

COLLECTION SERVICES AGREEMENT

THIS AGREEMENT is entered into effective the date set forth below between the City of Othello, hereby referred to as "the City", and YCCS, A National Collection System, a collection agency, herein referred to as "the Collector".

WITNESSETH:

WHEREAS, the City desires collection services to be performed by experienced and qualified collectors for the purpose of collection of past due accounts hereinafter collectively referred to as "debts".

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, it is agreed by and between the City and YCCS as follows:

1. **Authorization of Collector.** The Collector agrees and warrants that it is a duly licensed collection agency pursuant to RCW 19.16. The Collector agrees to abide by all laws and regulations applicable to collection services and to the purpose for which this agreement is made for collection services, including but not limited to RCW 19.16 and the Fair Debt Collection Practices Act (FDCPA, 15 USC 1692-1692(o)).
2. **Collection Services.** The Collector shall provide collection services to the City for collection of debts due to the City that are assigned to the Collector. The Collector shall furnish all labor, equipment and materials necessary for collection of said debts and shall use its best efforts in the collection of said debts.
3. **Allocation and Assignment of Account.** The Collector acknowledges it has an exclusive collection contract with the City. The basis on which the accounts are assigned to the Collector shall be within the discretion of the City.

Pursuant to RCW 19.16.500, prior to assignment of a debt to the Collector, the City agrees to attempt to advise the debtor of the existence of the debt, and that the debt may be assigned to a collection agency for collection if not paid. The City agrees to assign the account only after thirty (30) days have elapsed from the time the notice specified herein was sent.

The Collector will use its best efforts to collect the amount of this debt plus costs and fees properly assessed and chargeable to the debtor.

The Collector has no authority to and will not engage in compromise settlement arrangements without written authorization from the City. The City shall have no responsibility for uncollected costs advanced by the Collector.

4. **Compensation.**

The City and the Collector agree that the Collector's collection fee shall be as authorized by RCW 19.16.500., as amended. Those fees shall be added to the outstanding debts assigned for collection to be paid by the debtor so that the City receives one-hundred percent (100%) of all fines, forfeitures, costs or penalties. The collection fee to be added is:

50% of all debts assigned.

No Fees will be charged for accounts not collected, and the Collector will pursue full efforts to collect accounts, to include skip-tracing.

Where legal action is pursued (i.e., suits and garnishments), the Collector may first apply collection proceeds to direct out-of-pocket costs.

Where partial payments are involved, the Collector may prorate the proceeds between principal and the Collector's collection fee.

The City shall receive 33.33% on interest accrued on any account.

5. **Termination.** Either party may terminate this agreement by giving the other party written notice at least thirty (30) days prior to the effective date of termination. Following receipt of notice of termination, the Collector shall not commence work on any new accounts, and it shall reassign all accounts to the City effective on the date of termination.

Upon termination of this agreement, the Collector shall not be entitled to receive compensation for any account on which work commenced after the date it received notice of termination, or for any account for which payment was received 60 days after termination. Except as provided herein, the collector shall relinquish all payments received after said termination date to the City.

6. **Payments and Accounting.** The parties agree to the following remittance and report schedule, subject to mutual modifications. The Collector shall:

- a. Provide a monthly or weekly listing of all monies collected on behalf of the City during the preceding month or week. The listing shall have the following information: Division type, account type, total collected, and date any sum is collected for each account.
- b. Provide the City an acknowledgment of all accounts assigned within the past month.
- c. Provide the City a monthly report of all accounts canceled or returned to the City within the past month. The report will clearly identify each account, the date

account was returned to the City, the account balance and a reason why no further collection effort is anticipated.

d. Provide the City a semi-annual listing by City division or type of collection account of all accounts assigned to YCCS. The report will state the following information: identification of each account, date each account was assigned, client case number, status of each account, amount of each account placed for collection, payments and balance owing on each account.

e. Notify the City when legal action is commenced on an account.

7. **Audit.** The City may audit the Collector's records pertaining to accounts assigned for collection providing five (5) days notice to the Collector.

8. **Hold Harmless and Insurance.** The Collector agrees and covenants to indemnify, defend and hold harmless the City, and its officers, agents and employees against and from any and all liability resulting from YCCS' negligence in performance of this Agreement.

It is understood the City does not maintain liability insurance for YCCS and/or its employees.

9. **Attorney's Fees.** In the event it is necessary for either the City or the Collector to utilize the services of an attorney to enforce any of the terms of this agreement, such enforcing parties shall be entitled to compensation for its reasonable attorney's fees. In the event of litigation regarding any of the terms of this agreement, the prevailing parties shall be entitled, in addition to other relief, to such reasonable attorney's fees as determined by the Court.

10. **Notices.** Any notices called for herein shall be deemed effectively made if personally served upon the other party or if mailed by registered or certified mail, return receipt requested, to the following addresses:

City:

City of Othello
500 E Main Street
Othello, Wa 99344

Collector:

YCCS - A National Collection System
PO Box 9244/2021 S 3rd Avenue
Yakima, Wa 98909-9244

11. **Assignment.** In the event it becomes necessary to execute an assignment as to any specific account for forwarding to an outside agency or for evidentiary purposes, the City is hereby authorized and directed to execute such assignment as to such specific account.

12. **Integration.** This writing contains the entire agreement of the parties. No representatives were made or relied upon by either party, other than those that are expressly set forth. No agent, employee or representative of either party is empowered to

alter any term of this agreement, unless done in writing and signed by an agent of the respective parties.

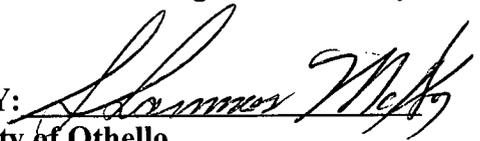
13. **Controlling Law.** The validity, interpretation and performance of this agreement shall be controlled by and construed under the laws of the State of Washington.

14. **Relationship Between Parties.** The Collector is retained only for the purposes and to the extent set forth in this agreement, and its relationship to the City shall be that of an independent contractor.

15. **Successors and Assigns.** This Agreement shall inure to the benefit of and constitute a binding obligation upon the Collector and the City, and their respective heirs, administrators, successors or assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year so written.

DATE SIGNED: 12/8/08

BY: 
City of Othello

DATE SIGNED: _____

BY: 
Vickie Visculgia
Collections Manager