



State of New Hampshire
Department of Revenue Administration

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109 Pleasant Street
 PO Box 457, Concord, NH 03302-0457
 Telephone 603-230-5005
 www.nh.gov/revenue

John T. Beardmore
 Commissioner

Kathryn E. Skouteris
 Assistant Commissioner

February 20, 2015

Her Excellency, Governor Margaret Wood Hassan
 and the Honorable Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Revenue Administration ("Department") to enter into a contract with Delta Management Associates, effective upon Governor and Council approval through April 1, 2016, in order to provide a full range of services to collect accounts of taxpayers residing out-of-state or with out-of-state assets. As payment for services, the contractor will retain 12.9 percent from any funds recovered.

EXPLANATION

The Department of Revenue Administration seeks to contract with Delta Management Services for purposes of retrieving outstanding debts from taxpayers. The Department is authorized to enter into such contracts under RSA 21-J:3, XXVII added by 2005; 166:1, Effective June 21, 2005. Delta Management Services is headquartered in Chelsea, MA with service centers located in Bedford NH, Dover, NH and Phoenix, AZ. Although the Department has excellent legal tools available to it to perform appropriate collections activity within New Hampshire, it lacks adequate legal means outside of its jurisdictional limits. A relationship with a collection agency will enhance and fully complement the opportunity to recoup monies that are going uncollected. Since the Department began referring accounts to a collections service in 2010, it has received more than \$384,000 after payment of commission. The Department will continue to employ a second placement agency to enforce out-of-state debts through litigation when collection agency follow-up is unsuccessful.

Collections activity will continue to encompass all tax types. Currently, more than \$6.3 million in outstanding debts are due to the State from taxpayers spanning 44 different states. The average balance owed is \$16,168. Historically, a tax notice has been issued by the Department, a 45 day letter has been sent by the Department, a demand for payment letter has been sent by the Department and telephone follow-up has been made by the Department, as well as tax lien recording with the Secretary of State and any available enforcement of the lien within the state.

TDD Access: Relay NH 1-800-735-2964

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the Department.

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This internal Department protocol will continue in order to effectively work accounts on a first responder basis to ensure the best rate of recovery, then continue the practice of turning unresponsive accounts over to Delta Management, which will act as a first placement debt collector in the debt collection of out-of-state taxpayers.

Delta Management shall continue providing a full range of services to collect on delinquent accounts of taxpayers residing out-of-state or with assets located out-of-state. Once delinquent accounts are placed with Delta Management, Delta Management shall provide services necessary to collect delinquent funds. Such efforts shall include activities typically associated with debt collection services, such as: asset investigation and location skip tracing, debtor negotiation, debtor communication through various media, documentation and reporting of debtor interaction.

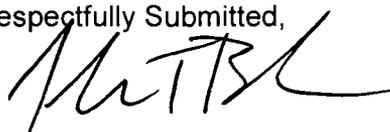
Additionally, Delta Management, its employees and subcontractors shall acknowledge and be subject to the terms of confidentiality under RSA 21-J:14, as well as any other statute or regulation concerning collection activity in the jurisdictions in which debt collection is conducted. Delta Management shall maintain records sufficient to track audit collection activities on each account.

The contract may be extended for subsequent one-year periods under the same terms, conditions, and pricing structure and with the approval of the Governor and Executive Council, not to exceed a total of five (5) years.

An advertisement was placed on the New Hampshire Department of Administrative Services' Purchase and Property website on September 17, 2014, with an opening bid of October 1, 2014. The Department received 10 responses to the Request for Bids. Department staff members, Philip Lawrence, Kathryn Skouteris and Melissa Rollins who are knowledgeable about the services required evaluated the bids. The review team unanimously recommended that Delta Management Services be awarded the bid, as it was the best fit for specifications associated with the lowest bid for services, administrative costs and a recommendation from the State of Rhode Island's Revenue Department.

We respectfully request your consideration regarding this matter.

Respectfully Submitted,



John Beardmore
Commissioner of Revenue

Requests for Bid:

Bidder	Percentage of funds retained if recovered
ACSI, Nashville TN	17.5%
Douglas and Knight, Bradenton, FL	17.0%
Windham Professionals, Salem, NH	14.5%
Delta Management, Chelsea, MA	12.9%
Penn Credit, Harrisburg, PA	14.5%
Credit Control, Manchester, NH	14.9%
Timothy Sullivan H.S. Financial, Westlake, OH	23.0%
National Recovery, Harrisburg, PA	16.0%
ACT, Woodland Hills, CA	18.5%
Premiere, Indianapolis, IN	17.0%

Proposals were evaluated by specifications of Exhibit D. The recommended criterion for RFB is best price (lowest bid).

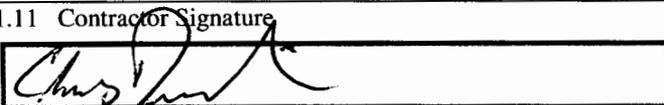
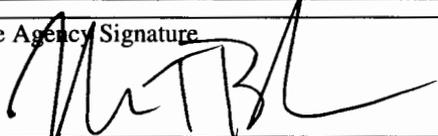
Subject: Delta Management Inc.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name <u>Dept. of Revenue Administration</u>		1.2 State Agency Address <u>109 Pleasant Street, Concord, NH 03301</u>	
1.3 Contractor Name <u>Delta Management Associates, Inc.</u>		1.4 Contractor Address <u>100 Everett Avenue, Suite 6, Chelsea, MA 02150</u>	
1.5 Contractor Phone Number <u>617-884-9444</u>	1.6 Account Number <u></u>	1.7 Completion Date <u>4/1/2016</u>	1.8 Price Limitation <u>N/A</u>
1.9 Contracting Officer for State Agency <u>John T. Beardmore, Commissioner</u>		1.10 State Agency Telephone Number <u>603-230-5000</u>	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory <u>Christopher A. Riordan, President</u>	
1.13 Acknowledgement: State of <u>MA</u> , County of <u>SUFFOLK</u> On <u>2/4/2015</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace <u>KATHLEEN REARDON, NOTARY PUBLIC</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory <u>John T. Beardmore, Commissioner</u>	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>2-25-15</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials CR
Date 2/4/15

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be

Contractor Initials
Date 2/4/15

attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual

intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF REVENUE ADMINISTRATION
OUT-OF-STATE DEBT COLLECTION SERVICES**

EXHIBIT A

1. INTRODUCTION

The Department of Revenue Administration ("Department") seeks to enter into a contract with Delta Management Associates, Inc. ("Contractor"), a Massachusetts company with a business address of 100 Everett Avenue, Suite 6, Chelsea, MA 02150, to perform debt collection services for debts accumulated by taxpayers who are out-of-state residents for the Department.

The Department seeks the assistance of the Contractor in debt collection of delinquent out-of-state taxpayer accounts. The Department is authorized to enter into such contracts under RSA 21-J:3, XXVII. Although the Department has excellent legal tools available to it to perform appropriate collections activity within New Hampshire, it lacks adequate legal means outside of its jurisdictional limits.

2. TERM

The term of the contract shall commence upon the later of April 1, 2015 or the date of Governor and Council approval ("Effective Date"). The term of the contract shall be one year from the Effective Date, unless terminated earlier. The Department shall have the right to terminate the contract at any time by giving the Contractor thirty (30) day written notice.

The contract may be extended for subsequent one-year periods under the same terms, conditions and pricing structure upon the mutual agreement of the Contractor and the Commissioner of the Department or designee and with the approval of the Governor and Council, not to exceed a total of five (5) years.

Individual accounts for which no collection activity is possible or all available collection methods have been exhausted may be returned with the prior approval of the Department. For these accounts, the Contractor shall not be entitled to payment beyond fees previously retained for any partial debt recovery that may have occurred.

3. CONTRACT ADMINISTRATION

3.1 CONTRACTOR CONTRACT MANAGER

The Contractor Contract Manager who shall be responsible for all contractual authorization and administration under the contract is:

Contract Manager: Jason Kahn
Title: Vice President, Business Development
Address: 100 Everett Avenue, Suite 6
Chelsea, MA 02150
Telephone: (617) 660-3299

3.2 STATE CONTRACT MANAGER

The State Contract Manager who shall be responsible for all contractual authorization and administration under this contract is:

Contract Manager: Philip Lawrence
Title: Director, Collections Division
Address: 109 Pleasant Street
Concord, NH 03301
Telephone: (603) 230-5910

4. SCOPE OF WORK

The Contractor shall provide a full range of services to collect accounts of taxpayers who reside out-of-state or with assets located out-of-state. Once delinquent accounts are placed with the Contractor, the Contractor shall provide services necessary to collect delinquent funds. The Department reserves the right to directly place accounts with an agency employed to provide legal services when the Director of the Collections Division determines legal services represent the best option for recovery.

Such efforts shall include activities typically associated with debt collection services such as: asset investigation and location, skip tracing, debtor negotiation, debtor communication through various media, documentation and reporting of debtor interaction and escalation of collection activities.

Additionally, the Contractor and the Contractor's employees and subcontractors shall acknowledge and be subject to the terms of confidentiality under RSA 21-J:14, as well as any other statute or regulation concerning collection activity in the jurisdiction in which the debt collection is conducted.

The Contractor shall maintain records sufficient to track and audit collection activities on each account.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF REVENUE ADMINISTRATION
OUT-OF-STATE DEBT COLLECTION SERVICES**

EXHIBIT B

1. FEE SCHEDULE

As payment for services the Contractor will retain twelve and nine tenths of a percent (12.9%) from any funds that are recovered.

2. PAYMENT SCHEDULE

Collected funds shall be remitted to the Department monthly within thirty (30) days of collection or upon collecting a cumulative total of ten thousand dollars (\$10,000), whichever shall occur first. The Contractor shall remit collected funds with statements to the Department in a format currently in use by the Department. The statements shall include a breakdown of amounts collected, including tax type, collection fees, tax, interest, penalties and bank or lien fees, to facilitate automatic posting of the remittance.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF REVENUE ADMINISTRATION
OUT-OF-STATE DEBT COLLECTION SERVICES**

**EXHIBIT C
SPECIAL PROVISIONS**

1. **Authority:** The work to be performed shall be carried out in cooperation and under the direction of the Department. The business roles of the Department and the Contractor shall be that of client and attorney, respectively.
2. **Referral of an Account:** The Contractor agrees that all case referrals by the Department to the Contractor shall remain the Contractor's responsibility for one (1) year unless specifically removed from the case in writing by the Department or until the Contractor determines that they are unable to collect. This condition shall remain in effect during the term of the contract; however, all casework shall be done in accordance with the terms, conditions and provisions of this agreement.
3. **Acknowledge Receipt of Account:** The Contractor agrees to acknowledge each account placed by the Department within thirty (30) days.
4. **Scope of Collection Activity:** The Contractor shall perform all aspects of collection, including without limitation asset investigation, skip tracing and debtor negotiation as needed to successfully resolve each account that has been referred. The contractor must have access to the latest skip tracing methods and must demonstrate a progressive degree of effort on smaller dollar amounts as well as larger dollar amounts.
5. **Status Reports:** The Contractor shall provide the Department with monthly reports reflecting the status of all accounts referred to the Contractor. In addition, the Contractor shall notify the Department of any significant event pertaining to an account within forty-eight (48) hours of the event's occurrence.
6. **Procedures and Controls for Confidentiality:** The Contractor shall be legally bound by RSA 21-J:14 and shall establish and maintain procedures and controls acceptable to the Department to ensure full compliance with the confidentiality requirements of RSA 21-J:14.
7. **Conflict of Interest:** At the time the Department refers an account to the Contractor, the Contractor shall advise the Department of any perceived conflict and whether the conflict is remote or disqualifying. The Contractor may decline to accept the referral of any account that the Contractor believes to be a disqualifying conflict of interest.
8. **Confidential Communications:** Communications between the Contractor and the Department shall be that of attorney and client and therefore, shall be confidential and shall have all privileges and immunities afforded to such communication. Except as required by law, no confidential communication shall be disclosed to any public agency, insurance company, rating organization, contractor, vendor or other entity or individual without the prior consent of the Department.
9. **Debtor Communications:** The Contractor shall respond to all requests and inquiries from the taxpayer-debtors in a courteous and professional manner within five (5) business days. The Contractor shall ensure that the debtor understands that collection is on behalf of the State of New Hampshire Department of Revenue Administration.

10. **Separate Records:** The Contractor shall maintain books and records sufficient to track and audit its collection activities on behalf of the Department. Upon at least three (3) business days notice, the Contractor shall permit the Department auditors full access to the Contractor's facilities and books and records to ensure compliance with the terms of this Agreement and all applicable laws, rules and regulations.
11. **Collection Remittance and Statements:** Collected funds shall be remitted to the Department monthly within thirty (30) days of collection or upon collecting a cumulative total of ten thousand dollars (\$10,000), whichever shall occur first. The Contractor shall remit collected funds with statements to the Department in a format currently in use by the Department. The statements shall include a breakdown of amounts collected, including the name of the taxpayer-debtor, the name from whom the amount was collected, tax type, tax period, collection fees, tax, interest, penalties and bank or lien fees to facilitate automatic posting of the remittance.
12. **Clearance of Debtors Payment:** The Contractor agrees that all payments received by negotiable instrument must be deposited and held by the Contractor until the payment has cleared. The Contractor shall not endorse any check as paid in full or provide the debtor a receipt as paid in full without verifying in writing the current unpaid balance with the Department.
13. **Delinquent Accounts:** The Contractor agrees to accrue interest, penalties and attorney fees or other additional charges on delinquent accounts in accordance with statute and as specified by the Department when accounts are referred or as additional charges accrue.
14. **Compromise or Settlement of Account:** The Contractor shall not compromise or settle any account without the prior written approval of the Department. Unauthorized compromise or settlement by the Contractor of any account for less than the entire amount due, accrued interest, penalties, attorney fees and other costs or applicable charges will render the Contractor liable.
15. **Individual Debtor Status Report:** The Contractor will furnish individual account status reports within three (3) business days of a request from the Department. Status reports shall include the debtor name, account number, initial amount of the debt, and amount of payments to date, present balance and status of the account.
16. **Review and Audit of Accounts:** The Department shall have the right to review or audit particular accounts with the Contractor at any time during the regular business hours of the Contractor.
17. **Applicable Laws and Regulations:** The Contractor agrees to become familiar with and abide by all applicable State and/or Federal statutes and/or regulations and the Department policies and procedures governing accounts and the collection of accounts.
18. **Suspension of an Account:** The Contractor shall agree to suspend action, either temporarily or permanently, on any account upon receipt of notification by the Department.
19. **Reduced or Cancelled Accounts:** In the event an account is reduced or cancelled by the Department, no collection fee shall be due to the Contractor for the amount of the reduction or cancellation.
20. **Primary Placement Period:** The Contractor agrees to facilitate second placement of all accounts placed one year from placement unless the retention of a specific account is approved by the Department in advance.

21. **Governor and Executive Council Approval:** All contracts between the Contractor and the Department shall be approved by the Governor and Council.
22. **Legal Capability:** The Contractor shall be able to collect debts.
23. **Agency Fee Recovery:** The Contractor shall provide information relative to tax types and jurisdictions for which the agency fee may be collected in addition to the balance due to the State.
24. **Insurance:** The Contractor shall possess errors and omissions and malpractice insurance and shall indemnify the Department and hold the Department harmless for Contractor collection activities including all legal activities.
25. **Personnel:** The Contractor shall have sufficient personnel available to proceed promptly and simultaneously for the collection of all collection items for the contracted services.
26. **Training:** The Contractor's personnel shall be trained, qualified and experienced to use acknowledged best practices to service the State's account placements using ethical procedures to yield the highest return.
27. **Confidentiality:** The Contractor's personnel shall be knowledgeable of RSA 21-J:14 and shall read, sign and be bound by the Department's Policy On Confidentiality of Information.
28. **Contractor Capacity:** The Contractor shall have sufficient financial capacity, working capital and other financial, technical and management resources to perform the contract.
29. **Start-Up Period:** The Contractor shall commit to a maximum sixty (60) day start up after execution of the contract.
30. **Placement and Recovery Reports:** The Contractor shall provide monthly reports detailing placement and recovery by month placed as well as recovery by period collected.
31. **Account Status Reports:** The Contractor shall provide a monthly status report listing accounts under payment arrangement, legal accounts and exhausted accounts.
32. **Data Transfer:** The Contractor must be able to accept an existing data transfer format and provide a secure FTP site for all data exchanged.
33. **IT Capability:** The Contractor shall employ IT staff with the skill and experience to support the data exchange requirements of the contract.
34. **Collection Procedures:** The Contractor shall have established collection procedures providing for escalating Debtor contacts.
35. **Maintenance of Funds Collected:** The Contractor shall be able to maintain all funds in a depository within the State and transfer money electronically to the Department and the State of New Hampshire Department of Treasury.
36. **Information Security:** The Contractor shall be certified for information security by an acceptable accreditation source.
37. **Proof of Conformity:** The Contractor shall submit documentation to support its conformity to these specifications.

State of New Hampshire Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Delta Management Associates, Inc. doing business in New Hampshire as DMA RECOVERY, a(n) Massachusetts corporation, is authorized to transact business in New Hampshire and qualified on October 23, 2003. I further certify that all fees and annual reports required by the Secretary of State's office have been received.

In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 11th day of February, A.D. 2015



A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State



DELTA MANAGEMENT
ASSOCIATES, INC.

CERTIFIED RESOLUTION

I, Michael W. Riordan, Treasurer of Delta Management Associates, Inc., a corporation organized and existing under the laws of the state of Massachusetts (Delta Management Associates, Inc.), do hereby certify that the following is a true and correct copy of a resolution duly adopted at a meeting of the Board of Directors of the Company duly held and convened on February 26, 1986, at which meeting a duly constituted quorum of the Board of Directors was present and acting throughout, and that such resolution has not been modified, rescinded or revoked, and is at present in full force and effect:

RESOLVED: That Christopher A. Riordan, President of Delta Management Associates, Inc., is empowered and authorized to execute contracts on behalf of the Company.

IN WITNESS WHEREOF, the undersigned has affixed his signature and the corporate seal of the Company on this 3rd day of February, 2015.

[or, if the corporation has no seal]

IN WITNESS WHEREOF, the undersigned has affixed his signature this 3rd day of February, 2015. The Company has no corporate seal.

Michael W. Riordan
Treasurer



CERTIFICATE OF LIABILITY INSURANCE

OP ID: JB

DATE (MM/DD/YYYY)

02/27/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Louis J. Brudnick & Sons Ins. 100 Everett Ave. P.O.Box 6299 Chelsea, MA 02150 Jeffrey S. Brudnick	CONTACT NAME:		
	PHONE (A/C, No, Ext):	FAX (A/C, No):	
E-MAIL ADDRESS:			
PRODUCER CUSTOMER ID #: DELTA-2			
INSURED Delta Management Associates Christopher Riordan 100 Everett Avenue Unit 6 Chelsea, MA 02150	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Peerless Insurance Company		
	INSURER B: Travelers Commercial Lines		
	INSURER C:		
	INSURER D:		
	INSURER E:		

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	GENERAL LIABILITY			CBP 8517051	09/23/2014	09/23/2015	EACH OCCURRENCE	\$ 1,000,000	
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000	
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person)	\$ 5,000	
	GEN'L AGGREGATE LIMIT APPLIES PER:							PERSONAL & ADV INJURY	\$ 1,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						GENERAL AGGREGATE	\$ 2,000,000	
							PRODUCTS - COMP/OP AGG	\$ 2,000,000	
								\$	
A	AUTOMOBILE LIABILITY			BA 8513033	09/23/2014	09/23/2015	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000	
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person)	\$	
	<input checked="" type="checkbox"/> SCHEDULED AUTOS						BODILY INJURY (Per accident)	\$	
	<input type="checkbox"/> HIRED AUTOS						PROPERTY DAMAGE (PER ACCIDENT)	\$	
	<input type="checkbox"/> NON-OWNED AUTOS				\$			\$	
								\$	
A	UMBRELLA LIAB			CU 851785215	09/23/2014	09/23/2015	EACH OCCURRENCE	\$ 4,000,000	
	<input checked="" type="checkbox"/> EXCESS LIAB						AGGREGATE	\$ 4,000,000	
	<input type="checkbox"/> CLAIMS-MADE							\$	
	<input type="checkbox"/> DEDUCTIBLE							\$	
	RETENTION \$							\$	
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WC8805062	09/23/2014	09/23/2015	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS	OTHER	
	<input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A				E.L. EACH ACCIDENT	\$ 100,000	
	If yes, describe under DESCRIPTION OF OPERATIONS below							E.L. DISEASE - EA EMPLOYEE	\$ 100,000
							E.L. DISEASE - POLICY LIMIT	\$ 500,000	
B	Employee Theft			LIMIT 2,000,000	09/23/2014	09/23/2015			

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

NEWHAMP

New Hampshire Department of Revenue
 P O Box 454
 Concord, NH 03302-0454

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
 Jeffrey S. Brudnick

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