



STATE OF OHIO
OFFICE OF THE ATTORNEY GENERAL
COLLECTIONS ENFORCEMENT

Collections Enforcement Section

150 E. Gay St., 21st Fl.
Columbus, OH 43215
Telephone: (614) 466-8360
www.ag.state.oh.us

Dear Contractor:

The attached Request for Proposal (RFP) is being issued by the Office of the Attorney General (AGO), Revenue Recovery Services Section to select Contractors to collect aged and otherwise uncollectible state debts.

All Contractors wishing to respond to this request must submit ten (10) copies of their response no later than 4:00 p.m. local time on November 16, 2007 to:

Office of the Ohio Attorney General
Revenue Recovery Services Section
150 East Gay Street, 21st Floor
Columbus, Ohio 43215
Attn: RFP Committee
William R. Miller, Director of Operations

Please clearly mark the submitted responses "Response to Request for Proposal for Distressed Receivable Collection Services" on the outside of the package.

Thank you for your participation.

Sincerely,

Rae Ann Estep, Chief
Revenue Recovery Services Section

TABLE OF CONTENTS

SECTION 1.0	RFP OVERVIEW	5
1.1	Purpose	5
1.2	Objectives.....	5
1.3	Calendar of Events	6
SECTION 2.0	RESPONSE SUBMISSIONS AND INQUIRIES	6
2.1	Communications Restrictions	6
2.2	Mandatory Pre-Proposal Conference.....	6
2.3	Response Submittal	7
2.4	Public Record & Trade Secrets Information.....	8
SECTION 3.0	CONTRACTUAL REQUIREMENTS	8
3.1	General.....	8
3.2	Contract	8
3.3	Headings.....	9
3.4	Authority/Time of Performance	9
3.5	Placements.....	9
3.6	Termination of Contract	9
3.7	No Additional Waiver Implied.....	10
3.8	Contractor's Costs to Develop Response or to Fulfill Contractual Responsibilities	11
3.9	Assignment	11
3.10	Ohio Elections Law	11
3.11	Drug-Free Workplace.....	11
3.12	Fidelity Bond	11
3.13	Accounting Records.....	12
3.14	Permits, Licenses, Taxes, and State Registration	12
3.15	Ohio Ethics Law.....	13
3.16	Compliance with Law	13
3.17	Prime Contractor Responsibilities	14
3.18	Use of Subcontractors	14
3.19	Contract Payment Schedules	14
3.20	Companion New Account Assignments.....	15
3.21	Publicity	15
3.22	Responsibility for Claims/Agreement to Hold Harmless.....	15

3.23	Equal Employment Opportunity	15
3.24	Governing Law/Severability	16
3.25	Restricted Use of Information	16
3.26	Confidentiality	16
3.27	State Records/Right to Recall.....	16
3.28	Travel Expenses/Support Services	17
3.29	All Materials Property of the AGO/Copyrighted Materials	17
3.30	Ohio Public Records Laws	17
3.31	Conflicts of Interest	17
3.32	Unfair Labor Practice	18
3.33	Unresolved Finding of Recovery.....	18
3.34	Job Vacancies	18
3.35	Entire Agreement.....	18
SECTION 4.0 RESPONSE FORMAT		19
4.1	Proposal Requirements	19
4.2	Cover Letter	19
4.3	Response Overview.....	19
4.4	Proof of Insurance, Fidelity Bond & Certification.....	20
4.5	Contractor Profile	20
4.6	Scope of Work Plan	20
SECTION 5.0 CONTRACTOR PROFILE		20
5.1	Organization Description.....	20
5.2	Certification of Existence and Experience.....	20
5.3	Financial Documentation	21
5.4	Collection Attempts	21
5.5	Security	21
5.6	Internal Audits.....	21
5.7	Continuing Business Plan	22
5.8	Complaint Policy and Procedures	22
5.9	Company History	22
5.10	Insurance Policies.....	22
5.11	Hiring, Training, & Incentive Programs	22
5.12	Equal Opportunity Profile	22
5.13	Ohio Location.....	22
SECTION 6.0 SCOPE OF WORK.....		23
6.1	General Requirements.....	23
6.2	Ability to Perform Collection Services/Technical Work Plan	23
6.3	Client Service.....	24
6.4	Payment Conditions/Correspondence	25
6.5	Project Control and Reports.....	25

6.6	Customer Service	25
6.7	Cost Bid Proposal	26
SECTION 7.0	DEBT DESCRIPTION	27
7.1	Type of Debt	27
7.2	Background & Sample Description	27
SECTION 8.0	EVALUATION CRITERIA	28
8.1	Evaluation Process	28
EXHIBIT 1	COST BID PROPOSAL WORKSHEET	30
EXHIBIT 2	CONTRACT ACKNOWLEDGMENT FORM.....	31

REQUEST FOR PROPOSAL
BY MARC DANN
OHIO ATTORNEY GENERAL
REVENUE RECOVERY SERVICES SECTION FOR
DISTRESSED RECEIVABLE COLLECTION SERVICES
August 10, 2007

SECTION 1.0 RFP OVERVIEW

1.1 Purpose

This Request for Proposal (RFP) is issued by Marc Dann, Ohio Attorney General, Revenue Recovery Services Section (AGO) to solicit responses from collection agencies with the ability to collect aged debts owed to the State of Ohio in all eighty-eight (88) Ohio counties and throughout the United States.

The intent of the AGO in issuing this RFP is to enhance collection of aged state debts by utilizing the skills, creativity, experience, and knowledge of professional collection agencies that specialize in the recovery of distressed receivables.

1.2 Objectives

The AGO is seeking collection services, which are designed to meet the unique needs relating to its collection workload. We are seeking Contractors with significant distressed receivable collection experience. Our goal is to have the accounts comprising the Attorney General's Archive database worked one last time in order to maximize collection of these debts without harassment or verbal abuse, or compromising the rights of debtors.

The AGO expects Distressed Receivable Collection Contractors to provide services to the public in a manner that will preserve or enhance goodwill between the public and the State of Ohio. The AGO has zero tolerance for collection actions or activities that demonstrate anything less than complete respect for the rights and reasonable expectations of the public. For convenience, the AGO requires that a Contractor's facilities for collecting debt subject to this contract be located in the State of Ohio.

Contractor's experience in the area of distressed receivable recovery and its price will be paramount. The responses to this RFP shall be analyzed in terms of the extent to which the AGO is satisfied that a Contractor's response meets these needs. Each Contractor must provide information that will satisfy all the requirements of this RFP.

1.3 Calendar of Events

Issue RFP	August 10, 2007	
Deadline for written conference questions	September 10, 2007	
Response to written conference questions	September 28 2007	
Mandatory pre-proposal RFP conference	October 17, 2007	
Responses	November 16, 2007	4 p.m.
Award to the Selected Bidder(s)	December 3, 2007	

SECTION 2.0 RESPONSE SUBMISSIONS AND INQUIRIES

Read all conditions as set forth in this RFP for a full understanding of the requirements.

2.1 Communications Restrictions

From the release of this RFP until Contractors are selected and an agreement executed, Contractors shall not communicate with any AGO staff concerning this RFP except by the methods described herein. The AGO reserves the right to reject the response of a Contractor who attempts unauthorized communications with any member of the AGO staff.

The AGO reserves the right to clarify or modify the RFP through the issuance of written Addenda. Such Addenda may set forth changes, including, but not limited to, modification, addition to, or deletion of, several of the requirements and specifications set forth in the RFP. Copies of such addenda shall be provided to all parties who have responded to the RFP.

2.2 Mandatory Pre-Proposal Conference

A mandatory RFP conference shall be held on October 17, 2007 on the 16th floor, Conference Room A of 150 East Gay Street, Columbus, Ohio. The conference shall begin promptly at 10:00 a.m. and is expected to end at approximately 12:00 p.m.

The RFP conference is for informational purposes and will be the last opportunity for Contractors to seek information from the AGO concerning this RFP.

At the conference, representatives of the AGO will respond to questions by Contractors regarding the requirements, terms and conditions set forth in the RFP. In order to assist the RFP Committee in responding to questions in the limited time available during the conference, questions may be forwarded in advance to William Miller, Director of Operations, at the address indicated in Section 2.3, or via E-mail to colenfrfp@ag.state.oh.us no later than September 10, 2007. The conference is limited to two representatives from each interested

Contractor. Attendance at the conference is mandatory. Responses submitted by Contractors who fail to attend the conference will not be considered.

The AGO reserves the right to clarify or modify any oral answers given in response to questions by Contractors at the conference. Any clarifications or modifications shall be transcribed by the AGO and provided to all conference attendants. All questions submitted prior to the conference will receive a written response from the AGO and shall be provided to all conference attendants. The AGO also reserves the right to issue written addenda, if needed, as a result of the RFP Conference. Such addenda may set forth changes to, including modification, addition to or deletion of, several of the requirements and specifications as set forth in the RFP. Copies of such addenda will be provided to all conference attendants.

The AGO will not respond to telephone inquiries or visitation by interested Contractors or their representatives.

2.3 Response Submittal

Ten (10) complete and signed copies of the response must be received from the Contractor no later than 4:00 p.m. local time on November 16, 2007. Responses shall be clearly marked "Response to Request for Proposal" on the outside of the package and delivered to:

Marc Dann
Ohio Attorney General
Collections Enforcement Section
150 East Gay Street, 21st Floor
Columbus, Ohio 43215
Attn: RFP Committee
William R. Miller, Director of Operations

Responses must be signed in blue ink by an official of the Contractor's organization who is authorized to bind the Contractor to the provisions of the response. All responses must address all requirements of this RFP. The Contractor's name must appear on the cover and on each page of the response. The response must follow the same subject format as the RFP, make specific reference to the RFP sections and subsections, and be tabbed according to sections.

It is essential that vendors carefully review all elements in their proposals. Once opened, proposals cannot be altered.

Responses received after 4:00 p.m. local time on November 16, 2007 will not be considered. Requests for extensions of the closing date and time will not be granted.

Ohio Revised Code (O.R.C.) Section 9.24, prohibits the State from awarding a contract to any offeror(s) against whom the Auditor of State has issued a finding for recovery if the finding for recovery is “unresolved” at the time of award. By submitting a proposal, Contractor warrants that it is not now, and will not become subject to an “unresolved” finding for recovery under O.R.C. 9.24, prior to the award of any contract arising out of this RFP, without notifying the AGO of such finding.

2.4 Public Record and Trade Secrets Information

All proposals submitted shall become the property of the Collections Enforcement Section of the Attorney General’s Office to use, dispose of, or, at its option, return. All information submitted will be considered public information not exempt from disclosure unless identified as a trade secret, as defined by 18 U.S.C. §1839. . Any assertion of trade secrets information must be clearly identified and the basis for the assertion must be included. The AGO will make the determination as to whether the vendor has adequately demonstrated the information was a trade secret.

SECTION 3.0 CONTRACTUAL REQUIREMENTS

3.1 General

By submitting a response, the Contractor acknowledges that it has read the RFP, understands it, and agrees to be bound by its requirements, terms, and conditions, and further agrees that the contract, as defined herein, is the complete and exclusive statement of the agreement between the parties and supersedes all prior responses, oral or written contracts, and all other communications between the parties relating to the subject matter of the contract. The contract, unless otherwise provided herein, may only be modified in a writing signed by the parties. The AGO reserves the right to disqualify any response that takes exception to or limits the rights of the AGO under the contract or fails to comply in any respect with this RFP.

3.2 Contract

The contract consists of this RFP as modified by any written addenda issued by the AGO and the acceptable Contractor response (but not including any language that conflicts with the language of the RFP or limits the rights of the AGO). (Collectively, the RFP, the written addenda and the Contractor response

are referred to hereinafter as the "Contract"). The order of precedence for resolving conflicts shall be in the following order: (1) RFP and (2) its addenda.

3.3 Headings

The headings used in this RFP are for convenience only and shall not affect the interpretation of any of the terms and conditions of the Contract.

3.4 Authority/Time of Performance

The AGO may award and sign contracts with one or more qualified contractor. Any Contract awarded hereunder shall be binding on both parties upon receipt by the Contractor of the fully executed Acknowledgment of Contract Award and will continue until June 30, 2009. After the expiration of the term of the Contract, the parties may, in writing, agree to additional one-year terms. The AGO may terminate the Contract as specified in Section 3.6 of the RFP.

3.5 Placements

The AGO shall have sole discretion in the volume and type of accounts assigned to qualified Contractors. The AGO reserves the right to base its decisions regarding account assignment on various criteria, including the Contractor's debt recovery rate, experience, availability of personnel, and other factors the AGO deems pertinent.

3.6 Termination of Contract

The AGO may terminate the Contract for any reason including, but not limited to (1) default by the Contractor, or (2) the lack of need for the services as specified under the Contract, or (3) if the AGO deems it to be in the best interest of the State. Default is defined as the failure by the Contractor to specifically perform in accordance with the specifications, terms, and conditions of the Contract.

If the AGO determines that the Contractor is in default under the Contract, the AGO will notify the Contractor. The Contractor shall have fifteen (15) days to cure the default after receipt of such notice. If the Contractor does not cure the default within fifteen (15) days, the AGO may terminate the Contract and seek replacement collection services. The Contractor shall be responsible for any costs incurred by the AGO to engage replacement services. The Contractor agrees that any failure of the AGO to give prompt notice of a default does not constitute a waiver of any of the AGO's rights or remedies concerning any such default by the Contractor. Waiver by the AGO shall not be effective unless authorized in writing by the AGO.

If the Contractor determines that the AGO has materially breached the Contract, the Contractor shall give written notice to the AGO and the AGO shall cure or

contest the material default. If the material default is not cured within thirty days of receipt of the written notification, the Contractor may terminate the Contract.

The rights and remedies of the AGO set forth in this section shall be in addition to and not exclusive of any rights or remedies arising under the Contract or by operation of law. Furthermore, no delay or omission to exercise any right or option accruing to the AGO upon default by the Contractor shall impair any such right or option or be construed to be a waiver thereof, but any such right or option may be exercised from time to time and as often as may be deemed expedient by the AGO.

In the event that the AGO no longer needs the service or commodity specified in the Contract for reasons including, but not limited to, program changes, changes in laws, rules or regulations, or lack of funding, the AGO may terminate the Contract by serving the Contractor with written notice thirty (30) days prior to the date of termination.

In the event of default, all Contractor rights, including the right to receive compensation on all payment plan arrangements shall terminate on the date of termination. Upon termination by the AGO for any other reason, the Contractor will receive credit for payments made to established, non-defaulted payment plan accounts, as identified on the AGO's computer collection system, for a period not to exceed six (6) months.

The Contractor may terminate the Contract, for any reason, after serving the AGO's RFP Coordinator with written notice ninety days prior to the date of termination.

Upon termination of the Contract, for any reason, the Contractor shall immediately cease contact with all debtors, and cease the use of any records provided to Contractor by the AGO except for the continued receipt of payments as provided above. Said records shall be promptly returned to the AGO. The Contractor shall furthermore delete and remove any AGO software program or information from its computer systems and shall destroy or return to the AGO all back-up tapes, diskettes, CDs, or hard copies of such data.

3.7 No Additional Waiver Implied

If the AGO or the Contractor fails to perform any obligation or responsibility under the Contract and thereafter such failure(s) is (are) waived, such waiver shall be limited to the particular failure(s) waived and shall not be deemed to waive any other failure(s) hereunder. Waiver by the AGO shall not be effective unless in writing.

3.8 Contractor's Costs to Develop Response or to Fulfill Contractual Responsibilities

The AGO is not liable for any costs incurred by the Contractor(s) prior to or during the Contract, unless specified herein. All cost associated with the development of a response and in responding to this RFP is solely that of the Contractor and is not chargeable to the AGO under any resulting contract or in any other manner.

3.9 Assignment

Neither the Contract nor any rights, duties, or obligations described herein shall be assignable by the Contractor without the prior written approval of the AGO. The Contractor shall not delegate any duties or obligations to another party without prior written approval by the AGO.

3.10 Ohio Elections Law

Pursuant to Ohio Revised Code Sections 3517.13(I) and (J), a non-competitive bid contract for goods and/or services costing more than \$500.00 may not be awarded to any Contractor when the parties listed therein have made campaign contributions exceeding the amounts specified therein, within the time periods specified therein, to the campaign committee of the public official having the ultimate responsibility for the award of the Contract.

By submitting a response to the RFP, the Contractor affirms compliance with Ohio Revised Code Section 3517.13 and certifies that all applicable parties listed in Division (I)(3) or (J)(3) of Ohio Revised Code Section 3517.13 are in full compliance with Divisions (I)(1) and (J)(1) of Ohio Revised Code Section 3517.13..

3.11 Drug-Free Workplace

Contractor agrees to comply with all applicable state and federal laws regarding drug-free workplace. Contractor shall make a good faith effort to ensure that all Contractor employees will not purchase, use or possess illegal drugs or alcohol or abuse prescription drugs while engaged in any activity relating to this Contract.

3.12 Fidelity Bond

The Contractor shall maintain a fidelity bond in the amount of \$500,000.00 throughout the course of the Contract and while the Contractor is responsible for any accounts forwarded to it by the AGO. Such bond shall serve to protect the AGO against any loss through failure of the Contractor, its Subcontractors, agents, or employees to perform in accordance with the terms and conditions of the Contract, for any acts of theft, malfeasance, misfeasance, gross negligence and similar misconduct committed by a Contractor, its employees or agents, and/or to reimburse the AGO for services performed in the event of default by the

Contractor. If the Contractor forwards any collection accounts to any other party for support services, such party must be covered by the original Contractor's bond. All bonds must be executed by a company authorized to do business in the State of Ohio. A copy of the bond must be furnished with receipts or other satisfactory evidence establishing the payment of premiums at the time of execution of the Agreement.

3.13 Accounting Records

The Contractor and its Subcontractors shall keep all financial records and other documents related to the Contract in a manner consistent with generally accepted accounting procedures. All records and related documents shall be filed in a manner so that they are easily accessed and located. The Contractor and its Subcontractors agree to provide the AGO or its authorized agent with full access to examine documents, papers, and records involving the services to be performed under this Contract.

The AGO reserves the right to audit the financial and business records that are associated with the AGO accounts and related cash receipts of the Contractor and its Subcontractors to assure that proper reporting and remittance are submitted to the AGO. This audit may be performed by the AGO's internal audit staff, independent accountants as retained by the AGO, or the Auditor of State. The expense of such audit shall be at the cost of the AGO unless the audit establishes grounds for termination of the Contract. In such case, the costs of the audit shall be payable by Contractor.

The Contractor and its Subcontractors shall make its books and records available for inspection and audit during the period covered by the Contract and until the expiration of two (2) years after final payment under the Contract. The Contractor will be responsible for costs incurred for storing and providing these records. The Contractor acknowledges, in accordance with Ohio Revised Code Sections 149.43 and 149.431, that certain of these financial records may be deemed public records.

3.14 Permits, Licenses, Taxes, and State Registration

The Contractor shall obtain all necessary permits and licenses and abide by all applicable laws, regulations, and ordinances of the State of Ohio, its political subdivisions, and any other states or governmental subdivisions in which work under this Contract is performed. The Contractor must furnish appropriate certification of existence or certification of authority to conduct business in the State of Ohio (i.e. a certificate of Good Standing) as a condition of contract award. The certification of existence or certification of authority shall be obtained from the Secretary of State. If the Contractor becomes disqualified from doing business in Ohio, it must immediately notify the AGO and cease performance hereunder until the disqualification is removed. The Contractor must advise the AGO of all address changes.

3.15 Ohio Ethics Law

By submission of a response, the Contractor certifies that no member, agent, or employee of the AGO's office has or will benefit financially or in any manner inconsistent with Ohio's Ethics laws, Revised Code Chapter 102, from any resulting contract. Any contract arising from this RFP may be terminated by the AGO if it is determined that any gratuities of any kind were either offered to or received by any of the AGO's officials, employees or families from the Contractor, his agent, or employees.

Contractor further agrees to refrain from promising or giving to any AGO employee anything of value that is of such a character as to manifest a substantial and improper influence upon the employee with respect to his or her duties.

3.16 Compliance with Law

The Contractor agrees to comply with all applicable federal, state, and local laws in the conduct of the work hereunder. The Contractor accepts full responsibility for payment of all unemployment compensation insurance premiums, workers' compensation premiums, all income tax deductions, social security deductions, and any and all taxes or payroll deductions required for all employees engaged by the Contractor in the performance of the work authorized by the Contract. The Contractor must furnish evidence of workers' compensation insurance coverage. In addition, the Contractor must agree to comply with the same standards of behavior as set forth in both the Fair Debt Collection Practices Act (Public Law 99-361) 15 USC 1601 et seq. effective 1977, as amended and the Association Code of Ethics and Professional Responsibility, as adopted by the American Collectors Association (see Exhibit 3).

Contractor agrees that no agency, employment, joint venture or partnership has been or will be created between the parties hereto pursuant to the terms and conditions of this agreement. Contractor assumes all responsibility for any federal, state, municipal or other tax liabilities, and insurance premiums that may accrue as a result of compensation received for services or deliverables rendered hereunder.

By submission of a response, Contractor represents and warrants to the AGO that it has not provided any material assistance, as that term is defined in O.R.C. Section 2909.33(C), to any organization identified by and included on the United States Department of State Terrorist Exclusion List and that it has truthfully answered "no" to every question on the "Declaration Regarding Material Assistance/Non-assistance to a Terrorist Organization." Contractor further represents and warrants that it has provided or will provide such to Agency and/or the Ohio Business Gateway (see <http://obg.ohio.gov/DMA2007.shtml>) prior to execution of any Agreement.

3.17 Prime Contractor Responsibilities

The prime Contractor shall assume responsibility for all contractual activities offered in its response whether performed by the Contractor or its Sub-Contractors. Furthermore, the AGO considers the prime Contractor to be the sole point of contact with regard to all contractual matters. All collection activity shall be handled solely by the prime contractor.

3.18 Use of Subcontractors

If part of the work under the Contract is to be subcontracted, responses to this RFP must include a list of Subcontractors, including firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning Subcontractor's organizational abilities. The AGO reserves the right to disapprove the use of Subcontractors and to require the primary Contractor to replace Subcontractors found to be unacceptable. The Contractor must receive prior written authorization from the AGO to add or replace Subcontractors. The primary Contractor is responsible for ensuring that any Subcontractor(s) adhere(s) to all provisions of the Contract.

3.19 Contract Payment Schedules

Payment schedules for any contracts entered into, as the result of this RFP, will be set by the AGO. Payments will be made and statements issued on a regular basis, weekly or monthly, at the AGO's option and will be based upon the information required and criteria set forth in Sections 3.20 and 6.7. The AGO will not be required to issue fee checks on weeks containing state holidays.

Contractor shall not receive a fee for accounts deemed to be abated or uncollectible. No fee will be paid to the Contractor if the AGO receives payment within ten (10) days of placement. The AGO will not pay a collection fee for any cases identified in which there is no actual cash recovery.

No settlement offers may be accepted on accounts without approval of the AGO. The Contractor may receive fees, at the AGO's discretion, on any payment received within ten (10) days of an account being recalled by the AGO.

Contractor's fee shall be the sole consideration paid to the Contractor, except as otherwise provided in Section 3.20, and shall be fixed for the period of the Contract. The AGO will not be liable for any costs or expenses incurred by the Contractor in the collection of referred accounts.

3.20 Companion New Account Assignment

On occasion, accounts identified and assigned as distressed receivables may have newer companion accounts packeted and assigned with the distress receivable assigned. In this instance Contractor shall collect the entire packet and it shall receive its bid fee for the distressed receivable and a collection fee of 21% of the amount recovered for the companion new account. For purposes of this RFP, a companion new account is defined as any obligation that has aged less than five years from the date when it was certified to the AGO.

3.21 Publicity

The Contractor shall not state or imply in any manner, including in commercial advertising, that its services are endorsed or preferred by the AGO. The AGO may not be used as a reference for the Contractor, without the AGO's prior approval.

3.22 Responsibility for Claims/Agreement to Hold Harmless

The Contractor agrees to indemnify, including the costs of defense, and save harmless the AGO, its officials, agents, and employees from any and all liabilities, claims, losses, expenses, and damages of any nature resulting to any person, firm, corporation or property due to the wrongful or negligent malfeasance, misfeasance, or nonfeasance of the Contractor's employees, agents, and Subcontractors during the performance of the contract.

3.23 Equal Employment Opportunity

In carrying out the Contract, the Contractor and any Subcontractor or person acting on behalf of the Contractor or any Subcontractor shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, disability, sexual orientation, Vietnam-era veteran status, ancestry, or national origin. The Contractor will ensure that applicants are hired, and that employees are treated during employment, without regard to their race, color, religion, sex, age, disability, sexual orientation, Vietnam-era veteran status, ancestry, or national origin. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship.

The Contractor agrees to post, in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, national origin, disability, sexual orientation, Vietnam-era

veteran status, ancestry, or age. The Contractor will incorporate the foregoing requirements of this paragraph in all contracts for any of the work prescribed herein or to be performed in connection with the Contract and will require all of its Subcontractors for any part of such work to incorporate such requirements in all subcontracts for such work. Contractor's facilities must meet the requirements of law to ensure accessibility to the disabled.

3.24 Governing Law/Severability

The validity and construction of, and performance under this RFP, and the resulting contract and the legal relations among the parties to the RFP and resulting contract shall be governed by and construed in accordance with the rules and laws of the State of Ohio.

If any provision of the RFP and resulting contract or the application of any such provision shall be held by a court of competent jurisdiction to be contrary to law, the remaining provisions of the RFP and resulting contract shall remain in full force and effect.

3.25 Restricted Use of Information

The Contractor shall at all times (during and subsequent to the Contract period) limit the use of debtor information to the sole purpose of the collection of accounts by staff who are in a secure area and who are the only staff to have access to debtor data and information. The Contractor shall make no private use of such information in any manner. Violation of this section may result in the termination of the Contract and other actions available to the AGO under the law.

3.26 Confidentiality

The Contractor shall instruct its employees to use a high degree of care to keep confidential all information concerning the State of Ohio's client data, its business, its financial affairs, the relations with its citizens and its employees, as well as any other information which may be specifically classified as confidential by the State of Ohio and stated in writing by the AGO to the Contractor.

3.27 State Records/Right to Recall

All records provided to Contractor by the AGO shall remain the property of the State. The AGO has the right to recall an account at any time for any reason. At the time of recall, all collection activity by the Contractor shall immediately cease. No reimbursements will be made by the AGO in the event of recall. However, the Contractor's commission may be paid, at the AGO's discretion, on payments received within ten (10) days of the recall. Returned accounts may be placed with another Contractor.

3.28 Travel Expenses/Support Services

The AGO shall pay its own travel expenses to the Contractor's site for audits and inspections, which are performed at the discretion of the AGO. If the Contractor requests that the AGO provide support services outside the scope of this Contract, the Contractor shall reimburse the AGO for all travel expenses. All training, information, and support services provided by the AGO will be provided at the AGO's primary location in Columbus, Franklin County, Ohio.

Contractor shall be responsible for all travel expenses associated with attending the AGO's training sessions and/or meetings.

3.29 All Materials Property of the AGO/Copyrighted Materials

The materials or proposals provided by the Contractor and any item produced under this Contract, including any documents, data, photographs and negatives, electronic reports or records, or other media, are the property of the AGO, which has an unrestricted right to reproduce, distribute, modify, maintain, and use the materials or proposals, and the Contractor will not obtain copyright, patent, or other proprietary protection for the materials or proposals. The Contractor will not include any copyrighted matter in any materials or proposals unless the copyright owner gives prior written approval to use such copyrighted matter.

3.30 Ohio Public Records Law

The AGO is subject to the requirements of the Ohio Public Records Law, §149.43 of the Revised Code. Accordingly, Contractors understand that information and other materials submitted in response to this RFP or in connection with a contract may be subject to disclosure as a public record, except to the extent the materials are protected from disclosure by applicable state and/or federal laws.

3.31 Conflicts of Interest

Contractor, along with its officers, members and employees, have no interest, personal or otherwise, direct or indirect, which is incompatible or in conflict with or would compromise in any manner or degree the discharge and fulfillment of its functions and responsibilities under this Contract. Contractor agrees to periodically inquire of its officers, members and employees concerning such interests. Any person who acquires an incompatible, compromising or conflicting personal or business interest shall immediately disclose his or her interest to the AGO in writing. Thereafter, he or she shall not participate in any action affecting the work under this Contract, unless the AGO shall determine that, in light of the personal interest disclosed, his or her participation in any such action would not be contrary to the public interest.

In accordance with Executive Order 2007-01S, Contractor certifies through its response that: (1) it has reviewed and understands Executive Order 2007-01S, (2) has reviewed and understands the Ohio ethics and conflict of interest laws, and (3) will take no action inconsistent with those laws and this order. Contractor understands that failure to comply with Executive Order No. 2007-01S is, in itself, grounds for termination of this contract and may result in the loss of other contracts with the State of Ohio.

For purposes of this RFP, the AGO has determined that a conflict of interest shall arise for any Contractor who has received an award of a Phase II Debt Profile issued pursuant to the AGO's June 8, 2007 General Collection RFP and who would perform work under the Distressed Receivables RFP. As a result, no contractor awarded a Phase II Debt Profile pursuant to the AGO's June 8, 2007 RFP shall be eligible to receive any assignments pursuant to this RFP.

3.32 Unfair Labor Practice

Contractor shall not be on the most recent list established by the Ohio Secretary of State, pursuant to §121.23 of the Revised Code, which identifies Contractor as having more than one unfair labor practice contempt of court finding.

3.33 Unresolved Finding for Recovery

The AGO is prohibited, pursuant to §9.24, from contracting with any Contractor against whom the Auditor of State has issued a finding for recovery, if the finding for recovery is unresolved. Contractor warrants that it is not subject to an "unresolved" finding for recovery under O.R.C. 9.24. If the warranty is deemed to be false, this Contract is void *ab initio* and the Contractor must immediately repay to the AGO any funds paid under this Contract. If at anytime during the RFP process the Contractor appears on the Auditor's Findings for Recovery Database, such Contractor's response shall be disqualified and any contract award rescinded.

3.34 Job Vacancies

Contractor shall be in compliance with §4141.044 of the Revised Code that requires Contractors to provide a listing of all available job vacancies to the Ohio Department of Job and Family Services. This requirement does not apply when the Contractor is filling the vacancy from within the organization or pursuant to a customary and traditional employer-union hiring arrangement.

3.35 Entire Agreement

This writing constitutes the entire agreement between the parties with respect to all matters herein. This Contract may be amended by a writing signed by both parties, or by subsequent amendments or addenda published by the AGO.

However, it is agreed by the parties that any amendments to laws or regulations cited herein will result in a corresponding modification of this Contract, without the necessity for executing written amendments.

SECTION 4.0 RESPONSE FORMAT

4.1 Proposal Requirements

Proposals are to be prepared in such a way as to provide a straightforward, concise description of Contractor's capabilities to satisfy the requirements of this RFP. Expensive bindings, colored displays, promotional materials, etc. are not necessary or desired. Emphasis should be on conformance to the RFP instructions, responsiveness to the RFP requirements, completeness and clarity of content. Costs for developing proposals are entirely the responsibility of the Contractor and shall not be chargeable to the State. Errors or omissions may cause rejection of the proposal. Proposals from prospective Contractors must agree to all conditions contained in this RFP and must provide sufficient information to fully establish the Contractor's ability to satisfy all requirements and perform all of the actions, activities and functions described in this RFP.

4.2 Cover Letter

The cover letter shall be in the form of a standard business letter, on company letterhead, and shall be signed by an individual authorized to legally bind the Contractor. The letter shall list the name and telephone number of a contact person with authority to answer questions regarding the response and a contact person to be notified regarding contractual issues. Whenever possible, representatives within Ohio shall be used.

The letter shall affirm that the Contractor agrees to all terms of the RFP, and state that the Contractor understands that all materials submitted in response to the RFP are subject to Ohio's Public Records law. The letter shall confirm that the Contractor agrees to provide the social security numbers of its corporate officers, board of directors, general or limited partners, or owners if requested by the AGO, and that the Contractor agrees to a thorough background check of such companies and/or individuals.

4.3 Response Overview

The response overview must condense and highlight the contents of the response to provide a broad understanding of the entire response and summarize the services to be provided by the Contractor. The summary must include a description of how the Contractor will perform the requirements of the RFP and broadly discuss the Contractor's quality assurance program for ongoing review of their collection process.

4.4 Proof of Insurance, Fidelity Bond & Certification

This section shall contain proof (a copy of a current certificate) that a Contractor is covered by Workers' Compensation as required under Section 3.15 and show proof (a letter from an insurer authorized to do business in the State of Ohio) of the Contractor's ability to provide the AGO with a fidelity bond in the amount of \$500,000 as required under Section 3.11 of this RFP if the Contractor is selected.

Contractor shall also provide proof of certification of existence or certification of authority to conduct business in the State of Ohio in accordance with Section 3.13 of this RFP.

4.5 Contractor Profile

Contractor shall include necessary documentation to respond to the requirements set forth in Section 5.0 of this RFP.

4.6 Scope of Work Plan

Contractor shall include necessary documentation to respond to the requirements set forth in Section 6.0 of this RFP.

SECTION 5.0 CONTRACTOR PROFILE

The AGO requires complete data from each Contractor in order to evaluate submitted responses and to determine which responses meet the requirements of the RFP. Each Contractor shall furnish a complete description of its capabilities in the field of distressed receivable collections by providing the information requested with respect to each of the following required profile items:

5.1 Organization Description

A description of the organization, including any subsidiaries, with an organization chart, which identifies key positions, duties, and present personnel in place. Also provide the name and address of the Contractor, together with the names, and addresses of all principal officers, board of directors, general or limited partners, and owners.

5.2 Certification of Existence and Experience

Certification that it has been in the distressed receivables collection business for at least ten (10) years and detailing the extent of collection activity over these

years. If the contractor can not certify that it has been in the distressed receivables business for at least ten (10) years then the contractor shall provide evidence it deems to support the company's and its current management's experience base in distressed receivables collections, the company's financial stability, the company's managerial stability and the company's organizational structure that the evaluation committee can consider in lieu of 10 years in existence.

Prospective Contractors with at least ten (10) years of experience collecting distressed receivables should describe the extent and duration of its experience in this field. Specify the type(s) of debt, nature of work performed and the results of the work performed. Include a list, with names, addresses and phone numbers of all government agencies and organizations for which the Contractor is presently contracted to perform such services, or within the past five years.

5.3 Financial Documentation

The prospective Contractor's audited balance sheets, income statements, supporting notes, and any other relevant financial information for the past seven (7) years. If the balance sheets and income statements have not been audited, unaudited information will be accepted for consideration only if certified as to accuracy by the Contractor. If the prospective Contractor is a subsidiary, separate financial information of both the Contractor and the Contractor's parent company must be provided and must be stated separately.

5.4 Collection Attempts

It is necessary that all collection attempts be documented directly on the AGO Computer System. The AGO may also request reports that document collection attempts.

5.5 Security

A description of the extent of the prospective Contractor's data and facility security programs. Indicate the procedures for the control of account access and confidentiality of account information.

5.6 Internal Audits

A description of any internal audit program used for the recording, checking and reporting of services performed, for the control of funds, and for ensuring data security.

5.7 Continuing Business Plan

A description of any plans the Contractor has for resumption of business in the event of a natural disaster or national emergency.

5.8 Complaint Policy and Procedures

Description of the Contractor's policy and process for addressing complaints against collectors and/or collection actions.

5.9 Company History

Attach a narrative description of the history of the company, including answers to the following questions (limit to three pages):

1. Why should your firm be selected?
2. What can your agency do for the AGO?
3. What distinguishes your agency from others?

5.10 Insurance Policies

Provide a list of current liability insurance policies covering your organization, and provide bank references for both trust and operating accounts (if so established).

5.11 Hiring, Training, and Incentive Programs

Provide the following information:

A description of the Contractor's hiring practices.

A description of employee training programs.

A description of employee incentive programs

5.12 Equal Opportunity Profile

Provide a current Equal Employment Opportunity profile for your company. Such a profile must include the company's total number of employees, total number of minorities and women, a breakdown by sex, race, age, Vietnam veterans and disabled persons and note the percentage of minorities in management positions.

5.13 Ohio Location

Indicate that a location will be utilized within the State of Ohio to perform the duties under this RFP. Include the address of the location.

SECTION 6.0 SCOPE OF WORK

6.1 General Requirements

Emphasis in all accounts referred to the Contractor must be on securing the maximum return within the shortest possible time period, while employing professional, customer service oriented collection techniques.

The Contractor shall not be entitled to any fee for payments made by taxpayers after termination of the Contract for default. The Contractor may be entitled to fee payments for payment plans established by Contractor during the term of the Contract for a period not to exceed six (6) months if the Contract expires or is terminated for reasons other than Contractor default.

6.2 Ability to Perform Collection Services/Technical Work Plan

The Contractor must establish and maintain adequate staff, facilities, and data processing services to perform the services required by the AGO to collect aged state debts.

The Contractor shall provide a technical work plan to demonstrate the manner in which it will accomplish the collection services. Personnel hours associated with each task should be indicated. In addition to a detailed description of the collection services, the following issues should be addressed:

The method the Contractor shall utilize to provide the necessary work force to fulfill the obligations under the Contract.

The means by which the Contractor shall ensure that it may begin collection activity within sixty days of being awarded the Contract.

A statement that the Contractor will use the AGO's computer collection system, and will update delinquent account collection information, account identification data, actions taken on accounts, delinquent account financial information, etc. as required by the AGO. The Contractor agrees to the acquisition cost of any software or software license necessary to perform collections on the AGO computer system, including any software or hardware upgrades as required by the AGO.

The method the Contractor will use to provide locator services to determine taxpayer location, telephone numbers, employment, asset information, various financial sources, and other related information for accounts assigned to the Contractor. Indicate if these procedures will be based upon varying dollar value of account. Include detail of procedures and resources available. The

Contractor will update the AGO's computer collection system with all of the above data.

The manner in which the Contractor will provide sufficient, dedicated, toll-free telephone lines to handle all incoming telephone calls to the Contractor's site.

Please provide a representative sample of current collection letters utilized for the recovery of distressed receivables that support the detailed processes outlined above.

The AGO requires that any Contractor conducting business on his behalf be on the cutting edge of technology. Therefore, Contractor must demonstrate the capability to implement and utilize the most current and sophisticated technology available in the collections industry.

Identify methods, equipment, and timelines the Contractor will use to establish the computer connection to the AGO computer collection system. Include plans and layouts of floor plans indicating the structure of the collection division for the AGO. Include any monitoring devices you may employ to ensure quality.

Identify the type of equipment you will be using, any information storage devices on this equipment, firewalls and security processes. Identify all system programs that will run on this equipment.

Describe your ability to transmit and receive electronic reporting.

Describe any other available technology resources you currently employ as part of your operations.

The AGO requires that collection services be performed in a facility located within the State of Ohio, and that the Contractor(s) use a staff totally dedicated to the AGO. A totally dedicated staff means that (1) the staff must be housed in an area that is secure from other Contractor staff that are not involved in the performance of the Contract, and (2) the staff must be the only Contractor staff to have access to State of Ohio information and data provided to Contractor by the AGO. Explain the manner by which you will meet these requirements.

6.3 Client Service

To facilitate communications between the Contractor and the AGO, the Contractor shall establish client service representative(s) to communicate with the AGO's client service representatives. Indicate how you will fulfill this requirement.

6.4 Payment Conditions/ Correspondence

The Contractor shall instruct debtors to send payments to a post office box maintained by the AGO. The AGO will not accept any wire transfer of funds to the Treasurer of State by the debtor or the Contractor. The Contractor shall not accept cash payments from a debtor.

Payments will be entered in the debtor's file in the AGO's computerized collection system as soon as possible. The envelopes and correspondence received by the AGO, except tax returns, shall be provided to the Contractor who shall update the debtor's address, contact person, etc. Contractors shall propose a method for prompt collection of envelopes and correspondence received by the AGO. The AGO prefers a daily retrieval process. The retrieval of information shall be at the expense of the Contractor.

6.5 Project Control and Reports

The Contractor shall indicate its plan for ensuring control of the project in compliance with this provision. The Contractor is required to submit to the AGO for review, collection approaches, as well as verbal and written notices used to collect distressed receivables. The AGO reserves the right to use all approaches in its in-house collection activities. The AGO reserves the right from time to time to visit the Contractor's site to monitor tone and quality of the phone calls, to review the written correspondence, and/or to modify such verbal and written communications to the AGO's satisfaction.

The Contractor will submit to the AGO monthly summaries of progress that outline the work accomplished during the reporting period; work estimated to be accomplished during the subsequent reporting period; problems brought to the attention of the Contractor(s); and notification of any significant deviation from previously agreed-upon work plans.

The AGO will provide the following reports to the Contractor: the Collector Activity Report, the Payment Posting Reports, the Assignment Listing Report, and the Unassignment Report.

6.6 Customer Service

Contractors must conduct business in a manner that supports the AGO's goal of fair and equitable treatment of debtors during the collection of debts. At a minimum, fair and equitable treatment means debt collection without harassment or verbal abuse of the debtor, or compromising the debtor's rights. The AGO expects the Contractor to provide services to the public in a manner that will preserve or enhance goodwill between the public and the State of Ohio. **The AGO has zero tolerance for collection actions or activities that demonstrate**

anything less than complete respect for the rights and reasonable expectations of the public.

Provide a summary of your customer service record and plan for assuring good customer service. In providing this information, please note that offering outstanding customer service to members of the public is a requirement of this RFP. Customer service issues arising in connection with the actions Contractors take to collect accounts on behalf of the AGO will be tracked and categorized by level, as follows:

Level 1 – May include issues such as quoting an incorrect balance due, making a collection contact on an account that has already been resolved, or providing incorrect information regarding the proper course for resolving a collection issue.

Level 2 – Complaints regarding the activities of the Contractor’s staff including, but not limited to rudeness, abusive language, or failure to give reasonable consideration to the debtor’s circumstances.

Level 3 – A violation of taxpayers/debtors rights under the Ohio Taxpayers’ Bill Of Rights, Fair Debt Collection Practices Act, American Collectors Association Code of Ethics, Privacy Act, or an intentional unauthorized disclosure of confidential information.

The AGO’s target for complaints regarding customer service and treatment of the debtor is ZERO. However, the AGO realizes that some complaints are an inevitable part of the collection process and will be sensitive to this fact. The AGO, at its discretion, may investigate complaints individually to make a reasonable determination of validity.

6.7 Cost Bid Proposal

The Contractor’s response shall also include a cost bid proposal. The cost bid proposal will be required to include the Contractor’s proposed price for performing the work as specified in this RFP and an acknowledgment of the AGO’s customer service goals. The contractor’s proposed price should be expressed as a percentage of money collected and submitted on the Cost Bid Proposal Worksheet attached hereto as Exhibit I.

The AGO reserves the right to reject any bid or to request additional information to justify the ability of any Contractor to deliver the services for which the AGO is contracting.

SECTION 7.0 DEBT DESCRIPTION

7.1 Type of Debt

Aged debts due to the State of Ohio that have been placed in the Attorney General's account archive.

7.2 Background & Sample Description

The aged accounts that comprise the Attorney General's Archive have been certified to the AGO for over five years and were subjected to an automated collection process whereby the accounts were first worked by the AGO's internal collection staff. After in-house collection efforts were exhausted, the accounts were referred, for a specified period of time, to an approved third party collection agency or to a private attorney appointed special counsel under O.R.C. §109.07. Once the efforts of third party collection agencies and/or special counsel proved unsuccessful, these accounts were then assigned to different special counsel. These special counsels worked the accounts until either the counsel or the AGO determined them to be uncollectible - at which time the accounts were closed and returned to the AGO and stored in the Account Archive.

The debts that comprise the account archive may have originated from any of the agencies or departments of the State of Ohio. Currently the AGO services over 320 different product types. These product types include debts for Personal Income Tax, Sales Tax, Employer Withholding Tax, Workers' Compensation Premiums and debts due to State Funded Colleges and Universities. Any type of aged State debt may be assigned to Contractor under this agreement. The AGO, however, reserves the right to limit the number and types of archived accounts assigned under this agreement.

As these aged debts have been deemed uncollectible and placed in an archive status, they likely have little if any actual value. The total book value, however, of all accounts archived in the AGO's collection system approximates several billion dollars.

Volume of Accounts to be Referred

The AGO anticipates placement of accounts during the contract to multiple Contractors. If the contract is extended, placement volumes will be established at that time and adjusted according to the terms of the RFP. The numbers below are approximate as of the date of preparation of this RFP and are subject to change.

Dollar Balance of Accounts to be Referred

The average dollar balance of accounts referred will be \$3,644.00

Historical Estimated Recovery Rates for Distressed Receivable workload

Current contract: .005% (last two years)

SECTION 8.0 EVALUATION CRITERIA

A selection committee appointed by the Attorney General will evaluate the responses for this RFP. The selection committee reserves the right to reject in whole or in part any or all responses received at any time during the process.

The AGO reserves the right to contact the Contractor's references at any time during the evaluation process. If the AGO determines that any of the references provided cannot be verified or information obtained during the course of the verification process negates the responsiveness of the Contractor's response, the AGO reserves the right to disqualify the Contractor's response.

The award of the Contract hereunder, if any, will be with one or more Contractors whose response(s) best meets the State's interests and needs based upon the evaluation criteria set forth below.

8.1 Evaluation Process

The AGO will initially determine whether the proposal conforms to the Response Format requirements set forth in Section 4.0 of the RFP. This includes confirming the inclusion of the following: a Cover Letter with appropriate representations as detailed in Section 4.2 of the RFP; a Response Overview; Proof of Insurance; a Contractor Profile; and a Scope of Work Plan.

The selection committee shall evaluate Contractors' responses based on skill, experience in distressed receivables collections; integrity in collection matters; related services; strong financial condition; absence of suits or complaints; customer service values; references; ability to maximize collections on non-performing delinquencies; the overall collection ability and expertise of the Contractor as reflected by the response, and price. Contractor's experience in the field of distressed receivables collection and other non-price related factors will be approximately equal in importance to price in evaluating each Contractor's proposal and determining who is most qualified at the lowest price..

The price submitted must be arrived at independently. No Contractor shall consult, communicate, or enter into an agreement with any other potential Contractor for the purpose of restricting competition. The Contractor cannot

knowingly disclose prices quoted in the response directly or indirectly to any other potential competitor.

The AGO shall award contracts to the Contractor or Contractors who are the best qualified with the lowest price.

The AGO may award and sign contracts with more than one (1) Contractor for the contract period specified in Section 3.4 of this RFP. No award hereunder is effective until approved and fully executed by the AGO. After the expiration of the term of the contract, the parties may, in writing, agree to additional one-year terms.

Every Contractor that is awarded a contract under this RFP must sign and return a Contract Acknowledgment Form, Exhibit 2, within ten (10) days after receipt of the agreement for the Contractor's signature. If the agreement is not returned as stated, it will be just cause for the annulment of the award.

EXHIBIT 2

CONTRACT ACKNOWLEDGMENT FORM

Contractor hereby acknowledges that its contract with the AGO for the collection of distressed State of Ohio receivables shall consist of the "Request for Proposal for Distressed Receivable Collection Services" (RFP), issued on August 10, 2007 by Marc Dann, Ohio Attorney General, Revenue Recovery Services Section; any addenda to the RFP issued by the AGO; and any included Contractor's response submitted in response to the RFP, which are incorporated as if fully written herein.

This contract shall be the complete and exclusive statement between the parties, which supersedes all oral or written responses, and other communications between the parties related to the subject matter of this contract.

This contract may not be modified unless in writing. Any modification must be signed by the Contractor and the AGO.

The contract shall be binding on both parties upon AGO's receipt of this Contract Acknowledgment Form fully executed by Contractor.

The parties have executed this contract as of the date and year written below:

CONTRACTOR:

BY: _____ DATE: _____

MARC DANN, OHIO ATTORNEY GENERAL,
REVENUE RECOVERY SERVICES SECTION:

BY: _____ DATE: _____