduct the evaluation. The State shall notify the apparent successful Proposer, in writing, of any other documentation required, which may include, but is not limited to, recent profit-and-loss history; current balance statements; assets-to-liabilities ratio, including number and amount of secured versus unsecured creditor claims; availability of short and long-term financing; bonding capacity; credit information; material; equipment; facility and personnel information; performance record of contract performance; etc. Failure to promptly provide this information shall result in offer rejection.

The State may postpone the award of the Contract after announcement of the apparent successful Proposer in order to complete its investigation and evaluation. Failure of the apparent successful Proposer to demonstrate Responsibility, as required under OAR 125-247-0500, shall render the Proposer non-responsible and shall constitute grounds for offer rejection, as required under ORS 279B.100.

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SECTION V - RECYCLED PRODUCTS CERTIFICATION

Vendors shall use recyclable products to the maximum extent economically feasible in the performance of the contract work set forth in this document.

ORS 279B.010(gg)(6) states: "'Recycled product' means all materials, goods and supplies, not less than 50 percent of the total weight of which consists of secondary and post-consumer waste with not less than 10 percent of total weight consisting of post-consumer waste. 'Recycled product' also includes any product that could have been disposed of as a solid waste, having completed its life cycle as a consumer item, but otherwise is refurbished for reuse without substantial alteration of the product's form."

ORS 279A.010(s) states: "'Post-consumer waste' means a finished material which would normally be disposed of as solid waste, having completed its life cycle as a consumer item. 'Post-consumer waste' does not include manufacturing waste."

ORS 279A.010(hh) states: "'Secondary waste materials' means fragments of products of finished products of a manufacturing process which has converted a virgin resource into a commodity of real economic value. "Secondary waste materials" includes post-consumer waste. "Secondary waste materials" does not include excess virgin resources of the manufacturing process. For paper, "secondary waste materials" does not include fibrous waste generated during the manufacturing process such as fibers recovered from waste water or trimmings of paper machine rolls, mill broke, wood slabs, chips, sawdust or other wood residue from a manufacturing process."

ORS 279A.010(ff) states: "'Recycled PETE product' means post-consumer polyethylene terephthalate material."

I, the undersigned duly authorized representative of the offeror (proposer), hereby certify that the products, if any, offered in this bid/proposal contain the following minimum percentages:

- a) ____ % (recycled product as defined in ORS 279A.010(gg))
- b) ____ % (post-consumer waste as defined in ORS 279A.010(s))
- c) ____ % (secondary waste materials as defined in ORS 279A.010(hh))
- d) ____ % (recycled PETE product as defined in ORS 279A.010(ff))

It is the offeror's responsibility to provide additional signed copies of the Certification of Compliance for each item which contains a different percentage of recycled materials than listed above.

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SECTION VI-A - SIGNATURE OF PROPOSER'S DULY AUTHORIZED REPRESENTATIVE

THIS OFFER MUST BE SIGNED IN INK BY AN AUTHORIZED REPRESENTATIVE OF THE PROPOSER; ANY ALTERATIONS OR ERASURES TO THE OFFER MUST BE INITIALED IN INK BY THE UNDERSIGNED AUTHORIZED REPRESENTATIVE.

The undersigned acknowledges, attests and certifies individually and on behalf of the Proposer that:

- (1) He/she is a duly authorized representative of the Proposer, has been authorized by Proposer to make all representations, attestations, and certifications contained in this bid/proposal document and all addenda, if any, issued, and to execute this bid/proposal document on behalf of Proposer;
- (2) Proposer, acting through its authorized representatives, has read and understands all bid/proposal instructions, specifications, and terms and conditions contained in this bid/proposal document (including all listed attachments and addenda, if any, issued);
- (3) Proposer certifies that this bid/proposal has been arrived at independently and has been submitted without any collusion designed to limit independent bidding or competition.
- (4) Proposer is bound by and will comply with all requirements, specifications, and terms and conditions contained in this bid/proposal document (including all listed attachments and addenda, if any, issued);
- (5) Proposer will furnish the designated item(s) and/or service(s) in accordance with the bid/proposal specifications and requirements, and will comply in all respects with the terms of the resulting contract upon award.
- (6) PROPOSER WILL PROVIDE/FURNISH FEDERAL EMPLOYEE IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER WITH BID/PROPOSAL SUBMISSION.

Authorized Signature: _____ Title: _____

FEIN ID# or SSN# (required)_____

Contact Person (Type or Print): _____

Telephone Number: (____)_____ Fax Number: (____)_____

SECTION VI (B) (to be completed by the State of Oregon)

The State of Oregon hereby awards a contract to the above Proposer for the item(s) and/or service(s) designated on the bid/proposal invitation as Item No.: 102-5020-5

Authorized Signature: _____ Date: _____

Term of Contract: _____ Contract No. _____

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EXHIBIT A

IN THE CIRCUIT COURT OF THE STATE OF OREGON
FOR _____ COUNTY
Small Claims Division - _____
(court's address and phone number)

CASE No. _____

Plaintiff _____

V.

SMALL CLAIMS JUDGMENT;

MONEY AWARD

General Limited Supplemental

Plaintiff

Submitted by: _____

Defendant

Defendant(s) _____

JUDGMENT. I hereby give judgment in this case for the Judgment Creditor named in the money judgment/money award below and against the judgment debtor(s) named therein.

In addition to or in lieu of the money award below, this judgment establishes the following requirements: NONE, OR _____

MONEY JUDGMENT/MONEY AWARD

1. Judgment Creditor: _____
Name(s)/Address

2. Judgment Creditor's Attorney: None, OR _____
Name/Address/Phone No.

_____ in this case.
3. Judgment Debtor(s). Information for any additional debtor(s) is provided in attachments and incorporated herein by reference:

4a. Name: _____

4b. Name: _____

5a. Address: _____

5b. Address: _____

6a. DOB: _____

6b. DOB: _____

7a. SSN or Tax ID: _____

7b. SSN or Tax ID: _____

8a. Dr Lic. No./State: _____

8b. Dr Lic. No./State: _____

9. Judgment Debtor's Attorney: None, OR _____ in this case.
Name

10. I know the following person or public body is entitled to a portion of the money award: NO ONE,

OR _____

11. Judgment is for a total judgment award of \$ _____, which includes the following money amounts (and post judgment interest at rate shown):

12. Money award of \$ _____

15. Accrued arrearages of \$ _____

13. Prejudgment interest of \$ _____

16. Costs and service expenses of \$ _____

14. Postjudgment interest on "11" will be at ___% per ____.

17. Prevailing party fee of \$ _____

DATED SIGNED: _____

Circuit Court Judge

Print Judge's Name