


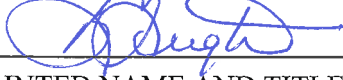
## MASTER AGREEMENT

MA-2018-15 74-2605908
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1. In this Master Agreement (“Agreement”), the term “Contractor” refers to **Gila LLC, DBA Municipal Services Bureau** and the term “Establishing Judicial Branch Entity” or “Establishing JBE” refers to the **Judicial Council**. This Agreement is entered into between Contractor and the Establishing JBE for the benefit of the Judicial Branch Entities (as defined in Appendix D), the California State Bar, the superior courts, Supreme Court, the Courts of Appeal, the 58 Counties of the State of California; and other governmental or regulatory entities identified for inclusion by the Judicial Council that enters into a Participating Agreement with Contractor pursuant to this Agreement is a “Participating Entity” (collectively, “Participating Entities”).
2. This Agreement is effective for an **initial five-year** term beginning on **January 1, 2019** (“Effective Date”) and expires on **December 31, 2023** (“Expiration Date”).  
This Agreement includes one-5 year Option term for a potential maximum term of ten years (See Appendix C, section 5 for additional information).
3. The title of this Agreement is: Master Agreement for Collections Services for Court-Ordered and Other Debt.

*The title listed above is for administrative reference only and does not define, limit, or construe the scope or extent of this Agreement.*

4. The parties agree that this Agreement, made up of this coversheet, the appendixes listed below, and any attachments, contains the parties’ entire understanding related to the subject matter of this Agreement, and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writing and all other communications between the parties.
- Appendix A – Services  
Appendix B – Payment Provisions  
Appendix C – General Provisions  
Appendix D – Defined Terms  
Appendix E – Form of Participating Agreement

ESTABLISHING JBE’S SIGNATURE	CONTRACTOR’S SIGNATURE
Judicial Council of California	Gila LLC, DBA Municipal Services Bureau
BY (Authorized Signature) 	BY (Authorized Signature) 
PRINTED NAME AND TITLE OF PERSON SIGNING Mona Lawson Supervisor, Contracts	PRINTED NAME AND TITLE OF PERSON SIGNING Barbara Fugler VP of Finance
DATE EXECUTED 12/5/18	DATE EXECUTED 12/3/18
ADDRESS 2850 Gateway Oaks Drive, Suite 300 Sacramento, CA 95833-4348	ADDRESS 8325 Tuscany Way Austin, TX 78754

## APPENDIX A

### Services

#### 1. Background, Purpose, and Ordering.

- 1.1 This Agreement sets forth the terms and conditions that apply to Contractor's provision of Work to the Participating Entities. "Work" shall mean the Services as further described in Sections 2 and 3 below. This Agreement does not obligate a Participating Entity to place any orders for Work under this Agreement, and does not guarantee Contractor a specific volume of orders.
- 1.2 Each Participating Entity shall have the right to place orders under this Agreement for any of the Work. A Participating Entity may place orders for Work by entering into a Participating Agreement with Contractor in the form attached as Appendix E to this Agreement ("Participating Agreement"). Pricing for Work shall be in accordance with the prices set forth in this Agreement. After a Participating Agreement has been presented to the Contractor by a Participating Entity, the Contractor shall acknowledge, sign, and perform under the Participating Agreement in a timely manner. Contractor shall provide the Work for each Participating Entity in accordance with the terms of this Agreement and the applicable Participating Agreement.
- 1.3 Each Participating Agreement constitutes and shall be construed as a separate, independent contract between Contractor and the Participating signing such Participating Agreement, subject to the following: (i) each Participating Agreement shall be governed by this Agreement, and the terms in this Agreement are hereby incorporated into each Participating Agreement; (ii) the Participating Agreement may not alter or conflict with the terms of this Agreement, or exceed the scope of the Work provided for in this Agreement; and (iii) the term of the Participating Agreement may not extend beyond the expiration date of the Agreement. The Participating Agreement and this Agreement shall take precedence over any terms and conditions included on Contractor's invoice or similar document. Contractor shall notify the Judicial Council within five (5) business days of receipt of a Participating Agreement from a Participating Entity. The Contractor shall promptly provide the Judicial Council with a fully-signed copy of each Participating Addendum between the Contractor and a Participating Entity.
- 1.4 The Participating Entity signing the Participating Agreement shall be solely responsible for: (i) the acceptance of and payment for the Work under such Participating Agreement; and (ii) its obligations and any breach of its obligations. Any breach of obligations by a Participating Entity shall not be deemed a breach by any other Participating Entity. Under no circumstances shall a Participating Entity have any liability or obligation except pursuant to a Participating Agreement signed by such Participating Entity, nor shall any breach by a Participating Entity under a Participating Agreement give rise to a breach under any other Participating Agreement or be deemed grounds for termination of this Agreement by Contractor. The Judicial Council shall have no liability or responsibility of any type related to: (i) any other Participating Entity's use of or procurement through

this Agreement (including any Participating Agreement), or (ii) such Participating Entity's business relationship with Contractor. The Judicial Council makes no guarantees, representations, or warranties to any Participating Entity.

- 1.5** This Agreement is a nonexclusive agreement. Each Participating Entity reserves the right to provide, or have others provide the Work. Contractor shall reasonably cooperate with any third parties retained by a Participating Entity to provide the Work.

## **2. Services.**

**2.1 Description of Services.** As ordered by each Participating Entity under a Participating Agreement, Contractor shall perform the services ("Services") as set forth below.

Required Account Services:

Contractor will be required to provide collection services for Accounts due and payable from members of the public to a Participating Entity, including but not limited to the following:

- a. fees, fines, forfeitures, penalties, and assessments arising from infractions, misdemeanor, felony, and traffic proceedings or actions;
- b. criminal justice related fees, reimbursements, and other legally enforceable debts;
- c. civil, family law, and juvenile law fees, including filing fees;
- d. probation, guardianship, conservatorships, and public defender fees;
- e. sanctions imposed by any Participating Entity;
- f. direct restitution to victim ordered pursuant to California Penal Code section 1202.4(a)1;
- g. victim restitution fines ordered pursuant to California Penal Code section 1202.4(b)1;
- h. reimbursements owed or as ordered by a court pursuant to California Family Code section 3150 et seq.;
- i. reimbursements owed to the California Supreme Court for overcharges for representation of indigent defendants in death penalty cases;
- j. fees, penalties, fines, or reimbursements owed to the California State Bar pursuant to California Rule of Court, rule 9.10(g), and California Business and Professions Code sections 6086.10(a) and 6140.5(a); and

- k. any other legally enforceable debt owed to a Participating Entity or that a Participating Entity has a right to collect.

**2.1.1 In the collection of Accounts, Contractor will:**

- a. employ skip tracing and other standard collection techniques to locate debtors, including the capability to: (1) communicate in Spanish (or other languages, as needed), both orally and in written form; and (2) pursue debtors residing within the boundaries of the United States, including military bases and tribal lands;
- b. transfer funds electronically, and be able to receive Accounts on a daily basis, Monday through Friday, except days which are not business days for the relevant Participating Entity;
- c. provide various and multiple reports in an electronic or hardcopy format on a daily, weekly, and/or monthly basis, as requested by the Participating Entity;
- d. comply to the extent possible with the reporting requirements set forth in Penal Code section 1463.010 and Government Code section 68514, as required by the Judicial Council, and any future reporting requirements resulting from legislation or regulation;
- e. adjust the receivable record within two (2) business days of any information transferred by the Participating Entity;
- f. remit the entire gross amount of all receivables collected to the Participating Entity preferably in electronic format on a daily, weekly or monthly basis at the discretion of the Participating Entity, together with supporting documentation;
- g. ensure that all data it receives from, processes, or transmits to any Participating Entity is not stored, accessed from, or transmitted outside the United States;
- h. be responsible for all start-up and on-going operational costs, including all cost associated with the transfer of paper records to electronic data;
- i. provide computer terminals or dial-up or internet access for access to its system, and all necessary phones and related equipment, at its own cost and expense, including phone charges and supplies, and will provide all additional equipment necessary for the conduct of its business except that equipment specifically provided by the Participating Entity;

j. provide fully functional on-line inquiry capability into its collection system to designated Participating Entity staff at any requested Participating Entity's location

k. provide an annual case aging report, which may include but is not limited to, infraction cases older than 5 years and misdemeanor cases older than 10 years, or as specified by the Participating Entity. The Participating Entity may request a list of cases, but only the collecting entity can review these cases and determine eligibility for discharge under Government Code section 25257-25259.95. The Participating Entity may recall eligible cases from the Contractor or instruct Contractor to transfer select cases to the FTB-COD and/or FTB-IIC program for additional collection efforts.

## **2.2 On-site Personnel (At Option of Participating Entity)**

a. At a Participating Entity's option, Contractor shall provide on-site staff at public counter areas to assist the public (e.g. accept payments, answer questions, set-up payment arrangements, etc.) during all hours the Participating Entity is open to the public, including night hours. The night hours for each Participating Entity will be specified in the Participating Agreement. Participating Entity shall be consulted prior to the addition, removal, or replacement of on-site personnel.

b. Contractor shall provide sufficient on-site staff to ensure the waiting time for assistance averages no more than ten (10) minutes. If the Participating Entity determines that the waiting time is too lengthy, the Contractor shall provide additional staff and other resources necessary to bring the waiting time to a level acceptable by the Participating Entity.

c. At a Participating Entity's option, Contractor shall provide sufficient bilingual staff (for example Spanish and other languages, as needed) to meet the waiting time requirement at each location during all hours the Participating Entity is open to the public, including night hours.

d. Contractor shall have sufficient trained staff available locally to cover unexpected absences and staff emergencies.

e. Contractor shall provide staff and equipment to Participating Entities as specified in the Participating Agreement, at the rates set forth in this Agreement or as otherwise provided in the Participating Agreement.

f. Contractor shall provide customer service levels that are in line with the Participating Entity's mission and expectations, and not those of consumer debt collectors.

### **2.3 FTB-COD Transfer Services (At Option of Participating Entity)**

A Participating Entity may request Contractor to transfer any or all accounts, including accounts transferred to Contractor for collection, to the FTB-COD for further collection efforts in a format described by that Participating Entity. Upon such a referral to the FTB-COD, Contractor will cease all collection work on the account, but will remain responsible for canceling and adjusting all accounts, as appropriate and answering inquiries related to the FTB-COD from debtors. If a Participating Entity selects these optional services, the Contractor will be responsible for all programming costs associated with the identification, transfer, and separate reporting of accounts referred to the FTB-COD.

### **2.4 Account Recall**

A Participating Entity may recall an Account transferred for collection, at its discretion or as agreed to on the Participating Agreement, without a charge or penalty imposed, if during the past six (6) months no payments have been received, no new payment has been agreed to by the debtor, and no adjustments have been made by the Court. Recall of other Accounts will be on the terms and conditions agreed by the parties in a Participating Agreement. Each Participating Entity shall prescribe the criteria and procedures for returning uncollected Accounts.

### **2.5 Reporting Requirements**

- a. Contractor shall comply with the then-current reporting requirements set forth in Penal Code Section 1463.010 and Government Code section 68514, and any other applicable state law or regulation, and as specified by the Judicial Council.
- b. Unless otherwise set forth by a Participating Entity in its Participating Agreement, Contractor will provide the reports described in this Section 2.5 to each Participating Entity, in the form attached hereto as Appendix A, Attachment 1, and will agree to provide any additional reports required by the Participating Entity. At the Participating Entity's option, the reports may be electronically transferred or provided in hardcopy format.
- c. For Participating Entities who are courts, separate reports must be provided for each location with division reports for account reconciliation and court-wide summaries for court-wide analysis and strategic planning.
- d. Unless otherwise indicated, all information must be reported by category with subtotals per category and a grand total. Whenever debtors' names are displayed, they will be displayed by last name first.

- e. The Contractor will provide sample reports to the Participating Entity for approval prior to implementation and as changes are made during the term of the Participating Agreement.

### **2.5.1 Account Payment History**

Contractor shall supply an account payment history for each Account on the Participating Entity's request. An account payment history shall include the following for all cases referred with specific bail and/or fine, and civil assessment:

- i. Debtor's name (sorted by last name) and case number;
- ii. The amount of bail and/or fine referred, the amount applied to the bail and/or fine and any balance remaining.
- iii. The amount of civil assessment added (separate from the bail and/or fine), the amount applied to the civil assessment and any balance remaining.
- iv. A chronological list of payments.

### **2.5.2 Acknowledgment Report**

Upon request, Contractor will provide a complete list to the respective Participating Entity of all Accounts by account category each time a Participating Entity refers Accounts to it. The report will be provided within two business days following the date the Contractor can access the referrals, and will list as applicable: 1) debtor's name (sorted by last name); 2) case number; 3) appearance date or bail/fine due date; 4) amount of bail, fine, or debt referred; 5) total item count; and 6) total bail, fine, or debt amount referred.

### **2.5.3 Daily Payment Transmittal Report**

Upon request, Contractor will provide the Participating Entity a daily payment information report, on the next business day, reflecting the prior day's payments. The daily payment transmittal report will include a listing of every account upon which a payment has been made, and for each such account, where applicable: 1) debtor's name (sorted by last name); 2) case number; 3) balance owed; 4) previous amount paid; 5) amount of current payment; 6) total paid; and 7) balance due. The daily payment transmittal report will also indicate how the current payment was distributed; e.g., amount applied to bail and/or fine, amount applied to civil assessment. The last line will be the total of all amounts in each column. The daily payment transmittal report will be sorted first by account category, then alphabetically, beginning with the debtor's last name.

### **2.5.4 Agency Activity Report**

Within five (5) business days after the end of each calendar month, or unless otherwise agreed in writing, Contractor will provide the Participating Entity a summary of the activity

performed by Contractor on the Participating Entity's Accounts. The information contained on the report may be used to measure performance goals and compliance with any performance standards established by the Participating Entity or as approved by the Judicial Council.

#### **2.5.5 Summary of Account Activity Report**

Within five (5) business days after the end of each calendar month, Contractor will provide the Participating Entity a summary of Account activity for that month. The report will display all information by group with subtotals for each group and a grand total.

#### **2.5.6 Collection Analysis Report**

Within five (5) business days after the end of each calendar month, or unless otherwise agreed in writing, Contractor will provide a summary of collections for the month and include referrals in numbers and dollar value, gross collections in dollars and percentages matched against the month the account was placed, non-cash adjustments and commission expense in dollars and percent, and Accounts remaining.

#### **2.5.7 Daily Adjustment Report**

Upon request, on the business day following the processing of any adjustment on any Account, Contractor will provide the Participating Entity with a daily report of each Account where an adjustment has been made to any previously applied payment or amount referred or owed. In addition, the report will summarize each day's adjustment reasons by category of "Cash" or "Non-Cash". Examples of adjustment reasons in each category are listed below (a Participating Entity may add other adjustment reasons or categories in the future).

- a. Cash-related adjustment reasons include:
  - Returned check
  - Misapplied payment
  - Overpayment
  
- b. Non-Cash-related Adjustment reasons include:
  - Referred in error by the Participating Entity;
  - Incorrect amount referred;
  - Payment collected by the Participating Entity
  - Reduced by lawful court order; e.g., suspension, dismissal, or reduction;
  - Increased by lawful court order; and
  - Assigned to public work Service, e.g., community service



The daily adjustment report will include the following information, as applicable: 1) Debtor's name (sorted by last name); 2) case number; 3) adjustment reason code (2 or 3 characters); 4) original bail, fine, or debt amount referred or owed; 5) new bail, fine, or debt amount owed; 6) type of change (increase or decrease); 7) original civil assessment owed; and 8) the new civil assessment owed. The report will contain an adjustment reason code legend.

#### **2.5.8 Account Status Report**

Within five (5) business days of the end of each calendar month, Contractor will provide each Participating Entity a complete listing of all such Participating Entity's Accounts, by location, currently held by the Contractor. The report shall be on disc or other electronic media that does not require the Contractor or the Participating Entity to produce a hard copy report. The account status report will include, as applicable, 1) the debtor's name (sorted by last name); 2) case number; 3) referral; 4) beginning balance; 5) total payments and adjustments; and 6) the current balance.

#### **2.5.9 Uncollectible Accounts Report**

Upon request, within five (5) business days after the end of each calendar month, or unless otherwise agreed to in writing, Contractor will provide a summary of all Accounts deemed uncollectible for reasons including, but not limited to, bankruptcy, the Service members Civil Relief Act (SCRA- Protections against default judgments 50 U.S.C. § 3931), or deceased debtor. The Participating Entity will review the summary report to determine the proper course of action.

#### **2.5.10 Discharge from Accountability Report**

Upon request, provide annual case aging report, which may include but is not limited to, infraction cases older than 5 years and misdemeanor cases older than 10 years, or as specified by the Participating Entity, in the form attached hereto as Appendix A, Attachment 2. The Participating Entity may request a list of cases, but only the collecting entity can review these cases and determine eligibility for discharge under Government Code section 25257-25259.95.

#### **2.5.11 Other Reports to the Judicial Council**

On an annual basis, the superior courts of the State of California and the counties of the State of California are required by statute to complete and submit to the Judicial Council a Collections Reporting Template with aggregate referred and collected amounts. At no additional cost to the courts and counties, Contractor shall provide the required data to complete the Collections Reporting Template, to all the courts and counties to which

Contractor is providing collection services under this Agreement, in the form attached hereto as Appendix A, Attachment 3.

Contractor shall notify the Judicial Council within ten (10) business days of entering into an agreement with a California Superior Court for collections services under this Agreement. The Contractor shall provide copies of the executed Participating Agreement or at minimum the contract execution date and commission rate(s).

Contractor shall notify the Judicial Council within ten (10) business days of any leadership position changes within the organization that occurs after the execution of this Agreement.

Contractor shall notify the Judicial Council within thirty (30) business days of lawsuits not disclosed in the proposal that occur after the execution of this Agreement.

## **2.6 Contractor Computer Systems**

a. Contractor's computer system will be capable of interfacing, and will interface its computer system, with the Participating Entity's existing criminal, traffic, minor offense and/or Participating Entity's accounting systems.

b. Contractor's computer system must also be capable of interfacing, and will interface its computer system, with each Participating Entity's planned replacement for its case management or accounting systems. As such, it must, at a minimum, be capable of processing a standard formatted file with the following information:

- i. Case number
- ii. Debtor name (sorted by last name), address, phone number and demographics
- iii. Account type and status
- iv. Case balance
- v. Next payment due date and payment amount

## **2.7 Transition Services**

A Participating Entity may request Contractor to transfer accounts to a new Contractor in a format described by that Participating Entity. The Participating Entity shall have the right to withhold Contractor's last payment until accounts have been transferred in a format acceptable to the Participating Entity. Upon expiration or termination of this Agreement or a Participating Agreement, Contractor will:

- a. destroy all hard copy account information of the affected Participating Entity;
- b. delete all electronic account information from its computer systems, including backup copies;
- c. send a letter to all Accounts notifying them that Contractor will no longer be handling the Account;
- d. continue to forward all payments sent to it by any Account to the Participating Entity. If payment is forwarded to the Participating Entity within 60 calendar days of expiration or termination of this Agreement or a Participating Agreement, the Participating Entity will pay Contractor the fee identified in the Agreement. If the Contractor forwards payment to the Participating Entity after 60 calendar days of expiration or termination of this Agreement or Participating Agreement, the Contractor will no longer be due, nor will the Participating Entity pay, a fee.

**2.8 Timeline.** Contractor must perform the Services according to the timeline established by the Participating Entity and described in the Participating Agreement.

**2.9 Project Managers.** Each Participating Entity may designate a project manager. The Judicial Council's project manager is: **[Insert name]**. A Participating Entity may change its project manager at any time upon notice to Contractor without need for an amendment to this Agreement. Contractor's project manager is: **[Insert name]**. Subject to written approval by the Judicial Council, Contractor may change its project manager without need for an amendment to this Agreement.

**2.10 Service Warranties.** Contractor warrants to the Participating Entities that: (i) the Services will be rendered with promptness and diligence and will be executed in accordance with the practices and professional standards used in well-managed operations performing services similar to the Services; and (ii) Contractor will perform the Services in the most cost-effective manner consistent with the required level of quality and performance. Contractor warrants that the Services will conform to the requirements of this Agreement and all applicable specifications and documentation. The foregoing warranty shall commence upon the Participating Entity's acceptance of such Services, and shall continue for a period of one (1) year following acceptance. In the event Services do not conform to the foregoing warranty, Contractor shall promptly correct all nonconformities to the satisfaction of the Participating Entity.

**2.11 Resources.** Contractor is responsible for providing any and all facilities, materials and resources (including personnel, equipment, tools and software) necessary and appropriate for performance of the Services and to meet Contractor's obligations under this Agreement.

**2.12 Commencement of Performance.** This Agreement is of no force and effect until signed by both parties and all Judicial Council-required approvals are secured. Any commencement

of performance prior to Agreement approval (and approval by a Participating Entity of a Participating Agreement) shall be at Contractor's own risk.

### **2.13 Stop Work Orders.**

A. Each Participating Entity may, at any time, by Notice to Contractor, require Contractor to stop all or any part of the Work being provided to such Participating Entity for a period up to ninety (90) days after the Notice is delivered to Contractor, and for any further period to which the Participating Entity and the Contractor may agree ("Stop Work Order"). The Stop Work Order shall be specifically identified as such and shall indicate it is issued under this provision. Upon receipt of the Stop Work Order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the Work covered by the Stop Work Order during the period of stoppage. Within ninety (90) days after a Stop Work Order is delivered to Contractor, or within any extension of that period to which the parties shall have agreed, the Participating Entity shall either (i) cancel the Stop Work Order; or (ii) terminate the Work covered by the Stop Work Order as provided for in this Agreement.

B. If a Stop Work Order issued under this provision is canceled or the period of the Stop Work Order or any extension thereof expires, Contractor shall resume the performance of the Work. The Participating Entity shall make an equitable adjustment in the delivery schedule and the Participating Agreement shall be modified, in writing, accordingly, if:

- i. The Stop Work Order results in an increase in the time required for performance of any part of the Participating Agreement; and
- ii. Contractor requests an equitable adjustment within thirty (30) days after the end of the period of stoppage.

C. The Participating Entities shall not be liable to Contractor for loss of profits because of a Stop Work Order issued under this provision.

**3. Acceptance or Rejection.** All Services are subject to acceptance by each Participating Entity. The Participating Entity may reject any Services that (i) fail to meet applicable requirements or specifications, including acceptance criteria, (ii) are not as warranted, or (iii) are performed or delivered late (without prior consent by the Participating Entity). If the Participating Entity rejects any Services (other than for late performance), Contractor shall modify such rejected Services at no expense to the Participating Entity to correct the relevant deficiencies and shall redeliver such Services to the Participating Entity within ten (10) business days after the Participating Entity's rejection, unless otherwise agreed in writing by the Participating Entity. Thereafter, the parties shall repeat the process set forth in this section until the Participating Entity accepts such corrected Services. The Participating Entity may terminate the portion of the Participating Agreement that relates to a rejected Service, at no expense to the Participating Entity if the Participating Entity rejects that Service (i) for late performance or delivery, or (ii) on at least two (2) occasions for other deficiencies.

**Appendix A  
Attachment 1  
Report Samples**

**Acknowledgement Report – [Category] - Date XXXXXX**

<b>Acknowledgement of Referrals Received</b>			
<b>Case Number</b>	<b>Last Name, First Name, MI</b>	<b>Appearance or Fine Due Date</b>	<b>Bail/Fine Amount</b>
<b>Total Item Count</b>			<b>Total Amount Referred</b>

**Attachment 1  
Report Samples**

**Daily Payment Transmittal Report – [Category] - Date XXXXXX**

Payment ID		Payment Application					Payment Distribution			
NAME Last, First MI	Case #	Bail/Fine Amount	Civil Assessment Amount	Comm. Expense	Payment Total	Amount Referred	Previous Amt Paid	Payment Amount	Total Paid	Balance Due
<b>Total</b>		\$	\$	\$	\$	\$	\$	\$	\$	\$

**Attachment 1  
Report Samples**

**Daily Adjustment Report (Date)**

<b>NAME Last, First MI</b>	<b>Case #</b>	<b>Adj. Code</b>	<b>Original Bail or Fine Amount</b>	<b>New Bail or Fine Amount</b>	<b>Change (+/-)</b>	<b>Original Civil Assessment Amount</b>	<b>New Civil Assessment Amount</b>	<b>Change (+/-)</b>	<b>Net Change (+/-)</b>
			Total	Total	Calc	Total	Total	Calc	

**Attachment 1  
Report Samples**

**Summary of Account Activity**  
For the Period of \_\_\_\_\_

<b>Account Category: Group ID</b>	<b>No. of Accounts</b>	<b>Bail or Fine</b>	<b>Assessment</b>	<b>TOTAL</b>
Beginning Balance (+)				
Accounts Transferred to Contractor (+)				
Accounts Paid in Full (-)				
Accounts satisfied by Adjustments (-)				
Accounts returned as uncollectable (-)				
Ending Balance				
Accounts with Partial Payments				
Accounts with Partial Adjustments				
<b>SUBTOTAL</b>				
Repeat for Each Category				
<b>TOTAL</b>				



**Attachment 1  
Report Samples**

**Collection Analysis Report**  
For the Period Ending: \_\_\_\_\_

CASES AND AMOUNT REFERRED FOR CIVIL ASSESSMENT					COLLECTIONS						TOTAL COLLECTIONS (Including Non-Cash)			ACCOUNTS REMAINING	
Month/Yr. of Ref	# of Accts Ref	Bail/Fine Amt. Ref	Civil Assessment Added	Total Amt. Ref	Collections - Current Month	Bail/Fine Paid to Date	Civil Assessment Paid to Date	Total Paid to Date	Total Paid as % of Referrals	Cost	Non-Cash Adj.'s	Total Deducted from Amt. Ref (Paid + Adj.'s)	Total Deducted as a % of Referrals	Number of Remain Accts	Dollar Value of Remain Accts
FY Total															
Cum. Total															

Bail/Fine received during the Month: \_\_\_\_\_

Civil Assessment received during the Month: \_\_\_\_\_

Commission earned during the Month: \_\_\_\_\_

Total collected during the month \_\_\_\_\_

**Appendix A  
Attachment 2  
Report Samples**

**Discharge from Accountability  
Government Code section 25259 and 25259.95**

	<b>Case Name</b>	<b>Case Number</b>	<b>Amount Owing</b>	<b>Amount to be Discharged</b>	<b>Case Type:</b>	<b>No. Years Since Debt Became Delinquent</b>	<b>Reason for Discharge</b>
1			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
2			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
4			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
5			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
6			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
7			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
8			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
9			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
10			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
11			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
12			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
13			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
14			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
15			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
16			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
17			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
18			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
19			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
20			\$0.00	\$0.00	Select Option:	Select Option:	Select Option:
	<b>TOTAL</b>		<b>\$0.00</b>	<b>\$0.00</b>			

\*This report is provided only a sample of the information required under Government Code section 25259 and 25259.9.

**Statewide Collections Services for  
Court-Ordered and Other Debt**

**Appendix A  
Attachment 3  
Collection Reporting Template Form**

<b>1</b>	Court/County	Select court/county (see Contact Informat
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The Collections Reporting Template is attached and hereby incorporated into this Master Agreement. The link to the Collection Reporting Template is also available online at <http://www.courts.ca.gov/partners/455.htm>.

<b>2</b>	Court Contact:	
	Telephone Number:	
	E-mail Address:	

<b>3</b>	County Contact:	
	Telephone Number:	
	E-mail Address:	

<b>4</b>	List collection agencies or programs used by order in which debt is referred:	1. <input type="text"/>
		2. <input type="text"/>
		3. <input type="text"/>
		4. <input type="text"/>
		5. <input type="text"/>

<b>5</b>		<b>Item 4</b>	<b>Category</b>	<b>Item 5</b>	<b>Item 6a</b>	<b>Item 6b</b>	<b>Item 7</b>
	Below is a description of the collections components (activities) authorized by Penal Code section 1463.007. As required by Government Code section 68514, for Items <b>4, 5, 6a, 6b and 7</b> , input the requested information for <u>each</u> collection activity that the court/county program currently uses:	Check each collections activity performed by program		Total amount collected per collection activity	Total number of cases by activity	Total number of individuals associated with those cases	Total administrative cost per collection activity
<b>6</b>	a. Attempts telephone contact with delinquent debtors for whom the program has a telephone number to inform them of their delinquent status and payment options.	<input type="checkbox"/>	<b>1</b>			Enter data as part of Category 3, (activity <b>c</b> )	
<b>7</b>	b. Notifies delinquent debtors for whom the program has an address in writing of their outstanding obligation within 95 days of delinquency.	<input type="checkbox"/>	<b>2</b>				
<b>8</b>	c. Generates internal monthly reports to track collections data, such as age of debt and delinquent amounts outstanding.	<input type="checkbox"/>	<b>3</b>				
<b>9</b>	d. Uses Department of Motor Vehicles information to locate delinquent debtors.	<input type="checkbox"/>	<b>4</b>				
<b>10</b>	e. Accepts payment of delinquent debt by credit card.	<input type="checkbox"/>	<b>3</b>	Enter data as part of Category 3, (activity <b>c</b> ), Row 8 above.			
<b>11</b>	a. Sends delinquent debt to the Franchise Tax Board's Court-Ordered Debt Collections Program.	<input type="checkbox"/>	<b>5</b>			Enter data as part of Category 2 (activity <b>b</b> ), Row 7 above.	
<b>12</b>	b. Sends delinquent debt to the Franchise Tax Board's Interagency Intercept Collections Program.	<input type="checkbox"/>	<b>6</b>				
<b>13</b>	c. Initiates driver's license suspension or hold actions when appropriate for a failure to appear in court.	<input type="checkbox"/>	<b>7</b>				
<b>14</b>	d. Contracts with one or more private debt collectors to collect delinquent debt.	<input type="checkbox"/>	<b>8</b>				
<b>15</b>	e. Sends monthly bills or account statements to all delinquent debtors.	<input type="checkbox"/>	<b>2</b>	Enter data as part of Category 2 (activity <b>b</b> ), Row 7 above.			
<b>16</b>	f. Contracts with local, regional, state, or national skip tracing or locator resources or services to locate delinquent debtors.	<input type="checkbox"/>	<b>4</b>	Enter data as part of Category 4, (activity <b>d</b> ) in Row 9 above.			
<b>17</b>	g. Coordinates with the probation department to locate debtors who may be on formal or informal probation.	<input type="checkbox"/>	<b>4</b>	Enter data as part of Category 4, (activity <b>d</b> ) in Row 9 above.			
<b>18</b>	h. Uses Employment Development Department employment and wage information to collect delinquent debt.	<input type="checkbox"/>	<b>4</b>	Enter data part of Category 4, (activity <b>d</b> ) Row 9 above.			
<b>19</b>	i. Establishes wage and bank account garnishments where appropriate.	<input type="checkbox"/>	<b>9</b>				
<b>20</b>	j. Places liens on real property owned by delinquent debtors when appropriate.	<input type="checkbox"/>	<b>9</b>	Enter data as part of Category 9, (activity <b>i</b> ) Row 19 above.			
<b>21</b>	k. Uses an automated dialer or automatic call distribution system to manage telephone calls.	<input type="checkbox"/>	<b>1</b>	Enter data as part of Category 1, (activity <b>a</b> ) Row 6 above.			
<b>22</b>	<b>TOTAL:</b>			<b>\$0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>

<b>23</b>	Does the court impose a civil assessment for failure to appear on infraction cases?	<input type="text"/>
<b>24</b>	Does the court impose civil assessment for failure to pay on infraction cases?	<input type="text"/>
<b>25</b>	Does the court impose a civil assessment for failure to pay on misdemeanor cases?	<input type="text"/>
<b>26</b>	Does the court impose a civil assessment for failure to pay on felony cases?	<input type="text"/>
<b>27</b>	Does the court impose a civil assessment on any other case type? If yes, explain in the Program Report worksheet.	<input type="text"/>
<b>28</b>	Collection program to which the majority of delinquent debt is initially referred.	<input type="text"/>

Category Key: (See Category tab for task/activities list)		
1= Telephone Contact	4= Skip tracing	7= DL Hold
2= Written Notice(s)	5= FTB-COD	8= Private agency
3= Lobby/counter	6= FTB-IIC	9= Wage/bank garnishments and Liens

**Select court/county (see Contact Information worksheet #1)**

**Use the space below to describe your collection program.**

**Collections Best Practices and identify any obstacles or problems that prevent the collections program from meeting those objectives. Of the twenty-five (25) Best Practices listed below please check those which your collection program has implemented. Provide an explanation for the best practices currently not being met, below. Also, identify any new or additional practices that have improved your collections program.**

- 1. Develop plan and put in a written MOU that implements and enhances a program in which the court/county collaborate to collect court-ordered debt and
- 2. Establish and maintain a cooperative superior court and county collection committee responsible for compliance, reporting, and internal enhancements of t
- 3. Meet the components of a comprehensive collection program as required under Penal Code section 1463.007 in order that the costs of operating the progr
- 4. Complete all data components in the Collections Reporting Template.
- 5. Reconcile amounts placed in collection to the supporting case management and/or accounting systems.
- 6. Retain the joint court/county collection reports and supporting documents for at least three years.
- 7. Take appropriate steps to collect court-ordered debt locally before referring it to the Franchise Tax Board for collection.
- 8. Participate in the Franchise Tax Board Court-Ordered Debt (COD) collection program.
- 9. Participate in the Franchise Tax Board Interagency Intercept Collections (IIC) program.
- 10. Establish a process for handling the discharge of accountability for uncollectible court-ordered debt.
- 11. Participate in any program that authorizes the Department of Motor Vehicles to suspend or refuse to renew drive when appropriate for a failure to appear
- 12. Conduct trials by written declaration under Vehicle Code section 40903 and, as appropriate in the context of such trials, impose a civil assessment.
- 13. Implement a civil assessment program and follow the Criteria for a Successful Civil Assessment Program.
- 14. Evaluate the effectiveness and efficiency of external collection agencies or companies wo which court-ordered debt is referred for collection.
- 15. Accept payments via credit and debit card.
- 16. Accept payments via the Internet.
- 17. Include in a collection program all court-ordered debt and monies owed to the court under a court order.
- 18. Include financial screening to assess each individual's ability to pay prior to processing installment payment plans and account receivables.
- 19. Charge fees as authorized by Penal Code section 1202.4(l).
- 20. Charge fees as authorized by Penal Code section 1205(e).
- 21. Use restitution rebate, as authorized by Government Code section 13963(f), to further efforts for the collection of funds owed to the Restitution Fund.
- 22. Participate in the statewide master agreement for collection services or renegotiate existing contracts, where feasible, to ensure appropriate levels of servic
- 23. Require private vendors to remit the gross amount collected as agreed and submit invoices for commission fees to the court or county on a monthly basis.
- 24. Use collection terminology (as established in the glossary, instructions, or other documents approved for use by courts and counties) for the development
- 25. Require private vendors to complete the components of the Collections Reporting Template that corresponds to their collection programs.

**Please identify areas in collections or distribution (check all that apply) in which program staff would like to receive training, assistance, or additional information.**

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Civil Assessment | <input type="checkbox"/> Revenue Distribution          | <input type="checkbox"/> Private Collection Vendor     |
| <input type="checkbox"/> Cost Recovery    | <input type="checkbox"/> Discharge from Accountability | <input type="checkbox"/> Other Collections-Related Iss |

Comments or explanations:

## Program Report

**Select court/county (see Contact Information worksheet #1)**

**Use the space below to discuss your collection program.**

**Please provide any comments on your Gross Recovery Rate or Success Rate for the reporting period, by Current Period, Prior Periods Inventory, and Combined.**

**Please explain the extent of your reporting capabilities in terms of providing the new information required by GC68514. If data cannot be provided at this time or if the reported data differs from the Instructions, please describe the submitted data and any plans for providing this information in the future.**

**Additional operational information about your collections program for the reporting period.**

Select court/county (see Contact Information worksheet #1)

REPORTING PERIOD		Col. A	
1	Beginning Date-First day of Reporting Period	01-Jul-17	
2	Ending Date-Last day of Reporting Period	30-Jun-18	

CURRENT PERIOD: FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS												
Row	Program	Number of Cases Established/ Referred/Transferred	Value of Cases Established/ Referred/Transferred	Number of Cases with Payment(s) Received (Items 1 and 2)	Gross Revenue Collected	Cost of Collections (Penal Code 1463.007)	Adjustment: Amount satisfied by Court-ordered Suspension, Dismissal or Alternative Sentence (Item 3)	Discharge from Accountability (Item 3)	Change in Value (Col. C - E - G - H)	Value of Cases on Installment Agreement (Item 8)	Default Balance Installment Agreement (Item 8)	Percentage of Debt Defaulted On (Installment Agmt.) (Col. K / Col. J)
	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L	
3	Non-Delinquent Collections											
4	Court Collection Program											
5	County Collection Program											
6	Private Agency											
7	FTB Court-Ordered Debt											
8	Intra-Branch Program											
9	Other											
10	Sub-total Delinquent	-	-	-	-	-	-	-	-	-	-	-

PRIOR PERIODS INVENTORY: FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS												
Row	Program	Number of Cases Referred/Transferred (Ending Balance from Prior Year)	Value of Cases Referred/Transferred (Ending Balance from Prior Year)	Number of Cases with Payment(s) Received	Gross Revenue Collected	Cost of Collections (Penal Code 1463.007)	Adjustment: Amount satisfied by Court-ordered Suspension, Dismissal or Alternative Sentence	Discharge from Accountability	Change in Value (Col. N - P - R - S)	Value of Cases on Installment Agmt. (Ending Balance from Prior Year)	Default Balance Installment Agreement	Percentage of Debt Defaulted On (Installment Agmt.) (Col. V / Col. U)
	Col.M	Col. N	Col. O	Col. P	Col. Q	Col. R	Col. S	Col. T	Col. U	Col. V	Col. W	
11	Non-Delinquent Collections											
12	Court Collection Program											
13	County Collection Program											
14	Private Agency											
15	FTB Court-Ordered Debt											
16	Intra-Branch Program											
17	Other											
18	Sub-total Delinquent	-	-	-	-	-	-	-	-	-	-	-

COMBINED: BEGINNING AND ENDING BALANCES; FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS											
Row	Program	Number of Cases Beginning Balance	Value of Cases Beginning Balance	Gross Revenue Collected	Cost of Collections (Penal Code 1463.007)	Adjustments	Discharge from Accountability	Change in Value	Number of Cases - Ending Balance	Value of Cases-Ending Balance	Error Messages
	Col.X	Col. Y	Col. Z	Col. AA	Col. AB	Col. AC	Col. AD	Col. AE	Col. AF	Col. AG	
19	Non-Delinquent Collections										
20	Court Collection Program	-	-	-	-	-	-	-	-	-	
21	County Collection Program	-	-	-	-	-	-	-	-	-	
22	Private Agency	-	-	-	-	-	-	-	-	-	
23	FTB Court-Ordered Debt	-	-	-	-	-	-	-	-	-	
24	Intra-Branch Program	-	-	-	-	-	-	-	-	-	
25	Other	-	-	-	-	-	-	-	-	-	
26	Total Delinquent	-	-	-	-	-	-	-	-	-	

COLLECTIONS METRICS FOR FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS						
Row	Metric	Current Period	Prior Inventory	Combined	Formula	Definition
	Col. AH	Col. AI	Col. AJ	Col. AK	Col. AL	Col. AM
27	Gross Recovery Rate				$\frac{\text{Collections} + \text{Adjustments} + \text{Discharges}}{\text{Referrals}}$	Measures a collection program's ability to resolve delinquent court-ordered debt, including alternative sentences, community service, suspended sentences and discharges.
28	Success Rate				$\frac{\text{Collections}}{\text{Referrals} - \text{Adjustments} - \text{Discharges}}$	Measures the amount of revenue collected on delinquent court-ordered debt based on total delinquent accounts referred after adjustments and discharges, including NSF checks.

VICTIM RESTITUTION AND OTHER JUSTICE RELATED REIMBURSEMENTS												
Row	Program	Number of Cases - (Ending Balance from Prior Year)	Value of Cases - (Ending Balance from Prior Year)	Number of Cases Established/ Referred/ Transferred in Period	Value of Cases Established/ Referred/ Transferred in Period	Gross Revenue Collected	Adjustments	Gross Revenue Collected: Victim Restitution (PC1202.4 (f)) Only	Change in Value	Number of Cases - Ending Balance	Value of Cases - Ending Balance	Error Messages
	Col. AN	Col. AO	Col. AP	Col. AQ	Col. AR	Col. AS	Col. AT	Col. AU	Col. AV	Col. AW	Col. AX	
29	Non-Delinquent Collections											
30	Court Collection Program							0				
31	County Collection Program							0				
32	Private Agency							0				
33	FTB Court-Ordered Debt							0				
34	Intra-branch Program							0				
35	Other							0				
36	Total Delinquent	-	-	-	-	-	-	-	-	-	-	

Reviewed by Court				Reviewed by County			
Printed Name	Signature	Date	Title (Court Executive or Presiding Judge)	Printed Name	Signature	Date	Title (County Auditor-Controller or other)

**Attachment 3 - Collections Reporting Template  
Penal Code 1463.007 Collections Activities by Category**

PC 1463.007 Collections Activity	Category	Task/Activity
<p>3a. Attempts telephone contact with delinquent debtors for whom the program has a telephone number</p> <p>k. Uses an automated dialer or automatic call distribution system to manage telephone calls.</p>	<p align="center"><b>1= Telephone Contact</b></p>	<p>Outbound Call Inbound Call</p> <p>Dialer blast messaging</p>
<p>3b. Notifies delinquent debtors for whom the program has an address in writing of their outstanding obligation within 95 days of delinquency.</p> <p>4e. Sends monthly bills or account statements to all delinquent debtors.</p>	<p align="center"><b>2=Written Notice(s)</b></p>	<p>Delinquent Notice (Failure to Appear, Failure to Pay, Civil Assessment) Handle all collections-related mail correspondence E-mail received Email sent</p>
<p>3c. Generates internal monthly reports to track collections data, such as age of debt and delinquent amounts outstanding.</p> <p>3e. Accepts payment of delinquent debt by credit card.</p>	<p align="center"><b>3= Lobby/Counter</b></p>	<p>Receive/post cash, check and credit card payments Provide case information to individuals Establish payment plan agreements including amendments to existing plan Schedule walk-in arraignment, upon individual's request to go before a judge Update DMV, if needed Enter notes on the case, etc. Work the Out of Court--Collection Queue (Judge orders case be handled in collections) Process all criminal and juvenile probation orders; update financials and establish payment plans. Process all criminal and juvenile DA forms; update financials and establish payment plans Process payments from Intra-branch, generate weekly payment report Process payments and commission credit adjustments from private agency. Assist vendor w/case info., account balances, email them any directives from Judge on case and prepare commission checks at the end of month. Process all payments and commission credit adjustments from FTB-COD. Contact FTB-COD for additional information such as account balances, levy actions, etc.</p>
<p>3d. Uses Department of Motor Vehicles information to locate delinquent debtors.</p> <p>4f. Contracts with local, regional, state, or national skip tracing or locator resources or services to locate delinquent debtors.</p> <p>4g. Coordinates with the probation department to locate debtors who may be on formal or informal probation.</p> <p>4h. Uses Employment Development Department employment and wage information to collect delinquent debt.</p>	<p align="center"><b>4=Skip Tracing</b></p>	<p>Perform skip tracing (DMV, internet, third party vendors)</p> <p>Obtain debtor information from probation and/or EDD</p>
<p>4a. Sends delinquent debt to the Franchise Tax Board's Court-Ordered Debt Collections Program.</p>	<p align="center"><b>5=FTB-COD</b></p>	<p>Refer case to FTB-COD</p>
<p>4b. Sends delinquent debt to the Franchise Tax Board's Interagency Intercept Collections Program.</p>	<p align="center"><b>6= FTB-IIC</b></p>	<p>Refer case to FTB-IIC</p>
<p>4c. Initiates driver's license suspension or hold actions when appropriate for a failure to appear in court.</p>	<p align="center"><b>7=DL Hold/Suspension</b></p>	<p>Send abstract to DMV for Failure to Appear driver's license hold/suspension</p>
<p>4d. Contracts with one or more private debt collectors to collect delinquent debt.</p>	<p align="center"><b>8= Private Agency</b></p>	<p>Refer case to private collection agency</p>
<p>4i. Establishes wage and bank account garnishments where appropriate.</p> <p>4k. Places liens on real property owned by delinquent debtors when appropriate.</p>	<p align="center"><b>9= Wage/bank Garnishments and Liens</b></p>	<p>Wage and/or bank accounts are garnished</p> <p>Place liens</p>

**Sample list of activities/tasks to be used to report activities utilized in the collection of delinquent court-ordered debt. See corresponding "Category" on the Contact and Other Information Sheet, Items 5, 6 and 7.**

### Quality Criteria Checklist

CURRENT PERIOD: FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS		
1	<input type="checkbox"/>	Row 3, Column D, includes revenues collected for non-delinquent infraction, misdemeanor, and felony cases that were paid in full on or before the due date, or current installment or accounts receivable (A/R) payment plan. Row 3, Column E includes the number of cases associated with non-delinquent revenue collections reported in Row 3, Column D.
2	<input type="checkbox"/>	Rows 4-9 include all fines, fees, forfeitures, penalties, and assessments on traffic, criminal, and juvenile delinquency case types (infraction, misdemeanor and felonies), except victim restitution and other justice related fees (see Rows 29-35 for more information).
3	<input type="checkbox"/>	Rows 4-9, include newly established/referred/transferred cases, gross revenue collected, adjustments, or discharges posted during the reporting period.
5	<input type="checkbox"/>	Rows 4-9, Column B, include the total number of new cases established, referred, or transferred within the reporting period. Any cases that were previously established, but never referred or transferred to collections, are considered new cases and should be reported in this column (the corresponding value of these cases should be reported in Column C). If multiple cases were bundled into one case, only one (1) case should be reported in Column B.
6	<input type="checkbox"/>	Rows 4-9, Column C, include the total NET value of the corresponding cases in Column B, that were established, referred, or transferred during the reporting period only.
7	<input type="checkbox"/>	Rows 4-9, Column D, include the number of cases with payment(s) received during the reporting period. The number of cases reported may be equal to but not greater than the number of cases established in Column B.
8	<input type="checkbox"/>	Rows 4-9, Column E, include all monies received towards the satisfaction of delinquent court-ordered debt, including installment payments.
9	<input type="checkbox"/>	Rows 4-9, Column F, include the cost of collections that, pursuant to PC 1463.007, is allowable to offset revenue prior to distribution to other governmental entities. Cost of collections is entered in Column F as a negative number unless posting a reversal.
10	<input type="checkbox"/>	Value reported in Column G includes the total value of court-ordered debt satisfied by court-ordered dismissal, suspension, or by means other than payment. An amount satisfied by means other than payment includes alternative sentences or non-cash adjustment that decreases or increases the amount outstanding for individual debt items.
11	<input type="checkbox"/>	Value reported in Column H includes all debt deemed uncollectible that has been discharged, per Government Code section 25257-25259.95.
12	<input type="checkbox"/>	Column I is the change in value of Cases Referred/Established/Transferred minus (-) Gross Collections, Adjustments, and Discharged debt. (Column C - E - G - H).
13	<input type="checkbox"/>	Rows 4-9, Column J, includes the value of all cases set-up on an installment agreement (A/R or monthly installment payment plan) by the court or collecting entity.
14	<input type="checkbox"/>	Rows 4-9, Column K, include the balances from delinquent cases where the individual is non-compliant with the terms of the agreement (i.e., payments have not been received) and the plan was not reinstated at the end of the fiscal year.
15	<input type="checkbox"/>	Column L is formula driven and calculates the percentage of fines and fees defaulted on by dividing the installment agreement balance (amount <i>defaulted on</i> ) by the initial value of court-ordered debt set-up on payment plan (Col. K/ Col. J)
PRIOR PERIODS INVENTORY: FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS		
16	<input type="checkbox"/>	Row 11, Column O, includes revenues collected for non-delinquent infraction, misdemeanor and felony cases that were paid in full on or before the due date, or current installment or accounts receivable (A/R) payment plan. Row 11, Column P includes the number of cases associated with non-delinquent revenue collections reported in Row 11, Column O.
17	<input type="checkbox"/>	Rows 12-17 include all fines, fees, forfeitures, penalties, and assessments on traffic, criminal, and juvenile delinquency case types (infraction, misdemeanor and felonies), except victim restitution and other justice related fees (see Row 29-35 for more information).
18	<input type="checkbox"/>	Rows 12-17 include all cases in inventory referred or transferred to a collections program in a prior period, and gross revenue collected, court-ordered adjustments, or discharges that were received and posted during the current reporting period.
19	<input type="checkbox"/>	Rows 12-17, Column O, include the number of cases with payments received during the reporting period. Note: any late posting from prior year should be reported in Column M, and the case value should be reported in Column N as part of the ending balance from prior year.
20	<input type="checkbox"/>	Rows 12-17, Column P, include all monies received towards the satisfaction of delinquent court-ordered debt.
21	<input type="checkbox"/>	Rows 12-17, Column Q, include the cost of collections that, pursuant to PC 1463.007, is allowable to offset revenue prior to distribution to other governmental entities. Cost of collections is entered in Column Q as a negative number unless posting a reversal.
22	<input type="checkbox"/>	Rows 12-17, Column R, include the total value of court-ordered debt satisfied by court-ordered dismissal, suspension or by means other than payment. An amount satisfied by means other than payment includes alternative sentences or non-cash adjustment that decreases or increases the amount outstanding for individual debt items. For example, community service, or post sentence service of time in custody in lieu of fine.
23	<input type="checkbox"/>	Value reported in Column S includes all debt deemed uncollectible that has been discharged, per Government Code section 25257-25259.95.
24	<input type="checkbox"/>	Value reported in Column T is the change in Value of Cases (Ending Balance from Prior Year) minus (-) Gross Collections, Adjustments, and Discharged debt. (Column N - P - R - S).
25	<input type="checkbox"/>	Column U is the ending value carried over from the prior year for all cases on an installment agreement that were <i>defaulted on</i> .
26	<input type="checkbox"/>	Column V include the balance from all cases on an installment agreement where payment(s) were not received in the reporting period.
27	<input type="checkbox"/>	Column W captures the percentage of delinquent fines and fees payable in installments that were defaulted on. The cell is formula driven and calculates a percentage by dividing the rolling balance by the value of cases (carried over) on installment agreements. (Column V/Column U)
COMBINED: ENDING BALANCE FINES, FEES, FORFEITURES, PENALTIES AND ASSESSMENTS		
28	<input type="checkbox"/>	Row 19, Column Z, includes the combined total of non-delinquent gross revenue collected.
29	<input type="checkbox"/>	Rows 20-25, Columns X, Y, Z, AA, AB, AC and AD include the combined case number and value of new and prior period inventory, change in value, gross revenues, cost of collections, and adjustments, and discharge from accountability.
30	<input type="checkbox"/>	Rows 20-25, Columns X, Y, Z, AA, AB, AC and AD are formula driven, no input required. Value of Cases reported in Columns Y and AF reconcile to figures reported from underlying systems and vendors.
31	<input type="checkbox"/>	Value reported in Column AE includes the total number of cases at the end of the reporting period for each program.
32	<input type="checkbox"/>	Values reported in Column AF balance to value of cases at beginning of period (Col. Y), minus the change in value reported in Col. AD (which is the sum of the amounts shown in Col. Z, AB and AC.)
33	<input type="checkbox"/>	An Error Message in Column AG indicates that the beginning balance in Column Y, minus the value of transactions reported in Column AD does not equal the ending balance reported in Column AF.
VICTIM RESTITUTION AND OTHER JUSTICE RELATED REIMBURSEMENTS		
34	<input type="checkbox"/>	Row 29 includes only non-delinquent cases referred/established, revenue collected, or adjustment posted during the reporting period.
35	<input type="checkbox"/>	Rows 30-35 include victim restitution and other justice related fees owed to other entities that were not included in Rows 3-9 or 11-17
36	<input type="checkbox"/>	Rows 30-35, include cases referred/established, revenue collected, or adjustments posted during the reporting period.
37	<input type="checkbox"/>	Column AR includes gross revenue collected on other justice related fees and should be entered as a positive number unless posting reversal. Column AS are adjustments that decrease or increase the amount outstanding for individual debt items.
38	<input type="checkbox"/>	Column AT includes the total amount of restitution owed to a victim by court order under Penal Code section 1202.4(f) collected by each collections program during the reporting period. Row 29 includes non-delinquent restitution collections.
39	<input type="checkbox"/>	Column AU includes the value of Col. AQ less the amounts shown in columns AR, AS, and AT (this field is formula-driven, so no separate calculation or entry is required).
40	<input type="checkbox"/>	Column AV includes the number of cases of all delinquent outstanding debt (new and inventory). In addition to restitution, debt balances may include other criminal justice-related fees not reported in rows 3-9 and 12-17.
41	<input type="checkbox"/>	Column AW should equal the beginning balance in Column AO plus the sum of transactions for the period, as shown in Col. AU (AU = A Q - AR -AS -AT).
42	<input type="checkbox"/>	Column AX is blank unless errors or potential errors are detected in the worksheet. If error messages are present, please correct the identified error or explain in Performance Report.



## **APPENDIX B**

### **Payment Provisions**

**1. General.** Subject to the terms of this Agreement, Contractor shall invoice the Participating Entity, and the Participating Entity shall compensate Contractor, as set forth in this Appendix B. The amounts specified in this Appendix shall be the total and complete compensation to be paid to Contractor for its performance under this Agreement. Contractor shall bear, and the Participating Entity shall have no obligation to pay or reimburse Contractor for, any and all other fees, costs, profits, taxes or expenses of any nature that Contractor incurs.

**2. Compensation for Services.**

Fees. Contractor will accept all accounts for collection referred by a Participating Entity on a contingency fee basis. Compensation will be in accordance with Appendix B, Attachment 1, Fee Schedule, or as otherwise specified in the Participating Agreement. For victim restitution, Contractor's fee will be limited to the 15% administration fee allowed by statute and if authorized by a resolution by a County Board of Supervisors. Contractor will not be entitled to invoice a Participating Entity for this fee until the victim's restitution has been paid in full.

**3. Expenses.** Except as set forth in this section, no expenses relating to the Services shall be reimbursed by the Participating Entities. Except as expressly set forth in a Participating Agreement, all expenses relating to the Services are included in the fees. Contractor is responsible for all start-up and on-going operational costs, including all costs associated with the transfer of paper records to electronic data.

**4. Invoicing and Payment**

**4.1 Invoicing.** Contractor shall submit invoices to the Participating Entity in arrears no more frequently than monthly. Contractor's invoices must include information and supporting documentation acceptable to the Participating Entity. Contractor shall adhere to reasonable billing guidelines issued by the Participating Entity from time to time.

**4.2 Payment.** The Participating Entity will pay each correct, itemized invoice received from Contractor after acceptance of the applicable Services in accordance with the terms of this Agreement and the applicable Participating Agreement. Notwithstanding any provision to the contrary, payments to Contractor are contingent upon the timely and satisfactory performance of Contractor's obligations.

**FTB/DMV Collection.** The California Department of Motor Vehicles (DMV), and the California Franchise Tax Board (FTB) under its Tax Intercept Program, will sometimes collect the money due on an account that has been referred to the Contractor. The DMV and FTB will transmit these monies directly to the Participating Entity. Contractor will receive no compensation from those accounts where monies are collected by the DMV or the FTB; i.e., no fee will be paid to Contractor if the debt is paid through the DMV or collected by the FTB.

**FTB Transfer Services.** For FTB Transfer Services described in Section 2.3 of Appendix A, Services, Contractor will invoice the Participating Entity, and will be compensated for collections performed by and received from the FTB, at rate identified in Appendix B, Attachment 1 Fee Schedule, net of the amount received from the FTB.

**4.3 No Implied Acceptance.** Payment does not imply acceptance of Contractor's invoice or Services. Contractor shall immediately refund any payment made in error. The Participating Entity shall have the right at any time to set off any amount owing from Contractor to the Participating Entity against any amount payable by the Participating Entity to Contractor under this Agreement.

**5. Taxes.** Unless otherwise required by law, the Participating Entity is exempt from federal excise taxes and no payment will be made for any personal property taxes levied on Contractor or on any taxes levied on employee wages. The Participating Entity shall only pay for any state or local sales, service, use, or similar taxes imposed on the Services rendered or equipment, parts or software supplied to the Participating Entity pursuant to this Agreement.

**Appendix B  
Fee Schedule**

Newly Delinquent = Accounts not fully paid 30 days past its stated payment due date, or on which an installment payment has not been received 30 days past its stated due date.

Up to 1 year (2 years, etc.) = Accounts that remain with an outstanding balance 360 days (or 720, etc.) following the determination of delinquency.

Commission Fees: Fees, fines, forfeitures, penalties, and assessments arising from infractions, misdemeanor, felony, and traffic proceedings or actions (see Section 3.1(a))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
14.8%	15.8%	17.8%	17.8%	21.8%	21.8%	21.8%

Commission Fees: Criminal justice related fees, reimbursements, and other legally enforceable debts (see Section 3.1(b))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
14.8%	15.8%	17.8%	17.8%	21.8%	21.8%	21.8%

Commission Fees: Civil, family law, and juvenile law fees, including filing fees (see Section 3.1(c))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
14.8%	15.8%	17.8%	17.8%	21.8%	21.8%	21.8%

Commission Fees: Probation, guardianship, conservatorships, and public defender fees (see Section 3.1(d))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
14.8%	15.8%	17.8%	17.8%	21.8%	21.8%	21.8%

Commission Fees: Sanctions imposed by any Participating Entity (see Section 3.1(e))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
16.8%	17.8%	19.8%	19.8%	23.8%	23.8%	23.8%

Commission Fees: Direct restitution to victim ordered pursuant to California Penal Code section 1202.4(a)1 (see Section 3.1(f))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%

Commission Fees: Victim restitution fines ordered pursuant to California Penal Code section 1202.4(b)1 (see Section 3.1(g))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

Commission Fees: Reimbursements owed or as ordered by a court pursuant to California Family Code section 3150 et seq. (see Section 3.1(h))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
17.8%	18.8%	21.8%	21.8%	24.8%	24.8%	24.8%

Commission Fees: Reimbursement owed to the California Supreme Court for overcharges for representation of indigent defendants in death penalty cases (see Section 3.1(i))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
17.8%	18.8%	21.8%	21.8%	24.8%	24.8%	24.8%

Commission Fees: Fees, penalties, fines, or reimbursements owed to the California State Bar pursuant to California Rule of Court, rule 9.10(g), and California Business and Professions Code sections 6086.10(a) and 6140.5(a) (see Section 3.1(j))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
18.8%	19.8%	21.8%	21.8%	25.8%	25.8%	25.8%

Commission Fees: Any other legally enforceable debt owed to a Participating Entity or that a Participating Entity has a right to collect (see Section 3.1(k))

Newly Delinquent	Up to 1 year old	1 to 2 years old	2 to 3 years old	3 to 4 years old	4 to 5 years old	Over 5 years old
18.8%	19.8%	21.8%	21.8%	24.8%	24.8%	24.8%

Victim Restitution Fine – Commission Fee set at 10% (see Section 3.10 d)

Direct Restitution to Victim – Commission Fee set at 15% (see Section 3.10.d)

Note: Collection of this debt is not at the option of the Contractor.

Fee for FTB transfer services as described in Section 3.3, FTB Transfer Services

2 % of Commission Fee of net collected by FTB or flat fee of \$ 10.00

**APPENDIX C**  
**General Provisions**

**1. Provisions Applicable to Services**

**1.1 Qualifications.** Contractor shall assign to this project only persons who have sufficient training, education, and experience to successfully perform Contractor's duties. If a Participating Entity is dissatisfied with any of Contractor's personnel, for any or no reason, Contractor shall replace them with qualified personnel with respect to such Participating Entity.

**Staffing:**

**1.2 Key Personnel.** Contractor shall confer with each Participating Entity to determine the appropriate levels of staffing for the Services to be provided by Contractor to such Participating Entity. Where individual employees are assigned primarily or exclusively to provide Services to a Participating Entity, such Participating Entity will have the right to approve the identities and seniority levels of such employees. Contractor will identify in the each Participating Agreement the lead collectors and/or information technology personnel (the "Key Personnel") assigned to that Participating Agreement. The Participating Entity has the right to interview and approve proposed Key Personnel prior to their assignment. Contractor shall not replace or reassign an Key Personnel for twelve (12) months from the date of assignment, unless the Participating Entity consents to reassignment or replacement, or such Key Personnel (1) voluntarily resigns or takes a leave of absence from Contractor, (2) is dismissed by Contractor for misconduct (i.e., fraud, drug abuse, theft) or fails to comply with Contractor's conduct guidelines, (3) fails to perform his or her duties and responsibilities, (4) dies or is unable to work due to his or her disability, or (5) voluntarily requests reassignment for reasons of personal hardship (but specifically excluding career advancement and job satisfaction considerations). If Contractor needs to replace Key Personnel for any of the foregoing reasons, Contractor shall (1) notify the Participating Entities immediately, (2) provide resumes for proposed replacement Key Personnel within five (5) Business Days of occurrence of so notifying the Participating Entity, and (3) assume all costs and expenses associated with the transition of work to such replacement personnel, including any costs associated with familiarizing such replacement Key Personnel with the Services.

**1.3 On-Site Staff.** While providing on-site Services, Contractor shall, and shall cause its agents to: (1) comply with the requests, standard rules and regulations and policies and procedures of the Participating Entity regarding safety and health, security, personal and professional conduct (including the wearing of an identification badge and adhering to site regulations and general safety practices or procedures) generally applicable to such Participating Entity locations, and (2) otherwise conduct themselves in a businesslike manner. Contractor shall enter into an agreement binding all on-site staff to non-use and non-disclosure requirements at least as protective as those required of Contractor with respect to the Participating Entity's Data in connection with Contractor provision of the

Services (to the extent that such agreements do not already exist). The Participating Entity, at its expense, has the right to conduct a background check, as permitted by law, on all persons granted access to its premises or computer and information systems. Contractor shall reasonably cooperate with the Participating Entity in performing such background checks, and shall promptly notify the Participating Entity of any such person refusing to undergo such background checks, and shall reassign such person and any other person whose background check results are unacceptable to the Participating Entity to another area reasonably satisfactory to the Participating Entity. Contractor shall obtain, to the extent permissible under applicable law, all releases, waivers, or permissions required for the release of such information to the Participating Entity.

### **Transition Services:**

- 1.4 Upon expiration or termination of this Agreement or Participation Agreement, Contractor shall provide to the Participating Entity proof of destruction of hard copy information of accounts transferred to Contractor for collection; all electronic account information must be deleted from Contractor's computer systems, including backup copies. In addition, Contractor shall send a letter to all accounts notifying them that Contractor will no longer be handling the account.
  - 1.5 Contractor shall continue to forward all payments received by it to the appropriate Participating Entity. If Contractor forwards payment to the Participating Entity within 60 days of expiration or termination of this Agreement or Participation Agreement, the Participating Entity will pay Contractor the fee identified in Appendix B, Attachment 1, Fee Schedule. If the Contractor forwards payment to the Participating Entity after 60 days of expiration or termination of this Agreement or Participation Agreement, the Contractor will no longer be due, nor will the Participating Entity pay a fee. A Participating Entity may request Contractor to transfer accounts to a new Contractor in a format described by that Participating Entity. The Participating Entity has the right to withhold Contractor's last payment until accounts have been transferred in a format acceptable to the Participating Entity.
  - 1.6 **Turnover.** Contractor shall endeavor to minimize turnover of personnel Contractor has assigned to perform Services.
2. **Contractor Certification Clauses.** Contractor certifies that the following representations and warranties, which shall apply to this Agreement and any Participating Addendum, are true. Contractor shall cause its representations and warranties to remain true during the Term. Contractor shall promptly notify the Establishing JBE and Participating Entities if any representation and warranty becomes untrue. Contractor represents and warrants as follows:
- 2.1 **Authority.** Contractor has authority to enter into and perform its obligations under this Agreement and any Participating Agreement, and Contractor's signatory has authority to bind Contractor to this Agreement and any Participating Agreement.
  - 2.2 **Not an Expatriate Corporation.** Contractor is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of PCC 10286.1, and is eligible to contract with the Participating Entities.

- 2.3 No Gratuities.** Contractor has not directly or indirectly offered or given any gratuities (in the form of entertainment, gifts, or otherwise), to any Judicial Branch Personnel with a view toward securing this Agreement (or any Participating Agreement) or securing favorable treatment with respect to any determinations concerning the performance of this Agreement (or any Participating Agreement).
- 2.4 No Conflict of Interest.** Contractor has no interest that would constitute a conflict of interest under PCC sections 10365.5, 10410 or 10411; Government Code sections 1090 et seq. or 87100 et seq.; or California Rules of Court, rule 10.103 or 10.104, which restrict employees and former employees from contracting with Judicial Branch Entities.
- 2.5 No Interference with Other Contracts.** To the best of Contractor's knowledge, this Agreement and any Participating Agreement does not create a material conflict of interest or default under any of Contractor's other contracts.
- 2.6 No Litigation.** No suit, action, arbitration, or legal, administrative, or other proceeding or governmental investigation is pending or threatened that may adversely affect Contractor's ability to perform its obligations.
- 2.7 Compliance with Laws Generally.** Contractor complies with all laws, rules, and regulations applicable to Contractor's business and its obligations under this Agreement and any Participating Agreement.
- 2.8 Drug Free Workplace.** Contractor provides a drug free workplace as required by California Government Code sections 8355 through 8357.
- 2.9 No Harassment.** Contractor does not engage in unlawful harassment, including sexual harassment, with respect to any persons with whom Contractor may interact in the performance of this Agreement (and any Participating Agreement), and Contractor takes all reasonable steps to prevent harassment from occurring.
- 2.10 Noninfringement.** The Services and Contractor's performance under this Agreement (and any Participating Agreement) do not infringe, or constitute an infringement, misappropriation or violation of, any third party's intellectual property right.
- 2.11 Nondiscrimination.** Contractor complies with the federal Americans with Disabilities Act (42 U.S.C. 12101 et seq.), and California's Fair Employment and Housing Act (Government Code sections 12990 et seq.) and associated regulations (Code of Regulations, title 2, sections 7285 et seq.). Contractor does not unlawfully discriminate against any employee or applicant for employment because of age (40 and over), ancestry, color, creed, disability (mental or physical) including HIV and AIDS, marital or domestic partner status, medical condition (including cancer and genetic characteristics), national origin, race, religion, request for family and medical care leave, sex (including gender and gender identity), and sexual orientation. Contractor will notify in writing each labor organization with which Contractor has a collective bargaining or other agreement of Contractor's obligations of nondiscrimination.
- 2.12 National Labor Relations Board Orders.** No more than one, final unappealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a federal court requiring Contractor to comply with an order of the National

Labor Relations Board. Contractor swears under penalty of perjury that this representation is true.

### 3. Insurance

**3.1 Basic Coverage.** Contractor shall provide to each **Participating Entity** and maintain at the Contractor's expense the following insurance during the Term:

- A. *Commercial General Liability.* The policy must be at least as broad as the Insurance Services Office (ISO) Commercial General Liability "occurrence" form, with coverage for liabilities arising out of premises, operations, independent contractors, products and completed operations, personal and advertising injury, and liability assumed under an insured contract. The policy must provide limits of at least \$1,000,000 per occurrence and annual aggregate.
- B. *Workers Compensation and Employer's Liability.* The policy is required only if Contractor has employees. The policy must include workers' compensation to meet minimum requirements of the California Labor Code, and it must provide coverage for employer's liability bodily injury at minimum limits of \$1,000,000 per accident or disease.
- C. *Automobile Liability.* This policy is required only if Contractor uses an automobile or other vehicle in the performance of this Agreement. The policy must cover bodily injury and property damage liability and be applicable to all vehicles used in Contractor's performance of this Agreement whether owned, non-owned, leased, or hired. The policy must provide combined single limits of at least \$1,000,000 per occurrence.
- D. *Professional Liability.* This policy is required only if Contractor performs professional services under this Agreement. The policy must cover liability resulting from any act, error, or omission committed in Contractor's performance of Services under this Agreement, at minimum limits of \$1,000,000 per occurrence and annual aggregate. If the policy is written on a "claims made" form, Contractor shall maintain such coverage continuously throughout the Term and, without lapse, for a period of three (3) years beyond the termination and acceptance of all Services provided under this Agreement. The retroactive date or "prior acts inclusion date" of any such "claims made" policy must be no later than the date that activities commence pursuant to this Agreement.
- E. *Commercial Crime Insurance.* This policy is required only if Contractor handles or has regular access to a Participating Entity's funds or property of significant value to the Judicial Council. This policy must cover dishonest acts including loss due to theft of money, securities, and property; forgery, and alteration of documents; and fraudulent transfer of money, securities, and property. The minimum liability limit must be \$1,000,000.00.

**3.2 Umbrella Policies.** Contractor may satisfy basic coverage limits through any combination of basic coverage and umbrella insurance.

**3.3 Aggregate Limits of Liability.** The basic coverage limits of liability may be subject to annual aggregate limits. If this is the case the annual aggregate limits of liability must be



at least two (2) times the limits required for each policy, or the aggregate may equal the limits required but must apply separately to this Agreement.

- 3.4 Deductibles and Self-Insured Retentions.** Contractor shall declare to each JBE all deductibles and self-insured retentions that exceed \$100,000 per occurrence. Any increases in deductibles or self-insured retentions that exceed \$100,000 per occurrence are subject to each Participating Entity's approval. Deductibles and self-insured retentions do not limit Contractor's liability.
- 3.5 Additional Insured Endorsements.** Contractor's commercial general liability policy, automobile liability policy, and, if applicable, umbrella policy must be endorsed to name the following as additional insureds with respect to liabilities arising out of the performance of this Agreement: the applicable Participating Entity, the State of California, and their respective judges, subordinate judicial officers, executive officers, administrators, officers, officials, agents, representatives, contractors, volunteers or employees).
- 3.6 Certificates of Insurance.** Before Contractor begins performing Services, Contractor shall give the Participating Entity a certificate of insurance attesting to the existence of coverage, and stating that the policies will not be canceled, terminated, or amended to reduce coverage without thirty (30) days' prior written notice to any Participating Entity.
- 3.7 Qualifying Insurers.** For insurance to satisfy the requirements of this section, all required insurance must be issued by an insurer with an A.M. Best rating of A - or better that is approved to do business in the State of California.
- 3.8 Required Policy Provisions.** Each policy must provide, as follows: (i) the policy is primary and noncontributory with any insurance or self-insurance maintained by Judicial Branch Entities and Judicial Branch Personnel, and the basic coverage insurer waives any and all rights of subrogation against Judicial Branch Entities and Judicial Branch Personnel; (ii) the insurance applies separately to each insured against whom a claim is made or a lawsuit is brought, to the limits of the insurer's liability; and (iii) each insurer waives any right of recovery or subrogation it may have against the Participating Entity, the Judicial Council of California, and their respective judges, subordinate judicial officers, executive officers, administrators, officers, officials, agents, representatives, contractors, volunteers or employees for loss or damage.
- 3.9 Partnerships.** If Contractor is an association, partnership, or other joint business venture, the basic coverage may be provided by either (i) separate insurance policies issued for each individual entity, with each entity included as a named insured or as an additional insured; or (ii) joint insurance program with the association, partnership, or other joint business venture included as a named insured.
- 3.10 Consequence of Lapse.** If required insurance lapses during the Term, the Participating Entities are not required to process invoices after such lapse until Contractor provides evidence of reinstatement that is effective as of the lapse date.
- 4. Indemnity.** Contractor will defend (with counsel satisfactory to the Participating Entity or its designee), indemnify and hold harmless the Participating Entities and their agents and employees against all claims, losses, and expenses, including attorneys' fees and costs, that arise out of or in connection with: (i) an act or omission of Contractor, its agents, employees,

independent contractors, or subcontractors in the performance of this Agreement; (ii) a breach of a representation, warranty, or other provision of this Agreement or any Participating Agreement; and (iii) infringement of any trade secret, patent, copyright or other third party intellectual property. This indemnity applies regardless of the theory of liability on which a claim is made or a loss occurs. This indemnity will survive the expiration or termination of this Agreement or any Participating Agreement, and acceptance of any Services. Contractor shall not make any admission of liability or other statement on behalf of an indemnified party or enter into any settlement or other agreement that would bind an indemnified party, without the affected Participating Entity's prior written consent, which consent shall not be unreasonably withheld; and such Participating Entity shall have the right, at its option and expense, to participate in the defense and/or settlement of a claim through counsel of its own choosing. Contractor's duties of indemnification exclude indemnifying a party for that portion of losses and expenses that are finally determined by a reviewing court to have arisen out of the sole negligence or willful misconduct of the indemnified party.

5. **Option Term.** The Judicial Council may, at its sole option, extend this Agreement to one- 5 year term, at the end of which Option Terms this Agreement shall expire. In order to exercise the Option Term, the Judicial Council must send Notice to Contractor at least thirty (30) days prior to the end of the Initial Term (or the then-current Option Term).
6. **Tax Delinquency.** Contractor must provide notice to the Participating Entity's immediately if Contractor has reason to believe it may be placed on either (i) the California Franchise Tax Board's list of 500 largest state income tax delinquencies, or (ii) the California Board of Equalization's list of 500 largest delinquent sales and use tax accounts. The Judicial Council may terminate this Agreement immediately "for cause" pursuant to Section 7.2 below (and each Participating Entity may terminate its Participating Agreement immediately "for cause" pursuant to Section 7.2 below) if (i) Contractor fails to provide the notice required above, or (ii) Contractor is included on either list mentioned above.

## 7. Termination

- 7.1 **Termination for Convenience.** The Judicial Council may terminate, in whole or in part, this Agreement for convenience upon written notice to Contractor with at least thirty (30) days' Notice. After receipt of such Notice, and except as otherwise directed by the Judicial Council, Contractor shall immediately stop Services as specified in the Notice.
- 7.2 **Termination for Cause.** The Judicial Council may terminate this Agreement, in whole or in part, immediately "for cause" (and a Participating Entity may terminate a Participating Agreement, in whole or in part, immediately "for cause"): if (i) Contractor fails or is unable to meet or perform any of its duties under this Agreement or a Participating Agreement, and this failure is not cured within ten (10) days following Notice of default (or in the opinion of the Participating Entity, is not capable of being cured within this cure period); (ii) Contractor or Contractor's creditors file a petition as to Contractor's bankruptcy or insolvency, or Contractor is declared bankrupt, becomes insolvent, makes an assignment for the benefit of creditors, goes into liquidation or receivership, or otherwise loses legal control of its business; or (iii) Contractor makes or has made under this Agreement (or any Participating Agreement) any representation, warranty, or certification that is or was incorrect, inaccurate, or misleading.

**7.3 Termination upon Death.** This entire Agreement will terminate immediately without further action of the parties upon the death of a natural person who is a party to this Agreement, or a general partner of a partnership that is a party to this Agreement.

**7.4 Termination for Changes in Budget or Law.** Each Participating Entity's payment obligations are subject to annual appropriation and the availability of funds. Expected or actual funding may be withdrawn, reduced, or limited prior to the expiration or other termination of this Agreement or Participating Agreement. Funding beyond the current appropriation year is conditioned upon appropriation of sufficient funds to support the activities described in this Agreement (including a Participating Agreement). The Judicial Council may terminate this Agreement (and any Participating Entity may terminate a Participating Agreement), and each Participating Entity may limit Contractor's Work (and reduce proportionately Contractor's fees) upon Notice to Contractor without prejudice to any right or remedy of the Participating Entity's if: (i) expected or actual funding to compensate Contractor is withdrawn, reduced or limited; or (ii) the Judicial Council determines that Contractor's performance under this Agreement (or a Participating Entity determines that Contractor's performance under a Participating Agreement) has become infeasible due to changes in applicable laws.

**7.5 Rights and Remedies.**

- A. *Nonexclusive Remedies.* All remedies provided in this Agreement may be exercised individually or in combination with any other available remedy. Contractor shall notify the Judicial Council and the affected Participating Entities immediately if Contractor is in default, or if a third party claim or dispute is brought or threatened that alleges facts that would constitute a default under this Agreement (or a Participating Agreement). If Contractor is in default: (i) a Participating Entity may withhold all or any portion of a payment otherwise due to Contractor, and exercise any other rights of setoff as may be provided in this Agreement; (ii) a Participating Entity may require Contractor to enter into nonbinding mediation; (iii) the Establishing JBE may exercise, following Notice, the Judicial Council's right of early termination of this Agreement (and a Participating Entity may exercise its right of early termination of a Participating Agreement) as provided herein; and (iv) a Participating Entity may seek any other remedy available at law or in equity.
- B. *Replacement.* If the Judicial Council terminates this Agreement (or if a Participating Entity terminates a Participating Agreement) in whole or in part for cause, the Participating Entity may acquire from third parties, under the terms and in the manner the Participating Entity considers appropriate, goods or services equivalent to those terminated, and Contractor shall be liable to the Participating Entity for any excess costs for those goods or services. Notwithstanding any other provision, in no event shall the excess cost to the Participating Entities for such goods and services be excluded as indirect, incidental, special, exemplary, punitive or consequential damages of the Participating Entities. Contractor shall continue any Work not terminated.
- C. *Delivery of Materials.* In the event of any expiration or termination of this Agreement (or a Participating Agreement), Contractor shall promptly provide the applicable Participating Entity or Participating Entities with all originals and copies

of any applicable deliverables, if any, for such Participating Entity, including any partially-completed deliverables-related work product or materials, and any Participating Entity -provided materials in its possession, custody, or control. In the event of any termination of this Agreement or Participating Agreement, the Participating Entities shall not be liable to Contractor for compensation or damages incurred as a result of such termination.

**D. Participating Agreement.** The termination of this Agreement shall not result in the termination of any outstanding Participating Agreement that has not been terminated by a Participating Entity, and this Agreement shall continue to apply to any such Participating Agreement until such time as all Work under such Participating Agreement has been completed by its terms or is terminated as provided in this Section 7; provided, however, that the term of such Participating Agreement may not exceed the expiration date of this Agreement. Issuance and acknowledgement of any Participating Agreement (as evidenced by the Participating Entity’s and Contractor’s signature on the Participating Agreement) must be completed before the termination or expiration of this Agreement.

**7.6 Survival.** Termination or expiration of this Agreement shall not affect the rights and obligations of Contractor, the Judicial Council, and the Participating Entities which arose prior to any such termination or expiration (unless otherwise provided herein) and such rights and obligations shall survive any such termination or expiration. Rights and obligations that by their nature should survive shall remain in effect after termination or expiration of this Agreement, including any section of this Agreement that states it shall survive such termination or expiration.

**8. Assignment and Subcontracting.** Contractor may not assign or subcontract its rights or duties under this Agreement (including any Participating Agreement), in whole or in part, whether by operation of law or otherwise, without the prior written consent of the Judicial Council. Consent may be withheld for any reason or no reason. Any assignment or subcontract made in contravention of the foregoing shall be void and of no effect. Subject to the foregoing, this Agreement will be binding on the parties and their permitted successors and assigns.

**9. Notices.** Notices must be sent to the following address and recipient:

<b>If to Contractor:</b>	<b>If to the Judicial Council:</b>
Jordan Freytag Project Manager 8325 Tuscany Way Austin, TX 78754  With a copy to: Barbara Fugler	Maria Lira Project Manager 2850 Gateway Oaks Drive, Suite 300, Sacramento, CA 95833-4348  With a copy to: Contracts Supervisor

Either party may change its address for Notices by giving the other party Notice of the new address

in accordance with this section. Notices will be considered to have been given at the time of actual delivery in person, three (3) days after deposit in the mail as set forth above, or one (1) day after delivery to an overnight air courier service.

**10. Provisions Applicable to Certain Agreements.** The provisions in this section are applicable to this Agreement and to any Participating Agreement, provided, however that if this Agreement or a Participating Agreement is not of the type described in the first sentence of a subsection, then that subsection does not apply to this Agreement or such Participating Agreement.

**10.1 Union Activities Restrictions.** *If the Contract Amount is over \$50,000, this section is applicable.* Contractor agrees that no Participating Entity funds received under this Agreement or any Participating Agreement will be used to assist, promote or deter union organizing during the Term. If Contractor incurs costs, or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no Participating Entity funds were used for those expenditures. Contractor will provide those records to the Attorney General upon request.

**10.2 Domestic Partners, Spouses, Gender, and Gender Identity Discrimination.** *If the Contract Amount is \$100,000 or more, this section is applicable.* Contractor is in compliance with, and throughout the Term will remain in compliance with: (i) PCC 10295.3, which places limitations on contracts with contractors who discriminate in the provision of benefits on the basis of marital or domestic partner status; and (ii) PCC 10295.35, which places limitations on contracts with contractors that discriminate in the provision of benefits on the basis of an employee's or dependent's actual or perceived gender identity.

**10.3 Child Support Compliance Act.** *If the Contract Amount is \$100,000 or more, this section is applicable.* Contractor recognizes the importance of child and family support obligations and fully complies with (and will continue to comply with during the Term) all applicable state and federal laws relating to child and family support enforcement, including disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq. Contractor provides the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

**10.4 Priority Hiring.** *If the Contract Amount is over \$200,000 and this Agreement is for services (other than Consulting Services), this section is applicable.* Contractor shall give priority consideration in filling vacancies in positions funded by this Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with PCC 10353.

**10.5 Iran Contracting Act.** *If the Contract Amount is \$1,000,000 or more and Contractor did not provide to the Judicial Council an Iran Contracting Act certification as part of the solicitation process, this section is applicable.* Contractor certifies either (i) it is not on the current list of persons engaged in investment activities in Iran ("Iran List") created by the California Department of General Services pursuant to PCC 2203(b), and is not a financial institution extending \$20,000,000 or more in credit to another person, for forty-five (45) days or more, if that other person will use the credit to provide goods or services in the energy sector in Iran and is identified on the Iran List, or (ii) it has received written

permission from the Judicial Council to enter into this Agreement (and written permission from each Participating Entity to enter into the applicable Participating Agreement) pursuant to PCC 2203(c).

**10.6 DVBE Commitment.** This section is applicable if Contractor received a disabled veteran business enterprise (“DVBE”) incentive in connection with this Agreement. Contractor’s failure to meet the DVBE commitment set forth in its bid or proposal constitutes a breach of the Agreement. If Contractor used DVBE subcontractor(s) in connection with this Agreement (or a Participating Agreement): (i) Contractor must use the DVBE subcontractors identified in its bid or proposal, unless the Judicial Council approves in writing replacement by another DVBE subcontractor in accordance with the terms of this Agreement; and (ii) Contractor must, within sixty (60) days of receiving final payment under each Participating Agreement, certify in a report to the applicable Participating Entity: (1) the total amount of money Contractor received under the Participating Agreement; (2) the name and address of each DVBE subcontractor to which Contractor subcontracted work in connection with the Participating Agreement; (3) the amount each DVBE subcontractor received from Contractor in connection with the Participating Agreement; and (4) that all payments under the Participating Agreement have been made to the applicable DVBE subcontractors. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation.

**10.7 Antitrust Claims.** *If this Agreement resulted from a competitive solicitation, this section is applicable.* Contractor shall assign to the applicable Participating Entity all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by Contractor for sale to the Participating Entity. Such assignment shall be made and become effective at the time the Participating Entity tenders final payment to Contractor. If the Participating Entity receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this section, Contractor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the Participating Entity any portion of the recovery, including treble damages, attributable to overcharges that were paid by Contractor but were not paid by the Participating Entity as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Upon demand in writing by Contractor, the Participating Entity shall, within one (1) year from such demand, reassign the cause of action assigned under this part if Contractor has been or may have been injured by the violation of law for which the cause of action arose and (a) the Participating Entity has not been injured thereby, or (b) the Participating Entity declines to file a court action for the cause of action.

**10.8 Good Standing.** *If Contractor is a corporation, limited liability company, or limited partnership, and this Agreement (and any Participating Agreement) is performed in whole or in part in California, this section is applicable.* Contractor is, and will remain for the Term, qualified to do business and in good standing in California.

**10.9 Small Business Preference Commitment.** This section is applicable if Contractor received a small business preference in connection with this Agreement. Contractor's failure to meet the small business commitment set forth in its bid or proposal constitutes a breach of this Agreement (and any Participating Agreement). Contractor must within sixty (60) days of receiving final payment under this Agreement (and any Participating Agreement) report to the Participating Entity the actual percentage of small/micro business participation that was achieved. If Contractor is a nonprofit veteran service agency ("NVSA"), Contractor must employ veterans receiving services from the NVSA for not less than seventy-five percent (75%) of the person-hours of direct labor required for the production of goods and the provision of services performed pursuant to this Agreement (and any Participating Agreement).

## **11. Miscellaneous Provisions.**

**11.1 Independent Contractor.** Contractor is an independent contractor to the Participating Entities. No employer-employee, partnership, joint venture, or agency relationship exists between Contractor and the Participating Entities. Contractor has no authority to bind or incur any obligation on behalf of the Participating Entities. If any governmental entity concludes that Contractor is not an independent contractor, the Judicial Council may terminate this Agreement (and a Participating Entity may terminate a Participating Agreement) immediately upon notice.

**11.2 GAAP Compliance.** Contractor shall maintain an adequate system of accounting and internal controls that meets Generally Accepted Accounting Principles.

**11.3 Audit.** Contractor must allow the Participating Entities or their designees to review and audit Contractor's (and any subcontractors') documents and records relating to this Agreement (including any Participating Agreement), and Contractor (and its subcontractors) shall retain such documents and records for a period of four (4) years following final payment under this Agreement. If an audit determines that Contractor (or any subcontractor) is not in compliance with this Agreement (including any Participating Agreement), Contractor shall correct errors and deficiencies by the twentieth (20th) day of the month following the review or audit. If an audit determines that Contractor has overcharged the Participating Entity five percent (5%) or more during the time period subject to audit, Contractor must reimburse the Participating Entity in an amount equal to the cost of such audit. This Agreement (and any Participating Agreements) are subject to examinations and audit by the State Auditor for a period of three (3) years after final payment.

**11.4 Licenses and Permits.** Contractor shall obtain and keep current all necessary licenses, approvals, permits and authorizations required by applicable law for the performance of the Services. Contractor will be responsible for all fees and taxes associated with obtaining such licenses, approvals, permits and authorizations, and for any fines and penalties arising from its noncompliance with any applicable law.

**11.5 Confidential Information.** During the Term and at all times thereafter, Contractor will: (a) hold all Confidential Information in strict trust and confidence, (b) refrain from using or permitting others to use Confidential Information in any manner or for any purpose not expressly permitted by this Agreement, and (c) refrain from disclosing or permitting

others to disclose any Confidential Information to any third party without obtaining the Participating Entity's express prior written consent on a case-by-case basis. Contractor will disclose Confidential Information only to its employees or contractors who need to know that information in order to perform Services hereunder and who have executed a confidentiality agreement with Contractor at least as protective as the provisions of this section. The provisions of this section shall survive the expiration or termination of this Agreement and any Participating Agreement. Contractor will protect the Confidential Information from unauthorized use, access, or disclosure in the same manner as Contractor protects its own confidential or proprietary information of a similar nature, and with no less than the greater of reasonable care and industry-standard care. Each Participating Entity owns all right, title and interest in its Confidential Information. Contractor will notify the affected Participating Entity promptly upon learning of any unauthorized disclosure or use of Confidential Information and will cooperate fully with the Participating Entity to protect such Confidential Information. Upon a Participating Entity's request and upon any termination or expiration of this Agreement or a Participating Agreement, Contractor will promptly (a) return to the Participating Entity or, if so directed by the Participating Entity, destroy all such Participating Entity's Confidential Information (in every form and medium), and (b) certify to the Participating Entity in writing that Contractor has fully complied with the foregoing obligations. Contractor acknowledges that there can be no adequate remedy at law for any breach of Contractor's obligations under this section, that any such breach will likely result in irreparable harm, and that upon any breach or threatened breach of the confidentiality obligations, the Participating Entities shall be entitled to appropriate equitable relief, without the requirement of posting a bond, in addition to its other remedies at law.

**11.6 Ownership of Materials and Data.** Unless otherwise agreed in this Agreement, regarding any work product to be provided to a Participating Entity, Contractor hereby assigns to such Participating Entity all rights, title, and interest (and all intellectual property rights, including but not limited to copyrights) in and to such work product and related materials. Contractor agrees not to assert any rights at common law, or in equity, or establish a copyright claim in any of these materials. Contractor shall not publish or reproduce any materials or other work product in whole or part, in any manner or form, or authorize others to do so, without the written consent of the Participating Entity.

All Client Data provided by the Participating Entities is and will remain the property of the respective Participating Entities. The Participating Entities will have all right, title and interest, including worldwide ownership of trade secret rights, copyright and patents, in and to Client Data and all copies made from it. Except as set forth herein, without the Participating Entity's approval (in its sole discretion), Client Data shall not be (i) used by Contractor or its agents other than in connection with providing the Services, (ii) disclosed, sold, assigned, leased or otherwise provided to third parties by Contractor or its agents or (iii) commercially exploited by or on behalf of Contractor or its agents.

**11.7 Publicity.** Contractor shall not make any public announcement or press release about this Agreement (or any Participating Agreement) without the prior written approval of the Establishing JBE (and with respect to any Participating Agreement, the prior written approval of the applicable JBE).



- 11.8 Choice of Law and Jurisdiction.** California law, without regard to its choice-of-law provisions, governs this Agreement (including any Participating Agreement). The Contractor and the applicable Participating Entities shall attempt in good faith to resolve informally and promptly any dispute that arises. Jurisdiction for any legal action arising from this Agreement shall exclusively reside in state or federal courts located in California, and the parties hereby consent to the jurisdiction of such courts.
- 11.9 Negotiated Agreement.** This Agreement has been arrived at through negotiation between the parties. Neither party is the party that prepared this Agreement for purposes of construing this Agreement under California Civil Code section 1654.
- 11.10 Amendment and Waiver.** Except as otherwise specified in this Agreement, no amendment or change to this Agreement will be effective unless expressly agreed in writing by a duly authorized officer of the Judicial Council. A waiver of enforcement of any of this Agreement's terms or conditions by the Judicial Council is effective only if expressly agreed in writing by a duly authorized officer of the Judicial Council. Any waiver or failure by a Participating Entity to enforce any provision of this Agreement or Participating Agreement on one occasion will not be deemed a waiver of any other provision or of such provision on any other occasion.
- 11.11 Severability.** If any part of this Agreement is held unenforceable, all other parts remain enforceable.
- 11.12 Headings; Interpretation.** All headings are for reference purposes only and do not affect the interpretation of this Agreement. The word "including" means "including, without limitation." Unless specifically stated to the contrary, all references to days herein shall be deemed to refer to calendar days.
- 11.13 Time of the Essence.** Time is of the essence in Contractor's performance under this Agreement.
- 11.14 Counterparts.** This Agreement may be executed in counterparts, each of which is considered an original.

## APPENDIX D

### Defined Terms

As used in this Agreement, the following terms have the indicated meanings:

**“Agreement”** is defined on the Coversheet.

**“Business Day”** means any day on which the Participating Entity is open for business.

**“Contractor”** is defined on the Coversheet.

**“Client Data”** means all data and information (i) which is created for a Participating Entity in the course of Contractor’s performance of its obligations under this Master Agreement and the Participating Agreement, or ii) that has been submitted or made available to Contractor by or on behalf of the Participating Entity, including all data and information relating to the Participating Entities and their respective contractors, agents, employees, technology, operations, facilities, markets, products, capacities, systems, procedures, security practices, court records, court proceedings, research, development, business affairs and finances, ideas, concepts, innovations, inventions, designs, business methodologies, improvements, trade secrets, copyrightable subject matter, patents and other intellectual property and proprietary information.

**“Confidential Information”** means: (i) any information related to the business or operations of each Participating Entity, including information relating to its personnel and users; and (ii) all financial, statistical, personal, technical and other data and information of each Participating Entity (and proprietary information of third parties provided to Contractor) which is designated confidential or proprietary, or that Contractor otherwise knows, or would reasonably be expected to know, is confidential. Confidential Information does not include information that Contractor demonstrates to the Participating Entities’ satisfaction that: (a) Contractor lawfully knew prior to the Participating Entity’s first disclosure to Contractor, (b) a third party rightfully disclosed to Contractor free of any confidentiality duties or obligations, or (c) is, or through no fault of Contractor has become, generally available to the public.

**“Contract Amount”** means the contract amount of any Participating Agreement.

**“Coversheet”** refers to the first page of this Agreement.

**“Effective Date”** is defined on the Coversheet.

**“Establishing JBE”** is defined on the Coversheet.

**“Expiration Date”** is the later of (i) the day so designated on the Coversheet, and (ii) the last day of the Option Term.

**“Initial Term”** is the period commencing on the Effective Date and ending on the Expiration Date designated on the Coversheet.

**“Judicial Branch Entity”** or **“Judicial Branch Entities”** means the Judicial Council of California, any other California superior or appellate court, and the Supreme Court.

**“Judicial Branch Personnel”** means members, justices, judges, judicial officers, subordinate judicial officers, employees, and agents of a Judicial Branch Entity.

**“Notice”** means a written communication from one party to another that is (a) delivered in person, (b) sent by registered or certified mail, or (c) sent by overnight air courier, in each case properly posted and fully prepaid to the appropriate address and recipient set forth in Appendix C.

**“Option Term”** means a period, if any, through which this Agreement may be or has been extended by the Judicial Council.

**“Participating Agreement”** is defined in Appendix A.

**“Participating Entities”** and **“Participating Entity”** are defined on the Coversheet.

**“PCC”** refers to the California Public Contract Code.

**“Services”** is defined in Appendix A.

**“Term”** comprises the Initial Term and any Option Terms.

## APPENDIX E

(Form of) Participating Agreement

THIS PARTICIPATING AGREEMENT (“Agreement”), is made and entered into as of this \_\_\_ day of , 20\_\_\_, by and between the **SUPERIOR COURT OF CALIFORNIA, COUNTY OF \_\_\_\_\_**, an entity organized under Article VI of the California Constitution, [address] (“Court”), and **Gila LLC DBA Municipal Services Bureau** is a Limited Liability Company with offices at 8325 Tuscany Way, Austin, TX 78754 (“Contractor”).

WHEREAS, Contractor and the Judicial Council of California (JCC), on behalf of the superior courts and counties of the State of California, are parties to that Master Agreement No. **MA-2018-15** (“Master Agreement”) for collections services dated January 1, 2019;

WHEREAS, the Master Agreement sets forth the terms and conditions upon which Contractor will provide collections services to the superior courts, counties, and certain other designated entities in the State of California, should any such party desire to engage Contractor for such services;

WHEREAS, Court pursues initial collection efforts on all accounts it establishes for unpaid fees, fines, forfeitures, penalties and assessments arising from criminal and traffic actions or proceedings;

WHEREAS, Court desires to engage Contractor to perform collection services (“Services”) in accordance with the Master Agreement on selected accounts established by the Court and not fully paid 30 or more days from the date of their assessment or imposition, or on which an installment payment is not fully paid within 30 days of the date such payment was due under an installment payment plan (“Accounts”).

### AGREEMENT

NOW, THEREFORE, the parties agree as follows:

**1. Participation of Court/Engagement of Contractor.** Court engages Contractor to perform collection services in accordance with the terms and conditions of the Master Agreement and this Participating Agreement. [IF NECESSARY: In addition, Court engages Contractor to perform additional collection services on Accounts transferred to Contractor by Court according to **Schedule A** hereto, and Contractor will provide such services to Court, on the same terms and conditions and as if such services were provided by Contractor under the Master Agreement, except where specifically stated herein.] Terms defined in the Master Agreement will have the same meaning when used herein.

**2. Scope of Services.** Accounts transferred to Contractor for collection services under this Agreement will qualify for Services.

- a. *Collection Services.* Contractor will perform collections activities on the Accounts transferred to it as set forth in Appendix A of the Master Agreement.
- b. *Court Ordered Debt Program.* Contractor will refer Accounts it receives to the FTB Court Ordered Debt (“COD”) Program, liaise with FTB regarding such Accounts, and administer such Accounts under the terms and conditions set forth in Section of the Master Agreement.
- c. Contractor will refer to the FTB COD Program Accounts that meet the criteria set forth in Revenue and Taxation Code Section 19280, and all of the following criteria:
  - i. The remaining balance owed on the case is [\$100] or more;
  - ii. Court records regarding the Account indicate that, during the past six (6) months, no payments have been received, no new payment plan has been agreed to by the defendant, and no adjustments have been made by the Court on the Account; or
  - iii. The Account has been rejected by the FTB COD Program for any reason, or returned to the Court as uncollectible.
- d. *Tax Intercept Program.* In addition to other Services provided hereunder, Contractor shall prepare an electronic file transfer for those accounts forwarded from Court that are eligible for the FTB Tax Intercept Program. Court will forward eligible Accounts to the FTB, liaise with FTB regarding such Accounts, and perform the equivalent administrative functions regarding such Accounts as that set forth in Section\_\_\_ of the Master Agreement. Court staff will integrate the file with Court records also being sent. Court staff will assist with written instructions and procedures as necessary, which Contractor will follow.

Contractor will forward to Court by the 5th day of each calendar month during the term of this Agreement via electronic transfer or remittance check representing the total amount of funds received by Contractor on Accounts during such period, with accompanying statements.

**3. Contacts.** Each of the Court and the Contractor will appoint a Project Manager, who will be authorized to make day-to-day decisions related to this Agreement. The respective Project Managers and their contact information is as follows:

**Court Project Manager**

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

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

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

**Contractor Project Manager**

Name: Jordan Freytag

Title: Project Manager

Address: 8325 Tuscany Way

Austin, TX 78754

Phone: (512) 323-4301

Email: jordan.freytag@gilacorp.com

**4. Payment and Pricing Structure.** Contractor shall invoice Court on a monthly basis for Commission Fees charged for its collections services under this Agreement, which will be the following percentage: [INSERT PERCENTAGE]. The percentage will be calculated each month on the total funds collected during such month on all Accounts transferred to Contractor under this Agreement.

**5. On-site personnel.** Contractor [is/is not] required to perform services under this Agreement on-site at Court locations.

**6. Reporting Requirements.** In connection with the required reports set forth in the Master Agreement, the parties hereto agree that Contractor will provide reports on the following schedule: [INSERT SCHEDULE].

Contractor will provide additional reports upon request by the Court.

**7. Term.** The respective duties and obligations of the parties hereto shall commence on the date first written above, and shall automatically renew for the option period described in Paragraph 1 of the Coversheet of the Master Agreement unless the option to extend are not renewed by the Judicial Council or the Master Agreement is earlier terminated. Notwithstanding the foregoing, either party may terminate all or any of the services under this Agreement by giving ninety (90) days written notice to the other party. In addition, this Agreement is expressly conditioned upon the ability of the Court under currently applicable California state law and policy to pay Contractor for services hereunder from revenue collected by Contractor on the

Accounts. If any applicable law or policy is amended or enacted such that the revenue under this Agreement may not be applied to Court's obligations under this Agreement, the Court may, by written notice, terminate this Agreement on the effective date of such amended or enacted law or policy.

**8. Notices.** Any Notice must be sent to the following address and recipient:

If to Contractor:	If to the Participating Entity:
Barbara Fugler VP of Finance 8325 Tuscany Way Austin, TX 78731	[name, title, address]
<u>With a copy to:</u>	<u>With a copy to:</u>

Either party may change its address for notices by giving the other party notice of the new address in accordance with this section. Notices will be considered to have been given at the time of actual delivery in person, three (3) days after deposit in the mail as set forth above, or one (1) day after delivery to an overnight air courier service.

This Participating Agreement and the incorporated documents and provisions (including the terms of the Master Agreement) constitute the entire agreement between the parties and supersede any and all prior understandings and agreements, oral or written, relating to the subject matter of this Participating Agreement.

IN WITNESS WHEREOF, Participating Entity and Contractor have caused this Participating Agreement to be executed on the Participating Agreement Effective Date.

**Participating Entity**

**Gila LLC DBA Municipal Services Bureau**

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

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

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

Name: Barbara Fugler

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

Title: Vice President of Finance