

**QSP TP21-8002;  
Collection Services**



**ATTACHMENT A: SCOPE OF WORK**

**1.0 Introduction**

Touchstone Property Services (TPS) is seeking proposals from qualified, professional entities that will provide TPS with Collection Services.

TPS seeks a formal response from Contractors as to qualifications and experience to perform assignments within the Scope of Work. The Contractor(s) selected by TPS will be required to follow TPS policies as specified in this solicitation and the Performance Based Contract to provide collection services. TPS reserves the right to add or delete properties as needed.

**2.0 Services to be Provided**

- 2.1** Contractor shall collect amounts owed on past due accounts, including former tenant accounts and vendor accounts.
- 2.2** Services should include, but not be limited to, direct collection efforts, including the following measures: letters to debtors which fully comport with the requirements of the Fair Debt Collection Practices Act (“FDCPA”), skip tracing, and asset checks. Litigation efforts to include referral to legal counsel when appropriate; wage garnishments; pursuit of judgments; and post-judgment collection.
- 2.3** Contractor will promptly undertake the collection of all accounts referred by TPS without regard to the amounts to achieve a maximal recovery of debts. Such procedures are to include, but not be limited to a reasonable number of telephone calls and mail efforts. Skip tracing efforts must be used, both in state and out of state and documented. Legal recommendations and/or request for authorization of suit will be made where all other efforts fail and the cost does not exceed the amount recoverable from the debtor. However, the Contractor shall have no authority to file suit on any account referred by TPS absent expressed written request from TPS. TPS will not be liable for any fees assessed by an attorney for collection of an account. In the event an attorney’s fees and/or other litigation costs are necessary for the collection of an account not paid when due, said fees shall be charged to the debtor. Any court cost, counter suit cost or other legal cost must be paid up front by the collections agency and charged to the debtor.
- 2.4** Contractor shall consider legal remedies for collection efforts including perusing litigation and garnishments.
- 2.5** TPS may or may not have already obtained judgments on the accounts.

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**2.6** Contractor shall verify employment and address of former tenants and vendors, if necessary, in order to collect on the account.

**2.7** Contractor's fees shall be based on percentage of amounts collected and may provide for a disparate percentage depending on age of account.

**2.8** TPS does not warrant that it will provide any certain amount of accounts receivable to Contractor.

**2.9** General Requirements

**2.9.1** The Contractor shall conduct itself so as not to diminish the goodwill and reputation of TPS and to abide by all applicable laws, rules and regulations.

**2.9.2** Contractor shall maintain a professional and courteous demeanor in conducting collections and shall assist the debtors in understanding the proceedings relating to collection.

**2.9.3** The Contractor shall treat all information which it obtains by its performance under the contract as private/confidential information as provided under State and Federal Law.

**2.9.4** The Contractor shall be subject to all applicable Federal, State and local laws, rules and regulations. Contractor will adhere to all state, federal, and applicable laws governing collection services including all guidelines established by the Fair Debt Collection Practices, Consumer Credit Protection Act, and the Ohio Consumer Sales Practices Act, or any similar consumer oriented acts of the state or federal government.

**3.0 Referrals**

**3.1** The Contractor shall acknowledge receipt of any collection referral from TPS within (5) five working days by written notification of receipt. The Contractor agrees to perform collection services according to the directives of TPS. The Contractor agrees that should any question of policy or law be encountered; it will contact TPS for guidance. Authority for compromise or other settlement of claims is retained exclusively by TPS through its designee(s).

**3.2** Contractor will suspend action either temporarily or permanently without compensation on any account referred to collection upon notification by TPS.

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TPS reserves the right to reduce the amount being collected on an account without penalty.

- 3.3** Contractor will surrender and return to TPS any account that has remained inactive and without a repayment agreement for the period of twelve (12) months.
- 3.4** Should the Contractor receive an account from TPS and the contractor does not have the license to collect in that state TPS must be notified within three (3) working days and the account returned to TPS for placement at another agency.
- 3.5** Contractor will return the debt to TPS if debt is determined by Contractor to be uncollectible, or if Contractor has had debt for over 120 days without referral to legal counsel. Contractor shall provide a summary of the account and discuss with Authority in-house counsel the feasibility of obtaining collection prior to any referral for litigation. This summary may be included with the monthly reports referred to in Section 4.0 of this Scope of Work.
- 3.6** In the event the collection is referred back to TPS as uncollectible, the Contractor is responsible for all costs and forfeits its right to any fees associated with the referral, unless otherwise agreed by TPS in writing. TPS does not guarantee a minimum number of collection referrals.
- 3.7** Although TPS does not anticipate moving accounts from one vendor who has made collection efforts on any particular account to another vendor, the allocation of accounts will be determined at the time the vendor pool is selected. TPS reserves the right to refer all or a portion of the accounts to the vendor(s).
- 3.8** TPS does not collect on dormant accounts. Dormant accounts are defined as being over 8 years without a court judgement. Such files shall be returned to TPS.

**4.0 Records**

- 4.1** The Contractor shall agree to maintain complete and accurate records, complete monthly reports in an understandable and legible electronic format separated by debtor type (tenant, landlord, other) which shall include the name of the debtor, Authority Claim number, or substitute identifying information, date of referral, debt referral amount, and any payments, including date received, and a summary of the collection effort. Contractor must provide TPS a sample of such a report as part of their proposal. If the collection is referred to legal counsel, the report must include the date of the referral and the name and address of the attorney of record.

- 4.2** TPS will provide Contractor monthly reports of payment, adjustments, cancellations, and deferments in either electronic or paper medium.
- 4.3** Contractor will furnish TPS monthly a report listing all new, bad address and changed addresses of accounts referred for collection. This report must include changes in name, social security number, address and phone number.
- 4.4** Contractor will provide TPS, on a monthly basis, a status report for all legal accounts. Said report must include name of borrower, account number, name and address of attorney, amount in litigation, court costs, attorney fees, date judgment was awarded and filed, outstanding balance, and current status of the account. Contractor also will send copies of all legal correspondence and pleadings to the address specified by TPS.
- 4.5** Contractor will report the past due amount to at least one of the three major credit bureaus for the period of time the delinquent account is with them on a monthly basis.
- 4.6** Contractor will provide TPS with the following status reports in the time frame as listed below. Separate reports must be provided for former tenant accounts and for vendor accounts.
  - A.** Performance analysis (breakdown by age) - Monthly
  - B.** Inventory of accounts referred (should include date referred) - Monthly
  - C.** Account activity (status of accounts referred) - Monthly
  - D.** Closing of accounts with explanation of why it was closed and whether litigation is advisable - Monthly
  - E.** Acknowledgment of new accounts - As accounts are received.
  - F.** Bad address listing - Monthly
  - G.** Changed or new address listing - Monthly
  - H.** Report of legal accounts - Monthly
  - I.** Listing of accounts with signed repayment agreements - Monthly (the account activity report may be substituted provided there is a column which notates those accounts with signed agreements)
- 4.7** All records will be available for audit by TPS. All records must be maintained for the contract period and made available for said audits for a minimum of five (5) years.
- 4.8** Contractor shall provide on-line inquiry capability, if requested.

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- 4.9** Contractor shall establish and maintain separate receivable accounts for different account types as directed by TPS and provide separate monthly invoices and reports for each receivables account.
- 4.10** The Contractor shall maintain appropriate accounting records, including auditable financial records for a minimum of five (5) years from the end of the contract period.

**5.0 Fees and Expenses**

- 5.1** Monies which have been collected on behalf of TPS will be transmitted by a method to be negotiated with each successful Proposer. Payments must be separated by debtor type.
- 5.2** The Contractor shall maintain reasonable records of its expenses under this agreement and shall allow access to those records by TPS upon request.
- 5.3** Contractor shall remit in full to TPS, either the gross total of all funds collected for TPS during the previous month, or the net total of all funds collected less the collection fees owed to the contractor and less any performance standard deductions by the tenth (10th) day of each month, whichever TPS elects as payment. Contractor will provide separate payments as well as separate accounting statements for all payments received and credited during the billing period for each account type. Each statement/invoice must include debtor's name, account number, and date payment was received as well as the amount paid. Contractor must alter the statement if necessary to ensure compliance with federal regulation in respect to proper posting of payments and/or per the request of TPS. Contractor must calculate daily interest accrual to ensure total payment of outstanding balance by debtor. Debtor payments must be credited as follows:

Vendor Accounts	Tenant Accounts
1. Collection Costs	1. Collection Costs
2. Late Charges	2. Principal
3. Interest	3. Interest
4. Principal	4. Late Charges

- 5.4** TPS, if elected to receive the gross total of all funds collected, will remit collection fees to contractor upon receipt of payments and monthly statements as described above.

- 5.5** Collection fees will be paid on monies received by Contractor on accounts requested to be closed by TPS only if Contractor receives payment of accounts within five (5) working days from the date TPS requested said account to be closed.
- 5.6** At the request of TPS, Contractor shall provide a separate monthly invoice for “non-sufficient funds” (NSF) checks.
- 5.7** Collection costs will be added to principal, interest, late charges and other costs collected.

## **6.0 General Requirements**

- 6.1** After the expiration of a resulting contract between the Contractor and TPS, the Contractor agrees to complete all collections referred by TPS during the term of the contract at the negotiated rates. Contractor may also be asked to return files and to cease collection efforts.
- 6.2** Contractor shall provide TPS timely copies of any pleadings in matters referred to an attorney which result in filing of any judicial process.
- 6.3** All collection referrals to the Contractor from TPS are subject to the provisions of the initial contract without the need for a new contract or agreement for each assignment. The Contractor agrees to abide by all policies of TPS which have been communicated in writing from it to the Contractor. TPS reserves the right to audit its accounts with the Contractor upon 24-hour notice.
- 6.4** Contractor shall report balances, payment activity and paid in full status to the national credit bureau(s) on all accounts and will be responsible for updating all account information to the credit bureau. The Contractor shall use an account number as identified by TPS for the reporting purposes to the credit bureau(s). If TPS has identified that it is deemed appropriate to update any information on the credit bureau(s) the Contractor shall perform the necessary notification to the credit reporting agencies and shall confirm the update/change request back to TPS.
- 6.5** The Contractor shall not charge if TPS directs return of a file during the initial 90 days of the assignment.
- 6.6** Litigation must be approved by TPS. Litigation costs will be paid by Contractor and charged to TPS. Litigation must be approved by CMHA’s General Counsel prior to incurring any costs.

- 6.7** Services will be provided exclusively by Contractor's employees and the referral of any Account by Contractor to a third party, without TPS's prior written authorization, is expressly prohibited.
- 6.8** The transfer of accounts to another agency/company for collections or for litigation is considered subcontracting. Use of a letter vendor or scrub/skip trace vendors are also considered subcontracting.
- 6.9** Contractor will send repayment agreement letters for borrower's signature on all defaulted accounts for which the Contractor has entered into special arrangements with the debtor in order to pay the outstanding defaulted balance. Contractor will inform the debtor that failure to sign agreement nullifies this special consideration. The agreement should state that this is an arrangement to repay the "defaulted" balance. Contractor additionally will send TPS a copy of the signed agreement as well as providing either a separate report listing which accounts have signed agreements or provide that information on the inventory/account status report.
- 6.9.1** Repayment agreements must be sent to TPS for approval.
- 6.10** Contractor shall not negotiate to reduce amounts owed by borrowers in order to settle on any outstanding balance on debtors account nor offer a waiver of any penalty charge or assess collection fees without written approval from TPS. All requests for special considerations must be provided to TPS in writing.
- 6.11** As deemed necessary, Contractor will attend seminars approved by TPS to ensure that the collection staff has a complete working knowledge of all reports provided by TPS.
- 6.12** Contractor will provide a toll-free (voice) number for contact by debtors and Authority.
- 6.12.1** If Contractor does not have a toll-free number, they should have the ability for TPS former tenants to access them through a telephone at a nominal cost.
- 6.13** Contractor(s) shall furnish at their own expense, all labor, tools, equipment, materials, supplies and transportation, required to provide collection services, with no exceptions.

**7.0 Pool of Contractors**

- 7.1** TPS intends to create an inventory (or "pool") of Contractors to provide

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Collection Services. The Pool will consist of various Contractors which will be available on an as-needed basis to provide services as requested by TPS and the actual number of participants chosen will depend on the number of qualified proposals received. Selection as a participant of the Pool is not a guaranty of the type or amount of assignments for which a participant may be selected as there will be no guaranteed minimum or maximum amount of work awarded.

- 7.2** Proposers selected to participate in the Pool will be assigned work at the discretion of TPS taking into consideration the quality of work, availability, manpower, timelines and other items of importance. TPS will also determine the number of accounts any Contractor will be assigned at any given time or duration. Contractor(s) selected will serve in the Pool for a period of one (1) year with the option, at TPS's sole discretion, to extend the contract for up to an additional two years for a maximum total of three years.

**8.0 Performance Standards**

- 8.1** If any of the requirements set forth in the QSP are not met, then the fees shall be reduced by 20% on the monthly invoice.
- 8.2** If litigation is commenced without approval of TPS, Contractor shall be responsible for litigation costs without reimbursement from TPS or from the debtor.
- 8.3** TPS may waive the fee reductions at its discretion after discussing extenuating circumstances with the Contractor. Such waiver shall be in writing at the time of the service.