



Lindsey M. Stepp  
Commissioner

APR27'21 AM11:51 RCVD  
**State of New Hampshire**  
**Department of Revenue Administration**

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



Carollynn J. Lear  
Assistant Commissioner

April 19, 2021

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

Authorize the Department of Revenue Administration (the "DRA") to exercise a renewal option and amend the contract with I.C. System, Inc. (Vendor Code Number – 229213) of 444 Highway 96 East, St. Paul, MN 55127 (the "Contractor"), to perform work with the DRA Division of Collections to collect delinquent debt by amending the completion date from June 30, 2021 to June 30, 2022 effective upon Governor and Council approval. No funding is involved. The contract was originally approved by Governor and Council on June 20, 2018 (item #73), and Amendment #1 was approved on June 24, 2020 (item #84).

**EXPLANATION**

This request is to continue the relationship with the Contractor due to their successful rate of collections and exemplary service during the first 3 years of this contract.

In accordance with the terms of the contract, the DRA seeks to continue utilizing the Contractor, to perform collection, skip tracing, asset location, and related legal services concerning the collection of any debt as authorized and referred by the DRA. Contractor will maintain the confidentiality of any debt collection information provided to them by DRA in the course of their work. The DRA is authorized to enter into such contracts under RSA 21-J:3, XXVII.

Collections activity will encompass all tax types, including but not limited to, Interest and Dividends Tax, Business Taxes and Meals and Rentals Tax. These debts are for various tax liabilities, interest, and penalties that are due and owing to the State of New Hampshire.

In the first instance, the Division of Collections will attempt to collect delinquent taxpayer accounts. Unresponsive accounts will then be referred to the Contractor for further collection efforts. Contractor shall maintain records sufficient to track collection activities on each account.

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.*

The original contract was a two-year contract beginning on June 20, 2018, which had the option to renew for three additional one-year terms, at the sole option of the State, subject to the parties' prior written agreement on applicable fees for each extended term, and subject to the approval of the Governor and Council. On June 24, 2020, Governor and Council approved a one-year extension of the Contract from July 1, 2020 to June 30, 2021. The DRA is electing to exercise this renewal option for an additional one-year term, to expire June 30, 2022, with this proposed amendment.

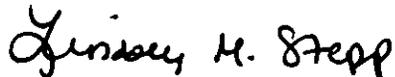
This contract incurs no outlay of State funds because Contractor will be compensated by retaining a percentage of any recovery of any delinquent debt as follows:

- Fee Charged - Debt w/ Legal Action: 25.00%
- Fee Charged - Debt w/o Legal Action: 6.95%

Amendment #2 shall modify the Contract's completion date. All other terms of the Contract as previously amended shall remain the same.

We respectfully request your consideration regarding this matter.

Respectfully Submitted,



Lindsey M. Stepp  
Commissioner of Revenue Administration

Amendment No. 2 of the Department of Revenue Administration  
Contract for Third-party Debt Collection Services, dated June 20, 2018

The New Hampshire Department of Revenue Administration ("DRA") and I.C. System, Inc., (the "Contractor") are parties to an agreement for Third-party Debt Collection Services which was approved by Governor and Council on June 20, 2018 (item #73) (as amended, the "Contract"). The Contract provides for three annual extensions after expiration of the initial two-year term, subject to Governor and Council approval. Certain amendments were made to the Contract pursuant to Amendment No. 1, and approved by the Governor and Council on June 24, 2020 (item #84). DRA has further and continuing need of the services provided under the Contract and the Contractor is willing to continue to provide said services under the same terms and conditions except as amended hereby. The parties hereby agree to amend the Contract as follows:

1. Item 1.7 of the Contract is hereby amended such that the completion date is changed from June 30, 2021 to June 30, 2022
2. Effective Date and Continuance  
The Amendment is effective upon Governor and Council approval. All other terms and conditions remain the same.

This Amendment No. 2 of the Contract is hereby incorporated by reference into the Contract, as previously amended, and expressly made a part thereof. All other terms of the Contract are hereby reaffirmed and remain in effect and unmodified.

The parties hereto have set their hands on the 19 day of April, 2021

Department of Revenue Administration

By: Lindsey M. Stepp  
Lindsey M. Stepp,  
Commissioner

I.C. System, Inc.

By: John Erickson  
John Erickson,  
President and CEO

Approved as to form, substance, and execution by:  
Michael Haley 4/20/2021  
Michael Haley, Attorney  
NH office of the Attorney General

**Acknowledgement:**

**Approved by the Attorney General (Form, Substance and Execution)**

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

**Approved by the New Hampshire Governor and Executive Council**

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

# 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 I. C. SYSTEM, INC. is a Minnesota Profit Corporation registered to transact business in New Hampshire on November 03, 1975. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 1886

Certificate Number: 0005340004



IN TESTIMONY WHEREOF.

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 5th day of April A.D. 2021.

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

William M. Gardner  
Secretary of State

Certificate of Authority # 1

(Corporation, Non-Profit Corporation)

**Corporate Resolution**

I, Michelle K. Dove, hereby certify that I am duly elected Clerk/Secretary/Officer of  
(Name)  
I.C. System, Inc.. I hereby certify the following is a true copy of a vote taken at  
(Name of Corporation)

a meeting of the Board of Directors/shareholders, duly called and held on March 1, 2021,  
at which a quorum of the Directors/shareholders were present and voting.

**VOTED:** That John A. Erickson, Jr. (may list more than one person) is  
(Name and Title)

duly authorized to enter into contracts or agreements on behalf of

I.C. System, Inc. with the State of New Hampshire and any of  
(Name of Corporation)

its agencies or departments and further is authorized to execute any documents  
which may in his/her judgment be desirable or necessary to effect the purpose of  
this vote.

I hereby certify that said vote has not been amended or repealed and remains in full force  
and effect as of the date of the contract to which this certificate is attached. This authority  
remains valid for thirty (30) days from the date of this Corporate Resolution. I further certify  
that it is understood that the State of New Hampshire will rely on this certificate as evidence that  
the person(s) listed above currently occupy the position(s) indicated and that they have full  
authority to bind the corporation. To the extent that there are any limits on the authority of any  
listed individual to bind the corporation in contracts with the State of New Hampshire, all such  
limitations are expressly stated herein.

**DATED:** March 24, 2021

**ATTEST:** Michelle K. Dove CCO/Secretary  
(Name & Title)





Lindsey M. Stepp  
Commissioner

# State of New Hampshire Department of Revenue Administration

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



Carolynn J. Lear  
Assistant Commissioner

June 4, 2020

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

*Retroactive*

## REQUESTED ACTION

Authorize the Department of Revenue Administration (DRA) to exercise a renewal option and amend the agreement with I.C. System, Inc. (Vendor Code Number – 229213) of 444 Highway 96 East, St. Paul, MN 55127, to perform work with the DRA Division of Collections to collect delinquent debt by amending the fee schedule and extending the completion date from June 20, 2020 to June 30, 2021 effective upon Governor and Council approval. No funding is involved. The contract was originally approved by Governor and Council on June 20, 2018 (item #73).

## EXPLANATION

This request is to continue the relationship with I.C. System, Inc. due to their successful rate of collections and exemplary service during the first 2 years of this contract.

In accordance with the terms of the contract, the DRA seeks to continue utilizing I.C. System, Inc., to perform collection, skip tracing, asset location, and related legal services concerning the collection of any debt as authorized and referred by the DRA. Contractor will maintain the confidentiality of any debt collection information provided to them by DRA in the course of their work. The DRA is authorized to enter into such contracts under RSA 21-J:3, XXVII.

Collections activity will encompass all tax types, including but not limited to, Interest and Dividends Tax, Business Taxes and Meals and Rentals Tax. These debts are for various tax liabilities, interest, and penalties that are due and owing to the State of New Hampshire.

In the first instance, the Division of Collections will attempt to collect delinquent taxpayer accounts. Unresponsive accounts will then be referred to the Contractor for further collection efforts. Contractor shall maintain records sufficient to track collection activities on each account.

The original contract was a two year contract beginning on June 20, 2018 which had the option to renew for three additional one-year terms, at the sole option of the State, subject to the parties' prior written agreement on applicable fees for each extended term,

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.*

and subject to the approval of the Governor and Council. The Department is choosing to exercise this renewal option for an additional one-year term, to expire June 30, 2021, with this proposed amendment.

This contract incurs no outlay of State funds because Contractor will be compensated by retaining a percentage of any recovery of any delinquent debt as follows:

- Fee Charged - Debt w/ Legal Action: 25.00%
- Fee Charged - Debt w/o Legal Action: 6.95%

Amendment #1 shall modify the agreement's completion date and fees charged for collections, increase the timeframe the Contractor may retain issued collection inventory, and include Exhibit 7a from IRS Publication 1075.

We respectfully request your consideration regarding this matter.

Respectfully Submitted,



Lindsey M. Stepp  
Commissioner of Revenue Administration

Amendment No. 1 of the Department of Revenue Administration Contract for Third-party Debt Collection Services, Dated June 20, 2018

The New Hampshire Department of Revenue Administration (DRA) and I.C. System, Inc., (-Contractor) entered into an agreement for Third-party Debt Collection Services to perform work on behalf of the DRA Collection Division to collect delinquent debt, which was originally approved by Governor and Council on June 20, 2018 (item #73). The Contract provides for three annual extensions after expiration of the initial two year term, subject to Governor and Council approval. The parties hereby agree to amend the Contract as follows:

1. Amendment and Modification of P37 Contract Completion Date  
Amend Item 1.7 such that the completion date is changed from June 20, 2020 to June 30, 2021
  
2. Amendment and Modification of Contract Exhibit B Section 1 Fee Schedule  
Amend Section 1 Exhibit B to simplify all fees charged on referred debts.
  - Fee Charged - Debt w/ Legal Action: 25.00%
  - Fee Charged - Debt w/o Legal Action: 6.95%
  
3. Amendment and Modification of Contract Exhibit B Section 3 Reporting Requirement  
Amend Section 3 Exhibit B to increase the timeframe Contractor may retain inventory to a minimum of 6 months (180 days) to effectively recover referred debts.
  
4. Amendment to Add a requirement to Exhibit C – Special Provisions contained in the IRS PUB 1075  
This will add Section 3 Exhibit C – Special Provisions to add a requirement for the contractor to comply with IRS guidelines to process FTI data if present. Exhibit 7a of Publication 1075, Safeguarding Contract Language for General Service is attached for reference.
  
5. Effective Date and Continuance  
The Amendment is effective upon Governor and Council approval. All other terms and conditions remain the same.

This Amendment No. 1 of the Contract is hereby incorporated by reference into the Contract and expressly made a part thereof, by the parties. All other terms of the Contract are hereby reaffirmed and in effect and unmodified.

The parties hereto have set their hands on the 13<sup>th</sup> day of May, 2020

Department of Revenue Administration

By: Lindsey M. Stepp  
Lindsey M. Stepp, Commissioner

I.C. System, Inc.

By: Michelle K. Dove  
Michelle K. Dove, General Counsel and CCO

Approved by the Attorney General (Form, Substance and Execution)

By: Paul Peltier On: 8/15/2020

Approved by the New Hampshire Governor and Executive Council

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

## Exhibit 7a Safeguarding Contract Language for General Services

### I: PERFORMANCE

In performance of this contract, the Contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

- (1) All work will be performed under the supervision of the contractor or the contractor's responsible employees.
- (2) The contractor and the contractor's employees with access to or who use FTI must meet the background check requirements defined in IRS Publication 1075.
- (3) Any Federal tax returns or return information (hereafter referred to as returns or return information) made available shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection by or disclosure to anyone other than an officer or employee of the contractor is prohibited.
- (4) All returns and return information will be accounted for upon receipt and properly stored before, during and after processing. In addition, all related output and products will be given the same level of protection as required for the source material.
- (5) No work involving returns and return information furnished under this contract will be subcontracted without prior written approval of the IRS.
- (6) The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
- (7) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

### II. CRIMINAL/CIVIL SANCTIONS

Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as five years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized future disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRCs 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

- (1) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return

information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection by or disclosure to anyone without an official need-to-know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000.00 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000.00 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. The penalties are prescribed by IRCs 7213A and 7431 and set forth at 26 CFR 301.6103(n)-1.

- (2) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
- (3) Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors must be advised of the provisions of IRCs 7431, 7213 and 7213A (see Exhibit 4, Sanctions for Unauthorized Disclosure and Exhibit 5, Civil Damages for Unauthorized Disclosure). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 1.8, Reporting Improper Inspections or Disclosures) For both the initial certification and the annual certification, the contractor must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

### III. DATA INCIDENT RESPONSE

The contractor will:

- (1) Cooperate with and exchange information with agency officials, as determined necessary by the agency, in order to effectively report and manage a suspected or confirmed breach.

- (2) Properly encrypt FTI in accordance with Publication 1075 and other applicable policies and to comply with any agency-specific policies for protecting FTI.
- (3) Complete regular training on how to identify and report a breach;
- (4) Report a suspected or confirmed breach in any medium or form, including paper, oral and electronic, as soon as possible and without unreasonable delay, consistent with the agency's incident management policy;
- (5) Maintain capabilities to determine what FTI was or could have been accessed and by whom, construct a timeline of user activity, determine methods and techniques used to access FTI and identify the initial attack vector; Allow for an inspection, investigation, forensic analysis and any other action necessary to ensure compliance with Publication 1075, the agency's breach response plan and to assist with responding to a breach; Identify roles and responsibilities, in accordance with Publication 1075 and the agency's breach response plan; and, explain that a report of a breach shall not, by itself, be interpreted as evidence that the contractor or its subcontractor failed to provide adequate safeguards for FTI.

#### IV. INSPECTION

The IRS and the Agency, with 24 hour notice, shall have the right to send its inspectors into the offices and plants of the contractor to inspect facilities and operations performing any work with FTI under this contract for compliance with requirements defined in IRS Publication 1075. The IRS' right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology (IT) assets that access, store, process or transmit FTI. On the basis of such inspection, corrective actions may be required in cases where the contractor is found to be noncompliant with contract safeguards.



Lindsay M. Stepp  
Commissioner

## State of New Hampshire Department of Revenue Administration

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



Carollynn J. Lear  
Assistant Commissioner

73  
maw

May 30, 2018

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

### REQUESTED ACTION

Authorize the Department of Revenue Administration (DRA) to enter into a contract with I.C. System, Inc., (Vendor # 229213), a Minnesota company with a business address of 444 Highway 96 East, St. Paul, MN 55127, to perform work with the DRA Collections Division to collect delinquent debt, with the option to renew for additional one year periods not to exceed a period of five (5) years, effective upon Governor and Council approval through 6/30/2020. This contract incurs no outlay of State funds as I.C. System, Inc., will be compensated by retaining a percentage of any recovery of any delinquent debt. As payment for services, I.C. System, Inc., the Vendor, as a first placement debt collector in the debt collection process, will retain the following Fee Structure:

- |   |        |
|---|--------|
| • Fee Charged - Debt Aged Over 7 Years w/Legal Action:            | 25.00% |
| • Fee Charged - Debt Aged Over 7 Years w/o Legal Action:          | 6.95%  |
| • Fee Charged - Debt Aged Between 3 and 7 Years w/Legal Action:   | 25.00% |
| • Fee Charged - Debt Aged Between 3 and 7 Years w/o Legal Action: | 6.95%  |

### EXPLANATION

The Department of Revenue Administration seeks the assistance of I.C. System, Inc., to perform collection, skip tracing, asset location, and where necessary, related legal services concerning the collection of any debt as authorized and referred by the DRA. Vendor will maintain the confidentiality of any debt collection information provided to them by DRA in the course of their work. These activities shall be governed by RSA 21-J:14. The Department is authorized to enter into such contracts under RSA 21-J:3, XXVII

Collections activity will encompass all tax types, such as but not limited to, Interest and Dividends Tax, Business Taxes and Meals and Rentals Tax. Currently, the DRA has over \$4,169,668.52 in outstanding debt aged over 7 years and \$6,366,254.13 in outstanding debt aged between 3 and 7 years. These debts are for various tax liabilities, interest, and penalties that are owed to the State of New Hampshire.

The DRA Collections Division's protocol will be utilized in order to effectively collect on taxpayer accounts. Unresponsive accounts will then be turned over to the Department's third party debt

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

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His Excellency, Governor Christopher T. Sununu  
and the Honorable Council

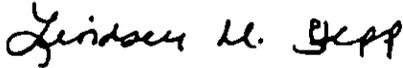
collection vendor, I.C. System, Inc. for debt collection of aged accounts for further collection efforts. I.C. System, Inc. shall maintain records sufficient to track collection activities on each account.

The DRA shall have the right to terminate the contract at any time by giving the Vendor a thirty (30) day written notice. The contract may be extended for subsequent one-year periods under the same or newly negotiated terms, conditions, and pricing structure upon the mutual agreement between the Vendor and the Commissioner of the Department of Revenue Administration with the approval of Governor and Executive Council, not to exceed a total of five (5) years.

An RFB was posted on the State of New Hampshire Administrative Services' Purchase and Property website to solicit bids for this service. The posting was open for twenty-eight (28) days. As questions from applicants were received, both the questions and the answers were posted immediately for public access viewing. Three (3) bidders provided a bid proposal. Attached hereto as Schedule A is the list of all bidders. The bid evaluation team included: Ora LeMere, Director of Collections and Roger Marchand, Project Manager. This team was assembled based upon each having expertise in collections, collections law within New Hampshire, and/or management/administrative expertise in managing a third party collection agency.

We respectfully request your consideration regarding this matter.

Respectfully Submitted,



Lindsey M. Stepp  
Commissioner of Revenue Administration

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council

**Schedule A: RFB: 2018-01 Third Party Debt Collections list of Bidders**

**Respondent List for RFB 2018-01 Respondent List for Third Party Debt Collection Service  
Proposal Opening Date and Time Wednesday, April 04, 2018 @10:00AM**

<b>Company Name</b>	<b>Address</b>
I.C. System, Inc.	St. Paul, Minnesota 55127
MSB Government Services	Austin, Texas 78754
TSI	Fort Washington, Pennsylvania 19034

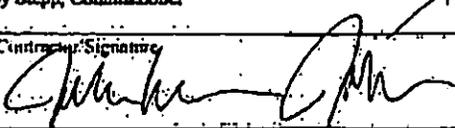
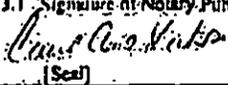
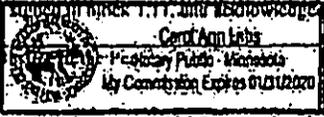
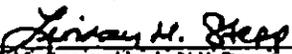
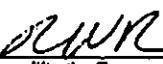
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION:**

1.1 State Agency Name Department of Revenue Administration		1.2 State Agency Address 109 Pleasant Street PO Box 457, Concord, NH 03302	
1.3 Contractor Name I.C. System, Inc.		1.4 Contractor Address 444 Hwy 96 E, Saint Paul, MN	
1.5 Contractor Phone Number (651)-270-8393	1.6 Account Number TBD	1.7 Completion Date 4-20-2018 6-20-2020	1.8 Price Limitation No Cost
1.9 Contracting Officer for State Agency Lindsay Stepp, Commissioner		1.10 State Agency Telephone Number (603)230-5006	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory John Erickson, President and CEO	
1.13 Acknowledgment: State of Minnesota, County of Ramsey On 4/30/2018, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is indicated in block 1.12.			
1.13.1 Signature of Notary Public 		1.13.2 Notary Public Seal 	
1.13.2 Name and Title of Notary or Justice of the Peace			
1.14 State Agency Signature  Date: 5/3/18		1.15 Name and Title of State Agency Signatory Lindsay M. Stepp, Commissioner	
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) (if applicable) By:  On: 5/14/18			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

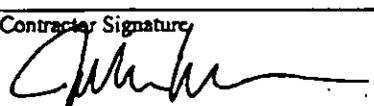
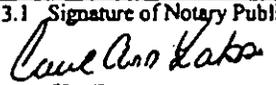
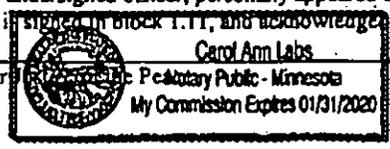
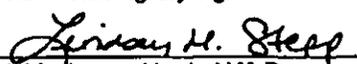
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> Department of Revenue Administration		<b>1.2 State Agency Address</b> 109 Pleasant Street PO Box 457, Concord, NH 03302	
<b>1.3 Contractor Name</b> I.C. System, Inc.		<b>1.4 Contractor Address</b> 444 Hwy 96 E, Saint Paul, MN	
<b>1.5 Contractor Phone Number</b> (651)-270-8393	<b>1.6 Account Number</b> TBD	<b>1.7 Completion Date</b> 6-20-2018	<b>1.8 Price Limitation</b> NoCost
<b>1.9 Contracting Officer for State Agency</b> Lindsey Stepp, Commissioner		<b>1.10 State Agency Telephone Number</b> (603)230-5006	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> John Erickson, President and CEO	
<b>1.13 Acknowledgement:</b> State of <u>Minnesota</u> , County of <u>Ramsey</u> On <u>4/30/2018</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.			
<b>1.13.1 Signature of Notary Public or</b>  [Seal]			
<b>1.13.2 Name and Title of Notary or Justice of the Peace</b>			
<b>1.14 State Agency Signature</b>  Date: <u>5/3/18</u>		<b>1.15 Name and Title of State Agency Signatory</b> <u>Lindsey M. Stepp, Commissioner</u>	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable)</b> By:  On: <u>5/14/18</u>			
<b>1.18 Approval by the Governor and Executive Council (if applicable)</b> 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, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("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. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. 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.

#### 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 notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and 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 \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form 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 thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) 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 unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

**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  
Contract for Third-party Debt Collection Services**

**EXHIBIT A**

**1. Introduction**

The Department of Revenue Administration ("State") seeks to enter into a contract with I.C. System, Inc., ("Vendor"), a Minnesota company with a business address of 444 Highway 96 East, St. Paul, MN 55127, to perform third party debt collection services.

The Department seeks the assistance of the Vendor in debt collection of delinquent 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 perform appropriate collections activity within New Hampshire, it lacks adequate legal means outside of its jurisdictional limits, so would benefit from the services of the Vendor in this area as well.

The DRA has the responsibility of administering sixteen different taxes. Most taxpayers voluntarily comply with New Hampshire State tax law; however, a small percentage of taxpayers do not. The DRA assesses tax liabilities against those who fail to comply. If not resolved, collection of these liabilities becomes the responsibility of the DRA Collection Division.

Currently, the DRA has over \$4,169,668.52 in outstanding debt aged over 7 years and \$6,366,254.13 in outstanding debt aged between 3 and 7 years. These debts are for various tax liabilities, interest, and penalties that are owed to the State of New Hampshire. The details of these debts will be provided as part of the contract award, subject to the confidentiality requirements of RSA 21-J:14.; in accordance with the requirements of this Request for Bid Proposal and any resulting contract(s).

**2. Term**

The term of the contract shall commence upon the date of Governor and Executive Council approval of the contract. The term of the contract shall be for a period of two years. The DRA shall have the right to terminate the contract at any time by giving the Vendor a thirty (30) day written notice.

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

**3. Project Requirements**

I.C. System, Inc. will meet and comply with all the requirements called out in *Attachment A, RFB: DRA 2018-01 for Third-Party Debt Collection Services; Section 3 Project Requirements.*

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DRA 2018-01 Third Party Debt Collections Service

Initial and date all pages:

Initials JH Date 4/30/2018

**State of New Hampshire - Department of Revenue Administration  
Contract for Third-party Debt Collection Services**

**4. Contract Administration**

**VENDOR CONTRACT MANAGER**

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

Contract Manager: Karen Jonas, VP of National Accounts  
Address: 444 Hwy 96 E  
St. Paul, Minnesota 55127  
Telephone: (651)-270-8393  
E-mail: Kjonas@icsystem.com

**STATE CONTRACT MANAGER**

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

Contract Manager: Ora LeMere  
Address: 109 Pleasant Street, PO Box 637  
Concord, NH 03301  
Telephone: 603-230-5910  
E-mail: ora.lemere@dra.nh.gov

**5. Scope of Work**

In accordance with the terms of this contract, the third-party debt collection agency shall, upon request, perform services of collection, skip tracing, asset location, and where necessary, related legal services concerning the collection of any debt as authorized and referred by the DRA. The Vendor will be required to acknowledge that the details of the debts and case referrals are confidential. If the DRA discloses any confidential information to the Vendor during the course of the Vendor performing its services hereunder, then Vendor shall take all reasonable precautions to maintain the confidentiality of such confidential information. The Vendor shall be legally bound by RSA-21-J: 14. All Vendor personnel performing services under this contract shall be knowledgeable of RSA-21-J: 14. The Vendor shall employ all collection activities necessary to collect accounts referred to the Vendor by the DRA up to and including legal action, which can be defined as appropriate lien placement.

Vendor shall be responsible for provision of all labor, transportation, and permits as necessary to supply the required level of services as described herein.

**State of New Hampshire - Department of Revenue Administration  
Contract for Third-party Debt Collection Services**

**EXHIBIT B**

**1. FEE SCHEDULE**

As payment for services, the Contractor, as a first placement debt collector in the debt collection process, I.C. System, Inc., will retain the following Fee Structure:

- Fee Charged - Debt Aged Over 7 Years w/Legal Action: 25.00%
- Fee Charged - Debt Aged Over 7 Years w/o Legal Action: 6.95%
- Fee Charged - Debt Aged Between 3 and 7 Years w/Legal Action: 25.00%
- Fee Charged - Debt Aged Between 3 and 7 Years w/o Legal Action: 6.95%

**2. PAYMENT SCHEDULE**

Collected funds shall be remitted to the Department as full or partial collection amounts that are recovered by the Vendor, said amounts shall be remitted to the DRA, minus the agreed-upon commission fee, by the fifteenth day of the month for the previous month's activity.

The DRA will not be responsible for fees for checks returned for non-sufficient funds.

**3. REPORTING REQUIREMENT**

The Vendor shall provide a bi-weekly inventory report (via portal or on paper) listing all accounts and indicating those that have been contacted, are under payment agreement or settlement, have been recommended for legal action, or are deemed uncollectible. See Attachment A, RFB: DRA 2018-01 for Third-Party Debt Collection Services; Exhibit B - Account Status Report Format.

Collection Checklist Report: Unresolved accounts aged over seven years which do not qualify for legal action must be returned to the DRA within 120 days and include the recommended course of action. Refer Attachment A, RFB: DRA 2018-01 for Third-Party Debt Collection Services; Exhibit C - Collection Checklist.

Collection Checklist Report: Unresolved accounts aged between three and seven years which do not qualify for legal action must be returned to the DRA within 180 days and include the recommended course of action. Refer to Attachment A, RFB: DRA 2018-01 for Third-Party Debt Collection Services; Exhibit C - Collection Checklist.

Collection Remittance and Statements: The Vendor shall remit collected funds with statements to the DRA in a format currently in use by DRA each calendar month. The statements shall include a breakdown of amounts collected, including tax period, tax type, collection fees, tax, interest, penalties and bank or lien fees, to facilitate automatic posting of the remittance (refer to Attachment A, RFB: DRA 2018-01 for Third-Party Debt Collection Services; Exhibit D).

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DRA 2018-01 Third Party Debt Collections Service

Initial and date all pages:

Initials *JM* Date 4/30/2018

**State of New Hampshire - Department of Revenue Administration**  
**Contract for Third-party 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 DRA. The business roles of the DRA and the Vendor shall be that of client and attorney, respectively.
2. **Referral of an Account:** The Vendor agrees that all case referrals by the DRA to the Vendor shall remain the Vendor's responsibility unless specifically removed from the case in writing by the DRA or until the Vendor determines that they are unable to be resolved. 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 an Account:** The Vendor agrees to acknowledge each account placed by the DRA within 30 days.
4. **Documentation:** The Vendor shall furnish the DRA with copies of any judgment(s), copies of any statement(s) of costs filed, any transcript(s) of judgment debtor examinations or post-judgment interrogatories or deposition transcript(s) and other legal pleadings. Other material, reports and correspondence prepared under this agreement shall be available upon the DRA's request or as agreed to.
5. **Scope of Collection Activity:** The Vendor shall perform all aspects of collection, including without limitation asset investigation, skip tracing, debtor negotiation, and legal action (lien placement) as needed to successfully resolve each account that has been referred. The Vendor 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.
6. **Status Reports:** The Vendor shall provide the DRA with bi-weekly reports reflecting the status of all accounts referred to the Vendor. In addition, the Vendor shall notify the DRA of any significant event pertaining to an account within 48 hours of the event's occurrence.
7. **Procedures and Controls for Confidentiality:** The Vendor shall be legally bound by RSA-21-J:14 and shall establish and maintain procedures and controls acceptable to the DRA to ensure full compliance with the confidentiality requirements of RSA 21-J:14.
8. **Conflicts of Interest:** At the time the DRA refers an account to the Vendor, the Vendor shall advise the DRA of any perceived conflict and whether the conflict is remote or disqualifying. The Vendor may decline to accept the referral of any account that the Vendor believes to be a disqualifying conflict of interest.
9. **Confidential Communications:** Communications between the Vendor and the DRA 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 DRA.
10. **Debtor Communications:** The Vendor shall respond to all requests and inquiries from taxpayer-debtors in a courteous and professional manner within five (5) business days. The Vendor shall ensure that the debtor understands that collection is on behalf of the

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DRA 2018-01 Third Party Debt Collections Service

Initial and date all pages:

Initial *AW* Date *4/30/19*

**State of New Hampshire - Department of Revenue Administration**  
**Contract for Third-party Debt Collection Services**

State of NH DRA.

11. **Separate Records:** The Vendor shall maintain books and records sufficient to track and audit its collection activities on behalf of the DRA. Upon at least 3 business days' notice, the Vendor shall permit DRA auditors full access to Vendor's facilities and books and records to ensure compliance with the terms of this Agreement and all applicable laws, rules, and regulations.
12. **Collection Remittance and Statements:** The Vendor shall remit collected funds with statements to the DRA in a format currently in use by DRA each calendar month. The statements shall include a breakdown of amounts collected, including tax period, tax type, collection fees, tax, interest, penalties and bank or lien fees, to facilitate automatic posting of the remittance (refer to Attachment A, RFB: DRA 2018-01 for Third-Party Debt Collection Services; Exhibit D).
13. **Clearance of Debtor's Payment:** The Vendor agrees that all payments received by negotiable instruments must be deposited and held by the Vendor until the payment has cleared. The Vendor shall not endorse any check as paid in full or provide the debtor a receipt as paid-in-full without verifying the current unpaid balance with the DRA.
14. **Delinquent Accounts:** The Vendor agrees to accrue interest, penalties, fees or other additional charges on delinquent accounts in accordance with statute and as specified by the DRA when accounts are referred or as additional charges accrue.
15. **Compromise or Settle Account:** The Vendor shall not compromise or settle any account without the approval of the DRA. Unauthorized compromise or settlement by the Vendor of any account for less than the entire amount due, accrued interest, penalties, attorney fees, other costs or applicable charges will render the Vendor liable.
16. **Individual Debtor Status Report:** The Vendor will furnish individual account status reports within 3 business days of a request from the DRA. Status reports shall include the debtor name, account number, initial amount of the debt, amount of payments to date, present balance, and status of the account.
17. **Review and Audit of Accounts:** The DRA shall have the right to review or audit particular accounts with the Vendor at any time during regular business hours of the Vendor.
18. **Applicable Laws and Regulations:** The Vendor agrees to become familiar with and abide by all applicable State and/or Federal statutes and /or regulations and the DRA policies and procedures governing accounts and the collections of accounts.
19. **Suspension of an Account:** The Vendor shall agree to suspend action, either temporarily or permanently, on any account upon receipt of notification by the DRA.
20. **Reduced or Canceled Accounts:** In the event an account is reduced or cancelled by the DRA, no collection fee shall be due to the Vendor for the amount of the reduction or cancellation.
21. **Delinquent Accounts:** The Vendor agrees to accrue interest, penalties, and attorney fees or other additional charges on delinquent accounts in accordance with statute and as specified by the DRA when accounts are referred or as additional charges accrue.
22. **Compromise or Settle Account:** The Vendor shall not compromise or settle any account without the approval of the DRA. Unauthorized compromise or settlement by the Vendor of any account for less than the entire amount due, accrued interest, penalties, attorney fees, other costs or applicable charges will render the Vendor liable.
23. **Individual Debtor Status Report:** The Vendor will furnish individual account status reports within 3 business days of a request from the DRA. Status reports shall include the debtor name, account number, initial amount of the debt, amount of payments to date,

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DRA 2018-01 Third Party Debt Collections Service

Initial and date all pages:

Initial    Date 4/29/18

**State of New Hampshire - Department of Revenue Administration  
Contract for Third-party Debt Collection Services**

- present balance, and status of the account.
24. **Review and Audit of Accounts:** The DRA shall have the right to review or audit particular accounts with the Vendor at any time during regular business hours of the Vendor.
  25. **Applicable Laws and Regulations:** The Vendor agrees to become familiar with and abide by all applicable State and/or Federal statutes and /or regulations and the DRA policies and procedures governing accounts and the collections of accounts.
  26. **Suspension of an Account:** The Vendor shall agree to suspend action, either temporarily or permanently, on any account upon receipt of notification by the DRA.
  27. **Reduced or Canceled Accounts:** In the event an account is reduced or canceled by the DRA, no collection fee shall be due to the Vendor for the amount of the reduction or cancellation.

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DRA 2018-01 Third Party Debt Collections Service

Initial and date all pages:

Initial *CP* Date *4/30/18*

**Attachment A - RFB: DRA 2018-01 for Third-Party Debt Collection Services**

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STATE OF NEW HAMPSHIRE BID PROPOSAL TRANSMITTAL LETTER

Date: March 27, 2018

Company Name: L.C. System, Inc.  
Address: 444 Hwy 96 E, Saint Paul, MN 55127

To: Point of Contact: Ora LeMere  
Telephone: (603)-230-5910  
Email: DRA-PMO@DRA.NH.GOV

RE: Department of Revenue Administration Request for Bid Proposal for Third-party Debt Collection Services

BID Posted Date and Time: Wednesday, March 7, 2018 @ 1:30 PM  
BID Submission Deadline Date and Time: Tuesday, March 27, 2018 @ 1:30 PM  
BID Proposal Opening Date and Time: Wednesday, April 04, 2018 @ 10:00 AM (109 Pleasant Street, Concord NH- Training Room)

Dear Ora LeMere:

(Insert name of signor) John Erickson, President and CEO on behalf of L.C. System, Inc. (insert name of entity submitting bid collectively referred to as "Vendor") hereby submits an offer as contained in the written Bid submitted herewith ("Bid") to the State of New Hampshire in response to Bid# DRA 2018-01 Third-party Debt Collection Services Contract(s) at the price(s) quoted herein in complete accordance with the bid.

Vendor attests to the fact that:

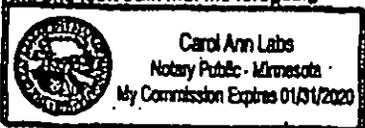
1. The Vendor has reviewed and agreed to be bound by the Bid.
2. The Vendor has not altered any of the language or other provisions contained in the Bid document.
3. The Bid is effective for a period of 180 days from the Bid Opening date as indicated above.
4. The prices Vendor has quoted in the Bid were established without collusion with other vendors.
5. The Vendor has read and fully understands this Proposal.
6. Further, in accordance with RSA 21-A:11-c, the undersigned Vendor certifies that neither the Vendor nor any of its subsidiaries, affiliates or principal officers (principal officers refers to individuals with management responsibility for the entity or association):
  - a. Has, within the past 2 years, been convicted of, or pleaded guilty to, a violation of RSA 356:2, RSA 356:4, or any state or federal law or county or municipal ordinance prohibiting specified bidding practices, or involving antitrust violations, which has not been annulled;
  - b. Has been prohibited, either permanently or temporarily, from participating in any public works project pursuant to RSA 638:20;
  - c. Has previously provided false, deceptive, or fraudulent information on a vendor code number application form, or any other document submitted to the state of New Hampshire, which information was not corrected as of the time of the filing a bid, proposal, or quotation;
  - d. Is currently debarred from performing work on any project of the federal government or the government of any state;
  - e. Has, within the past 2 years, failed to cure a default on any contract with the federal government or the government of any state;
  - f. Is presently subject to any order of the department of labor, the department of employment security, or any other state department, agency, board, or commission, finding that the applicant is not in compliance with the requirements of the laws or rules that the department, agency, board, or commission is charged with implementing;
  - g. Is presently subject to any sanction or penalty finally issued by the department of labor, the department of employment security, or any other state department, agency, board, or commission, which sanction or penalty has not been fully discharged or fulfilled;
  - h. Is currently serving a sentence or is subject to a continuing or unfulfilled penalty for any crime or violation noted in this section;
  - i. Has failed or neglected to advise the division of any conviction, plea of guilty, or finding relative to any crime or violation noted in this section, or of any debarment, within 30 days of such conviction, plea, finding, or debarment; or
  - j. Has been placed on the debarred parties list described in RSA 21-A:11-c within the past year.

Authorized Signor's Signature [Signature] Authorized Signor's Title President and CEO

NOTARY PUBLIC/JUSTICE OF THE PEACE  
COUNTY: Ramsey STATE MN ZIP: 55127

On the 27 day of March, 2018, personally appeared before me, the above named John Erickson in his/her capacity as authorized representative of Vendor/CEO, known to me or satisfactorily proven, and took oath that the foregoing is true and accurate to the best of his/her knowledge, and belief.

In witness thereof, I have set my hand and official seal.  
[Signature]  
(Notary Public/Justice of the Peace)



My commission expires: 1/31/2020 (Date) Form P37-A

**REQUEST FOR BID FOR A CONTRACT(S) TO  
PROVIDE Third-party DEBT COLLECTION SERVICES FOR  
NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION**

**1. PURPOSE**

The purpose of this bid invitation is to establish a contract, under the authority of RSA 21-J:3, XXVII with the New Hampshire Department of Revenue Administration (DRA). DRA is soliciting proposals from qualified entities to work with the DRA Collection Division to perform third-party debt collection services. It is the DRA's intention to award one contract as a result of this RFB; however, the DRA reserves the right to award no contracts, at its sole discretion. Any contract awarded is intended to supplement, not supplant, the overall collection efforts of the DRA.

The DRA has the responsibility of administering sixteen different taxes. Most taxpayers voluntarily comply with New Hampshire State tax law; however, a small percentage of taxpayers do not. The DRA assesses tax liabilities against those who fail to comply. If not resolved, collection of these liabilities becomes the responsibility of the DRA Collection Division.

Currently, the DRA has over \$4,169,668.52 in outstanding debt aged over 7 years and \$6,366,254.13 in outstanding debt aged between 3 and 7 years. These debts are for various tax liabilities, interest, and penalties that are owed to the State of New Hampshire. The details of these debts will be provided as part of the contract award, subject to the confidentiality requirements of RSA 21-J:14; in accordance with the requirements of this Request for Bid Proposal and any resulting contract(s).

**2. SCOPE OF SERVICES**

Vendor shall be responsible for provision of all labor, transportation, and permits as necessary to supply the required level of services as described herein.

In accordance with the terms of this contract, the third-party debt collection services shall, upon request, perform services of collection, skip tracing, asset location, and where necessary, related legal services concerning the collection of any debt as authorized and referred by the DRA. Details will be provided at the referral of a case. The Vendor will be required to acknowledge that the details of the debts and case referrals are confidential. If the DRA discloses any confidential information to the Vendor during the course of the Vendor performing its services hereunder, then Vendor shall take all reasonable precautions to maintain the confidentiality of such confidential information. The Vendor shall be legally bound by RSA-21-J: 14. All Vendor personnel performing services under this contract shall be knowledgeable of RSA21-J: 14. The Vendor shall employ all collection activities necessary to collect accounts referred to the Vendor by the DRA up to and including litigation.

**3. PROJECT REQUIREMENTS**

Bidders must fill out the requirements table listed below. Only vendors who meet the mandatory requirements or meet the requirements with modifications acceptable to the State will be considered for award.

<b>M</b> = Mandatory Requirement	<b>Y</b> = Yes, our Quote complies
<b>O</b> = Optional Requirement	<b>M</b> = Yes, our Quote complies (with some modifications)
	<b>N</b> = our Quote does not comply

	BUSINESS REQUIREMENTS	M/O	M/N	VENDOR COMMENTS
B-1	The Vendor shall be able to collect debts on behalf of the DRA in every state.	M	Y	

B-2	The Vendor shall possess errors and omissions and malpractice insurance and shall indemnify the DRA and hold the DRA harmless for Vendor collection activities, including all legal activities.	M	Y	IC System complies and will provide proof of insurance upon request.
B-3	The Vendor's personnel shall be trained, qualified, and experienced to use acknowledged best practices to service the State's placement, including the use of DRA procedures to yield the most appropriate resolution.	M	Y	
B-4	The Vendor's personnel shall be knowledgeable of RSA 21-J:14, V(f).	M	Y	
B-5	The Vendor shall have sufficient financial capacity, working capital, and other financial, technical, and management resources to perform the contract.	M	Y	
B-6	The Vendor shall meet with DRA personnel on a quarterly basis to exchange updated information, including but not limited to processes, techniques, and/or legislative updates.	M	Y	
B-7	The Vendor shall commit to a maximum 30-day startup after execution of the contract.	M	Y	
B-8	The Vendor shall retain legal services for out of state lien placement and refer qualifying accounts on behalf of DRA.	M	Y	
B-9	The Vendor shall provide a secure portal that is accessible by DRA staff so accounts can be monitored on an ongoing basis.	M	Y	
B-10	The Vendor shall provide a bi-weekly inventory report (via portal or on paper) listing all accounts and indicating those that have been contacted, are under payment agreement or settlement, have been recommended for legal action, or are deemed uncollectible. See Exhibit B - Account Status Report Format.	M	Y	
B-11	Unresolved accounts aged over seven years which do not qualify for legal action must be returned to the DRA within 120 days and include the recommended course of action. See Exhibit C - Collection Checklist.	M	Y	
B-12	Unresolved accounts aged between three and seven years which do not qualify for legal action must be returned to the DRA within 180 days and include the recommended course of action. See Exhibit C - Collection Checklist.	M	Y	
B-13	The Vendor must be able to accept an existing data transfer format and provide a secure FTP site for all data exchange.	M	Y	
B-14	The Vendor shall employ IT staff with the skill and experience to support the data exchange requirements of the contract.	M	Y	

B-15	The Vendor shall be able to maintain all funds in a depository within the State and transfer money electronically to the DRA Treasury. Instructions on how to transfer monies will be provided to winning bidder.	M	Y	
B-16	The Vendor shall be certified for information security by an acceptable accreditation source. Vendor must follow the NIST Special Publication 800-88, Revision 1: Guidelines for Media Sanitization when applicable.	M	Y	
B-17	The Vendor must comply with the Additional Mandatory Provisions in Exhibit A	M	Y	
<b>GENERAL REQUIREMENTS</b>				
G-1	The Contract shall begin upon receipt of notification from the State of New Hampshire regarding G&C approval.	M	Y	
G-2	The Vendor must prove that they have previous experience with other similar state agencies as it pertains to Third Party Debt Collection.	M	Y	IC System complies. Please refer to our references.
<b>SECURITY REQUIREMENTS</b>				
S-1	Contracted employees must execute a Vendor Confidentiality Agreement	M	Y	
S-2	Vendor staff shall not have been convicted of a felony.	M	Y	
S-3	The Vendor must prove that formal background checks are performed on all employees handling DRA accounts.	M	Y	IC System performs background checks on all employees, and will provide proof upon request.

**4. VENDOR REFERENCES**

The Contractor shall provide a list of three references. Reference information should include the following: Client Name, Street Address, City, State, Zip Code, Contact Information, Title, Contact Phone Number and Contact E-Mail Address:

<b>Reference #1</b>	
Company Name: Street Address City, State, Zip Contact Name Phone Number Email Address	Georgia Department of Revenue 1800 Century Blvd NE Suite 9200, Atlanta, GA 30345 404-417-4621 Leo Zamparelli Leo.Zamparelli@dor.ga.gov
<b>Reference #2</b>	
Company Name: Street Address City, State, Zip Contact Name Phone Number Email Address	New York City Department of Finance 39 Maiden Lane, 24th floor, New York, NY 10038 212-271-4220 Shameen Khan shameen.kh@finance.nyc.gov
<b>Reference #3</b>	
Company Name: Street Address City, State, Zip Contact Name Phone Number Email Address	City of Minneapolis, MN 230 South 4th St, Suite 230, Minneapolis, MN 55415 612-673-2368 AJ Saleemahamed aj@aj.saleemahamed@cityofminneapolis.us

**5. TERM OF CONTRACT**

The term of the contract shall be for a period of two years. Upon selection of a successful bidder (hereinafter called the "Vendor"), the term of the contract shall commence upon the date of Governor and Executive Council approval of the contract and shall terminate two years from the date of approval unless terminated earlier. The DRA shall have the right to terminate the contract at any time by giving the Vendor a thirty (30) day written notice. The contract may be extended for subsequent one-year periods under the same or newly negotiated terms, conditions, and pricing structure upon the mutual agreement between the Vendor and with the approval of the Commissioner of the Department of Revenue Administration or designee, and not to exceed a total of five (5) years.

**6. BID PROPOSAL FORM AND SUBMISSION**

Read the entire Request for Bid document prior to filling it out. Complete the pricing information in the "Bid Offer Sheet" attachment below. This attachment contains detailed information on how to fill out the pricing information found on the Bid Offer Sheet. You must also complete the "Vendor Contact Information" section; and finally, fill out, sign, and notarize page 1 of the bid invitation. All bids must be submitted on this form or an exact copy, must be typed or clearly printed in ink and must be received on or before the date and time specified as the "Bid closing date" below.

Submission of Bid Proposal may be made via mail or fax (603-230-5946) and addressed to:

State of New Hampshire Department of Revenue Administration  
 c/o Ora LeMere RFB DRA 2018-01- Closing Date: 3/27/18 @ 1:30 PM  
 Bid# RFB DRA 2018-01 to Provide Third Party Debt Collection Services

Submissions received after the date and time specified will be marked as "Late" and will not be considered in the evaluation process.

Vendor Must complete and sign the attached Bid Offer Sheet.

**7. PROPOSED TIMETABLE**

Request for Bid Proposals Posted - Issued	Wednesday, March 07, 2018
Last day for Questions, Clarifications, and/or requested changes to bid	Tuesday, March 13, 2018
Responses to questions sent to all	Wednesday, March 21, 2018
Bid Submission Closing Date by 1:30PM	Tuesday, March 27, 2018
Bid Opening at 10:00 AM - Location (109 Pleasant Street, Concord NH- Training Room)	Wednesday, April 04, 2018
Contract Negotiation Process Concludes	Tuesday, April 24, 2018
Governor & Council Approval Process	TBD

**8. AWARD OF CONTRACT**

If a contract is awarded, the award will be made to the Vendor(s) whose bid meets all of the Project Requirements in Section 3 of this RFB and who offers the lowest Offer Price.

The State reserves the right to reject or accept all or any part of any bid, to determine what constitutes a conforming bid and to waive irregularities that it considers immaterial to the bid.

8.1 The Vendor must agree to the terms and conditions of the attached State of New Hampshire Form P-37 and complete the following sections and requirements:

- Section 1.3 Contractor(s) Name
- Section 1.4 Contractor(s) Address
- Section 1.11 Contractor(s) Signature
- Section 1.12 Name & Title of Contractor(s) Signor
- Section 1.13 Acknowledgement

Section 1.13.1 Signature of Notary Public or Justice of the Peace  
Section 1.13.2 Name & Title of Notary or Justice of the Peace

\*Provide certificate of insurance with proof of Comprehensive General Liability prior to performing any services for the State. The coverage shall have appropriate riders against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000.00 per claim and \$2,000,000.00 per incident or \$1,000,000.00 per occurrence and \$1,000,000.00 umbrella. Coverage shall also include automobile liability and workers' compensation. The State shall be listed as an additional insured on the applicable Certificate of Insurance.

\*Provide a certificate of good standing from the NH Secretary of State.

**9. VENDOR RESPONSIBILITY**

The successful bidder shall be solely responsible for meeting all terms and conditions specified in the Request for Bid Proposal and any resulting contract(s).

**10. CONFORMANCE WITH STATUTES**

Any contract awarded as a result of this RFB must be in full conformance with statutory requirements of the State of New Hampshire.

**11. AMENDING OR CANCELLING**

11.1 The State reserves the right to amend or cancel this RFB, prior to the due date if it is in the best interest of the State.

11.2 The resulting Contract may be modified only by written amendment, which has been executed and approved by the appropriate parties from the State and the Vendor.

**12. REJECTION FOR MISREPRESENTATION**

The State reserves the right to reject the Bid Proposal of any vendor for misrepresentation.

**13. LIABILITY**

The State shall not be held liable for any costs incurred by the Vendor in the preparation of their Bid or for work performed prior to any contract approval and issuance.

**14. PUBLIC DISCLOSURE OF SUBMISSIONS**

Pursuant to RSA 21-G:37, all responses to this RFB shall be considered confidential until the award of a contract. The Agency will hold a public opening of bids and the name and bid price will be publicly available at that time.

The content of each shall become public information upon the award of any resulting Contract. Any information submitted as part of a response to this request for proposal (RFB) may be subject to public disclosure under RSA 91-A. In addition, in accordance with RSA 9-F:1, any contract entered into as a result of this RFP will be made accessible to the public online via the website Transparent NH (<http://www.nh.gov/transparentnh/>). However, business financial information and proprietary information such as trade secrets, business and financial models and forecasts, and proprietary formulas may be exempt from public disclosure under RSA 91-A:5, IV. If you believe any information being submitted in response to this request for bid or information should be kept confidential as financial or proprietary information; you must specifically identify that information in a letter to the agency, and must mark/stamp each page of the materials that you claim must be exempt from disclosure as "CONFIDENTIAL". A designation by the Proposer of information it believes exempt does not have the effect of making such information exempt. The Agency will determine the information it believes is properly exempted from disclosure. Marking of the entire bid or entire sections of the bid (e.g. pricing) as confidential will neither be accepted nor honored. Notwithstanding any provision of this RFB to the contrary, Vendor pricing will be subject to disclosure upon approval of the contract. The Agency will endeavor to maintain the confidentiality of portions of the Proposal that are clearly and properly marked confidential. If a request is made to the Agency to view portions of a Bid that the Vendor has properly and clearly marked confidential, the Agency will notify the Proposer of the request and of the date the Agency plans to release the records. By submitting a bid, Vendor agrees that unless the Vendor obtains a court order, at

its sole expense, enjoining the release of the requested information, the Agency may release the requested information on the date specified in the Agency's notice without any liability to the Vendor.

**15. TERMINATION**

The State of New Hampshire shall have the right to terminate the contract at any time by giving the successful Vendor a thirty (30) day written notice.

**16. VENDOR CERTIFICATIONS**

Prior to award of a contract, All Vendors SHALL be duty registered as a Vendor authorized to conduct business in the State of New Hampshire. Vendors shall comply with the certifications below at the time of submission and through the term of any contract which results from said bid. Failure to comply shall be grounds for disqualification of bid and/or the termination of any resultant contract:

- **STATE OF NEW HAMPSHIRE VENDOR APPLICATION:** Vendor SHALL have a completed Vendor Application and Alternate W-9 Form which SHALL be on file with the NH Bureau of Purchase and Property. See the following website for information on obtaining and filing the required forms (no fee): <http://admin.state.nh.us/purchasing/Contractor.asp>
- **NEW HAMPSHIRE SECRETARY OF STATE REGISTRATION:** A bid award, in the form of a contract(s), will ONLY be awarded to a Vendor who is registered to do business AND in good standing with the State of New Hampshire. Please visit the following website to find out more about the requirements for registration with the NH Secretary of State: <http://www.sos.nh.gov/corporate>.
- **CONFIDENTIALITY & CRIMINAL RECORD:** If Applicable, by the using agency, the Vendor will have signed by each of employees or its approved sub-contractor(s), if any, working in the office or externally with the State of New Hampshire records: a Confidentiality form and Criminal Record Authorization Form. These forms shall be returned to the individual using agency prior to the start of any work.

**17. BID PROPOSAL INQUIRIES**

All questions regarding this Request for Bid Proposal, including clarifications and proposed specification changes shall be submitted to Ora LeMere, Director of Collections, at [DRA-PMO@DRA.NH.GOV](mailto:DRA-PMO@DRA.NH.GOV) 603-230-5910.

Vendor shall include complete contact information including the Vendor's name, telephone number, fax number, and e-mail address.

(Remainder of page intentionally left blank)

Attachments:  
**BID OFFER SHEET**

**Instructions:** Bidders are directed to submit a Bid Price as defined in the Pricing/ Offer Section. Bidders must further complete the Vendor Information Section.

In order to be considered for award, this bid must be signed and notarized on the front cover sheet in the space provided.

**The lowest bid will be determined based on the lowest percentage fees charged as listed on the Bid Offer Sheet below.**

**PRICING/OFFER**

Special charges, surcharges, or processing charges of any kind by whatever name may not be added on at any time. Any and all charges must be built into your bid price at the time of the bid.

- The DRA will not be responsible for fees for checks returned for non-sufficient funds.
- Fees shall be proposed as percentages of gross amounts actually collected by the Vendor.
- As full or partial collection amounts are recovered by the Vendor, said amounts shall be remitted to the DRA, minus the agreed-upon commission fee, by the fifteenth day of the month for the previous month's activity.
- Bid Amount by Fee Percentages
  - o Fee Charged - Debt Aged Over 7 Years w/Legal Action: % 25.0
  - o Fee Charged - Debt Aged Over 7 Years w/o Legal Action: % 6.95
  - o Fee Charged - Debt Aged Between 3 and 7 Years w/Legal Action: % 25.0
  - o Fee Charged - Debt Aged Between 3 and 7 Years w/o Legal Action: % 6.95
  - o **Average Total Fees Charged Over All Outstanding Debt:** **25.0**

**VENDOR INFORMATION**

The following information is for this office to be able to contact a person knowledgeable of your bid response, and who can answer questions regarding it:

<u>Karen Jonas, VP of National Accounts</u>	<u>(651) 270-8393</u>
<u>Contact Person</u>	<u>Telephone Number</u>
<u>(651) 204-1212</u>	<u>kjonas@lcsystem.com</u>
<u>Fax Number</u>	<u>E-mail Address</u>
<u>I.C. System, Inc.</u>	<u>07-135-1985</u>
<u>Vendor Company Name</u>	<u>DUNS #</u>

444 Hwy 96 E, Saint Paul, MN 55127  
Vendor Address

Note: To be considered, bid must be signed on the front cover sheet in the space provided.

**EXHIBIT "A"**  
**ADDITIONAL MANDATORY PROVISIONS**

**Authority:** The work to be performed shall be carried out in cooperation and under the direction of the DRA. The business roles of the DRA and the Vendor shall be that of client and attorney, respectively.

**Referral of an Account:** The Vendor agrees that all case referrals by the DRA to the Vendor shall remain the Vendor's responsibility unless specifically removed from the case in writing by the DRA or until the Vendor determines that they are unable to be resolved. 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.

**Acknowledge Receipt of an Account:** The Vendor agrees to acknowledge each account placed by the DRA within 30 days.

**Documentation:** The Vendor shall furnish the DRA with copies of any judgment(s), copies of any statement(s) of costs filed, any transcript(s) of judgment debtor examinations or post-judgment interrogatories or deposition transcript(s) and other legal pleadings. Other material, reports and correspondence prepared under this agreement shall be available upon the DRA's request or as agreed to.

**Scope of Collection Activity:** The Vendor shall perform all aspects of collection, including without limitation asset investigation, skip tracing, debtor negotiation, and legal action (lien placement) as needed to successfully resolve each account that has been referred. The Vendor 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.

**Status Reports:** The Vendor shall provide the DRA with bi-weekly reports reflecting the status of all accounts referred to the Vendor; in addition, the Vendor shall notify the DRA of any significant event pertaining to an account within 48 hours of the event's occurrence.

**Procedures and Controls for Confidentiality:** The Vendor shall be legally bound by RSA-21-J:14 and shall establish and maintain procedures and controls acceptable to the DRA to ensure full compliance with the confidentiality requirements of RSA 21-J:14.

**Conflicts of Interest:** At the time the DRA refers an account to the Vendor, the Vendor shall advise the DRA of any perceived conflict and whether the conflict is remote or disqualifying. The Vendor may decline to accept the referral of any account that the Vendor believes to be a disqualifying conflict of interest.

**Confidential Communications:** Communications between the Vendor and the DRA 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 DRA.

**Debtor Communications:** The Vendor shall respond to all requests and inquiries from taxpayer-debtors in a courteous and professional manner within five (5) business days. The Vendor shall ensure that the debtor understands that collection is on behalf of the State of NH DRA.

**Separate Records:** The Vendor shall maintain books and records sufficient to track and audit its collection activities on behalf of the DRA. Upon at least 3 business days' notice, the Vendor shall permit DRA auditors full access to Vendor's facilities and books and records to ensure compliance with the terms of this Agreement and all applicable laws, rules, and regulations.

**Collection Remittance and Statements:** The Vendor shall remit collected funds with statements to the DRA in a format currently in use by DRA each calendar month. The statements shall include a breakdown of amounts collected, including tax period, tax type, collection fees, tax, interest, penalties and bank or lien fees, to facilitate automatic posting of the remittance (refer to Exhibit D).

**Clearance of Debtor's Payment:** The Vendor agrees that all payments received by negotiable instruments must be deposited and held by the Vendor until the payment has cleared. The Vendor shall not endorse any check as paid in full or provide the debtor a receipt as paid-in-full without verifying the current unpaid balance with the DRA.

**Delinquent Accounts:** The Vendor agrees to accrue interest, penalties and attorney fees or other additional charges on delinquent accounts in accordance with statute and as specified by the DRA when accounts are referred or as additional charges accrue.

**Compromise or Settle Account:** The Vendor shall not compromise or settle any account without the approval of the DRA. Unauthorized compromise or settlement by the Vendor of any account for less than the entire amount due, accrued interest, penalties, attorney fees, other costs or applicable charges will render the Vendor liable.

**Individual Debtor Status Report:** The Vendor will furnish individual account status reports within 3 business days of a request from the DRA. Status reports shall include the debtor name, account number, initial amount of the debt, amount of payments to date, present balance, and status of the account.

**Review and Audit of Accounts:** The DRA shall have the right to review or audit particular accounts with the Vendor at any time during regular business hours of the Vendor.

**Applicable Laws and Regulations:** The Vendor agrees to become familiar with and abide by all applicable State and/or Federal statutes and /or regulations and the DRA policies and procedures governing accounts and the collections of accounts.

**Suspension of an Account:** The Vendor shall agree to suspend action, either temporarily or permanently, on any account upon receipt of notification by the DRA.

**Reduced or Canceled Accounts:** In the event an account is reduced or canceled by the DRA, no collection fee shall be due to the Vendor for the amount of the reduction or cancellation.

**Governor and Executive Council Approval:** Vendor contracts shall be approved by the Governor and Executive Council.

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**EXHIBIT "C"**  
**COLLECTION CHECKLIST**

**Collection Activity Summary and Recommendation**

Taxpayer: \_\_\_\_\_ Tax Type: \_\_\_\_\_

FEIN: \_\_\_\_\_ Date: \_\_\_\_\_

**Recommendation:**

- Lien needed
- Uncollectible
- Unable to locate
- Future recovery expected

**Assets**

Lien placed:  No  
 Yes (complete section below)

NH Deeds County(ies) \_\_\_\_\_

Property Located at: Book \_\_\_\_\_ Page \_\_\_\_\_ County \_\_\_\_\_ Date \_\_\_\_\_

Bank lien placed?  No  
 Yes Bank name(s): \_\_\_\_\_

Transferee Liability  Yes  
 No Reason: \_\_\_\_\_

**Business Operations**

Sold/liquidated?  No  Yes Sale Date: \_\_\_\_\_

Purchaser: \_\_\_\_\_

Final return filed?  Yes  No Proceeds received by DRA \_\_\_\_\_

**Skip Tracing**

- Internet/social media
- Search Engine
- Online Directory
- Accurant
- Employment Security
- UCC filings

Last known address: \_\_\_\_\_

Last known phone number: \_\_\_\_\_

Recommended by: \_\_\_\_\_

