

PROFESSIONAL SERVICES AGREEMENT

This Agreement ("Agreement") is entered into as of May 25, 2015 ("Effective Date") and will end on May 24, 2018, by and between the State of Delaware, Department of Finance, Division of Revenue ("Delaware" or "DOR" or "State"), and Revenue Solutions, Inc., a Massachusetts corporation, with an office at 42 Winter Street, Pembroke, MA 02359 ("RSI").

WHEREAS, Delaware desires to obtain certain services to provide Delinquent Collections Enhancements; and

WHEREAS, RSI desires to provide such services to Delaware on the terms set forth below;

WHEREAS, Delaware and RSI represent and warrant that each party has full right, power and authority to enter into and perform under this Agreement;

FOR AND IN CONSIDERATION OF the premises and mutual agreements herein, Delaware and RSI agree as follows:

1. Services.

1.1 RSI shall perform for Delaware the services specified in the Appendices to this Agreement, attached hereto and made a part hereof.

1.2 Any conflict or inconsistency between the provisions of the following documents shall be resolved by giving precedence to such documents in the following order: (a) this Agreement (including any amendments or modifications thereto); (b) the Statement of Work, attached hereto as Appendix A; (c) RSI's Revenue Premier® License and Maintenance Agreement, attached hereto as Appendix B; (d) Delaware's request for proposals, attached hereto as Appendix C; and (e) RSI's response to the request for proposals, attached hereto as Exhibit 1. The aforementioned documents are specifically incorporated into this Agreement and made a part hereof.

1.3 Delaware may, at any time, by written order, make changes in the scope of this Agreement and in the services or work to be performed. No services for which additional compensation may be charged by RSI shall be furnished without the written authorization of Delaware. When Delaware desires any addition or deletion to the deliverables or a change in the Services to be provided under this Agreement, it shall notify RSI, who shall then submit to Delaware a "Change Order" for approval authorizing said change. The Change Order shall state whether the change shall cause an alteration in the price or the time required by RSI for any aspect of its performance under this Agreement. Pricing of changes shall be consistent with those established within this Agreement. Approved Change Orders that include additional compensation will be

accompanied by an appropriate purchase order (s).

1.4 RSI will not be required to make changes to its scope of work that result in RSI's costs exceeding the current unencumbered budgeted appropriations for the services. Any claim of either party for an adjustment under Section 1 of this Agreement shall be asserted in the manner specified in the writing that authorizes the adjustment.

2. Payment for Services and Expenses.

2.1 The term of the initial contract shall be from May 25, 2015 through May 24, 2018 and may be extended in writing by both parties (i.e., option years).

2.2 Delaware will pay RSI for the performance of services described in Appendix A, Statement of Work. The fee will be paid in accordance with the payment schedule attached hereto as part of Appendix A.

2.3 Delaware's obligation to pay RSI for the performance of services described in Appendix A, Statement of Work, inclusive of the Revenue Premier Portfolio Warehouse option, will not exceed the cap amount of \$1,600,000 for the initial term of this contract. If the Revenue Premier Portfolio Warehouse is not chosen, the total cost of the project will be \$1,095,000. If the Revenue Premier Portfolio Warehouse option is exercised within the first 12 months of the project, no addition costs over the \$1,600,000 cap will be incurred. If the option is exercised after the first 12 months of the project, a change order may be required to address additional RSI costs. It is expressly understood that the work defined in the appropriate appendices to this Agreement must be completed by RSI and it shall be RSI's responsibility to ensure that hours and tasks are properly budgeted so that all services are completed. Delaware's total liability for all charges for services that may become due under this Agreement is limited to the total maximum expenditure(s) authorized in Delaware's purchase order(s) to RSI.

2.4 RSI shall submit monthly invoices to Delaware in sufficient detail to support the benefits reached during the previous month and RSI's payment amount based on benefit tier. Delaware agrees to pay those invoices within thirty (30) days of receipt. In the event Delaware disputes a portion of an invoice, Delaware agrees to pay the undisputed portion of the invoice within thirty (30) days of receipt and to provide RSI a detailed statement of Delaware's position on the disputed portion of the invoice within thirty (30) days of receipt. Delaware's failure to pay any amount of an invoice that is not the subject of a good-faith dispute within thirty (30) days of receipt shall entitle RSI to charge interest on the overdue portion at the lower of 1.0% per month. All payments should be sent to RSI at 42 Winter Street, Pembroke, MA 02359.

2.4.1 All invoices, reports, documents provided in response to an audit, and

any documentation provided to DOR pursuant to any contractual obligation, including any chart or compilation of data, report, or other document produced by the vendor shall contain the following certification:

"I hereby certify that the information reported herein is true, accurate and complete. I understand that these reports are made in support of claims for government funds."

Any certification related to information and documents produced to the Department shall be certified only by the vendor's contract manager.

2.5 Unless provided otherwise in an Appendix, all expenses incurred in the performance of the services are to be paid by RSI. If an Appendix specifically provides for expense reimbursement, RSI shall be reimbursed only for reasonable expenses incurred by RSI in the performance of the services, including, but not necessarily limited to, travel and lodging expenses, communications charges, and computer time and supplies.

2.6 Delaware is a sovereign entity, and shall not be liable for the payment of federal, state and local sales, use and excise taxes, including any interest and penalties from any related deficiency, which may become due and payable as a consequence of this Agreement.

2.7 Delaware shall subtract from any payment made to RSI all damages, costs and expenses caused by RSI's negligence, resulting from or arising out of errors or omissions in RSI's work products, which have not been previously paid to RSI, but only after RSI has had a reasonable period of time, not less than 30 calendar days after written notice of deficiency, to correct the claimed errors or omissions.

2.8 Invoices shall be submitted to:

Michele Gibson
Budget and Business Services MS 12
820 N. French Street
CSOB, 8th Floor
Wilmington, DE 19801

RSI will also accept electronic invoices.

3. Responsibilities of RSI.

3.1 RSI shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all services furnished by RSI, its subcontractors and its and their principals, officers, employees and agents under this Agreement. In performing the specified services, RSI shall follow practices consistent with generally accepted professional and technical standards. RSI

shall be responsible for ensuring that all services, products and deliverables furnished pursuant to this Agreement comply with the standards promulgated by the Department of Technology and Information ("DTI") published at <http://dti.delaware.gov/>, and as modified from time to time by DTI during the term of this Agreement. If any service, product or deliverable furnished pursuant to this Agreement does not conform to DTI standards, RSI shall, at its expense and option either (1) replace it with a conforming equivalent or (2) modify it to conform to DTI standards. RSI shall be and remain liable in accordance with the terms of this Agreement and applicable law for all damages to Delaware caused by RSI's failure to ensure conformity to DTI standards.

3.2 It shall be the duty of RSI to assure that all products of its effort are technically sound and in conformance with all pertinent Federal, State and Local statutes, codes, ordinances, resolutions and other regulations. RSI will not produce a work product that violates or infringes on any copyright or patent rights. RSI shall, without additional compensation, correct or revise any errors or omissions in its work products.

3.3 Permitted or required approval by Delaware of any products or services furnished by RSI shall not in any way relieve RSI of responsibility for the professional and technical accuracy and adequacy of its work. Delaware's review, approval, acceptance, or payment for any of RSI's services herein shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and RSI shall be and remain liable in accordance with the terms of this Agreement and applicable law for all damages to Delaware caused by RSI's performance or failure to perform under this Agreement.

3.4 RSI shall appoint a Project Manager who will manage the performance of services. All of the RSI services specified by this Agreement shall be performed by the Project Manager, or by RSI's associates and employees or subcontractors under the personal supervision of the Project Manager. Attachment A, Section 3, identifies the positions anticipated.

3.5 Designation of persons for each position is subject to review and approval by Delaware. Should the staff need to be diverted off the project for what are now unforeseeable circumstances, RSI will notify Delaware immediately and work out a transition plan that is acceptable to both parties, as well as agree to an acceptable replacement plan to fill or complete the work assigned to this project staff position. Replacement staff persons are subject to review and approval by Delaware. If RSI fails to make a required replacement within 30 days, Delaware may terminate this Agreement for default. Upon receipt of written notice from Delaware that an employee of RSI is unsuitable to Delaware for good cause, RSI shall remove such employee from the performance of services and substitute in his/her place a suitable employee.

3.6 RSI shall furnish to Delaware's designated representative copies of all

correspondence to regulatory agencies for review prior to mailing such correspondence.

3.7 RSI agrees that its officers and employees will cooperate with Delaware in the performance of services under this Agreement and will be available for consultation with Delaware at such reasonable times with advance notice as to not conflict with their other responsibilities.

3.8 RSI has or will retain such employees as it may need to perform the services required by this Agreement. Such employees shall not be employed by Delaware or any other political subdivision of Delaware.

3.9 RSI will not use Delaware's name, either express or implied, in any of its advertising or sales materials without Delaware's express written consent.

3.10 The rights and remedies of Delaware provided for in this Agreement are in addition to any other rights and remedies provided by law.

4. Time Schedule.

4.1 A project schedule is included in Appendix A.

4.2 Any delay of services or change in sequence of tasks must be approved in writing by Delaware.

4.3 In the event that RSI fails to complete the project or any phase thereof within the time specified in the Contract, or with such additional time as may be granted in writing by Delaware, or fails to prosecute the work, or any separable part thereof, with such diligence as will insure its completion within the time specified in this Agreement or any extensions thereof, Delaware shall suspend the payments scheduled as set forth in Appendix A.

5. State Responsibilities.

5.1 In connection with RSI's provision of the services, Delaware shall perform those tasks and fulfill those responsibilities specified in the appropriate Appendices.

5.2 Delaware agrees that its officers and employees will cooperate with RSI in the performance of services under this Agreement and will be available for consultation with RSI at such reasonable times with advance notice as to not conflict with their other responsibilities.

5.3 The services performed by RSI under this Agreement shall be subject to review for compliance with the terms of this Agreement by Delaware's designated representatives. Delaware representatives may delegate any or all

responsibilities under the Agreement to appropriate staff members, and shall so inform RSI by written notice before the effective date of each such delegation.

5.4 The review comments of Delaware's designated representatives may be reported in writing as needed to RSI. It is understood that Delaware's representatives' review comments do not relieve RSI from the responsibility for the professional and technical accuracy of all work delivered under this Agreement.

5.5 Delaware shall, without charge, furnish to or make available for examination or use by RSI as it may request, any data which Delaware has available, including as examples only and not as a limitation:

- a. Copies of reports, surveys, records, and other pertinent documents;
- b. Copies of previously prepared reports, job specifications, surveys, records, ordinances, codes, regulations, other document, and information related to the services specified by this Agreement.

RSI shall return any original data provided by Delaware.

5.6 Delaware shall assist RSI in obtaining data on documents from public officers or agencies and from private citizens and business firms whenever such material is necessary for the completion of the services specified by this Agreement.

5.7 RSI will not be responsible for accuracy of information or data supplied by Delaware or other sources to the extent such information or data would be relied upon by a reasonably prudent contractor.

5.8 Delaware agrees not to use RSI's name, either express or implied, in any of its advertising or sales materials. RSI reserves the right to reuse the nonproprietary data and the analysis of industry-related information in its continuing analysis of the industries covered.

6. Work Product.

6.1 All custom materials, information, documents, and reports, whether finished, unfinished, or draft, developed, prepared, completed, or acquired by RSI specifically for Delaware relating to the services to be performed hereunder shall become the property of Delaware and shall be delivered to Delaware's designated representative upon completion or termination of this Agreement, whichever comes first. RSI shall not be liable for damages, claims, and losses arising out of any reuse of any work products on any other project conducted by Delaware. Delaware shall have the right to reproduce all documentation supplied pursuant to this Agreement.

6.2 RSI retains all title and interest to the data it furnished and/or generated pursuant to this Agreement. Retention of such title and interest does not conflict with Delaware's rights to the materials, information and documents developed in performing the project. Upon final payment, Delaware shall have a perpetual, nontransferable, non-exclusive paid-up right and license to use, copy, modify and prepare derivative works of all materials in which RSI retains title, whether individually by RSI or jointly with Delaware. Any and all source code developed in connection with the services provided will be provided to Delaware, and the aforementioned right and license shall apply to source code. The parties will cooperate with each other and execute such other documents as may be reasonably deemed necessary to achieve the objectives of this Section.

6.3 In no event shall RSI be precluded from developing for itself, or for others, materials that are competitive with the Deliverables, irrespective of their similarity to the Deliverables. In addition, RSI shall be free to use its general knowledge, skills and experience, and any ideas, concepts, know-how, and techniques within the scope of its consulting practice that are used in the course of providing the services.

6.4 Notwithstanding anything to the contrary contained herein or in any attachment hereto, any and all intellectual property or other proprietary data owned by RSI or third-parties prior to the effective date of this Agreement ("Preexisting Information") shall remain the exclusive property of RSI or the third-party even if such Preexisting Information is embedded or otherwise incorporated into materials or products first produced as a result of this Agreement or used to develop such materials or products. Delaware's rights under this section shall not apply to any Preexisting Information or any component thereof regardless of form or media.

7. Confidential Information.

To the extent permissible under 29 *Del. C.* §§ 10001, et seq., the parties to this Agreement shall preserve in strict confidence any information, reports or documents obtained, assembled or prepared in connection with the performance of this Agreement.

8. Warranty.

8.1 RSI warrants that its services will be performed in a good and workmanlike manner. RSI agrees to re-perform any work not in compliance with this warranty brought to its attention within a reasonable time after that work is performed.

8.2 RSI and third-party products within the scope of this Agreement are warranted solely under the terms and conditions of the licenses or other

agreements by which such products are governed. With respect to all third-party products and services purchased by RSI for Delaware in connection with the provision of the Services, RSI shall pass through or assign to Delaware the rights RSI obtains from the manufacturers and/or vendors of such products and services (including warranty and indemnification rights), all to the extent that such rights are assignable. All warranties will be set forth in the contract. All implied warranties including, without limitation, warranties regarding merchantability, fitness for a particular purpose and non-infringement, are disclaimed.

9. Indemnification; Limitation of Liability.

9.1 RSI shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) directly arising out of (A) the negligence of RSI, its agents or employees, or (B) RSI's breach of any material provision of this Agreement not cured after due notice and opportunity to cure, provided as to (A) or (B) that (i) RSI shall have been notified promptly in writing by Delaware of any notice of such claim; and (ii) RSI shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.

9.2 If Delaware promptly notifies RSI in writing of a third party claim against Delaware that any Deliverable infringes a copyright or a trade secret of any third party, RSI will defend such claim at its expense and will pay any costs or damages that may be finally awarded against Delaware. RSI will not indemnify Delaware, however, if the claim of infringement is caused by (1) Delaware's misuse or modification of the Deliverable; (2) Delaware's failure to use corrections or enhancements made available by RSI; (3) Delaware's use of the Deliverable in combination with any product or information not owned or developed by RSI; (4) Delaware's distribution, marketing or use for the benefit of third parties of the Deliverable or (5) information, direction, specification or materials provided by Client or any third party. If any Deliverable is, or in RSI's opinion is likely to be, held to be infringing, RSI shall at its expense and option either (a) procure the right for Delaware to continue using it, (b) replace it with a noninfringing equivalent, (c) modify it to make it noninfringing, (d) if none of the foregoing remedies are commercially feasible, RSI may terminate the license for the infringing product and refund Delaware any prepaid but unaccrued fees to such product. The foregoing remedies constitute Delaware's sole and exclusive remedies and RSI's entire liability with respect to infringement.

9.3 Delaware agrees that RSI's total liability to Delaware for any and all damages whatsoever arising out of or in any way related to this Agreement from any cause, including but not limited to contract liability or RSI negligence, errors, omissions, strict liability, breach of contract or breach of warranty shall not, in the aggregate, exceed fees paid to RSI.

10. Employees.

10.1 RSI has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by RSI in the performance of the services hereunder; provided, however, that it will, subject to scheduling and staffing considerations, attempt to honor Delaware's request for specific individuals.

10.2 Except as the other party expressly authorizes in writing in advance, neither party shall solicit, offer work to, employ, or contract with, whether as a partner, employee or independent contractor, directly or indirectly, any of the other party's Personnel during their participation in the services or during the twelve (12) months thereafter. For purposes of this Section 10.2, Personnel includes any individual or company a party employs as a partner, employee or independent contractor and with which a party comes into direct contact in the course of the services.

10.3 Possession of a Security Clearance, as issued by the Delaware Department of Public Safety, may be required of any employee of RSI who will be assigned to this project.

11. Independent Contractor.

11.1 It is understood that in the performance of the services herein provided for, RSI shall be, and is, an independent contractor, and is not an agent or employee of Delaware and shall furnish such services in its own manner and method except as required by this Agreement. RSI shall be solely responsible for, and shall indemnify, defend and save Delaware harmless from all matters relating to the payment of its employees, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

11.2 RSI acknowledges that RSI and any subcontractors, agents or employees employed by RSI shall not, under any circumstances, be considered employees of Delaware, and that they shall not be entitled to any of the benefits or rights afforded employees of Delaware, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits. Delaware will not provide or pay for any liability or medical insurance, retirement contributions or any other benefits for or on behalf of Delaware or any of its officers, employees or other agents.

11.3 RSI shall be responsible for providing liability insurance for its personnel.

11.4 As an independent contractor, RSI has no authority to bind or commit Delaware. Nothing herein shall be deemed or construed to create a joint venture, partnership, fiduciary or agency relationship between the parties for any purpose.

12. Termination.

12.1 This Agreement may be terminated in whole or in part by either party in the event of substantial failure of the other party to fulfill its obligations under this Agreement through no fault of the terminating party; but only after the other party is given:

- a. Not less than 30 calendar days written notice of intent to terminate; and
- b. An opportunity for consultation with the terminating party prior to termination.

12.2 This Agreement may be terminated in whole or in part by Delaware for its convenience, but only after RSI is given:

- a. Not less than 45 calendar days written notice of intent to terminate; and
- b. An opportunity for consultation with Delaware prior to termination.

12.3 If termination for default is effected by Delaware, Delaware will pay RSI that portion of the compensation which has been earned as of the effective date of termination but:

- a. No amount shall be allowed for anticipated profit on performed or unperformed services or other work, and
- b. Any payment due to RSI at the time of termination may be adjusted to the extent of any additional costs occasioned to Delaware by reason of RSI's default.
- c. Upon termination for default, Delaware may take over the work and prosecute the same to completion by agreement with another party or otherwise. In the event RSI shall cease conducting business, Delaware shall have the right to make an unsolicited offer of employment to any employees of RSI assigned to the performance of the Agreement, notwithstanding the provisions of Section 10.2.

12.4 If after termination for failure of RSI to fulfill contractual obligations it is determined that RSI has not so failed, the termination shall be deemed to have been effected for the convenience of Delaware.

12.5 The rights and remedies of Delaware and RSI provided in this section are in addition to any other rights and remedies provided by law or under this Agreement.

12.6 Gratuities.

12.6.1 Delaware may, by written notice to RSI, terminate this Agreement if it is found after notice and hearing by Delaware that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by RSI or any agent or representative of RSI to any officer or employee of Delaware with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending or making of any determinations with respect to the performance of this Agreement.

12.6.2 In the event this Agreement is terminated as provided in 13.6.1 hereof, Delaware shall be entitled to pursue the same remedies against RSI it could pursue in the event of a breach of this Agreement by RSI.

12.6.3 The rights and remedies of Delaware provided in Section 12.6 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

12.7 Given the benefits-based nature of this Agreement, where RSI is fronting all vendor fees for services and applicable software and hardware and is not paid until such time that benefits are generated as a result of the implemented solution, upon termination other than for default that is effected by Delaware, or termination for default by RSI, defined in Section 12.3, the Agreement shall be equitably adjusted to compensate for such termination and modified accordingly. Determination of such equitable adjustment would include, without limitation, consideration of the extent that the aggregate payments under this Agreement were less than sum of the following amounts: service fees for the hours satisfactory completed (at standard, fully-loaded rates), software and hardware maintenance costs incurred (with the standard markup), and any hardware and software license fees (with standard markup) that Delaware wants to retain after termination.

12.8 This Agreement may be terminated in whole or in part by either party in the event that there is significant decrease in key staff, or removal of key staff, necessary to support the implementation schedule and activities to drive each established benefit targets; but only after the other party is given:

- a. Not less than 45 calendar days written notice of intent to terminate;
and
- b. An opportunity to cure by increasing staffing levels, prior to

termination.

13. Severability.

If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

14. Assignment; Subcontracts.

14.1 Any attempt by RSI to assign or otherwise transfer any interest in this Agreement without the prior written consent of Delaware shall be void. Such consent shall not be unreasonably withheld.

14.2 Services specified by this Agreement shall not be subcontracted by RSI, without prior written approval of Delaware.

14.3 Approval by Delaware of RSI's request to subcontract or acceptance of or payment for subcontracted work by Delaware shall not in any way relieve RSI of responsibility for the professional and technical accuracy and adequacy of the work. All subcontractors shall adhere to all applicable provisions of this Agreement.

14.4 RSI shall be and remain liable for all damages to Delaware caused by negligent performance or non-performance of work under this Agreement by RSI, its subcontractor or its sub-subcontractor.

14.5 The compensation due shall not be affected by Delaware's approval of the RSI's request to subcontract.

15. Force Majeure.

Neither party shall be liable for any delays or failures in performance due to circumstances beyond its reasonable control.

16. Non-Appropriation of Funds.

16.1 Validity and enforcement of this Agreement is subject to appropriations

by the General Assembly of the specific funds necessary for contract performance. Should such funds not be so appropriated Delaware may immediately terminate this Agreement, and absent such action this Agreement shall be terminated as to any obligation of the State requiring the expenditure of money for which no specific appropriation is available, at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds.

16.2 Notwithstanding any other provisions of this Agreement, this Agreement shall terminate and Delaware's obligations under it shall be extinguished at the end of the fiscal year in which Delaware fails to appropriate monies for the ensuing fiscal year sufficient for the payment of all amounts which will then become due.

17. State of Delaware Business License.

RSI and all subcontractors represent that they are properly licensed and authorized to transact business in the State of Delaware as provided in 30 *Del. C.* § 2502.

18. Complete Agreement.

18.1 This agreement and its Appendices shall constitute the entire agreement between Delaware and RSI with respect to the subject matter of this Agreement and shall not be modified or changed without the express written consent of the parties. The provisions of this agreement supersede all prior oral and written quotations, communications, agreements and understandings of the parties with respect to the subject matter of this Agreement.

18.2 If the scope of any provision of this Agreement is too broad in any respect whatsoever to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provisions of the Agreement shall not thereby fail, but the scope of such provision shall be curtailed only to the extent necessary to conform to the law.

18.3 RSI may not order any product requiring a purchase order prior to Delaware's issuance of such order. Each Appendix, except as its terms otherwise expressly provide, shall be a complete statement of its subject matter and shall supplement and modify the terms and conditions of this Agreement for the purposes of that engagement only. No other agreements, representations, warranties or other matters, whether oral or written, shall be deemed to bind the parties hereto with respect to the subject matter hereof.

19. Miscellaneous Provisions.

19.1 In performance of this Agreement, RSI shall comply with all applicable federal, state and local laws, ordinances, codes and regulations. RSI shall solely bear the costs of permits and other relevant costs required in the performance of this Agreement.

19.2 Neither this Agreement nor any Appendix may be modified or amended except by the mutual written agreement of the parties. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party against which it is sought to be enforced.

19.3 The delay or failure by either party to exercise or enforce any of its rights under this Agreement shall not constitute or be deemed a waiver of that party's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

19.4 RSI covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of services required to be performed under this Agreement. RSI further covenants that, to its knowledge and ability, in the performance of said services no person having any such interest shall be employed.

19.5 RSI acknowledges that Delaware has an obligation to ensure that public funds are not used to subsidize private discrimination. RSI recognizes that if they refuse to hire or do business with an individual or company due to reasons of race, color, gender, ethnicity, disability, national origin, age, or any other protected status, Delaware may declare RSI in breach of the Agreement, terminate the Agreement, and designate RSI as non-responsible.

19.6 RSI warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, or a percentage, brokerage or contingent fee. For breach or violation of this warranty, Delaware shall have the right to annul this contract without liability or at its discretion deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

19.7 This Agreement was drafted with the joint participation of both parties and shall be construed neither against nor in favor of either, but rather in accordance with the fair meaning thereof.

19.8 RSI shall maintain all public records, as defined by 29 Del. C. §502(1),

relating to this Agreement and its deliverables for the time and in the manner specified by the Delaware Division of Archives, pursuant to the Delaware Public Records Law, 29 *Del. C.* Ch. 5. During the term of this Agreement, authorized representatives of Delaware may inspect or audit RSI's performance and records pertaining to this Agreement at the RSI business office during normal business hours.

20. Insurance.

20.1 RSI shall maintain the following insurance during the term of this Agreement:

- A. Worker's Compensation and Employer's Liability Insurance in accordance with applicable law, **and**
- B. Comprehensive General Liability - \$1,000,000.00 per person/\$3,000,000 per occurrence, **and**
- C. Medical/Professional Liability - \$1,000,000.00 per person/\$3,000,000 per occurrence; or
- D. Miscellaneous Errors and Omissions - \$1,000,000.00 per person/\$3,000,000 per occurrence, or
- E. Automotive Liability Insurance covering all automotive units used in the work with limits of not less than \$100,000 each person and \$300,000 each accident as to bodily injury and \$25,000 as to property damage to others.

20.2 RSI shall provide forty-five (45) days written notice of cancellation or material change of any policies.

20.3 Before any work is done pursuant to this Agreement, the Certificate of Insurance and/or copies of the insurance policies, referencing the contract number stated herein, shall be filed with the State. The certificate holder is as follows:

State of Delaware Division of Revenue
820 N. French St, CSOB 8th Floor
Wilmington, DE 19801

20.4 In no event shall the State of Delaware be named as an additional insured on any policy required under this agreement.

21. Assignment of Antitrust Claims.

As consideration for the award and execution of this contract by the State, RSI hereby grants, conveys, sells, assigns, and transfers to Delaware all of its right, title and interest in and to all known or unknown causes of action it presently has or may now or hereafter acquire under the antitrust laws of the United States and the State of Delaware, relating to the particular goods or services purchased or acquired by the State pursuant to this contract.

22. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, except where Federal Law has precedence. RSI consents to jurisdiction venue in the State of Delaware.

23. Notices.

Any and all notices required by the provisions of this Agreement shall be in writing and shall be mailed, certified or registered mail, return receipt requested. All notices shall be sent to the following addresses:

TO DELAWARE:
Delaware Division of Revenue
ATTN: Patrick Carter
820 N. French Street, CSOB 8th Floor
Wilmington, DE 19801

TO RSI:
Revenue Solutions, Inc.
ATTN: Christopher L. Barlow
42 Winter Street
Pembroke, MA 02359

IN WITNESS THEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date and year first above written.

STATE OF DELAWARE
DEPARTMENT OF REVENUE

Original on File

Witness

Date: 5/5/2015

Original on File

Signature: _____

Name: PATRICK T. CARTER

Title: Director

Date: May 5, 2015

RSI

Original on File

Witness

Date: 5/6/15

Original on File

Signature: _____

Name: Christopher L. Barlow

Title: Chief Financial Office

Date: 5/6/15

Appendix A - Statement of Work

1. Statement of Work

RSI understands that the fundamental objective of the requested solution is to implement new collection strategies that are designed to prioritize accounts and assign actions based on risk and the relative probabilities of effectiveness of different collection actions. Those new strategies will drive collection productivity and overall collection of tax debts.

RSI also understands that in order to achieve this fundamental productivity objective, and to meet the requirements of the Delinquent Collections Enhancement RFP, the solution must include enabling software to support the following core functions:

1. A **data analysis foundation** to support open access to collections case data and related taxpayer information (without relying on, or impacting, existing production systems).
2. **Analytical processes** to develop statistically valid and impactful account prioritization "scores" or probabilities that can be used to assign the most effective collection actions (e.g., phone calls, letters, legal actions, etc.) to each case at a particular point in time.
3. "**Delivery vehicles**" for a new prioritized account allocation across collectors that can effectively influence the work that is conducted. RSI defines "delivery vehicles" to be a type of case management or prioritization method that is easy for collectors to obtain their designated work and which is also well integrated with existing DOR systems which will continue to be used for core receivables management, noticing and payment application functions.
4. **Ad hoc analysis and reporting** functionality to track the effectiveness of the new approaches and actions and assign benefits to the solution over a defined prior level, or "baseline" of productivity, both for DOR performance tracking and to be simultaneously used to calculate share payments to RSI per the proposed benefits-based, or "performance fee", contract terms.

These capabilities will work in concert to allow RSI and the DOR to make informed adjustments to the allocation of collector resources and assignment of actions over time, based on accumulated results and empirical evidence.

In addition, the solution will provide for **integration with the existing DOR tax processing and collections system** so that data is available for analysis, collections cases are presented for evaluation and prioritization, and outcomes of actions and case activities (including payments) are available for tracking the effectiveness of the process and to track project benefits. RSI will develop and deploy data interfaces between RSI's solution and existing DOR systems to support these needs.

The solution will provide for use of a **predictive dialer**, as well as a **source of employment data** (and potentially other skip tracing data) that are being integrated by RSI with support from the vendor(s) chosen by the DOR in collaboration with RSI and

funded by the DOR. These components will become important capabilities within the full spectrum of DOR's collection actions that can be applied to increase collections. These capabilities will open up a variety of new options for targeted manual call campaigns and automated messages managed through the predictive dialer, as well as case prioritization and wage garnishment options through new employment and location data for debtors.

In considering the implementation of the Delinquent Collections solution, two alternatives were analyzed:

- Implement leveraging the DOR's existing data warehousing environment assets, or
- Implement leveraging RSI-provided data warehousing assets.

RSI was open to either alternative and it was determined by the DOR that leveraging its existing data warehouse would be the preferred way to proceed, at least initially. Therefore, this option constitutes the Statement of Work herein for RSI, but the alternative is also included if or for when the DOR desires to pursue that option. If the DOR exercises the Portfolio Warehouse option within the first 12 months of the project (i.e. Implementation Phase), no additional costs, over the \$1,600,000, will be incurred.

1.A Implementation Approach

RSI is proposing an approach that leverages DOR's existing environment, including the DOR's Oracle Data Warehouse and Cognos/Report Net capability, to meet the requirements of the project. RSI is providing a solution that will incorporate **industry-leading components of RSI's Tax Analytics Framework Software**, along with supporting software components from Microsoft and outbound call management capabilities from the DOR's chosen predictive dialer software, and employer data capabilities from the DOR's chosen data provider. The RSI solution is depicted in the figure below.

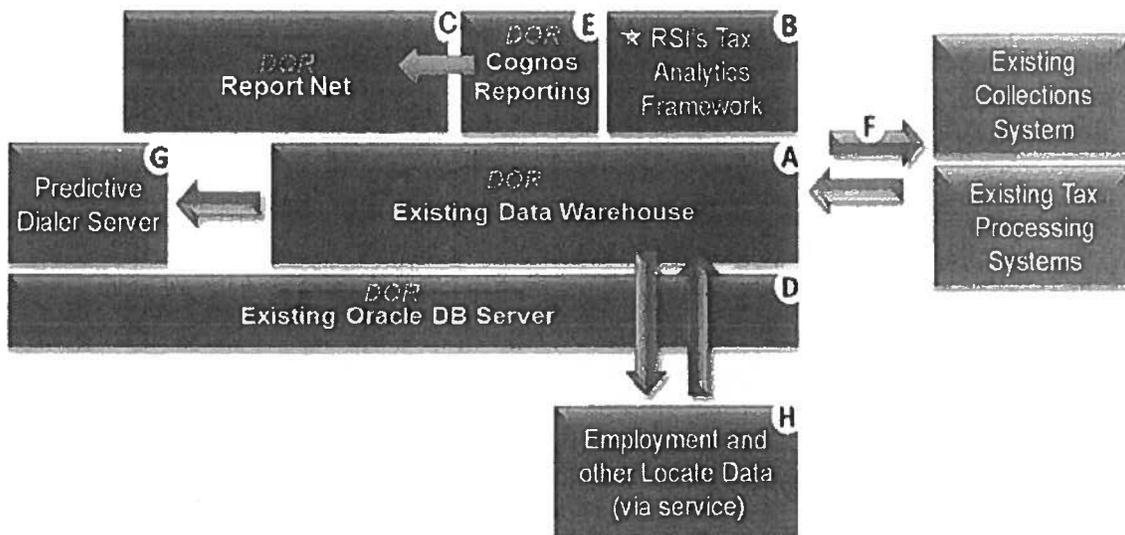


Figure A-1: RSI's Delinquent Collections Enhancements Solution

**RSI's solution is easily integrated
with the DOR's existing processing environment.**

The labeled components of Figure A-, which comprise the RSI proposed solution, are each described below:

A – DOR's existing Data Warehouse. The existing Data Warehouse will enable data analysis by taking advantage of already structured data related to a taxpayer in a proven data model organized around "entities" of data to provide a view of the taxpayer. This data foundation will be used to store historical and ongoing data from the existing tax processing and collections systems so that it is well structured and fully accessible to support the data-dependent processes of the solution – from analytical modeling to reporting to ad hoc analysis. It will also be used to present consolidated "views" of the taxpayer data to collectors as they research cases.

B – RSI's TaxAnalytics Framework will serve as the core analytics engine for the DOR. This is a proven analytical framework designed to deliver analytics results in the tax domain, and embodies over a decade of RSI's direct experience in predictive taxpayer behavior modeling. It has been used by RSI in tax agencies to deliver risk-based and prioritized account allocations that have all resulted in significant productivity improvements. It relies on proven statistical and analytical functions, and includes a set of tools that allow analysts to reliably and quickly structure predictive modeling problems, incorporate taxpayer behavioral data, use prior collections case history, construct statistically valid predictive models and monitor and refine those models over time. It will manage the daily process of collections case evaluation, using new case data along with defined predictive models, to assign and prioritize the most appropriate collections case actions given the likely effectiveness of available actions and the resource constraints.

C – DOR's Report Net/Cognos functionality provides the required "delivery vehicle" for account allocations. This proven work management facility will *supplement* (but not replace) the DOR's existing collections system and help direct the prioritized actions of DOR managers and collectors.

The DOR did not request, nor currently require or desire, a new full-featured collections system to manage all aspects of debt recovery as part of the RFP. Instead, existing DOR systems will continue to track all receivables, issue bills, manage all noticing and serve as the system of record for all enforcement actions. However, RSI understands that there are limitations in the existing DOR systems with regard to their ability to allow for a more dynamic and flexible assignment of specific collection actions and to provide a risk-based and prioritized organization of case work. RSI will influence the activities conducted on collections cases through some minor adjustments to staging of cases in existing systems, as well as by enabling collectors to review the Report Net system to obtain their daily work and the prescribed direction on their cases. This view of

collections inventory in the Report Net system will reflect the daily output of the new collections strategy, showing the output of the applied analytics, and effectively serving as the DOR's "delivery vehicle" for influencing collection actions taken on cases. RSI has had success using this type of approach to address limitations in existing legacy collections systems, while still creating the desired productivity improvements across collections staff.

D – The solution will be deployed on DOR's existing Oracle Database Server, on a dedicated server infrastructure, but located within the DOR's secure data center environment. Oracle license will be furnished by the DOR.

E – Cognos Business Intelligence reporting will be used to provide ad hoc query, analysis and reporting capabilities for RSI and DOR staff. Existing Cognos licenses will provide the platform for delivering ongoing performance measurement reports for the DOR and the benefits tracking reports for the project. Cognos licenses will be furnished by the DOR

F – Effective integration with existing DOR tax processing and collections systems is an important aspect of the solution. Key taxpayer registration, filing and transactional data from the existing DOR tax processing systems for the core tax types will be regularly passed (enabled by DOR) to the existing DOR Data Warehouse system according to a common specification. Key collections case data from the existing collections system will also be regularly passed (enabled by DOR) to the Data Warehouse system according to a defined specification. RSI requires that historical data from these systems is available in order to seed the data foundation and to support the initial modeling and analysis efforts. There will be a limited interface to the existing systems from the Data Warehouse in order to influence some aspects of existing billing, noticing and other automated enforcement actions, as defined by the new collection strategy.

The DOR will be responsible for extracting and preparing data from the existing DOR systems according to requirements for passing data into the new solution, and for consuming any interface transactions from the new solution.

G – RSI will integrate the chosen predictive dialer with the solution. RSI will construct the interface of case information, including phone numbers, for collection cases that may be exposed to the dialer. The DOR will, in selecting its preferred predictive dialer vendor, require the vendor to define these interface requirements and to support not only the initial installation of the predictive dialer server, but also required training and implementation support for the vendor's system. The new collections strategy will then select cases for daily call campaigns, both manual and automated message campaigns, based on the risk-based approach and likely effectiveness of different case actions, including outbound phone calls.

H – RSI will integrate the chosen provider of additional employment and location (i.e., skip tracing) data into the solution so that it can be incorporated into the new collection strategy. This employment information will also be

passed to the existing systems environment as necessary (e.g., to support automated garnishment actions in the existing collections system).

1B. Alternative Implementation Approach

As an option to be exercised during the Contract period, RSI is providing a solution that will incorporate **industry-leading components of RSI's Revenue Premier® software package**, along with outbound call management capabilities from the DOR's chosen predictive dialer software, and employer data capabilities from the DOR's chosen data provider. The RSI solution is depicted in the figure below.

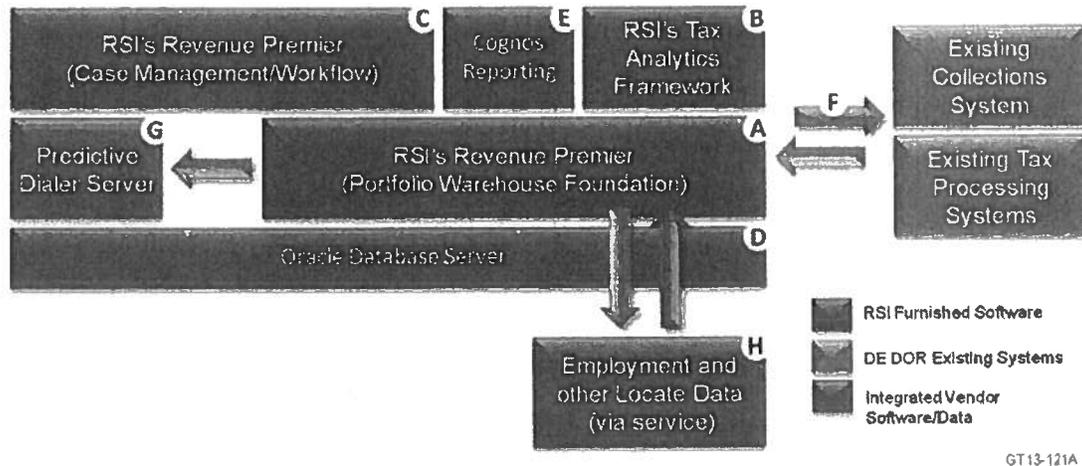


Figure A-2: Implementation Approach Option that Leverages RSI's Revenue Premier Portfolio Warehouse

RSI's Revenue Premier Portfolio Warehouse solution can be easily integrated with the DOR's existing processing environment to provide enhanced collector functionality.

The labeled components of Figure A-2, which comprise the RSI proposed solution, are each described below:

A -Portfolio Warehouse will enable powerful data analysis by structuring data related to a taxpayer in a flexible, proven data model organized around "portfolios" of data to provide a comprehensive view of the taxpayer. This data foundation will be used to store historical and ongoing data from the existing tax processing and collections systems so that it is well structured and fully accessible to support the data-dependent processes of the solution - from analytical modeling to reporting to ad hoc analysis. It will also be used to present consolidated "views" of the portfolio data to collectors as they research cases. In the future, this solution can easily include additional external data to enrich the predictive behavior analysis and data-driven collections strategies.

B – RSI’s TaxAnalytics Framework will serve as the core analytics engine for the DOR. This is a proven analytical framework designed to deliver analytics results in the tax domain, and embodies over a decade of RSI’s direct experience in predictive taxpayer behavior modeling. It has been used by RSI in tax agencies to deliver risk-based and prioritized account allocations that have all resulted in significant productivity improvements. It relies on proven statistical and analytical functions, and includes a set of tools that allow analysts to reliably and quickly structure predictive modeling problems, incorporate taxpayer behavioral data, use prior collections case history, construct statistically valid predictive models and monitor and refine those models over time. It will manage the daily process of collections case evaluation, using new case data along with defined predictive models, to assign and prioritize the most appropriate collections case actions given the likely effectiveness of available actions and the resource constraints.

C – RSI’s Case Management/Workflow functionality within Revenue Premier provides the required “delivery vehicle” for account allocations. This proven work management facility will *supplement* (but not replace) the DOR’s existing collections system and help direct the prioritized actions of DOR managers and collectors. This functionality is used daily by hundreds of collectors, auditors and examiners across several tax agencies to efficiently manage their casework priorities and to seamlessly access external data to support the collections process.

RSI has assumed that the DOR is not requesting nor currently requires or desires a new full-featured collections system to manage all aspects of debt recovery as part of this RFP. It is assumed instead that existing DOR systems will continue to track all receivables, issue bills, manage all noticing and serve as the system of record for all enforcement actions. However, RSI also assumes that there are limitations in the existing systems with regard to their ability to allow for a more dynamic and flexible assignment of specific collection actions and to provide a risk-based and prioritized organization of case work. RSI proposes to influence the activities conducted on collections cases through some minor adjustments to staging of cases in existing systems, as well as by enabling collectors to review the Revenue Premier system to obtain their daily work and the prescribed direction on their cases. This view of collections inventory in the Revenue Premier system will reflect the daily output of the new collections strategy, showing the output of the applied analytics, and effectively serving as the DOR’s requested “delivery vehicle” for influencing collection actions taken on cases. RSI has had success using this type of approach to address limitations in existing legacy collections systems, while still creating the desired productivity improvements across collections staff.

D – The solution will be deployed on an Oracle Database Server (Virtual Machine), on a dedicated server infrastructure, but located within the DOR’s secure data center environment. Oracle license will be furnished by the DOR.

E - Cognos Business Intelligence reporting will be used to provide ad hoc query, analysis and reporting capabilities for RSI and DOR staff. Using the Portfolio Warehouse foundation, existing Cognos licenses will provide the platform for delivering ongoing performance measurement reports for the DOR and the benefits tracking reports for the project. Cognos licenses will be furnished by the DOR

F - Effective integration with existing DOR tax processing and collections systems is an important aspect of the solution. RSI assumes that key taxpayer registration, filing and transactional data from the existing tax processing systems for the core tax types will be regularly passed to the system according to a common specification. RSI assumes that key collections case data from the existing collections system will also be regularly passed to the system according to a defined specification. There will be a limited interface to the existing systems from Revenue Premier in order to influence some aspects of existing billing, noticing and other automated enforcement actions, as defined by the new collection strategy.

RSI assumes that the DOR will be responsible for extracting and preparing data from the existing DOR systems according to requirements for passing data into the new solution, and for consuming any interface transactions from the new solution.

G - RSI will integrate with the chosen predictive dialer solution. RSI will construct the interface of case information, including phone numbers, for collection cases that may be exposed to the dialer. It is assumed that the vendor of the predictive dialer solution will define these interface requirements and will support not only the initial installation of the predictive dialer server, but also required training and implementation support for their system. The new collections strategy will then select cases for daily call campaigns, both manual and automated message campaigns, based on the risk-based approach and likely effectiveness of different case actions, including outbound phone calls. To the extent the DOR obtains updated phone number information for collections cases, this data may be managed in the Revenue Premier system and regularly loaded to the dialer server to support campaigns.

H - RSI will integrate the chosen provider of additional employment and location (i.e., skip tracing) data into the solution so that it can be incorporated into the new collection strategy. This employment information will also be passed to the existing systems environment as necessary (e.g., to support automated garnishment actions in the existing collections system).

2. Project Schedule

Through the implementation of several benefits-based projects, RSI has refined an implementation strategy that optimizes revenue collection while also minimizing risk for the DOR. RSI proposes a four-phased approach, beginning on the effective start date of the project, with initial benefits expected within five months. This approach and timetable are described below.

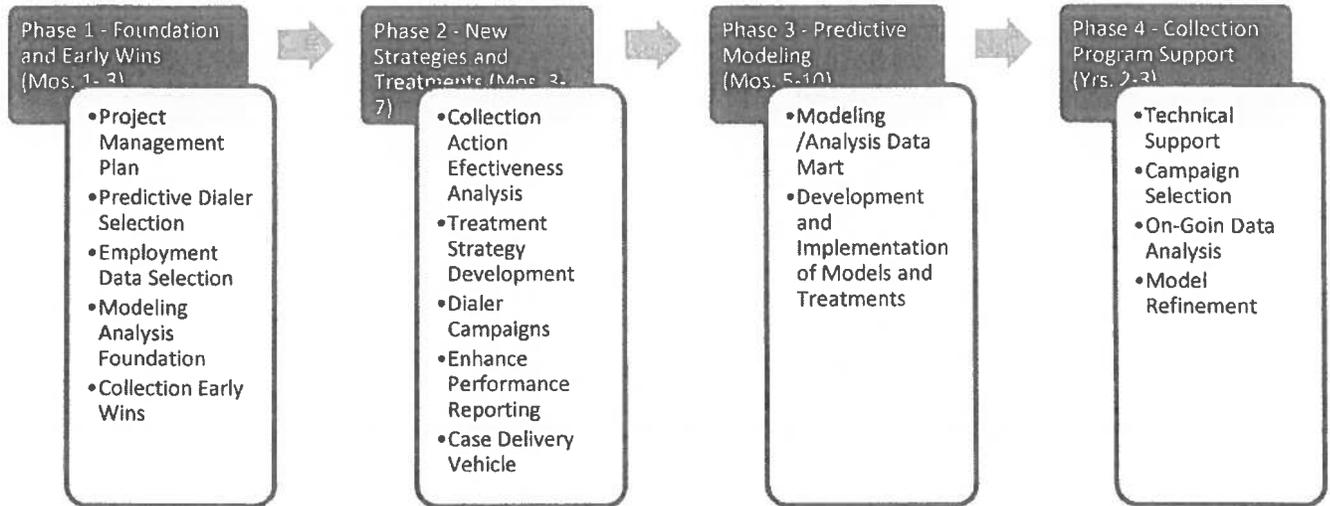


Figure A-3: Four-Phased Implementation Strategy

RSI's proposed four-phased implementation strategy is designed to produce benefits within the first five months of the project.

Phase 1 - RSI will establish the data and analytical foundation for the collection improvements. This includes deploying the technical environment and early analytical tools. During this phase, RSI will deploy the Tax Analytics Framework to aggregate the data foundation for modeling analysis and early win strategies. Integration with Report Net will give collectors a valuable, consolidated view of taxpayer accounts to facilitate enforced collections.

Most importantly, RSI will leverage proven experience and methods to implement "early win" solutions to develop a project-funding benefits stream; these may include improved case analysis and assignment building on the methods currently used by Delaware.

Also in Phase 1, RSI will work with the DOR to evaluate and select an appropriate predictive dialer vendor solution and to determine the best source and use for employment data. RSI's unparalleled compliance experience offers a unique, strategic evaluation and approach for using these enforced collections tools.

Phase 2 - RSI turns to more sophisticated strategies and treatments to drive early benefits for funding both the project and potentially other DOR priorities. These include leveraging the case delivery vehicle (Report Net) as well as integration of dialer campaigns and enhanced performance reporting. RSI's successful benefits-funded projects demonstrate that these activities elevate collection performance above the early

wins. RSI will work with both existing and new tools to improve collector performance and produce true benefits in this phase; our experience with other clients has shown that incremental improvements can be made at the same time the predictive models are developed

Phase 3 – RSI completes the predictive modeling activities using DOR’s taxpayer history and characteristics to determine the most appropriate treatment for each taxpayer. The first two project phases build the data foundation and assisted in identifying effective strategies and taxpayer characteristics that may indicate the most successful enforcement actions, thus helping to shape the predictive models. Along with the early wins and enhance performance reporting, these models work with the predictive dialer solution to drive long-term project benefits.

Phase 4 – RSI continues to support the predictive models through periodic strategic evaluation and realignment, as needed. RSI’s experience indicates that these models may need to be reevaluated every year as taxpayer behaviors change and performance indicators can be more finely tuned to predict behavior.

Table A-1 details the implementation schedule.

Table A-1: Four-Phased Implementation Strategy

Task Name	Duration	Start	Finish
Delaware Collection Analytics	804 days	Mon 6/1/15	Mon 5/28/18
Project Start	0 days	Mon 6/1/15	Mon 6/1/15
Project Management Plan (Governance, Staffing, Communications, Work Plan)	9 days	Mon 6/1/15	Thu 6/11/15
Write PM plan	2 days	Mon 6/1/15	Tue 6/2/15
Support Client Review	5 days	Wed 6/3/15	Tue 6/9/15
Revised PM plan	2 days	Wed 6/10/15	Thu 6/11/15
Final Deliverable	0 days	Thu 6/11/15	Thu 6/11/15
Predictive Dialer evaluation and initiate purchase (DOR; RSI supporting)	50 days	Mon 6/1/15	Fri 8/7/15
Define Requirements	5 days	Mon 6/1/15	Fri 6/5/15
Evaluate Alternatives for Fit, Price, Value	10 days	Mon 6/8/15	Fri 6/19/15
Predictive Dialer Recommendation	5 days	Mon 6/22/15	Fri 6/26/15
DOR Predictive Dialer procurement process	30 days	Mon 6/29/15	Fri 8/7/15
Employment data evaluation	50 days	Mon 6/1/15	Fri 8/7/15
Technical Environment Assessment (analysis of DOR standards, defining how the install and hosting will work, permissions/access, security, etc.)	5 days	Mon 6/1/15	Fri 6/5/15
Analysis Foundation (Months 2-4)	85 days	Fri 8/7/15	Fri 12/4/15
Install Technical Environment	5 days	Mon 8/10/15	Fri 8/14/15
DOR to provide access to Oracle database	10 days	Mon 8/17/15	Fri 8/28/15
TAF deployment (base install; basic configuration and install testing)	10 days	Mon 8/17/15	Fri 8/28/15
Data Interfaces (ETL w/Refresh)	85 days	Fri 8/7/15	Fri 12/4/15
DOR initial provisioning of IIT System Data	0 days	Fri 8/7/15	Fri 8/7/15
DOR initial provisioning of Business System Data	0 days	Fri 8/7/15	Fri 8/7/15
DOR initial provisioning of Collections System Data	0 days	Fri 8/7/15	Fri 8/7/15

Task Name	Duration	Start	Finish
IIT Taxpayer Demographic Data	25 days	Mon 11/2/15	Fri 12/4/15
IIT Taxpayer Financial/Return Data	25 days	Mon 11/2/15	Fri 12/4/15
Business Taxpayer Demographic Data	25 days	Mon 9/28/15	Fri 10/30/15
Business Taxpayer Financial/Return Data	25 days	Mon 9/28/15	Fri 10/30/15
Collection/Case Data	20 days	Mon 8/31/15	Fri 9/25/15
DOR support of existing systems data interfaces	70 days	Mon 8/31/15	Fri 12/4/15
TAF deployment (limited to SAS Analytics Pro for RSI use only)	10 days	Mon 8/31/15	Fri 9/11/15
Cognos access (base setup; to be used for ad hoc analysis and reporting needs)	10 days	Mon 8/31/15	Fri 9/11/15
New Collections Tools (Months 2-3)	60 days	Mon 8/10/15	Fri 10/30/15
Setup of "Delivery Vehicle" solution for work management	45 days	Mon 8/31/15	Fri 10/30/15
DOR support of Work Management deployment (technical support, design reviews, UAT)	45 days	Mon 8/31/15	Fri 10/30/15
Work Management deployment	10 days	Mon 8/31/15	Fri 9/11/15
Work Management design	10 days	Mon 9/14/15	Fri 9/25/15
Work Management configuration	10 days	Mon 9/28/15	Fri 10/9/15
Work Management testing	15 days	Mon 10/12/15	Fri 10/30/15
Setup of Employment data solution	30 days	Mon 8/31/15	Fri 10/9/15
DOR support of Employment data solution	30 days	Mon 8/31/15	Fri 10/9/15
Vendor Installation Support (install, installation testing, initial configuration, training)	30 days	Mon 8/31/15	Fri 10/9/15
Vendor Ongoing Support (ongoing solution support throughout project)	0 days	Fri 10/9/15	Fri 10/9/15
Support of employment data solution implementation and RPPW load design/setup	30 days	Mon 8/31/15	Fri 10/9/15
Setup of Predictive Dialer solution	30 days	Mon 8/10/15	Fri 9/18/15
DOR Setup of Predictive Dialer technical environment (separate server)	30 days	Mon 8/10/15	Fri 9/18/15
Vendor Installation Support (install, installation testing, initial configuration, training)	30 days	Mon 8/10/15	Fri 9/18/15
Vendor Ongoing Support (ongoing solution support throughout project)	0 days	Fri 9/18/15	Fri 9/18/15
Support of predictive dialer solution implementation and RPPW phone number data feed	30 days	Mon 8/10/15	Fri 9/18/15
Phase 1 - Current State and Quick Wins (Months 1-5)	96 days	Mon 6/1/15	Mon 10/12/15
Collections current state analysis (with DOR)	10 days	Mon 6/1/15	Fri 6/12/15
Analytical Products (for Phase 1, based on limited data and access)	75 days	Mon 6/15/15	Fri 9/25/15
Conduct analytics methodology review/training with DOR (common to all analysis problems)	6 days	Mon 6/15/15	Mon 6/22/15
Problem definition (what are we trying to solve and therefore what probability models and/or specific analyses of action effectiveness do we need to perform?)	1 day	Mon 6/15/15	Mon 6/15/15
Implementation plan (before we begin the analysis, we need to define how the analysis results – or analytical work products – will be specifically used in business processes)	1 day	Tue 6/16/15	Tue 6/16/15
Modeling/analysis data mart (although we will build a	1 day	Wed 6/17/15	Wed 6/17/15

Task Name	Duration	Start	Finish
generic foundation, for a particular analysis problem, we need to structure the data, derive attributes, and track outcomes)			
Core TAF modeling/analysis steps (define performance definition(s), define the modeling/analysis population or sample, build models, validate, refine)	1 day	Thu 6/18/15	Thu 6/18/15
Review of analytical products (to confirm that they have met the intended need and can be implemented into collections business processes as planned)	1 day	Fri 6/19/15	Fri 6/19/15
Conduct implementation (deploy in scoring/strategy process, test, deploy into the production collection strategies, and monitor effectiveness over time)	1 day	Mon 6/22/15	Mon 6/22/15
Existing case inventory and aging analysis	69 days	Tue 6/23/15	Fri 9/25/15
Problem definition	3 days	Tue 6/23/15	Thu 6/25/15
Implementation plan	2 days	Fri 6/26/15	Mon 6/29/15
Modeling/analysis data mart	15 days	Mon 8/10/15	Fri 8/28/15
Perform analysis	15 days	Mon 8/31/15	Fri 9/18/15
Review of Analysis	5 days	Mon 9/21/15	Fri 9/25/15
Initial wage, asset, activity reports to focus collections work	40 days	Tue 6/23/15	Mon 8/17/15
Problem definition	3 days	Tue 6/23/15	Thu 6/25/15
Implementation plan	2 days	Fri 6/26/15	Mon 6/29/15
Modeling/analysis data mart	15 days	Tue 6/30/15	Mon 7/20/15
Perform analysis	15 days	Tue 7/21/15	Mon 8/10/15
Review of Analysis	5 days	Tue 8/11/15	Mon 8/17/15
Evaluation of opportunities – define Quick Wins (priority set of recommendations)	5 days	Tue 8/18/15	Mon 8/24/15
Implementation of Phase 1 "Quick Win" Improvements	24 days	Tue 8/25/15	Fri 9/25/15
DOR implementation support	20 days	Tue 8/25/15	Mon 9/21/15
Targeted wage garnishments (coordinated with implementation testing of new source)	20 days	Mon 8/31/15	Fri 9/25/15
Trial predictive dialer use (coordinated with implementation testing)	20 days	Tue 8/25/15	Mon 9/21/15
Targeted case reprioritization reports based on analysis findings	20 days	Tue 8/25/15	Mon 9/21/15
Training (collectors and managers – limited for this phase)	5 days	Tue 8/25/15	Mon 8/31/15
Benefits Tracking	35 days	Tue 8/25/15	Mon 10/12/15
Define basic methodology for tracking/attributing dollars to collections	5 days	Tue 8/25/15	Mon 8/31/15
Define basic methodology for baseline	5 days	Tue 9/1/15	Mon 9/7/15
Build and test basic tracking and baseline process	5 days	Tue 9/8/15	Mon 9/14/15
Review and approve with DOR	20 days	Tue 9/15/15	Mon 10/12/15
Phase 2 - Predictive Dialer, Employment Data, Reports and Initial Actions (Months 4-9)	145 days	Tue 8/25/15	Mon 3/14/16
Analytical Products	55 days	Tue 8/25/15	Mon 11/9/15
Collection Action Effectiveness Analysis	50 days	Tue 8/25/15	Mon 11/2/15
Problem definition (probability of collection action effectiveness, relative to other actions – to inform assignment	5 days	Tue 8/25/15	Mon 8/31/15

Task Name	Duration	Start	Finish
decisions and case priorities)			
Implementation plan	5 days	Tue 9/1/15	Mon 9/7/15
Modeling/analysis data mart	10 days	Tue 9/8/15	Mon 9/21/15
Perform analysis	20 days	Tue 9/22/15	Mon 10/19/15
Review of Analysis	10 days	Tue 10/20/15	Mon 11/2/15
Develop new strategy designs around action assignments (with DOR)	5 days	Tue 11/3/15	Mon 11/9/15
New Capabilities	90 days	Tue 11/10/15	Mon 3/14/16
Implement dialer campaigns (automated and manual) in new strategies	50 days	Tue 11/10/15	Mon 1/18/16
Implement employment data feed and use in new strategies	50 days	Tue 11/10/15	Mon 1/18/16
Adjust “delivery vehicle” to manage collector work in new strategies	50 days	Tue 11/10/15	Mon 1/18/16
Reports (assume 10 reports per RFP; 16 hrs/report)	40 days	Tue 1/19/16	Mon 3/14/16
Adjust benefits tracking process (revisions for additional programs)	40 days	Tue 1/19/16	Mon 3/14/16
Training	10 days	Tue 1/19/16	Mon 2/1/16
Dialer system use in new strategies (support - w/ Vendor)	10 days	Tue 1/19/16	Mon 2/1/16
New “delivery vehicle” for managing collector manual actions	10 days	Tue 1/19/16	Mon 2/1/16
Phase 3 - Predictive Models, Test/Control, Strategy Refinements (Months 6-12)	150 days	Tue 11/10/15	Mon 6/6/16
Analytical Products	90 days	Tue 11/10/15	Mon 3/14/16
Predictive behavior models	60 days	Tue 11/10/15	Mon 2/1/16
Problem definition	5 days	Tue 11/10/15	Mon 11/16/15
Implementation plan	5 days	Tue 11/17/15	Mon 11/23/15
Modeling/analysis data mart	20 days	Tue 11/24/15	Mon 12/21/15
Core TAF modeling/regression steps	20 days	Tue 12/22/15	Mon 1/18/16
Review of Analysis	10 days	Tue 1/19/16	Mon 2/1/16
Develop more differentiated strategy designs (with DOR)	30 days	Tue 2/2/16	Mon 3/14/16
New Capabilities	60 days	Tue 3/15/16	Mon 6/6/16
Implement new predictive models and strategies (with DOR)	60 days	Tue 3/15/16	Mon 6/6/16
Implement test/control process for strategy refinements	60 days	Tue 3/15/16	Mon 6/6/16
Implement model refinement process (within TAF)	60 days	Tue 3/15/16	Mon 6/6/16
Implement ongoing analysis of strategy effectiveness	60 days	Tue 3/15/16	Mon 6/6/16
Ongoing Support (months 13-36)	515 days	Tue 6/7/16	Mon 5/28/18
Support of regular reports (approx. 1 hr/day)	515 days	Tue 6/7/16	Mon 5/28/18
Support of technical solution (approx. 1 hr/day)	515 days	Tue 6/7/16	Mon 5/28/18
Ad hoc analysis (approx. 1 hr/day)	515 days	Tue 6/7/16	Mon 5/28/18
Refinement of collection strategies (twice per year; approximately 250 hrs per)	515 days	Tue 6/7/16	Mon 5/28/18
Support of new opportunities (based on cost/benefit and revenue potential)	515 days	Tue 6/7/16	Mon 5/28/18

3. Project Team

The RSI team's project roles are described below. Those with a √ mark in the Key column designate those positions that will provide leadership and senior content knowledge to the project.

Table A-2: RSI Staffing

Project Role	Key	Assigned Resource	Role Description
RSI Project Director	√	Kevin Frisoli	The RSI Project Director is responsible for client satisfaction and overall project success and will primarily be involved through the Project Steering Committee meetings and communication with the RSI Project Manager and other RSI staff. The RSI Project Director will also address issues regarding staffing, project scope, contract obligations and critical risk management, as well as serve on the Project Steering Committee. In addition, the RSI Project Director will attend regularly scheduled meetings and will remain engaged throughout the project through regular communication with the RSI Project Manager, DOR management and project stakeholders, and various other team members.
RSI Project Manager	√	Mike Wulfkuhle	Primary Point of Contact to the DOR. The RSI Project Manager will perform normal project management duties and daily operational duties, including project status reporting. The RSI Project Manager will serve as the liaison to the DOR, be a member of the PMO, secure deliverable acceptance, prepare and submit invoices, and serve as a member of Project Steering Committee. The RSI Project Manager will collaborate with the DOR Project Manager. The RSI Project Manager will focus on those aspects of the project dealing with overall project management duties, software solution implementation, hardware implementation, technology support and integration of the predictive dialer solution.
Solution Architect	√	Dr. John McCalden	The Solution Architect, who will also function as the scoring analytics SME, will serve as the thought leader for analytical methods applied

Project Role	Key	Assigned Resource	Role Description
			to the project. This person will lead the efforts to define and develop the scoring models and scoring methodology, treatment scenarios, daily processes and delivery vehicles for prioritized account allocations, and ongoing data analysis methods. The Solution Architect will serve as a member of the Project Steering Committee.
Collections SME	√	Kevin Frisoli	The Collections SME will provide guidance and advice to the project team gained from experiences learned on other collections projects and from an in-depth analysis of the collections strategy for the DOR. The Collections SME will advise on Collections methods and strategies, format and content of operational reports, managerial reports and ad hoc analyses. This person will consult on user software training and testing, and will provide proactive recommendations to support the DOR's delinquent tax collection programs.
Solution Implementation Lead	√	Chris McCormick	The Solution Implementation Lead will be responsible for implementing the system aspects of the solution, including TaxAnalytics Framework, as well as integration of Predictive Dialer capabilities and other data sources. In this capacity, the Solution Implementation Lead will work with the State's IT organization to comply with State standards and practices.
Data Analytics/ BI Analyst	√	Bin Gu	The Data Analytics/Business Information Senior Analyst is responsible for developing analytical models and reports, examining and assessing current business processes, and recommending solutions for increased revenue collections.
Collections Analyst, Installation Support, Technology Support		Individual personnel assigned as needed during the project	These roles will execute responsibilities associated with tasks defined within the project, either for analyzing and formulating collections strategies, or for installing and supporting the enabling software and hardware aspects of the solution. They will

Project Role	Key	Assigned Resource	Role Description
			take their direction from project leadership.

Ensuring performance of the project also requires a set of DOR resources – both staff and data information – in order to be successful. RSI recommends the following DOR staff resources.

Table A-3: DE DOR Staffing

Recommended DOR Staff Resource(s)	Proposed Responsibilities	Estimated Time Commitment
Project Steering Committee members (including Director Patrick Carter and others chosen at his discretion)	Attend monthly Project Steering Committee meetings and provide guidance and direction on open issues, risks, policy questions, and implementation coordination.	Approximately 2-4 hours each month to attend Project Steering Committee meetings and to follow-up on direction and support items between meetings.
DOR Project Manager	In close collaboration with the RSI Project Manager, support project management responsibilities, including task management, issue resolution, scope control, risk management and project financial management. The DOR Project Manager will serve as the primary point of contact for the DOR for the project and will coordinate all DOR responsibilities and staff assigned to the project, as well as all deliverable reviews and acceptance procedures.	RSI recommends that the DOR assign a Project Manager to the project for at least 35% of their time during the initial 10 months (the core implementation period, Phases 1-3), with a significantly reduced role and allocation in years 2 and 3 of the project during the ongoing support phase.
Collection Subject Matter Experts	Working in close collaboration with the RSI team, these experts are necessary to support DOR's participation in, and oversight of certain analysis, design, testing,	RSI recommends that the DOR consider this a part-time role, filled by 1DOR staff, at approximately 25% capacity each during the initial core 10-month

Recommended DOR Staff Resource(s)	Proposed Responsibilities	Estimated Time Commitment
	<p>training, and implementation rollout activities on the project. Ideally, these staff should have experience in the existing collections business processes, systems, and procedures and an understanding of the current limitations as well as an appreciation for DOR's expectations of new and improved delinquent collections strategies to be implemented as part of the project.</p>	<p>implementation period. They will have intermittent responsibilities across current state analysis, strategy and procedure design reviews, testing, training preparation and delivery, and supporting the rollout of new collection strategies. Ideally, these staff will be considered "leaders" among the existing collections operation and can help guide the implementation design and its acceptance among their peers.</p>
<p>Technical Support (various positions with specific skills)</p>	<p>DOR technical support staff are required in a variety of specific but limited areas to assist in delivering necessary technical support and oversight, including: new infrastructure deployment, adherence to DOR data center standards, network support, security, and user administration. Technical specialists are also required to complete specific tasks for which the DOR is responsible related to data interfaces from existing production systems (tax processing and collections) and data sources, and interfaces to the existing collections system to influence actions and case prioritization (as deemed necessary by the new strategy design).</p> <p>Specialized technical support is also required to provide DOR oversight and support of the separately chosen vendor providers for their initial</p>	<p>RSI recommends that DOR assign a reasonable but limited allocation (approximately 5%) across a handful of key technical support personnel (infrastructure, network, security, etc.) during the initial implementation of the new solution infrastructure during the first two months of the project, and then only a limited level of ongoing support for the remainder of the project.</p> <p>RSI recommends that the DOR consider the data interface requirements for the project, as well as the installation support requirements for the predictive dialer solution and the new employment data source, and assign staff with the required specialized knowledge in these different areas to the project at those specific times on the project work plan where these tasks will be carried out.</p>

Recommended DOR Staff Resource(s)	Proposed Responsibilities	Estimated Time Commitment
	<p>implementation of the predictive dialer solution and the employment data source that will become part of the Delinquent Collections Enhancements project.</p>	
<p>Existing Tax Processing Systems Analyst(s)</p>	<p>DOR staff with knowledge of the existing tax processing systems (both individual and business taxes) are required to provide RSI staff with a detailed understanding of the data model, and to transfer applicable knowledge on the interpretation and use of various data in these systems. This information will be used to support historic and ongoing analysis of collections and to track the results of the Delinquent Collections Enhancements project.</p> <p>These resources will support analysis, design reviews, and testing of the required data interfaces from the existing tax processing systems.</p>	<p>RSI recommends that DOR assign the appropriate resource (or resources) with knowledge of the existing tax processing systems to support RSI and the DOR project team during the analysis foundation tasks on the project plan (months 2-4), at approximately a 25% allocation to the project.</p>
<p>Existing Collection System Analyst(s)</p>	<p>DOR staff with knowledge of the existing collection systems are required to provide RSI staff with a detailed understanding of the data model, and to transfer applicable knowledge on the interpretation and use of various data in this system. This information will be used to support historic and ongoing analysis of collections and to track the results of the Delinquent Collections</p>	<p>RSI recommends that DOR assign the appropriate resource (or resources) with knowledge of the existing collection system (and supporting data sources) to support RSI and the DOR project team during the analysis foundation tasks on the project plan (months 2-4), at approximately a 50% allocation to the project.</p>

Recommended DOR Staff Resource(s)	Proposed Responsibilities	Estimated Time Commitment
	<p>Enhancements project.</p> <p>These resources will support analysis, design reviews, and testing of the required data interfaces from and to the existing collections systems.</p>	
<p>Collections Managers and Collectors</p>	<p>As the Delinquent Collections Enhancements project proceeds through the proposed implementation phases, the existing collections operations at the DOR will be impacted. All Collections Managers/Supervisors and all current Collectors will need to participate in targeted training and will receive specialized communication in advance of each rollout. While the new collections strategies are designed to limit the impact to collectors, and their core collection system will not be replaced by the project, there will be some business process and procedural changes to which collectors will need to adjust. They will also need to be training in specialized use of new systems to be implemented during the project, including the new predictive dialer and the new work management system.</p>	<p>RSI recommends that the DOR allocate approximately 8-16 hours of training, communication, and other preparation for Collections Managers/Supervisors prior to each phased deployment of new collections strategies and capabilities, and approximately 8-16 hours of training and initial rollout support for Collectors. It is assumed that further changes to collections strategies and procedures that are implemented in years 2 and 3 of the project will be easily absorbed by Collections Managers/Supervisors and Collectors as part of regular communication channels.</p>

RSI assumes the following DOR data information resources for the project.

Table A-4: Recommended DOR Data

Recommended DOR Data Information Resource(s)	Assumptions
Existing tax processing systems	<p>4 years of data converted and ongoing refresh of data from the DOR's existing tax processing systems (both individual and business taxpayers from all systems) into the existing Warehouse data foundation, to support historic and ongoing analysis of collections cases.</p> <p>Data interfaces will be provided according to a mutually agreed specification.</p>
Existing collection system	<p>4 years of data converted and ongoing refresh of data from the DOR's existing collection system (both individual and business cases) into the existing Warehouse data foundation, to support historic and ongoing analysis of collections cases.</p> <p>Data interfaces will be provided according to a mutually agreed specification.</p>
Existing sources of employment, bank, and other asset data	<p>Additional data that the DOR currently has or has access to (whether it is being effectively used currently or not), which the DOR wishes to incorporate into the collection strategy and it is mutually agreed to have value and assuming that it can be provided according to a mutually agreed specification.</p>

4. Payment Schedule; Benefits Measurement; Tracking/Approval and Assumptions

a.) **Invoices and Payments:** The DOR will pay RSI a percent of actual savings or recovered funds attributable to the project for each month of the contract (36 months), to the maximum cap amount of \$1,095,000. All payments under this contract are to be attributed exclusively from increases in Delaware state revenues (or cost savings) generated by the implementation of the project. A tiered approach, presented in Table A-5, will be utilized whereby a portion (15%) of the early benefits (during Tier 1) will be used to pay RSI for its initial outlay of software, hardware and implementation services.

**Table A-5: Proposed Gain-Sharing Approach based on the Option to Leverage DOR
existing data Warehouse assets**

Tier	Start	End	RSI %	RSI \$ per Tier	RSI \$ Cumulative	DOR %	DOR \$ per Tier	DOR \$ Cumulative
1	\$0	\$7,300,000	15%	\$1,095,000	\$1,095,000	85%	\$6,205,000	\$6,205,000
2	\$7,300,001	\$13,000,000	0% ⁽¹⁾	\$0	\$1,095,000	100%	\$5,699,999	\$11,904,999
3	\$13,000,001	\$25,000,000 ⁽²⁾	0%	\$0	\$1,095,000	100%	\$11,999,999	\$23,904,998

1. *Note ⁽¹⁾: If the option to implement RSI's Portfolio Warehouse is selected, the difference between \$1,095,000 and \$1,600,000 (the cap) will be funded at the same benefits sharing percentage (i.e. 15%) as Tier 1, but during Tier 2 (i.e. \$7,300,001 - \$13,000,000).*
2. *Note ⁽²⁾: There is no "End" dollar amount to Tier 3 since it's the last tier, meaning that when the cumulative benefits exceed \$7,300,000 the Gain-Sharing will follow Tier 2. For illustration of Cumulative dollars to each party, an "End" of \$25 million is being used. Since RSI is offering to cap its price during the initial 36 month contract period, all benefits in Tier 2 and Tier 3 go to the State.*

b.) Benefits Calculations: Savings and/or cost recoveries will be calculated using a mutually agreed to Benefits Measurement Methodology, developed as part of the project start-up activities. Any incremental "lift" or improvement as defined in the Benefits Methodology Document over the baseline must be attributed to the improvement in the process, and therefore recognized as benefits.

Upon starting the project, RSI will work with DOR to establish a Benefits Steering Committee, and the team will begin the process described in the next section.

c.) Benefits Tracking: The benefits attributable to the project, during the project period, will be tracked by the Benefits Steering Committee, comprised of DOR and RSI personnel. Specifically, this process will include the following steps:

Define - As part of a one-time exercise during the first 30-60 days of the project, DOR and RSI will mutually agree to the initial benefit programs and the detailed logical rules for identifying benefits attributable to the project. The benefits reporting will be consistent with the definition of “benefits attributable to the project” and the logical rules using data from the existing Warehouse, the DOR’s tax accounting system, and/or DOR’s existing management reports. The detailed logical rules will ensure traceability in order to substantiate benefits of the project. The mutually acceptable logical rules will be organized into a Benefits Tracking Rules Document.

Develop - As part of a one-time exercise for the Collection Improvements, DOR and RSI will mutually develop and test a standard Benefits Tracking Report. The purpose of this exercise is to implement the agreed to logical rules for identifying benefits attributable to the project on a periodic basis, as defined and agreed upon in the Benefits Tracking Rules Document. The development effort will result in the necessary benefits report to be used for tracking collection improvements going forward, for early wins and all subsequent improvements.

Track - DOR and RSI will generate the Benefits Tracking Report on a periodically established basis, and actual number of days defined in the Benefits Methodology document, to tabulate the benefits attributable to the project. DOR will then conduct a review and approval of the Benefits Tracking Report for the reported periodically established period, as defined in the Benefits Methodology document, and will advise RSI of its approval. This report will summarize since inception all benefits available to pay RSI.

This benefits funded procurement will share the project risks among both DOR and RSI. To ensure that benefits are accurately attributed and both parties are committed to a successful implementation, the benefits programs, the baseline,

the recovery time frames, and/or benefits tracking methodology will be mutually negotiated in good faith and adjusted, if necessary, when any of the following conditions change:

1. It is assumed that there will always be fluctuations, sometimes significant, in the amount of collections from period to period. If benefits drop below the historical baseline of the current 12 month period or cycle, the project will not be required to make up the loss in the following period. However, at the end of each 12 month cycle a reconciliation will be performed between actual collections and the baseline for that 12 month period or cycle and any credit to the state will be carried forward and applied to the Benefits calculation for the next 12 month period or cycle.
2. DOR staffing remains constant and the number of collectors does not materially increase or decrease in the baseline period or current periods.
3. DOR implements or does not implement recommended changes to work methods and processes that are determined to have a material impact on revenue generating programs, for example, collection treatment.
4. There are material statutory changes or legislative initiatives that impact compliance programs and efforts.
5. There are material statutory changes to tax rates and/or the tax base.
6. There are natural or man-made events that substantially interrupt or prevent DOR operations.
7. There are other anomalies (e.g., economic) that materially distort the integrity of any baselines used in the measurement of benefits.

Note: Since this is a benefits-based contract and all (100%) payments to the vendor are “at risk” until benefits are realized, there will not be any holdback on invoice payments to RSI.

d.) **Pricing Considerations and Assumptions:** Please see Section 1.4 of RSI Cost Proposal found in Exhibit 1 of this Agreement for pricing considerations and assumptions

Appendix B - Revenue Premier® License Agreement

**To be signed by both parties if and when the Revenue Premier Portfolio Warehouse
option is exercised**

This option is not being exercised at this time.

Appendix C - Delaware's Request for Proposals

The Delinquent Collections Enhancement RFP # FIN13001-COLLECTION is available upon request.

Exhibit 1 - RSI's Response to the Request for Proposals

RSI's Proposal to the Delinquent Collections Enhancement RFP # FIN13001-COLLECTION is available upon request.