



DATE: September 22, 2010

TO: Honorable Mayor and City Councilmembers

FROM: Financial Services Department

SUBJECT: **APPROVAL OF AN AGREEMENT FOR REVENUE COLLECTION SERVICES**

SYNOPSIS

Staff recommends that the City Council approve a three-year professional services agreement with Sequoia Financial Services of Glendale with compensation to Sequoia based on a percentage of collections received for revenue collection services for the Financial Services Department, and authorize the City Manager to execute the agreement.

BACKGROUND

The City of Oceanside has used several companies over the years to assist with revenue collection for debts owed to the City. The companies used depended upon the type of debt and the department billing the service. Throughout the years, the companies were changed based upon proposals and the performance of the current service provider.

In June 2003, Council approved awarding a contract with American Capital Enterprises, Inc. for revenue collection services on ambulance billing, parking citation, accounts receivable, and utility billing debts. For this three-year contract, the company provided services as outlined in the contract and subsequent amendments. In 2006 a request for proposal (RFP) was issued and American Capital Enterprises was again rated as the top company and was awarded the contract. In 2009 City Council approved a one-year contract extension with American Capital Enterprises that was set to expire on September 20, 2010. In March 2010, staff issued another RFP for revenue collection services due to the September 2010 contract expiration date.

On the second contract, starting in September 2006 through July 2010, American Capital Enterprises collected approximately \$568,268. The City received approximately \$403,300 and the company retained approximately \$164,960.

ANALYSIS

Because the current service provider had been in place for several years, staff prepared an RFP for revenue collection services on outstanding ambulance billing, parking citation, accounts receivable and utility billing debts. The intent was to reevaluate the current service levels, and assess the current market for opportunities.

Requests for proposals were sent to local, regional and national companies who had previously requested the opportunity to respond. In addition, staff contacted other companies who were identified via several research methods as providing revenue collection services.

Sixteen responses were received and evaluated based upon the criteria listed in the RFP. Four companies were invited to an interview. Sequoia Financial Services rated the highest, and reference checks confirmed the competency, professionalism and service-oriented focus. Sequoia also offered the lowest commission rates for providing first placement services.

FISCAL IMPACT

The fiscal impact will be a function of the amount collected, thus not definitive at this time. The commission rate is being reduced from the current 28 percent to 19 percent for first placements. For second placements, accounts that have previously been assigned to a collection agency, the commission rate is being increased from 28 percent to 29 percent. Second placement accounts have a much lower probability of collection due to the fact that they have already been worked and the aging is much older.

In fiscal year 2009/2010 the City received approximately \$73,490 from the collection agency's services. Based on historical information and commission rate changes, the City anticipates receiving approximately \$110,000 in fiscal year 2010/2011.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

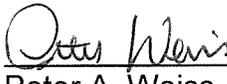
Staff recommends that the City Council approve a three-year professional services agreement with Sequoia Financial Services of Glendale with compensation to Sequoia based on a percentage of collections received for revenue collection services for the Financial Services Department, and authorize the City Manager to execute the agreement.

PREPARED BY:



Sheri Brown
Financial Service Division Manager

SUBMITTED BY:



Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Deputy City Manager
Teri Ferro, Financial Services Director



Exhibit/Attachments:

1. Professional Services Agreement

CITY OF OCEANSIDE
PROFESSIONAL SERVICES AGREEMENT

PROJECT: COLLECTION AGENCY AGREEMENT

THIS AGREEMENT, dated _____, 20__ for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and SEQUOIA FINANCIAL SERVICES, hereinafter designated as "CONSULTANT."

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **SCOPE OF WORK.** The project is more particularly described as follows: CONSULTANT will provide revenue collection services for the City of Oceanside. The collection services will include outstanding debt for utility billing, ambulance billing, parking citations and general accounts receivable. These services will be provided in accordance with the specifications/scope of work and instructions as outlined in the request for proposal and CONSULTANT'S response and are attached hereto and incorporated herein as Exhibits 1 and 2 to the agreement.

The following items were negotiated upon notification that an agreement was being pursued with CONSULTANT. To the extent of a conflict between this Section 1 and Exhibits 1 and 2, this Section prevails.

- 1.1 Legal Proceedings are limited to Small Claims Actions.
- 1.2 CITY agrees to promptly respond to CONSULTANTS' requests for authorization on all accounts being recommended for litigation by CONSULTANT and to forward any additional documentation that may be requested in order to proceed with authorized legal proceedings.
- 1.3 In the event that CONSULTANT advances court costs for litigation and, thereafter, CITY requests that legal proceedings be terminated, CONSULTANT shall be reimbursed by CITY for the expended legal fees and court costs on said account. These fees and court costs are limited to service fees and any applicable filing fees only.
- 1.4 CITY agrees to, when necessary, furnish to CONSULTANT a witness for all trials, mediations, arbitrations and hearings as needed, in addition to providing any and all declarations and documents necessary for litigation.

Collection Agency Agreement

- 1.5 CITY warrants that none of the claims assigned to CONSULTANT hereunder, have been assigned to other collection agencies, attorneys or other third party debt collectors, unless such prior assignments have been terminated and reassigned to CITY.
- 1.6 CONSULTANT agrees to file suit only upon receipt of written authorization from CITY for suit authorization.
- 1.7 CONSULTANT will advance all court costs and attorney fees in the event suit is filed. It is agreed by both parties that CONSULTANT will be allowed to withhold first monies received to offset court costs advanced by CONSULTANT.
- 1.8 CONSULTANT will remit payment, account activity reports, master account listings, and revenue collection reports to CITY on a monthly basis.
- 1.9 CONSULTANT shall have the right to endorse for deposit and collection all remittances received in the name of CITY on accounts assigned to CONSULTANT and to deduct from such remittance its authorized commission.
- 1.10 If at the time of CONSULTANT's monthly remittance CITY is indebted to CONSULTANT, CITY agrees to allow CONSULTANT to offset (deduct) said indebtedness from the amount of the remittance.
2. **INDEPENDENT CONTRACTOR.** CONSULTANT'S relationship to the CITY shall be that of an independent contractor. CONSULTANT shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless specifically authorized in writing by the Financial Services Director. CONSULTANT shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement. CONSULTANT shall report to the CITY any and all employees, agents, and consultants performing work in connection with this project, and all shall be subject to the approval of the CITY.
3. **WORKERS' COMPENSATION.** Pursuant to Labor Code section 1861, the CONSULTANT hereby certifies that the CONSULTANT is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the CONSULTANT will comply with such provisions, and provide certification of such compliance as a part of this Agreement.

Collection Agency Agreement

4. LIABILITY INSURANCE.

- 4.1. CONSULTANT shall, throughout the duration of this Agreement maintain comprehensive general liability and property damage insurance, or commercial general liability insurance, covering all operations of CONSULTANT, its agents and employees, performed in connection with this Agreement including but not limited to premises and automobile.
- 4.2 CONSULTANT shall maintain liability insurance in the following minimum limits:

Comprehensive General Liability Insurance

(bodily injury and property damage)

Combined Single Limit Per Occurrence	\$ 1,000,000
General Aggregate	\$ 2,000,000*

Commercial General Liability Insurance

(bodily injury and property damage)

General limit per occurrence	\$ 1,000,000
General limit project specific aggregate	\$ 2,000,000

<u>Automobile Liability Insurance</u>	\$ 1,000,000
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*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of CONSULTANT under this Agreement.

- 4.3 If coverage is provided through a Commercial General Liability Insurance policy, a minimum of 50% of each of the aggregate limits shall remain available at all times. If over 50% of any aggregate limit has been paid or reserved, the CITY may require additional coverage to be purchased by the CONSULTANT to restore the required limits. The CONSULTANT shall also notify the CITY'S Project Manager promptly of all losses or claims over \$25,000 resulting from work performed under this contract, or any loss or claim against the CONSULTANT resulting from any of the CONSULTANT'S work.
- 4.4 All insurance companies affording coverage to the CONSULTANT for the purposes of this Section shall add the City of Oceanside as "additional insured" under the designated insurance policy for all work performed under this agreement. Insurance coverage provided to the City as additional insured shall be primary insurance and other insurance maintained by the City of Oceanside, its officers, agents, and employees shall be excess only and not contributing with insurance provided

Collection Agency Agreement

pursuant to this Section.

- 4.5 All insurance companies affording coverage to the CONSULTANT pursuant to this agreement shall be insurance organizations admitted by the Insurance Commissioner of the State of California to transact business of insurance in the state or be rated as A-X or higher by A.M. Best.
- 4.6 All insurance companies affording coverage shall provide thirty (30) days written notice to the CITY should the policy be cancelled before the expiration date. For the purposes of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation.
- 4.7 CONSULTANT shall provide evidence of compliance with the insurance requirements listed above by providing a Certificate of Insurance and applicable endorsements, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.
- 4.8 CONSULTANT shall provide a substitute Certificate of Insurance no later than thirty (30) days prior to the policy expiration date. Failure by the CONSULTANT to provide such a substitution and extend the policy expiration date shall be considered a default by CONSULTANT and may subject the CONSULTANT to a suspension or termination of work under the Agreement.
- 4.9 Maintenance of insurance by the CONSULTANT as specified in this Agreement shall in no way be interpreted as relieving the CONSULTANT of any responsibility whatsoever and the CONSULTANT may carry, at its own expense, such additional insurance as it deems necessary.
5. **PROFESSIONAL ERRORS AND OMISSIONS INSURANCE.** Throughout the duration of this Agreement and four (4) years thereafter, the CONSULTANT shall maintain professional errors and omissions insurance for work performed in connection with this Agreement in the minimum amount of One Million Dollars (\$1,000,000.00).

CONSULTANT shall provide evidence of compliance with these insurance requirements by providing a Certificate of Insurance.

6. **CONSULTANT'S INDEMNIFICATION OF CITY.** CONSULTANT shall indemnify and hold harmless the CITY and its officers, agents and employees against all claims for damages to persons or property arising out of the negligent acts, errors or omissions or wrongful acts or conduct of the CONSULTANT, or its employees, agents, subcontractors, or others in connection with the execution of the work

Collection Agency Agreement

covered by this Agreement, except for those claims arising from the willful misconduct, sole negligence or active negligence of the CITY, its officers, agents, or employees. CONSULTANT'S indemnification shall include any and all costs, expenses, attorneys' fees, expert fees and liability assessed against or incurred by the CITY, its officers, agents, or employees in defending against such claims or lawsuits, whether the same proceed to judgment or not. Further, CONSULTANT at its own expense shall, upon written request by the CITY, defend any such suit or action brought against the CITY, its officers, agents, or employees resulting or arising from the conduct, tortious acts or omissions of the CONSULTANT.

CONSULTANT agrees to defend, indemnify and hold CITY harmless of and from any and all claims, actions, causes of action, losses or damages based upon acts of omissions of CONSULTANT, its employees or agents (other than acts undertaken by CONSULTANT in good faith based specifically upon information provided by CITY to CONSULTANT).

CONSULTANT'S indemnification of CITY shall not be limited by any prior or subsequent declaration by the CONSULTANT.

7. **COMPENSATION.** CONSULTANT'S compensation for all work performed in accordance with this Agreement, shall be from amounts derived from the revenue collected. To the extent of a conflict between this Section 7 and CONSULTANT'S response to the CITY'S RFP (Exhibits 1 and 2) this Section prevails. CONSULTANT to receive the following percentages of revenue collected:

First placements - nineteen (19) percent of all revenue collected
Legal on first placements – thirty (30) percent of all revenue collected
Interest – fifty (50) percent of all revenue collected
Second placements – twenty-nine (29) percent of all revenue collected
Legal on second placements – thirty-four (34) percent of all revenue collected

No payment shall be paid to CONSULTANT in excess of the above percentages without prior written approval of the Financial Services Director. CONSULTANT shall obtain approval by the Financial Services Director prior to performing any work, which results in incidental expenses to CITY.

8. **TIMING REQUIREMENTS.** Time is of the essence in the performance of work under this Agreement and the timing requirements shall be strictly adhered to unless otherwise modified in writing. All work shall be started in every detail to the satisfaction of the Financial Service Director by October 22, 2010. This agreement shall be in effect commencing on September 22, 2010 through September 20, 2013. This agreement may be extended in the sole discretion of the CITY, in one-year time

Collection Agency Agreement

increments, not to exceed five (5) years. Any such extension shall be in a written amendment signed by both parties.

9. **ENTIRE AGREEMENT.** This Agreement comprises the entire integrated understanding between CITY and CONSULTANT concerning the work to be performed for this project and supersedes all prior negotiations, representations, or agreements.
10. **TERMINATION OF AGREEMENT.** Either party may terminate this Agreement by providing thirty (30) days written notice to the other party.

If any portion of the work is terminated or abandoned by the CITY, or the CONSULTANT, then the CITY shall pay CONSULTANT for any work completed up to and including the date of the notice of termination of this agreement. The CITY shall be required to compensate CONSULTANT only for work performed in accordance with the Agreement up to and including the date of termination within thirty (30) days of the termination, except for those accounts in the process of collections as set forth below. Any work not deemed in the "process of collection" will be released by CONSULTANT and not subject to payment by the CITY. CONSULTANT is responsible to remit any revenue collected after the notice of termination to the CITY.

CONSULTANT will be paid pursuant to the contingency fee arrangement on accounts assigned and in the process of collection on the termination date. An account is in the "process of collection" when any of the following apply:

- a) At the time of termination, the debtor is making and continues to make payments in accordance with an agreed upon payment plan arranged by consultant.
- b) The CONSULTANT has obtained a promise of payment and payment is received within ninety (90) days of the termination date.
- c) Suit has been filed with the appropriate court on the account by the CONSULTANT and is pending or has been reduced to a Judgment.

11. **INTERPRETATION OF THE AGREEMENT.** The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to CITY.

The CONSULTANT shall be responsible for complying with all local, state, and federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall

Collection Agency Agreement

be construed as not containing such provision, and all other provisions, which are otherwise lawful, shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

- 12. **AGREEMENT MODIFICATION.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.
- 13. **SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Professional Services Agreement to be executed by setting hereunto their signatures on the dates set forth below.

SEQUOIA FINANCIAL SERVICE

CITY OF OCEANSIDE

By: 
 Name/Title
 Roy du Plessis, President/CEO

By: _____
 City Manager

By: 
 Name/Title
 Asia Ahmonuel, Corporate Secretary

APPROVED AS TO FORM:



 City Attorney

Employer ID No.

NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.

ACKNOWLEDGMENT

State of California
County of Los Angeles

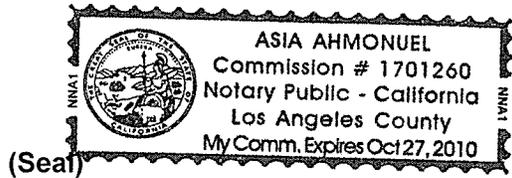
On 9/10/10 before me, Asia Ahmonuel, Notary Public
(insert name and title of the officer)

personally appeared Roy du Plessis
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Asia Ahmonuel



Document:
Collection Agency Agreement - City of Oceanside

ACKNOWLEDGMENT

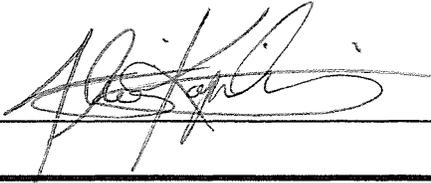
State of California
County of Los Angeles)

On September 10, 2010 before me, Alice Kaprielian, Notary Public
(insert name and title of the officer)

personally appeared Asia Ahmonuel,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)





Final Copy
Mailed 3/4/10

B

CITY OF OCEANSIDE

REQUEST FOR PROPOSAL

RFP

COLLECTION AGENCY SERVICES

Proposal Issue Date
March 4, 2010

Proposal Submittal Due Date
April 9, 2010
3:00 P.M.

Proposals delivered after the deadline, to the wrong location, or with insufficient postage will be rejected and returned unopened.

SEND PROPOSALS TO:

City of Oceanside
Financial Services Department
300 North Coast Highway
Oceanside, CA 92054
ATTN: Teri Shoemaker

**City of Oceanside
Request for Proposal: Collection Agency Services**

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I. BACKGROUND INFORMATION

A. General

The City of Oceanside, California, is located 35 miles north of the City of San Diego on the southern California coast and provides a full range of municipal services. The City serves an area of 42 square miles with a culturally diverse population of over 180,000. We can be found on the web at: www.ci.oceanside.ca.us.

The City incorporated in 1888, and has a Council/Manager form of government. The City Council consists of a Mayor and four Council Members. The City's fiscal year begins on July 1 and ends on June 30. The general fund operating budget for the City is in excess of \$101 million with approximately 990 full-time employees.

The City provides the full range of services normally associated with a municipality including police, fire, parks and recreation, library, planning and zoning, building and engineering, water and sewer services, various maintenance services and administration. Solid waste collection is provided through a contract agreement with a refuse collection service provider.

II. SPECIFICATIONS/SCOPE OF SERVICE

The City of Oceanside (the "City") is soliciting proposals from qualified firms and agencies to provide full-service revenue collection for unpaid and delinquent accounts receivable. The City desires to enter into an agreement for professional services with a qualified firm or agency who can demonstrate competency and experience in providing Collection Services. We seek an experienced and effective Contractor that minimizes City costs, maximizes the use of available technology, provides excellent client service, and performs thorough and complete collections. The unpaid and delinquent accounts receivable may include, but is not limited to:

- Collection on delinquent water, refuse, and sewer accounts where customers have balances owing on their City utility bills.
- Collection on miscellaneous delinquent accounts receivable items where customers have not paid for services or charges from the City.
- Collection on delinquent ambulance billing accounts where customers have not paid for services and charges performed by the City's ambulance units.
- Collection on delinquent parking citations where registered owners of vehicles have not paid for a citation(s) issued due to a parking violation within the City limits.

A committee will evaluate proposals submitted. During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarifications from firms submitting proposals. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. By submitting a proposal, the firm is providing a guarantee to the City that, if chosen, they will be able to provide the proposed services during the period of time discussed in this Request for Proposal ("RFP"). There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. The City has a standard two-party contract agreement, to which adherence is assumed unless specific objections are noted in the proposal by the candidate firm. The standard agreement is attached (Appendix B). Please note the insurance requirement in the agreement. The successful firm will also be required to obtain a City of Oceanside Business License.

The following terms, conditions, and specification are not negotiable. Any bid that attempts to change the City's terms, conditions, or specifications will be rejected. Questions regarding this solicitation must be in writing and should be directed to Teri Shoemaker, Supervising Accountant Fax (760) 439-9011 or email tshoemaker@ci.oceanside.ca.us. No phone calls will be accepted.

A. Specific Requirements

1. The Agency should outline in the proposal the recommended collection efforts to be employed by the Agency for the various types of accounts assigned to it (letter writing, account assignment, etc.). If the Agency has recommendations regarding the proper and legal manner to notify customers of an account assignment, please clearly indicate any cost alternatives in your proposal.
2. Agency shall provide in the proposal, detailed steps that will be taken once the account is received from the City, and the number of contacts and procedures that will be taken (please distinguish the steps to be taken for each type of collection method recommended).
3. City shall provide documentation to Agency for each account, including name, any available customer information, last known address, account number, and balance due.
4. City shall submit delinquent accounts for collection via hard copy, e-mail, electronic file or in writing. Delinquent accounts will be assigned to the Agency on a monthly basis. Agency shall provide acknowledgement within 10 days of account placement via the same method that the account was submitted.
5. Agency should indicate whether the City will have access to the Agency's database via web link or other methods in order to determine the progress of the collection efforts.
6. Agency should indicate how they will instruct consumers to submit payments (either to the Agency or the City) depending on the collection method utilized.
7. Agency shall discuss their recommended use of skip tracing on delinquent accounts. Agency to provide specific tools used to conduct skip tracing.
8. Agency shall indicate policy on when delinquent accounts will be reported to the three major credit bureaus. Reporting must be done in accordance with all federal, state and local laws, including but not limited to the Fair Debt Collections Practices Act, the Federal Equal Credit Opportunity Act, and the Consumer Credit Protection Act. The City will retain the right to cancel accounts and/or remove items from credit reporting agencies without being subject to collection agency fees. The Agency shall provide a copy of the credit bureau notification to the City.
9. For accounts that are assigned to the Agency, all customer contact, including notices, mailing, itemizations, small claims, bankruptcy filings, and miscellaneous requests and inquiries, is the sole responsibility of the Agency. The Agency will be fully responsible for maintaining accurate records of all correspondence, documents, accounting records, transactions and other

relative evidence. Agency will also be solely responsible for any and all costs incurred in and associated with the collection of debts referred to it by the City.

10. Agency shall make a minimum of two written or telephone contacts for each account (unless the account clears sooner) within forty-five (45) days of receipt of account.
11. Agency shall have the ability to submit as agent of the City to Franchise Tax Board ("FTB") all qualifying delinquent accounts, and track, monitor and report to the City the results of the submission.
12. Agency shall collect and deposit payments from customers and on no less than a monthly basis submit a check to the City for all monies collected, less collection fees, along with a report including the account name and number, amount collected, and collection fees.
13. Agency shall provide to the City a monthly report on the status of each account including; utility account number, customer name, the amount received, the charges waived, the balance due and date of last payment, and the actions taken on the account. Agency should immediately advise the City of any account that is paid in full or deemed uncollectible. If an account is deemed uncollectible, information regarding this determination must be provided to the City.
14. Agency shall provide to the City monthly financial summary reports including totals for receipts, net accounts receivable, total accounts receivable and collection percentage.
15. Agency shall provide to the City an annual financial summary report as of June 30 (City's fiscal year end) including totals for receipts, net accounts receivable, total accounts receivable and collection percentage. This report should be submitted to the City no later than July 30th of each year.
16. Agency shall guarantee the confidentiality, security and safety of all files, documents, and information provided by the City, except as to disclosure required by federal and state laws and regulations.
17. Agency will exercise its best ethical, prudent, lawful and professional efforts to secure collections on all accounts referred by the City. Collections activities shall comply with all federal, state and local laws, including but not limited to the Federal Fair Debt Collection Practices Act.
18. Agency will process all customer payments in accordance with applicable Payment Card Industry (PCI) security requirements.

19. In accordance with the Fair and Accurate Credit Transaction (FACT) Act of 2003 (Red Flag Rules), the vendor must have an identity theft prevention program in place.
20. Agency shall be HIPPA (Health Insurance and Portability and Accountability Act of 1996) compliant and maintain compliance throughout the term of the contract.
21. Agency shall meet with City staff upon execution of contract to discuss all the goals of the relationship, the services to be provided and other topics relevant to performing collections on behalf of the City. The Agency shall assign a representative or contact person to the City. Furthermore, Agency shall meet with City staff on a quarterly basis (or as-needed if issues arise) to discuss all services and how the Agency and City can work together to further reduce debt owed. The City will provide overall guidance on the conduct of the collection service, as it reflects upon the City's policies and reputation. The Agency will agree to employ courteous business procedures to the end of maintaining the City's goodwill. The Agency shall also provide updates to the City on changes in federal and state laws related to credit and collections.
22. The City reserves the right to add additional accounts receivable collection items to the existing contract. Agency agrees pricing will be the same for any additional receivables.
23. At any time, all records of the Agency pertaining to the City shall be subject to inspection, review, or audit by City, state or federal officials, during the contract period and for seven (7) years after the termination of the contract.
24. Agency shall not assign or subcontract any portion of this agreement or transfer or assign any claim, pursuant to this contract, without the written consent of the City.
25. Agency shall make contacts with delinquent accounts under the name of the Agency and not the City of Oceanside.
26. The Agency agrees to maintain a City of Oceanside business license for the duration of the contract.
27. Any settlement of principal or charges shall be agreed upon in writing between the Agency and the City, prior to acceptance.
28. Currently, the first \$9.50 of every parking citation is forwarded to the State and County, this portion of the debt will not be subject to any collection agency fees. Any future increases to parking citation fees imposed by the State and County shall also not be subject to any collection agency fees.

29. The City reserves the right to terminate the contract at any time by providing thirty day written notice for convenience or cause.
30. In the event of contract termination or the bankruptcy/dissolution of the agency, all accounts and documentation relating to City accounts shall be returned to the City, regardless of status or payment arrangements made with consumers.

III. INSTRUCTIONS AND INFORMATION

A. Vendor Information (submittals):

Please submit seven (7) hard copies of your proposal to the City of Oceanside. No proposals exceeding five (5) pages will be accepted (excluding attachments). The successful bidder will be asked to sign a contract. For informational purposes a sample agreement has been included with this RFP. Do not execute the contract at this time.

Timeframe for selection and implementation is as follows:

March 19, 2010	Deadline for questions
April 9, 2010	Proposals due
April 12- April 20, 2010	Evaluation of Proposals
April 21- April 23, 2010	Interviews of Firms
April 26, 2010	Final selection of vendor
June 23, 2010	Present to Council & Contract Execution

The proposal must contain the following specific information:

1. Letter of transmittal signed by an individual authorized to bind the proposing entity stating the Agency has read and will comply with all terms and conditions of the RFP.
2. General information about the firm, including the size of the organization, location of offices, years in business, organizational chart, name of owners and principal parties, number and position titles of staff. Information regarding any collection associations of which the Agency and its staff are members should be included.
3. Qualifications of staff proposed for the assignment, their position in the firm, and types and amount of equivalent collection experience. Be sure to include any municipal agencies they have worked with and their level of involvement. A description of how overall supervision will be provided should be included (this can be included as part of an attachment).
4. A description of the methodology that would be followed in carrying out the Agency's responsibilities. Clearly describe all collection services

you propose to provide to the City. As a part of the description, identify the responsibilities of the City and the responsibilities of the Agency. Also describe the coordination required between customer, the City, and the Agency if an account is assigned. Please provide any additional information or suggestions that will aid in the City's selection process.

5. Provide sample copies of the type of reports the City could expect to receive from the Agency for each major source of revenue (previously listed). Each report should be clearly marked as to the type of information the particular report is trying to convey (this can be included as part of an attachment). A monthly report on the amount assigned, the amount collected, the amount returned and the overall collection rate is required.
6. Provide sample letters to be sent to delinquent accounts. Be sure to indicate what collection method each letter pertains to (this can be included as part of an attachment).
7. A list of the municipal agencies your Agency has worked with during the past three years. Provide the following information for three collection projects which are similar in size and scope to the project requested by this proposal:
 - a. Name, address and telephone of the agency
 - b. Time period for the project
 - c. Brief description of the scope of the collection efforts
 - d. Recommended collection procedures
 - e. Person to contact for a reference
8. A statement as to the ability of the Agency to make collections in all fifty states and the Agency's ability to file reports with all three national credit bureaus.
9. Clearly describe and outline your fees for the services. Be sure to differentiate the fees between the various collection methods being proposed. The cost proposal should be provided in table form, with costs for each task, each key area of focus, and any maximum costs.
10. A statement of the dollar amount of an account under which your Agency will not actively pursue regular collection and/or legal action.
11. Provide overall information to show the average number of days required by your Agency to complete a collection and forward the monies to your customer. In addition, list historical collection percentages achieved by your Agency for the various sources of

revenue listed in the RFP, as well as the ratio of employees to total number of collection accounts your Agency is responsible for.

12. A statement of the services your Agency feels differentiates you from other agencies.
13. The selected consultant will be required to sign a contract in a form similar to that presented in Appendix B. Any anticipated changes should be outlined in the proposal. Additionally, any concerns regarding the contract should be included.
14. Provide a statement indicating adherence to the 30 itemized requirements. The statement should note if there are any requirements that can not be met along with an explanation of why the requirement can not be met.

B. Evaluation Criteria

A review committee will judge the merit of Proposals received in accordance with the general criteria defined herein. Failure of proposers to provide in their Proposal any information requested in this RFP may result in disqualification of the Proposal. The sole objective of the review committee will be to select the Proposal that is most responsive to the City's needs.

1. Proposed collection methods and approach in completing the work (primary determinant).
2. Adequacy and completeness of the Proposal with regard to the specified information.
3. Demonstrated competence and professional qualifications necessary for satisfactory performance of the work required by the City.
4. Recent experience in successfully performing similar services.
5. Background and related experience of the specific individuals to be assigned to this project.
6. The total cost will be considered in the analysis, but cost will not be used as the sole consideration.

As reflected above, contract award will not be based solely on price, but on a combination of factors as determined to be in the best interest of the City. After evaluating the proposals and discussing them further with the finalists or the tentatively selected contractor, the City reserves the right to further negotiate the proposed work and/or method and amount of compensation.

C. Scope Changes, Additions And Deletions

All changes in proposal documents shall be through written addendum and furnished to all Proposers. Verbal information obtained otherwise will NOT be considered in the award process.

D. Rejection of Proposals:

The City of Oceanside reserves the right to reject any or all Proposals and to waive informalities and minor irregularities in Proposals received and to accept any portion of Proposal or all items of Proposal if deemed in the best interest of the City to do so.

E. Proprietary Information:

Any restrictions on the use of data contained within a Proposal must be clearly stated in the Proposal itself. Proprietary information submitted in response to this RFP will be handled in accordance with applicable City Procurement Regulations and the California Public Records Act.

F. Response Materials Ownership:

All materials submitted regarding this RFP become the property of the City. Responses may be reviewed by any person at Proposal opening time and after final selection has been made. The City has the right to use any or all collection ideas presented in reply to this request, subject to the limitations outlined in Proprietary Information above. Disqualification of a proposer does not eliminate this right.

G. Incurring Costs:

The City is not liable for any cost incurred by Proposers prior to issuance of an agreement, contract or purchase order.

H. Acceptance of Proposal Content:

The contents of the Proposal of the successful Proposer will become contractual obligations if contractual agreements action ensues. Failure of the successful Proposer to accept these obligations in a purchase agreement, purchase order, contract, delivery order or similar acquisition instrument may result in cancellation of the award and such Proposer may be removed from future solicitations.

I. Presentation:

All proposals shall be prepared in a comprehensive manner as to content; however, no necessity exists for expensive binders or promotional material. All costs, including travel and expenses, incurred in the preparation of this proposal shall be borne solely by the proposing firm.

LISTING OF CITY REVENUE SOURCES

- Collection on delinquent water, refuse, and sewer accounts where former customers have balances owing on their City utility bills.

The City bills approximately 43,000 utility customers monthly, with total billings of approximately \$70 million annually. Projected number of accounts to be sent to the Agency annually are 600, totaling approximately \$180,000.

- Collection on miscellaneous delinquent accounts receivable items where customers have not paid for services or charges from the City.

The City has several sources of miscellaneous receivables including:

- Driving under the influence (DUI) billings
- Library fine billings
- Unreturned library item billings
- Property damage billings
- Employee loans
- False alarm billings
- Administration citation billings
- Water testing
- Construction Certificates
- Lost/Stolen Construction Meters
- Retiree & Cobra Benefits
- Returned checks

The City projects approximately 300 miscellaneous accounts will need collection services annually, totaling approximately \$110,000

- Collection on delinquent ambulance billing accounts where customers have not paid for services and charges performed by the City's paramedic units.

The City bills approximately 7,400 ambulance customers annually, with total billings of approximately \$4.1 million. Projected accounts to be sent to the Agency annually are 1,700, totaling approximately \$1,000,000.

- Collection on delinquent parking citations where registered owners of vehicles have not paid for a citation(s) issued due to a parking violation within the City limits.

The City issues approximately 58,000 parking citations annually, with total billings of approximately \$2.9 million. Projected accounts to be sent to the Agency annually are 8,700, totaling approximately \$850,000.

- Collection on parking citations from prior fiscal years where efforts to collect have been exhausted.

The City has approximately \$5.5 million in uncollected parking citations from prior fiscal years that could be a potential revenue source if collected.

CITY OF OCEANSIDE

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, dated _____, 20__ for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and _____, hereinafter designated as "CONSULTANT."

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **SCOPE OF WORK.** The project is more particularly described as follows:
[insert a brief description of the work to be done].

2. **INDEPENDENT CONTRACTOR.** CONSULTANT'S relationship to the CITY shall be that of an independent contractor. CONSULTANT shall have no authority, express or implied, to act on behalf of the CITY as an agent, or to bind the CITY to any obligation whatsoever, unless specifically authorized in writing by the Financial Services Director. CONSULTANT shall be solely responsible for the performance of any of its employees, agents, or subcontractors under this Agreement. CONSULTANT shall report to the CITY any and all employees, agents, and consultants performing work in connection with this project, and all shall be subject to the approval of the CITY.

3. **WORKERS' COMPENSATION.** Pursuant to Labor Code section 1861, the CONSULTANT hereby certifies that the CONSULTANT is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the CONSULTANT will comply with such provisions, and provide certification of such compliance as a part of this Agreement.

4. **LIABILITY INSURANCE.**
 - 4.1. CONSULTANT shall, throughout the duration of this Agreement maintain comprehensive general liability and property damage insurance, or commercial general liability insurance, covering all operations of CONSULTANT, its agents and employees, performed in connection with this Agreement including but not limited to premises and automobile.

4.2 CONSULTANT shall maintain liability insurance in the following minimum limits:

Comprehensive General Liability Insurance
(bodily injury and property damage)

Combined Single Limit Per Occurrence	\$ 1,000,000
General Aggregate	\$ 2,000,000*

Commercial General Liability Insurance
(bodily injury and property damage)

General limit per occurrence	\$ 1,000,000
General limit project specific aggregate	\$ 2,000,000

<u>Automobile Liability Insurance</u>	\$ 1,000,000
---------------------------------------	--------------

*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of CONSULTANT under this Agreement.

- 4.3** If coverage is provided through a Commercial General Liability Insurance policy, a minimum of 50% of each of the aggregate limits shall remain available at all times. If over 50% of any aggregate limit has been paid or reserved, the CITY may require additional coverage to be purchased by the CONSULTANT to restore the required limits. The CONSULTANT shall also notify the CITY'S Project Manager promptly of all losses or claims over \$25,000 resulting from work performed under this contract, or any loss or claim against the CONSULTANT resulting from any of the CONSULTANT'S work.
- 4.4** All insurance companies affording coverage to the CONSULTANT for the purposes of this Section shall add the City of Oceanside as "additional insured" under the designated insurance policy for all work performed under this agreement. Insurance coverage provided to the City as additional insured shall be primary insurance and other insurance maintained by the City of Oceanside, its officers, agents, and employees shall be excess only and not contributing with insurance provided pursuant to this Section.
- 4.5** All insurance companies affording coverage to the CONSULTANT pursuant to this agreement shall be insurance organizations admitted by the Insurance Commissioner of the State of California to transact business of insurance in the state or be rated as A-X or higher by A.M. Best.
- 4.6** All insurance companies affording coverage shall provide thirty (30) days written notice to the CITY should the policy be cancelled before the expiration date. For the purposes of this notice requirement, any material

change in the policy prior to the expiration shall be considered a cancellation.

- 4.7 CONSULTANT shall provide evidence of compliance with the insurance requirements listed above by providing a Certificate of Insurance and applicable endorsements, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.
- 4.8 CONSULTANT shall provide a substitute Certificate of Insurance no later than thirty (30) days prior to the policy expiration date. Failure by the CONSULTANT to provide such a substitution and extend the policy expiration date shall be considered a default by CONSULTANT and may subject the CONSULTANT to a suspension or termination of work under the Agreement.
- 4.9 Maintenance of insurance by the CONSULTANT as specified in this Agreement shall in no way be interpreted as relieving the CONSULTANT of any responsibility whatsoever and the CONSULTANT may carry, at its own expense, such additional insurance as it deems necessary.
5. **PROFESSIONAL ERRORS AND OMISSIONS INSURANCE.** Throughout the duration of this Agreement and four (4) years thereafter, the CONSULTANT shall maintain professional errors and omissions insurance for work performed in connection with this Agreement in the minimum amount of One Million Dollars (\$1,000,000.00).

CONSULTANT shall provide evidence of compliance with these insurance requirements by providing a Certificate of Insurance.

6. **CONSULTANT'S INDEMNIFICATION OF CITY.** CONSULTANT shall indemnify and hold harmless the CITY and its officers, agents and employees against all claims for damages to persons or property arising out of CONSULTANT'S work, including the negligent acts, errors or omissions or wrongful acts or conduct of the CONSULTANT, or its employees, agents, subcontractors, or others in connection with the execution of the work covered by this Agreement, except for those claims arising from the willful misconduct, sole negligence or active negligence of the CITY, its officers, agents, or employees. CONSULTANT'S indemnification shall include any and all costs, expenses, attorneys' fees, expert fees and liability assessed against or incurred by the CITY, its officers, agents, or employees in defending against such claims or lawsuits, whether the same proceed to judgment or not. Further, CONSULTANT at its own expense shall, upon written request by the CITY, defend any such suit or action brought against the CITY, its officers, agents, or employees founded upon, resulting or arising from the conduct, tortuous acts or omissions of the CONSULTANT.

CONSULTANT'S indemnification of CITY shall not be limited by any prior or subsequent declaration by the CONSULTANT.

7. **OWNERSHIP OF DOCUMENTS.** All plans and specifications, including details, computations and other documents, prepared or provided by the CONSULTANT under this Agreement shall be the property of the CITY. The CITY agrees to hold the CONSULTANT free and harmless from any claim arising from any use, other than the purpose intended, of the plans and specifications and all preliminary sketches, schematics, preliminary plans, architectural perspective renderings, working drawings, including details, computation and other documents, prepared or provided by the CONSULTANT. CONSULTANT may retain a copy of all material produced under this Agreement for the purpose of documenting their participation in this project.

8. **COMPENSATION.** CONSULTANT'S compensation for all work performed in accordance with this Agreement, shall not exceed the total contract price of \$__

No work shall be performed by CONSULTANT in excess of the total contract price without prior written approval of the City Engineer. CONSULTANT shall obtain approval by the City Engineer prior to performing any work that results in incidental expenses to CITY.

9. **TIMING REQUIREMENTS.** Time is of the essence in the performance of work under this Agreement and the timing requirements shall be strictly adhered to unless otherwise modified in writing. All work shall be completed in every detail to the satisfaction of the Engineer within [number of working or calendar days] [project manager may insert a phased timing requirement instead of time certain, if desired].

10. **ENTIRE AGREEMENT.** This Agreement comprises the entire integrated understanding between CITY and CONSULTANT concerning the work to be performed for this project and supersedes all prior negotiations, representations, or agreements.

11. **INTERPRETATION OF THE AGREEMENT.** The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to CITY.

The CONSULTANT shall be responsible for complying with all local, state, and federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions, which are otherwise lawful, shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

- 12. **AGREEMENT MODIFICATION.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.
- 13. **SIGNATURES.** The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF, the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Professional Services Agreement to be executed by setting hereunto their signatures on the dates set forth below.

[NAME OF CONSULTANT]
By: _____
Name/Title

CITY OF OCEANSIDE
By: _____
City Manager

Date: _____

Date: _____

By: _____
Name/Title

APPROVED AS TO FORM:

City Attorney

Date: _____

Employer ID No.

NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.

Sequoia Financial Services

500 N Brand Boulevard, Suite 1200

Glendale, CA 91203

818-409-6000

Project Manager: King Bechtel

Request for Proposal for

COLLECTION AGENCY SERVICES



Prepared exclusively for
City of Oceanside

Friday April 9, 2010; 3:00 P.M.

NOTICE:

THIS PROPOSAL OR QUOTATION INCLUDES DATA THAT SHALL NOT BE DISCLOSED OUTSIDE THE GOVERNMENT AND SHALL NOT BE DUPLICATED, USED, OR DISCLOSED, IN WHOLE OR IN PART, FOR ANY PURPOSE OTHER THAN TO EVALUATE THIS PROPOSAL OR QUOTATION. IF, HOWEVER, A CONTRACT IS AWARDED TO THIS OFFEROR OR QUOTER AS A RESULT OF, OR IN CONNECTION WITH, THE SUBMISSION OF THIS DATA, THE GOVERNMENT SHALL HAVE THE RIGHT TO DUPLICATE, USE OR DISCLOSE THE DATA TO THE EXTENT PROVIDED IN THE RESULTING CONTRACT. THIS RESTRICTION DOES NOT LIMIT THE GOVERNMENT'S RIGHT TO USE INFORMATION CONTAINED IN THIS DATA IF IT IS OBTAINED FROM ANOTHER SOURCE WITHOUT RESTRICTION. THE DATA SUBJECT TO THIS RESTRICTION ARE CONTAINED IN ALL PAGES.

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ATTACHMENTS

- Attachment 1 Organizational chart
- Attachment 2 Overall Supervision (Question 3, Qualification of Staff)
- Attachment 3 Sample Reports
- Attachment 4 Sample Letters
- Attachment 5 References (Question 7)
- Attachment 6 Flow chart of activities related to customer contacts (Question 4, Methodology)



500 North Brand Blvd., Suite 1200, Glendale, CA 91203

1. LETTER OF TRANSMITTAL

City of Oceanside
Financial Services Department
300 North Coast Highway
Oceanside, CA 92054
ATTN: Teri Shoemaker

Re: Response to Request for Proposal for Collection Agency Services

Dear Ms. Shoemaker:

As President and Chief Executive Officer of Sequoia Financial Services, please accept our response to the City of Oceanside's Request for Proposal for Collection Agency Services. Sequoia has read and will comply with all terms and conditions of this RFP.

We currently serve numerous municipal clients with similar projects and have gathered the necessary specialized experience and technical competence to ensure the highest rate of recovery to the City.

King Bechtel, Chief Marketing Officer, will be assigned as the Project Manager and will be available to assist the City when required. He can be reached at (818) 409-6058 or via email at King.Bechtel@sequoiafinancial.com.

We look forward to providing the City of Oceanside with all of the benefits and value added services that come along with a relationship with our organization.

We look forward to hearing of your findings.

Sincerely

A handwritten signature in black ink, appearing to read "Roy du Plessis". The signature is fluid and cursive, with a long horizontal stroke that loops back under the name.

Roy du Plessis
President and Chief Executive Officer

2. GENERAL INFORMATION

Sequoia Financial Services was established in 1991 by Roy and Denise du Plessis, based on their vision of a collection agency built on integrity and professionalism. Since then, Sequoia has been providing superior collection services on a national level to a myriad of entities. Incorporated in the state of California on May 13, 1993, Sequoia is headquartered in the Glendale Business District at 500 North Brand Boulevard, Suite 1200, Glendale, California 91203-3950.

Headed by Chief Executive Officer Roy du Plessis, Sequoia is supported by eighty-three (83) dedicated employees in four major departments: Administration, Collection, Marketing, and Legal. The Managers of each department report directly to the C.E.O. and each is solely responsible for his/her staff. (*Attachment 1 – Organizational Chart*)

Sequoia's Principals have a combined sixty (60) years of experience in all areas of debt collection, billing and receivables management. In addition, our management team consists of former city and state employees who provide us with the unique ability to understand the challenges faced by our customers.

Sequoia complies with all State and Federal Consumer and Collection Practice Laws and takes action on all submitted accounts through ethical and lawful means. We monitor, document, and assess our collectors to ensure that they are conducting themselves in the highest professional standards.

Sequoia is a member in good standing with the American Collectors Association (ACA), American Collectors Association Government Services Program (ACAGSP), California Association of Collectors (CAC), California Municipal Revenue Tax Association (CMRTA), California Association of Healthcare Admissions Management (CAHAM), Healthcare Financial Management Association (HFMA), National Association of Subrogation Professionals (NASP), Public Agency Risk Managers Association (PARMA), Metropolitan Water District, Better Business Bureau, Southern California Minority Business Development Council Inc., and National Minority Supplier Diversity Council. Sequoia is actively involved with the Glendale Chamber of Commerce, the Los Angeles Chamber of Commerce, and the Glendale Sunrise Rotary. We are also the endorsed vendor for the Los Angeles County Bar Association.

3. QUALIFICATION OF STAFF

We appreciate the opportunity to bid on the City of Oceanside's Request for Proposals for Collection Agency Services. Sequoia Financial will exercise its best efforts professionally and legally to ensure collection of outstanding account receivables on behalf of the City of Oceanside. If awarded the contract, we will organize a team solely committed to the City's accounts to meet all performance and quality assurance standards set by the City.

Roy du Plessis – President and Chief Executive Officer

Since 1972, Mr. du Plessis has been associated with collection agencies in varying positions such as Agent, Qualified Manager, Executive Vice President, Chief Executive Officer, and President. His many years of experience include the organization and management of a fully automated agency using

innovative and effective debt collection practices and procedures. Sequoia is his second Agency. Mr. du Plessis will oversee the Project Manager and the Collection Team.

King Bechtel – Chief Marketing Officer, Project Manager

Since joining Sequoia in 2001, King Bechtel has secured successful working relationships with numerous municipalities. Some of our clients include the Los Angeles Department of Water and Power, City of Alhambra, City of Indio, City of Riverside, City of Industry, City of Whittier, City of Yuba City, City of Eureka, City of Arcadia, and City of Soledad. Mr. Bechtel is a certified CPA, holds a Bachelor of Arts in Accounting, and has over twenty three (23) years of sales and customer service experience. If awarded the contract, Mr. Bechtel will be assigned as the Project Manager and will handle all service related issues. He will act as liaison between the Marketing and Collection Department, coordinating meetings and conferences, and ensuring the timely delivery of reports required by the City. He can be reached at (818) 409-6058 and via email at King.Bechtels@sequoiafinancial.com.

Asia Ahmonuel – Executive Assistant, Administrative Liaison

Ms. Ahmonuel holds an Associate Degree in Business Administration and has been with Sequoia for fourteen (14) years. She is a vital part of the Sequoia team, coordinating many client related functions. Ms. Ahmonuel will work closely with the City of Oceanside and its internal staff to ensure the smooth and secure transmission of files.

Roy du Plessis II – Collection Supervisor

A Loyola Marymount University graduate, Roy du Plessis II has been an essential part of Sequoia for the past fourteen (14) years. Mr. du Plessis interacts daily with parking citations, property damage claims, NSF checks, and other miscellaneous receivables. His responsibilities to the City will include operating and monitoring large balance accounts, reviewing collection activity reports, and assessing, monitoring and training collectors.

Jerry Sanchez – Utility Collection Manager

Mr. Sanchez has been in the collection industry for over fifteen (15) years with ten (10) years in management. He started his career with Sequoia in 2004. Mr. Sanchez's approach is "attitude makes the difference". He holds regular training and motivational sessions to help develop a plan of action and to keep collectors educated. He has assisted the Los Angeles Department of Water and Power and with its delinquent closed residential and commercial utility accounts receivables.

Collectors

Our collectors possess a thorough working knowledge of the Fair Debt Collection Practices Act (FDCPA), the Fair Credit Reporting Act (FCRA), the Health Insurance Portability and Accountability Act (HIPPA), and key areas of the California Civil Code and the California Civil Code of Procedure, and other related laws. We will provide a knowledgeable team of collectors, trained on the policies and procedures surrounding the City's contract. The number of collectors dedicated to the City's portfolio will be dependent upon the expected volume.

Administrative Assistant

This administrative assistant will possess an average of three (3) or more years of experience in administrative and clerical functions. Duties will include back up skip-tracing, letter production and mailing, and following up with the City's requests.

Edmond Siegel – Attorney

A NYU and USC law graduate, Mr. Siegel has over forty three (43) years of collection litigation experience, specializing in Creditor's Rights Litigation. He is available to address any legal collection related questions our collectors and the City may have.

IT Support Team

Sequoia employs a full service information technology vendor to provide online/on-site technical support and IT services including the managing of our entire network and hosting email.

Sequoia Financial will ensure that, within our control, the personnel proposed to work on this project will remain available for the full term of the contract.

Please refer to Attachment 2 for "Overall Supervision"

4. METHODOLOGY

Staff dedicated to the City's accounts will have a thorough knowledge of all aspect of collections for bad debt, parking tickets, bounced checks, property damage claims, ambulance fees, etc. In addition, we are more than willing to provide onsite training to your staff with an emphasis on telephone technique and potential third party liability claims training, along with effective referral methodology.

Upon assignment and before initiating active collections, the accounts will be pre-processed through demographic databases for the purpose of phone number validation, address verification, and real property ownership. This process will ensure that the accounts have the most updated consumer demographics.

A letter series rule will be placed on each account and will trigger the system to send a first, second and third demand every twenty (20) days. A written demand will immediately be sent to the address provided by the City and forwarding address information will be requested. In addition, we pull substantial amounts of data from the National Change of Address database which enables us to verify phone numbers and forward mail.

All accounts will be batched for automatic skip-tracing using the debtor's name, address and social security number. These fields will then be sorted and ran against a combined, in-house skip-tracing database. Nationwide databases are updated quarterly and state and local database sources are updated daily, weekly and monthly. This information will be downloaded directly to the debtor's electronic work card and made available immediately to the collector.

Telephone contact will be initiated without delay and efforts will be made to contact responsible parties at their home, work, or cellular telephone numbers. If we find that the debtor is a "skip", our collectors will employ skip-tracing efforts by contacting neighbors, relatives and other references to secure correct telephone numbers and addresses. Using our expansive database, we can obtain pertinent information including new addresses, telephone numbers, existing employment, personal and real property ownership information and bankruptcy information.

Extra emphasis will be placed on telephone technique. Our collectors understand that each customer is unique, with distinctive circumstances and they will be attentive to your customer's needs. Our expert, professional collection team will encourage your customers to cure their delinquencies promptly and guide them to a quick and courteous solution by tactfully evaluating their ability to pay in full or negotiate a payment plan.

We accept Master Card/Visa, Western Union, ACH Debits from check/savings accounts, check by phone, check by fax, and wire transfers. Debtors have the option of logging on to our website to make secure payments. All payment information is secure and only designated Sequoia personnel handle all payments/trust transaction processing. As required by the City, Sequoia will remit payment to the City on a monthly basis for the prior month's collection, less collection fees. A remittance report will be included with payment.

Every effort will be made to collect your claims telephonically and with written demands. After the collector has utilized all avenues, the account will be transferred to our "2nd Look" audit team. Managers will review the work done, review assets and make further collection calls. All accounts that remain uncollected after sixty (60) days will be transferred to these units to ensure maximum liquidation. If the debtor is unwilling to pay, the file will be prepared for our litigation staff's review and referral to our in-house attorneys.

Sequoia will initiate legal action via our in-house Legal Department, compliant with the City's protocol on any file where it is determined that liability clearly favors the City. We will look at the debtor's current financial status, paying particular attention to his/her assets, as the debtor's asset picture will primarily dictate whether or not Sequoia will litigate the file. Sequoia will not file suit on any constituent without the City's written consent.

During all cycles of the account, if a complaint is received, the account status will immediately be changed to "DSP" (Dispute Status) and transferred to a Collection Manager. The Collection Manager will review the complaint to determine its validity and prepare the formal assessment of their findings. If it is determined to be a valid dispute, the Manager will review the dispute with the City and will forward a copy via email/fax for a response, if necessary. If the dispute is not valid, the collector will respond to the debtor in writing to explain why the balance is still owed. The account will remain on a "DSP" (Dispute Status) until resolved. Most disputes are resolved within thirty (30) days.

All disputes involving collection personnel will be reviewed with the involved employee(s). If the complaint is valid and not severe, the manager will issue a verbal warning and counsel the collector. If more than one complaint is received or the complaint is deemed severe, a written notice is issued up to and/or including termination of employment. The Collection Manager will handle the account until it has been resolved or closed.

Collectors are able to work accounts more efficiently by means of our collection software. This state-of-the-art software provides a fully automated, menu-driven collection and reporting system that surpasses any in the industry and alerts the collector when a phone call is contrary to Federal Debt Collection Practices Act (FDCPA) rules and regulations.

The City of Oceanside will be able to log into our collection software via the Internet using an assigned user ID and password. Once logged in, the City will have the ability to view payment information, updated customer information and reports, and will also be able to send emails to collectors and managers.

Our technology and software allow for a separate database, unique to City accounts, which can accommodate thousands of files. Additional test volumes can be instituted smoothly, and maintained within a companion database, with no impact on the City.

We handle and process all customer calls using our 25-port predictive dialer, the Connect-One Dialer. This system is accessed through our collection software. There are several modes of operations for this dialer:

- **Power Mode:** This mode places accounts in a "pool" to allow multiple numbers to be dialed, passing a good contact to available collectors.
- **Standard Mode:** This mode is more aggressive. It will start dialing for a collector while the collector is still on the telephone. Based on "logic" we provide, the dialer calculates a modified average talk time and pre-dials to have a call ready by the time the collector finishes the call, essentially "predicting" collector traits. There is also a timeout period so that the dialer will not dial until the next call if the collector talks more than a specified time. This function allows the collector to get the maximum response with minimum hang ups.
- **Auto Mode:** This mode allows collectors to call a telephone number on accounts specified by the collector. Auto mode is often used for high balance accounts or when the collector must work from their own desk. This mode is pre-set daily to ensure that collectors work all "broken promises to pay" daily, thereby maximizing return of the most accessible dollars.

To complement our Connect-One dialer platform, Sequoia also incorporates into its collection strategy the utilization of TCN (Telephone Computer Network) Web based Voice Broadcasting dialing technology. This intelligent collection dialing technology enables Sequoia to significantly increase outbound call production with sophisticated interactive call routing and leaves custom messages (as approved by the City) on detected answering machines. By using TCN, right party and live party answers are promptly routed to our highly qualified collectors while detected answering machines receive a custom and non-

agent designated message informing the party to call Sequoia Financial Services. In addition, no answers, busy signals, and sit tones detected calls are filtered through a multi-pass recall strategy where parties can be called again at a later time in the same day. These strategies enable Sequoia to ensure the collectors maximize their efforts with live-party calls while allowing the system to effectively handle all other call results.

In conjunction with using the dialer, Sequoia establishes parameters to qualify accounts based on individual need. We segregate promise to pay, refusals to pay, skips, disputes, and potential litigation. We have achieved significant success by cycling routine accounts through a matrix of letters and calls via the predictive dialer.

We are committed to protecting our Clients' privacy. We will never sell or rent your name, company information or your customer's personal information to any third party. We do not share information with other companies, with the exception of reporting accounts to the three major credit bureau reporting agencies.

As part of Sequoia's on-going proactive quality assurance policy program, we also have implemented internal policies for Identity Theft Prevention (**Red Flag Rules**). These programs are managed and monitored by the designated Sequoia Quality Assurance Compliance manager. By being proactive, Sequoia provides its Clients the confidence that comprehensive measures are in place. Sequoia is also able to provide additional protection for mitigating breach of client confidential/proprietary information along with preventing fraudulent activity involving the client/and or its customers.

Sequoia meets all the requirements related to data transfer. Data will be securely transmitted via electronic transfer using FTP (File Transfer Portal) protocol and PGP (Pretty Good Privacy) encryption. As an alternative, we also offer the following data transfer solutions:

- **Secured Data File Transfer Portal:**
We have designed a Second Data File Transfer Portal website for our clients to upload files securely without the requirements of a VPN (Virtual Private Network), secure FTP Client, or any type of utility to encrypt files prior to being sent.
- **Secured Data File Transfer Portal Server:**
This solution is designed to transmit multiple files to our office automatically and securely, eliminating the need to manually upload files to our Secure Portal Website one file at a time. This server is provisioned at the Client's premises. This solution does not require a VPN Tunnel, or any Firewall pinhole setting modifications. The only requirement is that the server has Internet access. The server transmits files via the SSL (Secured Socket Layer) port, insuring that all data transmitted is fully encrypted.
- **Client VPN Connections/Dedicated Router to Router VPN Tunnel:**
Sequoia maintains updated network technology, taking pride in providing the City with safe and secure transmission of all files via our Secure Website Portal. Information is protected by Cisco Firewalls and VPN (Virtual Private Network) Concentrators. We support Black Box to Black Box,

Router to Router, VPN tunnels and client-based VPN connections. Our VPN supports 1DES, 2DES, or 3DES (Data Encryption Standard) Encryption Algorithms.

We continually review our procedures and operate with the "What If?" attitude. Sequoia's Operations Data Center has multiple solutions in place to prevent the possible arrest of information services critical to the daily business functions. Our hardware includes redundant servers and a bare metal backup. Incremental backups are run every workday at 10:00 a.m., 4:00 p.m., and 6:00 p.m., as well as a full tape backup at midnight. Hard copy or tape backups are removed and stored in a secure off-site location every 24 hours. Sequoia maintains/stores all data for seven (7) years, pursuant to State and Federal guidelines.

Our Disaster Recovery Plan includes, but is not limited to Building Safety Procedures; Emergency Contact Lists; IT Infrastructure Contingencies; Application Backup Procedures; Network Contingencies; PC & Small Systems Contingencies; Power Supply Contingency; Restoration Procedures; Recovery Application and Procedures.

Please refer to Attachment 6 for a flow chart of activities related to customer contacts

5. SAMPLE REPORTS

Please refer to Attachment 3

6. SAMPLE LETTERS

Please refer to Attachment 4

7. LIST OF MUNICIPAL AGENCIES AGENCY HAS WORKED WITH DURING THE LAST THREE YEARS

Since 2001, Sequoia Financial Services has been working with City, County, and State entities. We represent a large pool of municipal clients and possess outstanding experience in balancing workload and productivity. We understand the provisions, preferences and issues that hinder revenue flow for government entities and the nuances of resolving specific disputes and problems that may arise with debtors. We interact daily with driving and civil infractions, all types of citations, property damage claims, utility payments, returned checks, business license fees, library fees, ambulatory fees, animal licenses, transient occupancy taxes, trash services, false alarm and nuisance fees, and other fees. For the last three years, Sequoia has worked with the City of Riverside, Los Angeles Department of Water and Power, City of Alhambra, City of Lynwood, City of Whittier, City of Industry, City of Yuba City, City of Montebello, City of Indio, City of Claremont, City of Barstow, City of La Mirada, City of Lakewood, and City of Monrovia, . *Please refer to attachment 5 for a list of projects similar in scope and size to this project.*

8. ABILITY TO MAKE COLLECTIONS IN ALL FIFTY STATES AND THE ABILITY TO FILE REPORTS WITH ALL THREE NATIONAL CREDIT BUREAUS

Sequoia is authorized to collect nationally and is licensed in all states where required. We file reports, as well as, place accounts on "watch" with all three national credit bureaus. We report accounts electronically to Experian, TransUnion, and Equifax on the 16th of every month on accounts assigned 45 days prior. Disputes, payments received, and paid accounts are updated monthly.

9. FEES

Our rates are contingency fee based and are determined by the volume of the accounts assigned, age of the accounts assigned and type of accounts assigned. There are never any add-ons or hidden fees. Sequoia proposes the following commission only fees:

<p>1st Placements: Water, refuse, and sewer accounts Miscellaneous delinquent accounts Ambulance billing accounts Parking Citations</p>	<p>22%</p>
<p>Legal Sequoia will front all court costs and there will be no out of pocket expense to the City</p>	<p>30%</p>
<p>Interest California law allows third party collection agencies to charge interest of 10% per annum. Any interest received on an account will be split with the City of Oceanside.</p>	<p>50%</p>

Our focus will be on maximizing the City's bottom line and providing state of the art collections on delinquent accounts. As a collection agency doing business coast to coast, we have the unique ability to routinely provide the City with asset checks and other investigational materials, at no additional cost to the City.

10. A STATEMENT OF THE DOLLAR AMOUNT OF AN ACCOUNT UNDER WHICH AGENCY WILL NOT ACTIVELY PURSUE REGULAR COLLECTION AND/OR LEGAL ACTION

Sequoia has no restrictions or criteria that would preclude active pursuit of collection on any account. We offer the most comprehensive and thorough collection services possible to our clients.

11. AVERAGE NUMBER OF DAYS REQUIRED BY AGENCY TO COMPLETE COLLECTION AND FORWARD MONIES TO CUSTOMERS.

The number of days to complete a collection varies on a myriad of factors. Much depends on the age of the account at referral, as well as the demographic of the area. We have found the sooner Sequoia can secure an account for recovery the higher the probability of a successful collection. We have numerous clients who refer at different age intervals.

HISTORICAL COLLECTION PERCENTAGES ACHIEVED BY AGENCY FOR THE VARIOUS SOURCES OF REVENUE LISTED IN THE RFP.

We have historical data from our database that indicates an account that is assigned within 90 days of the last charge date typically is 20% recoverable. The more aged account, the less collectible. We have found a significant decrease in recovery percentage after the 90 day threshold. The revenue type is not a significant factor. The percentage of recovery does not alter as much on the type of debt but on the timing of assignment.

RATIO OF EMPLOYEES TO TOTAL NUMBER OF COLLECTION ACCOUNTS AGENCY IS RESPONSIBLE FOR.

Ratio - 1:500

The number of collectors that will be collecting on the City's portfolio will be dependent upon the expected volume. The collectors dedicated to the City's accounts will have no more than five hundred (500) files at any given time. In addition, the collectors will receive no more than five (5) new files per day to ensure maximum returns to the City.

12. A STATEMENT OF THE SERVICES AGENCY FEELS DIFFERENTIATES YOU FROM OTHER AGENCIES

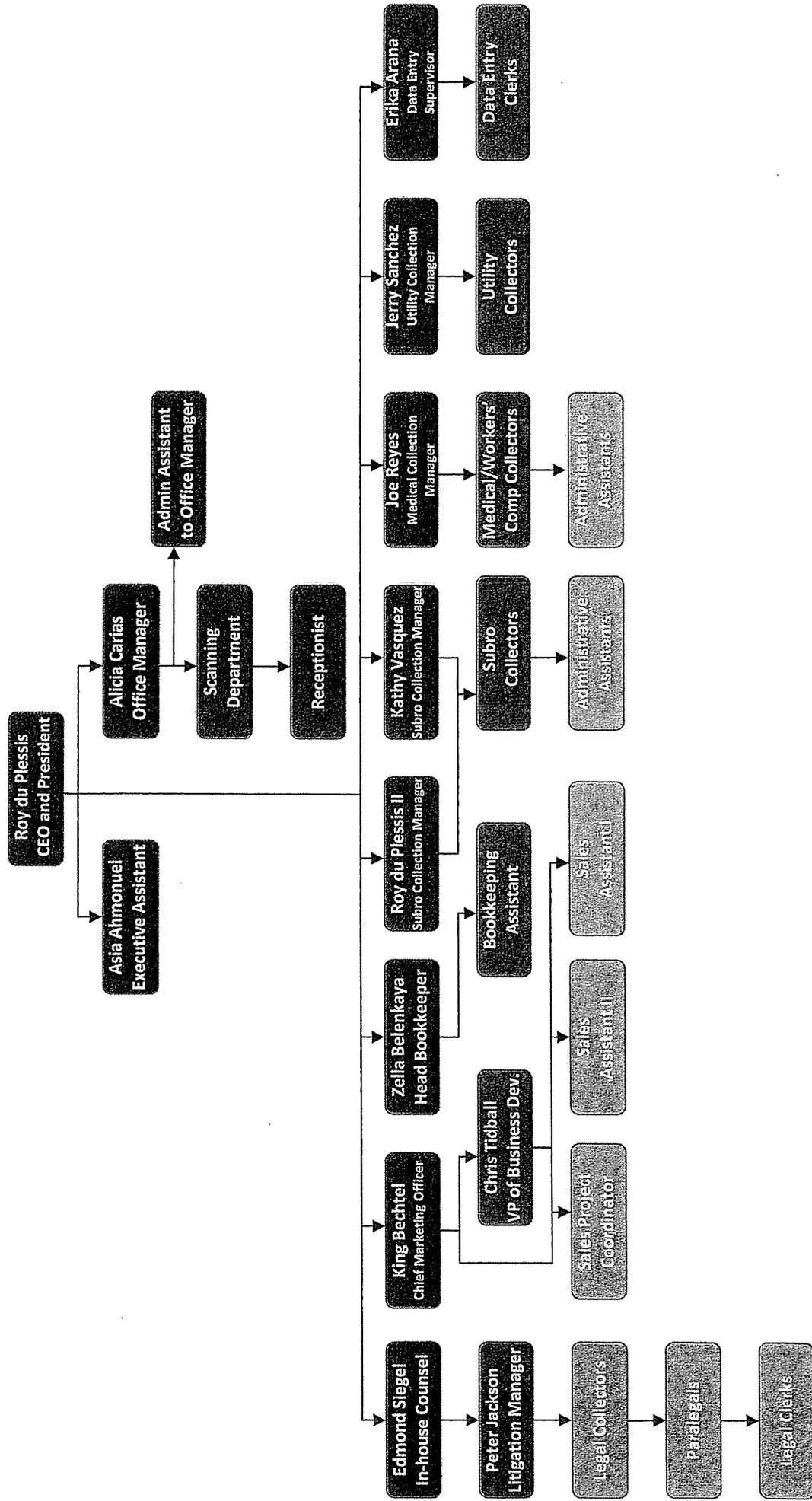
Sequoia is a company unlike any other in our mission to partner with clients and establish long term, mutually beneficial relationships. Nearly 79% of our client partners are referrals from our existing relationships. We pride ourselves on continually striving to exceed all client expectations.

13. Sequoia does not have any anticipate changes to Appendix B at the time.

14. Sequoia meets and will adhere to the 30 itemized requirements set forth in this Request Proposal for Collection Agency Services.

ATTACHMENT 1

Organizational Chart 2010



ATTACHMENT 2

3. A DESCRIPTION OF HOW OVERALL SUPERVISION WILL BE PROVIDED

Our timeline from contract agreement to start of work will be formed around the City's schedule.

Upon award of the contract, King Bechtel (Project Manager) will request a meeting with City staff to:

- Discuss procedures and policy requirements
- Address concerns from the City and its personnel to ensure that all required services are performed in the most satisfactory manner
- Confirm remittance procedures
- Introduce our IT specialists

Mr. Bechtel will ensure that the Statement of Work is adhered to so that the City's assignments are transmitted and completed daily. He will verify that all reports are checked for accuracy and are delivered to the City on a timely basis.

We will carefully study the City's requirements and create a collection team exclusively to meet and exceed the City's expectations. The goal will be to assemble a team of collectors and educate them on the work to be performed for the City.

Mr. Bechtel will hold classes during the transition period to familiarize the City's designated collectors of the policies and procedures surrounding the City's contract. Training manuals tailored to meet the City's specifications will be distributed to the staff. The manual will consist of a list of letters, policies and procedures.

Managers will oversee the dissemination of work to the collection staff and although our collectors pursue each account with equal tenacity and effort, debtor contacts will vary depending on information needed. Some collectors' portfolios will have higher balance accounts, though fewer overall accounts to more effectively secure recovery. These respective portfolios will be monitored daily to ensure they remain current.

Our collectors will be required to work their accounts every seven (7) days. Workload will be adjusted where necessary to ensure this standard is met. The collectors will work a campaign that queues their workload in priority status as follows:

- New Accounts "NEW"
- Broken Promises "BKP"
- Promise to Pay "PTP"
- All other Active Accounts "ACT"

Our focus will be on maximizing the City's bottom line and providing state of the art collections on delinquent accounts. To ensure and monitor control of costs and profitability for the City, Sequoia management will utilize both internal and as provided by the City, actuary/liquidation performance reports to determine its profit/loss margins. This data can also be used for determining what allocation and or adjustment of resources (personnel and system technology) may be required to meet both

internal and client defined performance revenue goals. Sequoia management will perform the portfolio evaluation process on a monthly, quarterly and annual basis.

ATTACHMENT 3

5. SAMPLE REPORTS

Sequoia provides Excel, Word, and Adobe formatted monthly reports. Our collection software stores data from new entry to closing of an account. When generating reports, we have the ability to sort, arrange, choose and indicate fields such as dates, specific categories (active accounts, paid accounts, payment plans arranged accounts, cancelled accts, etc), desks assignment, exclusions/inclusions, etc. The City will benefit from our custom writer feature which allows us to prepare and deliver any report required upon request.

Sequoia provides the following reports:

Acknowledgment Report (upon new assignments)	This report is generated and forwarded to our clients within five days of first assignment of accounts and confirms receipt of the accounts assigned.
Debtor Activity Report (monthly)	A compilation of all accounts assigned from inception through the end of the reporting period, each reflecting a three-letter status, indicating the current status of the account. Some of the codes used are PIF (paid in full) and SIF (settled in full), PAY (payment plan), BAN (Bankruptcy), BKP (broken pay plan), as well as legal status codes and credit bureau reporting codes.
Client Actuary Report (annually)	Recaps total agency activity, reflecting the average dollar amount, average age of the accounts, total number of accounts assigned by month and year, total number of accounts collected by month and year, and the recovery percentage by month and year. This gives the City the ability to plot our recovery by month of assignment. This report will be submitted to the City no later than July 30 th of each year.
Closing Report	Indicates all accounts closed, whether paid in full, settled in full, cancelled, bankrupt, and others.
Status Report	Generated upon request and states the current status of each account assigned.
Remittance Report	This report lists all payments received and is included with Clients payment.

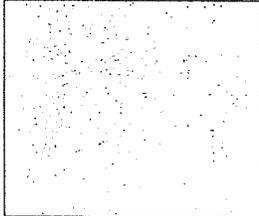
Acknowledgment

SEQUOIA FINANCIAL SERVICES
500 N. BRAND BLVD., STE. 1200
GLENDALE, CA 91203
(818) 409-6000

0711 TER033
ANY CLIENT USA
1234 ANY STREET
ANY CITY, USA 123456

ACKNOWLEDGMENT
DATE 03/07/03
thru 03/07/03
Page 1

WE ACKNOWLEDGE RECEIPT OF THE ACCOUNT(S) LISTED BELOW. IF YOU ARE CONTACTED BY THE DEBTOR, PLEASE REFER THEM DIRECTLY TO SEQUOIA. SHOULD YOU RECEIVE ANY PAYMENT(S) FROM THE DEBTOR, PLEASE REPORT TO US IMMEDIATELY. THANK YOU FOR YOUR PLACEMENT(S).

Reference No	Name	Last Chg Date	Last Pay Date	Assigned Amount	Our Ref Number
010669		10/13/93		30995.83	049690-9
1214		03/19/02		288.25	049690-4
INV#1040967-001		04/29/02		4531.25	049690-7
LB02S03079		10/24/02		4688.40	049691-0
148932		10/28/02		838.65	049690-8
191007		11/19/01		2898.50	049690-6
1136		06/22/00		896.50	049690-5
AVERAGE AGE AT LISTING: 832 DAYS			7	45137.38	

Debtor Activity Report

0711 - SEQUOIA FINANCIAL SERVICES

TCI034 RCD
 CLIENT NAME
 CLIENT CONTACT
 CLIENT ADDRESS
 CLIENT CITY/ST/ZIP

ALRBDID1 RUN DATE 03/11/03 Debtor Activity Report
 CLIENT:

Dates: 06/01/02 - 12/31/02

PAGE 00001

Account Number	Debtor Name	Debtor Number	Assigned Date	Assigned Amount	Collected Amount	Adjusted Amount	Current Balance	Sts	Dsk
1321242-11*		0495160	12/18/02	8,330.20	.00	.00	8,330.20	ACT	777
3052777-23*		0493473	09/23/02	1,022.91	.00	.00	1,022.91	ACT	050
1998990-00*		0490471	06/12/02	2,312.07	250.00	.00	2,062.07	NSF	011
1513899-07*		0491995	08/13/02	2,198.22	.00	2,198.22-	.00	CAN	500
1018159-19*		0494589	11/22/02	1,391.38	200.00	.00	1,191.38	PAY	060
1844597-06*		0490560	06/21/02	5,712.21	.00	.00	5,712.21	SKC	004
1817598-06*		0493237	09/17/02	24,784.47	.00	.00	24,784.47	ACT	004
1673805-05*		0494972	12/12/02	585.53	.00	585.53-	.00	BAN	061
1745458-00*		0495381	12/27/02	540.59	.00	.00	540.59	ACT	061
1245866-15*		0494028	10/25/02	2,647.94	.00	.00	2,647.94	ACT	050
1926243-02*		0490133	06/06/02	8,296.38	8,296.38	.00	.00	PIF	004
1030478-18*		0491840	08/07/02	4,500.00	.00	4,500.00-	.00	DUP	007
3298234-15*		0493344	09/20/02	14,216.82	.00	.00	14,216.82	ACT	L10
1711075-00*		0491418	07/19/02	11,201.68	.00	.00	11,201.68	ACT	004
1925735-02*		0491342	07/18/02	1,451.29	.00	1,451.29-	.00	CAN	500
1148521-16*		0490608	06/26/02	24,843.34	5,400.00	19,443.34-	.00	CAN	500
3220544-19*		0491697	08/01/02	1,202.09	.00	1,202.09-	.00	CAN	500
1204599-15*		0491595	07/26/02	1,033.06	.00	1,033.06-	.00	CAN	500
3753886-22*		0493023	09/05/02	15,417.67	.00	.00	15,417.67	LA1	014
1632762-05*		0491462	07/22/02	1,538.57	1,419.49	119.08-	.00	SIF	014
3664103-24*		0494919	12/11/02	9,936.97	.00	.00	9,936.97	LA2	050
1814087-07*		0494512	11/20/02	13,177.61	.00	.00	13,177.61	LA2	001
1643706-04*		0490329	06/11/02	1,092.02	1,100.72	8.70	.00	PIF	011
3879689-19*		0493488	09/23/02	9,165.15	.00	9,165.15-	.00	CAN	500
1126882-18*		0493704	10/04/02	710.10	.00	.00	710.10	INS	011
1393894-10*		0494298	11/07/02	577.49	.00	.00	577.49	ACT	777
1734692-00*		0493175	09/13/02	1,332.40	.00	1,332.40-	.00	CAN	500
3512709-20*		0491753	08/06/02	11,777.53	.00	11,777.53-	.00	CAN	500
3825397-20*		0494044	10/25/02	2,500.00	.00	.00	2,500.00	LA1	050
1229042-14*		0490804	07/05/02	1,700.38	.00	1,700.38-	.00	CAN	500
3477002-20*		0494232	11/05/02	22,971.32	.00	.00	22,971.32	INS	001
1325618-09*		0490262	06/10/02	456.21	.00	456.21-	.00	CAN	500
1098453-17*		0490264	06/10/02	5,075.80	.00	.00	5,075.80	ACT	777
1951043-01*		0491738	08/06/02	1,287.50	1,287.50	.00	.00	PIF	050
3759638-21*		0491801	08/08/02	500.79	.00	500.79-	.00	CAN	500
3448192-21*		0493544	09/26/02	7,606.89	.00	.00	7,606.89	ACT	004

Debtor Activity Report, continued

Status Class	Status/Description	Total Debtors	Amount Assigned	% of Total	Amount Collected	% Recovery	Current Balance
ACTIVE	ACT ACTIVE ACCOUNT	770	5,523,903.98	26.6%	39,041.61	.7%	5,484,862.37
ACTIVE	ANP ACCEPT NO PARTIALS	12	82,462.78	.4%	12,812.50	15.5%	69,650.28
ACTIVE	ARB ARB HEARING PEND/HOLD	4	11,157.98	.0%	.00	.0%	11,157.98
ACTIVE	BKP BROKEN PAY PLAN	87	271,246.11	1.3%	25,763.00	9.5%	245,483.11
ACTIVE	CCP COURT COSTS PENDING	26	471,044.39	2.2%	1,234.15	.2%	469,810.24
ACTIVE	CCR COURT COSTS REQ	1	2,892.29	.0%	1,000.00	34.5%	1,892.29
ACTIVE	DSP DISPUTED	21	167,502.36	.8%	4,250.00	2.5%	163,252.36
ACTIVE	HLD ACCT. ON HOLD-AWAITING INSTR.	6	21,327.61	.1%	1,000.00	4.6%	20,327.61
ACTIVE	HOT HOT ACCOUNT	12	219,688.35	1.0%	330.00	.1%	219,358.35
ACTIVE	INS INSURANCE PENDING	123	495,175.20	2.3%	36,733.67	7.4%	458,441.53
ACTIVE	LA1 ADDRESS UPDATE DB 1	302	2,223,410.26	10.7%	1,400.00	.0%	2,222,010.26
ACTIVE	LA2 ADDRESS UPDATE DB 2	178	1,441,356.90	6.9%	7,750.00	.5%	1,433,606.90
ACTIVE	LA3 ADDRESS UPDATE DB 3	15	86,088.02	.4%	50.00	.0%	86,038.02
ACTIVE	LEP LEGAL PENDING	1	39,825.64	.1%	.00	.0%	39,825.64
ACTIVE	NEW NEW BUSINESS	52	824,832.22	3.9%	.00	.0%	824,832.22
ACTIVE	NSF NSF RECEIVED	10	26,720.53	.1%	4,038.22	15.1%	22,682.31
ACTIVE	PAY MAKING REGULAR PAYMENTS	184	659,640.19	3.1%	142,596.20	21.6%	517,043.99
ACTIVE	PTP PROMISE TO PAY	52	193,956.66	.9%	24,670.41	12.7%	169,286.25
ACTIVE	RBA REPRESENTED BY ATTORNEY	32	386,890.76	1.8%	350.00	.0%	386,540.76
ACTIVE	SKC SKIPTRACING COMPLETED	68	636,687.66	3.0%	15,070.00	2.3%	621,617.66
ACTIVE	SUS ACCOUNT IN SUSPENSE	1	13,665.93	.0%	3,500.00	25.6%	10,165.93
ACTIVE	TR1 FRW REPORT NAME 1	3	5,294.88	.0%	100.00	1.8%	5,194.88
	TOTALS:	1,960	13,804,770.70	66.7%	321,689.76	2.3%	13,483,080.94
CANCEL	BAN BANKRUPT	18	129,984.76	.6%	100.00	.0%	.00
CANCEL	BF BANKRUPTCY FILED	6	49,631.34	.2%	.00	.0%	.00
CANCEL	CAN CANCEL EFFORTS EXHAUSTED	1,362	5,156,281.41	24.9%	22,802.14	.4%	.00
CANCEL	CPC *CANCELED PER CLIENT REQUEST**	43	171,853.72	.8%	693.93	.4%	.00
CANCEL	DUP STATUS DELETED	2	6,996.95	.0%	.00	.0%	.00
CANCEL	PRG STATUS DELETED	1	20,489.55	.1%	.00	.0%	.00
	TOTALS:	1,432	5,535,237.73	26.7%	23,596.07	.4%	.00
PIF/SIF	LPF LEGAL PAID IN FULL	1	2,838.93	.0%	2,838.93	100.0%	.00
PIF/SIF	LSF LEGAL SETTLED IN FULL	1	26,134.67	.1%	16,500.00	63.1%	.00
PIF/SIF	PIF PAID IN FULL	326	614,684.53	2.9%	614,190.43	99.9%	.00
PIF/SIF	SIF SETTLED IN FULL	50	358,305.23	1.7%	258,630.31	72.2%	.00
	TOTALS:	378	1,001,963.36	4.8%	892,209.67	89.0%	.00
LEGAL	JAP JUD ABSTRACT PENDING	1	12,276.90	.0%	.00	.0%	12,276.90
LEGAL	JLP JUDGMENT LEVY PENDING	4	11,815.98	.0%	.00	.0%	11,815.98
LEGAL	JNA JUDGMENT NEEDS ASSETS	10	62,920.55	.3%	.00	.0%	62,920.55
LEGAL	LDS LEGAL DEFENDANT SERVED	2	6,492.52	.0%	.00	.0%	6,492.52
LEGAL	LPS LEGAL PENDING SERVICE	1	29,534.97	.1%	.00	.0%	29,534.97
LEGAL	RCC RECEIVED COURT COSTS	14	220,052.65	1.0%	1,100.00	.5%	218,952.65
LEGAL	SDL SUSPENSION OF CDL PENDING	1	3,044.55	.0%	.00	.0%	3,044.55
	TOTALS:	33	346,138.12	1.6%	1,100.00	.3%	345,038.12
INACTIVE	INA INACTIVE STATUS	5	4,991.15	.0%	200.00	4.0%	.00
	TOTALS:	5	4,991.15	.0%	200.00	4.0%	.00
		3,808	20,693,101.06	100.0%	1,238,795.50	5.9%	13,828,119.06

Actuary Report

ALRACTRY 04/21/03 14:32:49 Actuary Report

PAGE 00001

AGENCY:0711 SEQUOIA FINANCIAL SERVICES

ACTUARY REPORT

CLIENT: CLIENT NAME

PHONE: CLIENT PHONE

CONTACT: CLIENT CONTACT

SALESMAN:ROY DU PLESSIS

MONTH	PLACEMENTS		AGE	ADJUSTMENT AMOUNT	CANCEL AMOUNT	PAID IN FULL	AMOUNT COLLECTED	AMOUNT ACTIVE	RCV%	#OF PMT THIS MONTH	COLLECTIONS BY MONTH		
	NO	AMOUNT										AVG \$	
03-03	546	3,088,246	5,656	48	1,676	23,546	20,962	28,221	3,034,801	.91	23	23,693	563,991
02-03	430	2,326,119	5,410	71	735	23,702	49,374	64,194	2,237,487	2.76	58	54,192	536,220
01-03	594	3,292,816	5,543	68	2,069	79,464	65,151	97,280	3,115,247	2.95	91	43,149	453,189
12-02	513	2,781,815	5,423	55	14,261	311,941	85,114	138,428	2,317,186	4.97	78	58,126	419,414
11-02	534	2,949,341	5,523	34	14,288	551,241	119,506	148,132	2,226,358	5.03	85	21,849	513,055
10-02	528	2,382,040	4,511	62	27,290	740,785	136,803	186,863	1,427,099	7.84	120	36,024	415,389
09-02	483	3,200,067	6,625	56	1,513	1,500,151	129,584	158,441	1,539,960	4.95	103	19,840	435,712
08-02	648	3,914,923	6,042	57	47,120	1,513,871	232,821	304,861	2,049,156	7.78	150	30,917	500,916
07-02	576	2,859,621	4,965	67	23,211	1,321,004	156,636	236,762	1,278,643	8.27	130	13,587	502,103
06-02	526	2,774,687	5,275	33	20,137	1,479,552	156,177	207,809	1,068,818	7.48	116	10,722	435,169
05-02	607	3,050,529	5,026	62	29,247	1,717,543	194,044	262,083	1,042,880	8.59	144	10,487	499,492
04-02	641	3,024,815	4,719	56	88,049	1,825,313	242,960	332,412	779,236	10.98	152	17,144	559,864
12MON	6626	35,645,026	5,380	56	269,603	11,088,119	1,589,135	2,165,493	22,116,877	6.07	250	339,735	5,834,520
03-02	523	2,191,390	4,190	46	13,891	1,410,794	188,857	259,554	508,724	11.84	161	8,676	702,611
02-02	455	2,269,739	4,988	58	32,710	1,402,315	221,584	277,886	557,023	12.24	135	11,822	389,114
01-02	592	3,474,439	5,869	70	79,910	2,247,710	337,460	385,393	761,435	11.09	172	14,683	642,570
12-01	464	2,380,063	5,129	66	15,606	1,651,138	208,540	255,741	457,576	10.74	118	5,174	464,394
11-01	526	2,573,214	4,892	61	29,864	1,618,814	346,257	390,534	534,107	15.17	157	2,003	489,885
10-01	570	2,774,853	4,868	64	43,589	1,772,447	328,264	385,485	573,339	13.89	154	2,140	533,157
09-01	485	2,727,755	5,624	62	59,559	1,898,970	345,780	387,745	384,984	14.20	146	3,543	476,432
08-01	645	3,146,787	4,879	55	50,681	2,157,039	372,017	401,429	538,677	12.75	171	15,574	547,469
07-01	591	3,565,933	6,034	69	109,990	2,127,927	439,654	484,398	844,216	13.58	165	9,720	572,973
06-01	613	3,729,387	6,084	59	72,381	2,905,814	341,724	393,446	360,183	10.54	143	1,550	480,466
05-01	699	4,618,118	6,607	53	183,746	2,453,164	440,883	516,026	1,315,474	11.83	196	14,931	488,686
04-01	588	3,237,408	5,506	61	96,250	2,470,108	358,519	428,615	246,698	13.23	155	5,929	479,147
2-YRS	6751	36,689,091	5,435	60	420,688	24,116,246	3,929,546	4,566,258	7,082,442	12.53	873	95,750	6,266,910
3-YRS	7376	37,971,978	5,148	56	885,890	28,972,472	4,106,353	4,909,109	3,203,013	12.92	25	69,790	6,135,962
4-YRS	7402	40,033,306	5,408	72	1,108,616	32,778,730	4,157,054	4,962,884	1,195,159	12.39	32	23,377	5,102,432
OTHER	21986	148,268,146	6,744	108	5,851,231	18,967,786	12,936,529	16,124,987	6,359,379	10.91	101	35,337	11,133,231
TOTAL	50141	298,607,549	5,955	82	8,536,031	15,923,356	26,718,619	32,728,733	39,956,872	10.98	281	563,991	34,473,058

SEQUOIA FINANCIAL SERVICES
 500 N. BRAND BLVD., S.F. 1200
 GLENDALE, CA 91203
 (818) 409-6000

0711 CLI999
 Client Name
 Client Contact
 Client Address
 Client City, State Zip

ALFCLSRP C5/06/04 16:20:20 Closed Report

PAGE 1

Accounts Closed From 04/01/04 Thru 04/30/04

Closing Report

Debtor Key	Client Reference No Closed Reason	Debtor Name Assigned Date	Closed Date	Assigned Amount	Adjusted Amount	Cancelled Amount	Collected Amount
0711 CLI999 049215-5	25-096084 CANCEL EFFORTS EXHAU	HERNANDEZ, JOE 08/19/02	04/01/04	3111.40	.00	750.00	2351.40
0711 CLI999 049235-1	70-152247 SETTLED IN FULL	SCHROEDER, JANE 08/21/02	04/20/04	5021.29	.00	.00	4603.13
0711 CLI999 049235-9	7C-158854 BANKRUPTCY FILED Bankruptcy: Chapter 07 Attorney Name	COXAJ, GREG*** 08/22/02 Case# LA03-42155ER Phone 0000000000 District CNTRL	04/12/04	10080.23	.00	10080.23	.00
0711 CLI999 046899-7	A4-116353 CANCEL EFFORTS EXHAU	MEDINA, ALBERTO 04/30/02	04/19/04	644.83	.00	644.83	.00
0711 CLI999 046822-1	C2-100399 CANCEL EFFORTS EXHAU	MAY, STEVE 04/08/02	04/02/04	3858.46	.00	3858.46	.00
Client Totals				22716.21	.00	15333.52	6964.55
Number of Debtors				5			
Total Number of Debtors				5			

Status Report

SEQUOIA FINANCIAL SERVICES
500 N. BRAND BLVD., STE. 1200
GLENDALE, CA 91203

Phone (818)-409-6000
Fax (818) 243-0560

04/21/03

ANY CLIENT USA
1111 1ST STREET
ANYTOWN, CA 90000
ATTN: OUR CLIENT NAME

RE: JOHN CONSUMER
DEBTOR: 031910-4
CLAIM #: 1234567-02
AMOUNT DUE: 500 .00
ASSIGNED DATE: 08/23/02
UNIT #: 500
UNIT MANAGER: SUE KIM
STATUS: ACT

***** S T A T U S R E P O R T *****

WE ARE PROVIDING YOU WITH THE FOLLOWING UPDATE:

EXPLANATION OF STATUS

SHOULD YOU HAVE ANY QUESTIONS PLEASE CALL OUR OFFICE.

SEQUOIA FINANCIAL SERVICES
 500 N. BRAND BLVD., STE. 1200
 GLENDALE, CA 91203
 (818) 409-6000

CLIENT CODE
 CLIENT NAME
 ATTN: CONTACT PERSON
 CLIENT ADDRESS

REMITTANCE REPORT
 DATE 07/01/09
 thru 07/31/09
 Page 1

Reference No	Name	Date Rev'd	Amount Rev'd	Form of Payment
ANY52525522	SMITH, JOHN 1	07/12/09	50.00	Check
ANY89658812	SMITH, JOHN 2	07/15/09	450.00	Check
ANY38383888	SMITH, JOHN 3	07/18/09	75.00	Credit Card
ANH45884477	SMITH, JOHN 4	07/18/09	1295.00	Credit Card
ANH89665555	SMITH, JOHN 5	07/22/09	2050.00	Credit Card
ANY12222299	SMITH, JOHN 6	07/24/09	810.00	Credit Card
ANH32577855	SMITH, JOHN 7	07/24/09	2231.00	Credit Card
ANY96999884	SMITH, JOHN 8	07/25/09	510.00	Credit Card
TOTALS:	8		\$7471.00	

ATTACHMENT 4

6. SAMPLE LETTERS

We utilize a letter outsourcing company to print and mail most of our form letters. In addition, this outsourcing company provides Sequoia with a 24-hour turnaround electronic mail return service with forwarding address information. All of our collection letters are approved by the American Collectors Association (ACA).

All contacts with delinquent accounts will be made under the name of Sequoia Financial Services and not the City of Oceanside.

This has been sent to you by a debt collection agency

500 N Brand Blvd Ste 1200
Glendale CA 91203-3950
ADDRESS SERVICE REQUESTED



Phone (818) 409-6000
Fax (818) 243-0560
Toll Free (888) 544-9711

March 12, 2009

SEQUOIA FINANCIAL SERVICES

500 N Brand Blvd Ste 1200
Glendale CA 91203-3950



«INSERT12»-«LETTERCODE» «IMBSerialNumber»

«FullName»
«AttnLine»
«Insert2»
«Address1»
«Address2»
«City» «State» «ZipCode»-«ZipPlus4»

File No.: «INSERT11»
Total Due: \$«Insert16»
Unit #: «INSERT10»

Detach Upper Portion And Return With Payment

This has been sent to you by a debt collection agency

Creditor: «Insert9»
File No: «INSERT11»
Principal: \$«Insert14»
Interest: \$«Insert15»
Total Due: \$«Insert16»



Dear «FullName»:

The above account has been assigned to this office for collection. For proper credit and to stop further processing, we must receive your payment of \$«Insert16» in full.

Return a copy of this notice with the full balance due.

Very Truly Yours,

«Insert17»

«Insert17»

«Insert18»

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days from receiving this notice, this office will: obtain verification of the debt or obtain a copy of a judgment and mail you a copy of such judgment or verification. If you notify this office in writing within 30 days after receiving this notice, this office will provide you with the name and address of the original creditor, if different from the current creditor.

This is an attempt to collect a debt. Any information obtained will be used for that purpose.

RCOSEFS01NS1



Call our office for information on how to pay by Western Union.



Account Number + 3-digit security code from back of card

Exp Date



Card Holder Name

\$
Pmt Amt

Signature of Card Holder

/ /
Date

If you wish to pay by VISA or MasterCard, fill in the information above and return the entire letter to us, or log on to secure.sequoiainancial.com. Please note that there will be a 2.19% processing fee added to all credit card charges.

Please see reverse side for important information about your rights

This has been sent to you by a debt collection agency

500 N Brand Blvd Ste 1200
Glendale CA 91203-3950
ADDRESS SERVICE REQUESTED



Phone (818) 409-6000
Fax (818) 243-0560

March 12, 2009

SEQUOIA FINANCIAL SERVICES

500 N Brand Blvd Ste 1200
Glendale CA 91203-3950



«INSERT10»-«LETTERCODE» «IMBSerialNumber»

«FullName»
«AttnLine»
«Insert2»
«Address1»
«Address2»
«City» «State» «ZipCode»-«ZipPlus4»

Account #: «INSERT12» «INSERT13»
Unit #: «INSERT9»
Total Due: \$«Insert16»

Detach Upper Portion And Return With Payment

This has been sent to you by a debt collection agency

Creditor: «Insert11»
Account No: «INSERT12» «INSERT13»
Principal: \$«Insert14»
Interest: \$«Insert15»
Total Due: \$«Insert16»



Dear «FullName»:

This account remains open without a satisfactory resolution.

It is necessary that you send payment in full or contact me at once to conclude this long overdue account.

Until brought to a conclusion, you will continue to accumulate interest charges and remain listed as an open collection account through Experian, Inc.

Your ability to purchase a car, home, household necessities or attempt to rent an apartment can be hindered by this report.

Mail your payment promptly with this letter to avoid further collection activity.

Very truly yours,

«Insert17»

«Insert17»

«Insert18»

This is an attempt to collect a debt. Any information obtained will be used for that purpose.
RCOSEFS01NS2



Call our office for information on how to pay by Western Union.

En Espanol al reverso

	Account Number + 3-digit security code from back of card	Exp Date
		/ /
		\$
	Card Holder Name	Pmt Amt
	Signature of Card Holder	Date
		/ /

If you wish to pay by VISA or MasterCard, fill in the information above and return the entire letter to us, or log on to secure.sequoiainancial.com. Please note that there will be a 2.19% processing fee added to all credit card charges.

500 N Brand Blvd Ste 1200
Glendale CA 91203-3950
ADDRESS SERVICE REQUESTED

This has been sent to you by a debt collection agency



Phone (818) 409-6000
Fax (818) 243-0560

March 12, 2009

SEQUOIA FINANCIAL SERVICES

500 N Brand Blvd Ste 1200
Glendale CA 91203-3950



«INSERT9»-«LETTERCODE» «IMBSerialNumber»

«FullName»
«AttnLine»
«Insert2»
«Address1»
«Address2»
«City» «State» «ZipCode»-«ZipPlus4»

Account #: «INSERT11»
Unit #: «INSERT8»
Total Due: \$«Insert14»

Detach Upper Portion And Return With Payment

This has been sent to you by a debt collection agency

Creditor: «Insert10»
Account No: «INSERT11»
Principal: \$«Insert12»
Interest: \$«Insert13»
Total Due: \$«Insert14»



Dear «FullName»:

In spite of our attempt to conclude this debt the account remains unpaid.

As long as the balance is outstanding, our report to "Experian Inc." a credit reporting agency, will reflect this obligation as an unpaid collection account and interest will continue to accrue at the legal rate.

It is to your benefit to call my office today to resolve this matter.

Very truly yours,

«Insert15»

«Insert15»

«Insert16»

This is an attempt to collect a debt. Any information obtained will be used for that purpose.
RCOSEFS01EXP



Call our office for information on how to pay by Western Union.

En Espanol al reverso

	Account Number + 3-digit security code from back of card	Exp Date
		\$
	Card Holder Name	Pmt Amt
	Signature of Card Holder	Date

If you wish to pay by VISA or MasterCard, fill in the information above and return the entire letter to us, or log on to secure.sequoiafinancial.com. Please note that there will be a 2.19% processing fee added to all credit card charges.

ATTACHMENT 5

For the past nine (9) years, Sequoia has secured valued client partner relationships with numerous municipalities with comparable revenue collection accounts. We invite the City to contact our Clients to verify our reputation within the collection industry.

Name:	Los Angeles Department of Water and Power
Address:	111 N Hope Street, #732, Los Angeles, CA 90051
Phone Number:	(213) 367-2617
Time period for the project:	June 2006 to present
Description of collection efforts:	Collection of residential & commercial utility bills
Collection Procedures:	Letters, phone calls, skip-tracing, credit reporting
Contact Person:	Gregory Hornsby

Name:	City of Alhambra
Address:	68 South First Street, Alhambra, CA 91802
Phone Number:	(626) 570-5069
Time period for the project:	2003 to present
Description of collection efforts:	Collection of ambulance bills, parking tickets, property damage claims, citations, library bills
Collection Procedures:	Letters, phone calls, skip-tracing, credit reporting
Contact Person:	Richard Mellick

Name:	City of Lakewood
Address:	5050 Clark Avenue, Lakewood, CA 90712
Phone Number:	(562) 866-9771 extension 2620
Time period for the project:	2008 to present
Description of collection efforts:	Collection of parking tickets, NSF checks, citations, DUI responses, property damage, utility billing
Collection Procedures:	Letters, phone calls, skip-tracing, credit reporting
Contact Person:	Natascha Martin

Name:	City of Riverside Public Utilities
Address:	3460 Orange Street, Riverside, CA 92501
Phone Number:	(951) 826-5642
Time period for the project:	2009 (new contract and on-going)
Description of collection efforts:	Collection of residential and commercial delinquent utility bills
Collection Procedures:	Letters, phone calls, skip-tracing, credit reporting, litigation
Contact Person:	Sherry Pritikin

ATTACHMENT 6

The following is a list of proposed activities related to customer contacts:

1st 24 hours:

- Receipt of file
- 1st written notice sent to good address
- Queued to predictive dialer/message campaign
- Initiate address skip-trace/scrubbing system

Within 48 hours:

- Acknowledgment report sent to the City
- Send 1st Written Notice on accounts with address found in overnight scrubbing
- Initiate phone skip-trace
- Assigned to collector
- Initiate telephone contact on accounts with "good" telephone numbers

3 days to 29 days:

- Accounts with unknown addresses sent to skip-tracing department for investigation
- Continuous telephone attempts until debtor contacted
- Accounts with good contacts – on going negotiation for payment

30 days:

- Continuous telephone contact attempts until debtor contacted
- Accounts with good contacts – ongoing negotiation for payment
- 2nd written notice sent
- Asset Check

45 days:

- Continuous telephone contact attempts until debtor contacted
- Accounts with good contacts – ongoing negotiation for payment
- Accounts reported to the three major Credit Bureaus: Experian, TransUnion, and Equifax

60 days:

- Continuous telephone contact attempts until debtor contacted
- Accounts with good contacts – ongoing negotiation for payment
- 3rd Written notice sent
- If no payment plan and/or debtor refuse to pay; account transferred to "2nd look" audit unit for review of assets/ability to pay and slated for legal action or change of status to inactive (INA)

90 days

- Continuous telephone contact attempts until debtor contacted
- Accounts with good contacts – ongoing negotiation for payment
- 4th written notice, if needed
- No payment received, no assets, debtor documents an inability to pay – account put on Credit Bureau watch, change of status to inactive (INA)
- No payment received, debtor has assets – Sequoia will advise the City of legal action if appropriate (legal action will not be carried out without City's approval)

Balance	Minimum Letters (Generated every 20 days)	Minimum Phone Contact (weekly)	Message/Dialer Campaign (weekly)	Skip-tracing (ongoing)
Less than \$100.00	3	2 Calls	Ongoing	Light
\$101.00 - \$250.00	3	3 Calls	Ongoing	Medium
\$251.00 - \$300.00	4	3 Calls	Ongoing	Heavy
\$301.00 & above	4	4 Calls	Ongoing	Heavy

We believe in leaving no stone unturned. Our managers thoroughly review all closures prior to approval. We mandate that all work standards (based on minimum requirements for letters, telephonic demand, skip tracing, etc.) have been met prior to request for closure. Should these minimum requirements not be met, the account is immediately transferred back to the collector for follow up. Prior to closure, asset information is re-verified to determine if there are new assets that may qualify the account for referral to our in house legal department.