

**CONTRACT FOR ON-SITE COLLECTION SERVICES**  
**NCO FINANCIAL SYSTEMS, INC.**

This Agreement, entered into this 1st day of August, 2012, by and between the NCO Financial Systems, Inc., (hereinafter referred to as the NCO), and the Department of Finance, Division of Revenue of the State of Delaware (hereinafter referred to as the "Division"), witnesseth that:

**WHEREAS**, the Division desires to engage NCO to perform certain collections of overdue accounts; and

**WHEREAS**, the Secretary of the Department of Finance deems that the professional services herein contracted for are necessary and desirable in performance of the function of the Division.

**NOW, THEREFORE**, in consideration for the performance of such services in exchange for compensation as set forth herein, the parties agree and state the following:

1. The Division hereby agrees to engage NCO and NCO agrees to perform the services as are more fully described on Exhibit A attached hereto.
- 2a. **Scope of Services**. NCO shall do, perform, and carry out, in a satisfactory and proper manner as determined by the Division of Revenue the services identified in Exhibit A of this Contract. The "Request for Proposal for On-Site Professional Collection Services," Proposal #25-06-01-05-01 dated June 20 , 2011 and NCO response to proposal, dated July 22, 2011 are incorporated herein and hereby made part of this Contract and designated as Exhibit A. Sections I, II, and III of the "Request for Proposal" define the scope of services and all of Exhibit A, as well as the provisions of this Contract detail the performance specifications for collection on accounts.
- 2b. NCO shall provide on-site professional collection services in accordance with the attached "Request for Proposal for On-Site Professional Collection Services and NCO's response to same." The work plan follows:

**Work Plan**

- (1) The Division will provide space, equipment and telephones for NCO staff. Preferably, this space would be contiguous with current staff.
- (2) NCO staff, along with NCO management, will meet with Division heads to outline and mutually agree upon the objective of the program.

- (3) The Division will provide NCO staff with training on their computer system and overall layout of the current collections policies and procedures.
- (4) NCO will be assigned to accounts based on the Division's criteria.
- (5) NCO will provide one Manager, Staff Collectors, Administrative Assistant, Problem Resolution, Enforcement and Clerical Employees. Staffing will be adjusted as inventory and work load increases or decreases.
- (6) Pricing: It is expected that NCO full time staff will work a minimum forty-hour week and hours for part time staff may vary. Schedules will be assigned at a later date. The Manager will be provided for the duration of the project. The following hourly rates are payable to NCO:

Manager Rate	\$46.18 per hour
Administrative Assistant Rate	\$30.18 per hour
Collector's Rate	\$27.38 per hour
Problem Resolution Rate	\$37.74 per hour
Enforcement Rate	\$29.41 per hour
Clerical Rate	\$21.00 per hour

- 3. **Personnel.** NCO represents that it has, or will secure, all personnel required in performing the services under this Contract. However, the Division shall retain the right at all times during the term of this Agreement and any extensions thereof to replace, at NCO's expense, any contractual employee whose performance, including but not limited to, production, attendance, timeliness, and adherence to policy, is determined by the Division to be unsatisfactory.
- 4. **Time of Performance.** The services of NCO are to commence after the execution of this Contract on August 1, 2012 and shall be undertaken and completed in such sequence as to assure their completion in light of the purpose of this Contract.
- 5. **Method of Payment.** NCO agrees to satisfactorily perform all services requested according to the terms and conditions specified herein for the hourly rates detailed in paragraph 2(b) 6 of this contract.
  - (a) The Division will pay to NCO the amount set forth in paragraph 2b [Work Plan] which shall constitute full and complete payment and consideration for the NCO services hereunder. The billing process consists of the NCO Manager printing out the time clock sheets for the month, calculating the

total hours and making any necessary adjustments. The total hours are then entered on an excel spreadsheet along with the total collections, both of which are verified by the Division Supervisor and/or Manager. The spreadsheet is formulated to calculate the bonus and the billing. All the above information along with printouts shall be forwarded to the Division Supervisor and/or Manager for review. Once the Division Supervisor and/or Manager reviews and approves the figures, the spreadsheet shall be returned to the NCO Manager who shall then forward it to NCO for an invoice and cc's the Division Supervisor and Manager. NCO shall produce an invoice within five (5) days of receiving said spreadsheet. This invoice is sent to the State Budget Office to be paid within 30 days of receipt

(b) The payroll and bonus information shall be sent to NCO within 7 working days from the end of each month.

6. **Termination of Contract for Cause.** If, through any cause, NCO shall fail to fulfill in timely and proper manner its obligations under this Contract, or if NCO shall violate any of the covenants, agreements, or stipulations of this Contract, the Division shall thereupon have the right to terminate this Contract after giving written notice to NCO. Such termination shall be effective immediately upon receipt of written notice. In that event, all finished or unfinished documents, data studies, and all reports or other material prepared by NCO shall, at the option of the Division, become its property, and NCO shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials. If the Division declares such documents and materials as its property, such property shall be delivered, at NCO's expense, to the Division within seven (7) days of the receipt of the notice of termination. The filing of a petition in bankruptcy or insolvency by or against NCO shall terminate the contract. **NOTWITHSTANDING THE ABOVE, NCO shall not be relieved of liability to the Division by virtue of any breach of the Contract by NCO, and the Division may withhold any payment to NCO for the purpose of set-off until such times as the exact amount of damages due the Division from NCO is determined.**

7. **Termination for Convenience of the Division of Revenue.** The Division may terminate this Contract without cause at any time by giving written notice to NCO of

such termination and specifying the effective date thereof, being no less than thirty (30) days before the effective date of such termination. In that event, all finished or unfinished documents and other materials as described in paragraph 6 above, shall, at the option of the Division, become its property and shall be delivered to the Division in accordance with said paragraph. The NCO shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

8. **Assurances.** NCO hereby agrees that it will give the Division and/or the State Auditor, through any authorized representative of either, access to and the right to examine all records, work papers, or documents related to the Contract and, at all reasonable times, to inspect the work being performed. However, any request for documents containing any confidential tax information must be made through a representative of the Division.
9. **Assignability.** NCO shall not assign any interest in this Contract and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the Division.
10. **Interest of NCO.** NCO covenants that it will take reasonable and necessary precautions to assure that it will employ no person in the performance of this Contract who has or acquires any interest, direct or indirect, which will conflict in any manner or degree with the performance of services required to be performed under this Contract.
11. **Findings and Collection Confidentiality.** Any collection, reports, information, data, etc., given to or prepared or assembled by NCO under this Contract which the Division requests be kept confidential shall not be made available to any individual or organization by NCO without the prior written approval of the Division.
12. **Contract Period.** The Contract will be effective for a period of twelve (12) months beginning August 1, 2012 and ending July 31, 2013. By mutual agreement, this Contract may be renewed for a maximum of four (4) successive one (1) year periods under the terms and conditions as spelled out in Section 1.2 of the Division's "Request for Proposal for On-Site Collection Services." All renewals in accordance with this Contract shall be agreed to in writing on or before July 31<sup>st</sup> of each successive year. However, it is further agreed and understood by NCO that a

portion of the contract for the services described herein has been awarded to a second on-site collection agency and the Division views performance of services under these related contracts to be a competition between NCO and its counterpart and at the end of the initial two year term of said contracts, the performance of each collection vendor shall be evaluated and the top performing vendor shall thereafter be awarded the entire contract for the remainder of the contract for services described herein.

13. **Ethics.** NCO shall not, under any circumstances, use any threats, intimidation, or harassment in the collection process or violate the Fair Debt Collections Practices Act or any other Federal or State law, rule, regulation or guidelines established by the Federal or State Government. NCO must be a member of the American Collectors Association and shall comply strictly with the code of ethics adopted by this organization.
14. **Indemnification and Relationship of Parties.** NCO shall be an Independent Contractor, licensed and bonded, and solely responsible for the employment, acts and omissions, control, and direction of its employees. NCO shall save and keep harmless and indemnify the State of Delaware, its agencies and employees against any and all liability arising out of the operations or performance of the work by NCO's agents and/or employees in connection with the Contract.
15. **Changes.** The Division may, from time to time, require changes in the scope and period of the services of NCO to be performed under this Contract. Such changes, including any increase or decrease in the amount of NCO's compensation or staffing, which are mutually agreed upon by and between NCO and the Division shall be incorporated in written amendments to this Contract.
16. NCO shall procure all necessary permits and licenses and abide by all applicable laws, regulations, and ordinances of the United States, all States, including the State of Delaware, and political subdivisions in which work under this Contract is performed.
17. NCO shall be liable for all taxes levied upon this Contract, the services delivered and payments made to NCO and its personnel pursuant thereto.
18. Any notice or communication to be given pursuant to the terms of this Contract by either party to the other shall be sufficient if given in writing and personally delivered

to NCO's Project Manager or the Division Contract Administrator, or mailed by certified mail, postage prepaid, return receipt requested to the stated address of the other party.

19. This Contract constitutes the entire Agreement between the parties with respect to the subject matter and all prior agreements, representations, statements, negotiations, and undertakings are superceded hereby. However, to the extent such communications are consistent with the terms of the Contract, this Contract shall be interpreted in light thereof.
20. No amendment to this Agreement shall be effective unless it is in writing and signed by duly authorized representatives of both parties.
21. No term or provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.
22. Each party warrants it has full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each has been properly authorized and empowered to execute and enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it and has had the opportunity to review same with its own counsel.
23. This Contract shall be governed by and construed in accordance with the statutes and laws of the State of Delaware, as such statutes and laws are applied to contracts between Delaware residents entered into and to be performed entirely within Delaware.
24. Notwithstanding any other provision of the Contract requiring the liability of the State for the expenditure of money, whether by direct payment or covenant, if sufficient funds are not appropriated or special fund authorized by the Delaware General Assembly or other appropriate federal or state agency to sustain, in whole or in part, the Division's performance under this Agreement, or if such appropriation is reduced such that its amount is insufficient to sustain said performance, this Contract shall be null and void at the written instance of the Director of the Division

of Revenue.

25. This contract shall not be effective until a Purchase Order reflecting this transaction is approved by the Delaware Secretary of Finance in accordance with the State's Accounting Manual. This Contract shall be effective only to the extent of the dollar amount reflected in such Purchase Order.

**IN WITNESS WHEREOF**, the Delaware Department of Finance, Division of Revenue and the NCO Financial Systems, Inc. have executed this Agreement as of the date first written above.

Department of Finance, Division of Revenue  
of the State of Delaware

Date Aug. 6, 2012

By: Original on File

Name & Title: PATRICK CARTER, Director of Division of Revenue

Attest: Original on File

NCO Financial Systems, Inc.

By: Original on File

Date 7-31-12

Name & Title: Michael A. Bevilacqua, Jr., VP

Attest: Original on File

**CONTRACT FOR ON-SITE COLLECTION SERVICES**  
**PIONEER CREDIT RECOVERY INC.**

This Agreement, entered into this 1st day of August, 2012, by and between the Pioneer Credit Recovery Inc., (hereinafter referred to as the Pioneer), and the Department of Finance, Division of Revenue of the State of Delaware (hereinafter referred to as the "Division"), witnesseth that:

**WHEREAS**, the Division desires to engage Pioneer to perform certain collections of overdue accounts; and

**WHEREAS**, the Secretary of the Department of Finance deems that the professional services herein contracted for are necessary and desirable in performance of the function of the Division.

**NOW, THEREFORE**, in consideration for the performance of such services in exchange for compensation as set forth herein, the parties agree and state the following:

1. The Division hereby agrees to engage Pioneer and Pioneer agrees to perform the services as are more fully described on Exhibit A attached hereto.
- 2a. **Scope of Services**. Pioneer shall do, perform, and carry out, in a satisfactory and proper manner as determined by the Division of Revenue the services identified in Exhibit A of this Contract. The "Request for Proposal for On-Site Professional Collection Services," Proposal #25-06-01-05-01 dated June 20, 2011 and Pioneer response to proposal, dated July 20, 2011 are herein and hereby made part of this Contract and designated as Exhibit A. Sections I, II, and III of the "Request for Proposal" define the scope of services and all of Exhibit A, as well as the provisions of this Contract detail the performance specifications for collection on accounts.
- 2b. Pioneer shall provide on-site professional collection services in accordance with the attached "Request for Proposal for On-Site Professional Collection Services and Pioneer's response to same." The work plan follows:

**Work Plan**

- (1) The Division will provide space, equipment and telephones for Pioneer staff. Preferably, this space would be contiguous with current staff.
- (2) Pioneer staff, along with Pioneer management, will meet with Division heads to outline and mutually agree upon the objective of the program.
- (3) The Division will provide Pioneer staff with training on their computer system

and overall layout of the current collections policies and procedures.

- (4) Pioneer will be assigned to accounts based on the Division's criteria.
- (5) Pioneer will provide one Manager, Staff Collectors, Administrative Assistant, Problem Resolution, Enforcement and Clerical Employees as needed. Staffing will be adjusted as inventory and work load increases or decreases.
- (6) Pricing: It is expected that Pioneer full time staff will work a minimum forty-hour week and hours for part time staff may vary. Schedules will be assigned at a later date. The Manager will be provided for the duration of the project. The following hourly rates are payable to Pioneer:

Manager Rate	\$46.18 per hour
Administrative Assistant Rate	\$30.18 per hour
Collector's Rate	\$27.38 per hour
Problem Resolution Rate	\$37.74 per hour
Enforcement Rate	\$29.41 per hour
Clerical Rate	\$21.00 per hour

3. **Personnel.** Pioneer represents that it has, or will secure, all personnel required in performing the services under this Contract. However, the Division shall retain the right at all times during the term of this Agreement and any extensions thereof to replace, at Pioneer's expense, any contractual employee whose performance, including but not limited to, production, attendance, timeliness, and adherence to policy, is determined by the Division to be unsatisfactory.
4. **Time of Performance.** The services of Pioneer are to commence after the execution of this Contract on August 1, 2012 and shall be undertaken and completed in such sequence as to assure their completion in light of the purpose of this Contract.
5. **Method of Payment.** Pioneer agrees to satisfactorily perform all services requested according to the terms and conditions specified herein for the hourly rates detailed in paragraph 2(b) 6 of this contract.
  - (a) The Division will pay to Pioneer the amount set forth in paragraph 2b [Work Plan] which shall constitute full and complete payment and consideration for the Pioneer services hereunder. The billing process consists of the Pioneer Manager printing out the time clock sheets for the month,

calculating the total hours and making any necessary adjustments. The total hours are then entered on an excel spreadsheet along with the total collections, both of which are verified by the Division Supervisor and/or Manager. The spreadsheet is formulated to calculate the bonus and the billing. All the above information along with printouts shall be forwarded to the Division Supervisor and/or Manager for review. Once the Division Supervisor and/or Manager reviews and approves the figures, the spreadsheet shall be returned to the Pioneer Manager who shall then forward it to Pioneer for an invoice and cc's the Division Supervisor and Manager. Pioneer shall produce an invoice within five (5) days of receiving said spreadsheet. This invoice is sent to the State Budget Office to be paid within 30 days of receipt

(b) The payroll and bonus information shall be sent to Pioneer within 7 working days from the end of each month.

6. **Termination of Contract for Cause.** If, through any cause, Pioneer shall fail to fulfill in timely and proper manner its obligations under this Contract, or if Pioneer shall violate any of the covenants, agreements, or stipulations of this Contract, the Division shall thereupon have the right to terminate this Contract after giving written notice to Pioneer. Such termination shall be effective immediately upon receipt of written notice. In that event, all finished or unfinished documents, data studies, and all reports or other material prepared by Pioneer shall, at the option of the Division, become its property, and Pioneer shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials. If the Division declares such documents and materials as its property, such property shall be delivered, at Pioneer's expense, to the Division within seven (7) days of the receipt of the notice of termination. The filing of a petition in bankruptcy or insolvency by or against Pioneer shall terminate the contract. **NOTWITHSTANDING THE ABOVE,** Pioneer shall not be relieved of liability to the Division by virtue of any breach of the Contract by Pioneer, and the Division may withhold any payment to Pioneer for the purpose of set-off until such times as the exact amount of damages due the Division from Pioneer is determined.

7. **Termination for Convenience of the Division of Revenue.** The Division may

terminate this Contract without cause at any time by giving written notice to Pioneer of such termination and specifying the effective date thereof, being no less than thirty (30) days before the effective date of such termination. In that event, all finished or unfinished documents and other materials as described in paragraph 6 above, shall, at the option of the Division, become its property and shall be delivered to the Division in accordance with said paragraph. The Pioneer shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

8. **Assurances.** Pioneer hereby agrees that it will give the Division and/or the State Auditor, through any authorized representative of either, access to and the right to examine all records, work papers, or documents related to the Contract and, at all reasonable times, to inspect the work being performed. However, any request for documents containing any confidential tax information must be made through a representative of the Division.
9. **Assignability.** Pioneer shall not assign any interest in this Contract and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the Division.
10. **Interest of Pioneer.** Pioneer covenants that it will take reasonable and necessary precautions to assure that it will employ no person in the performance of this Contract who has or acquires any interest, direct or indirect, which will conflict in any manner or degree with the performance of services required to be performed under this Contract.
11. **Findings and Collection Confidentiality.** Any collection, reports, information, data, etc., given to or prepared or assembled by Pioneer under this Contract which the Division requests be kept confidential shall not be made available to any individual or organization by Pioneer without the prior written approval of the Division.
12. **Contract Period.** The Contract will be effective for a period of twelve (12) months beginning August 1, 2012 and ending July 31, 2013. By mutual agreement, this Contract may be renewed for a maximum of four (4) successive one (1) year periods under the terms and conditions as spelled out in Section 1.2 of the Division's "Request for Proposal for On-Site Collection Services." All renewals in

accordance with this Contract shall be agreed to in writing on or before July 31<sup>st</sup> of each successive year. However, it is further agreed and understood by Pioneer that a portion of the contract for the services described herein has been awarded to a second on-site collection agency and the Division views performance of services under these related contracts to be a competition between Pioneer and its counterpart and at the end of the initial two year term of said contracts, the performance of each collection vendor shall be evaluated and the top performing vendor shall thereafter be awarded the entire contract for the remainder of the contract for services described herein.

13. **Ethics.** Pioneer shall not, under any circumstances, use any threats, intimidation, or harassment in the collection process or violate the Fair Debt Collections Practices Act or any other Federal or State law, rule, regulation or guidelines established by the Federal or State Government. Pioneer must be a member of the American Collectors Association and shall comply strictly with the code of ethics adopted by this organization.
14. **Indemnification and Relationship of Parties.** Pioneer shall be an Independent Contractor, licensed and bonded, and solely responsible for the employment, acts and omissions, control, and direction of its employees. Pioneer shall save and keep harmless and indemnify the State of Delaware, its agencies and employees against any and all liability arising out of the operations or performance of the work by Pioneer's agents and/or employees in connection with the Contract.
15. **Changes.** The Division may, from time to time, require changes in the scope and period of the services of Pioneer to be performed under this Contract. Such changes, including any increase or decrease in the amount of Pioneer's compensation or staffing, which are mutually agreed upon by and between Pioneer and the Division shall be incorporated in written amendments to this Contract.
16. Pioneer shall procure all necessary permits and licenses and abide by all applicable laws, regulations, and ordinances of the United States, all States, including the State of Delaware, and political subdivisions in which work under this Contract is performed.
17. Pioneer shall be liable for all taxes levied upon this Contract, the services delivered and payments made to Pioneer and its personnel pursuant thereto.

18. Any notice or communication to be given pursuant to the terms of this Contract by either party to the other shall be sufficient if given in writing and personally delivered to Pioneer's Project Manager or the Division Contract Administrator, or mailed by certified mail, postage prepaid, return receipt requested to the stated address of the other party.
19. This Contract constitutes the entire Agreement between the parties with respect to the subject matter and all prior agreements, representations, statements, negotiations, and undertakings are superceded hereby. However, to the extent such communications are consistent with the terms of the Contract, this Contract shall be interpreted in light thereof.
20. No amendment to this Agreement shall be effective unless it is in writing and signed by duly authorized representatives of both parties.
21. No term or provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.
22. Each party warrants it has full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each has been properly authorized and empowered to execute and enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it and has had the opportunity to review same with its own counsel.
23. This Contract shall be governed by and construed in accordance with the statutes and laws of the State of Delaware, as such statutes and laws are applied to contracts between Delaware residents entered into and to be performed entirely within Delaware.
24. Notwithstanding any other provision of the Contract requiring the liability of the State for the expenditure of money, whether by direct payment or covenant, if sufficient funds are not appropriated or special fund authorized by the Delaware General Assembly or other appropriate federal or state agency to sustain, in whole or in part, the Division's performance under this Agreement, or if such appropriation is

reduced such that its amount is insufficient to sustain said performance, this Contract shall be null and void at the written instance of the Director of the Division of Revenue.

25. This contract shall not be effective until a Purchase Order reflecting this transaction is approved by the Delaware Secretary of Finance in accordance with the State's Accounting Manual. This Contract shall be effective only to the extent of the dollar amount reflected in such Purchase Order.

**IN WITNESS WHEREOF**, the Delaware Department of Finance, Division of Revenue and the Pioneer Credit Recovery Inc. have executed this Agreement as of the date first written above.

Date August 2, 2012 Director of Division of Revenue \_\_\_\_\_  
Attest J. Original on File

Date 07/30 <sup>2012</sup> Pioneer Credit Recovery Inc. \_\_\_\_\_  
Attest Original on File President