



John Griffin
95 James Way, Suite 113
Southampton, PA 18966
Phone: (215) 942-5208
Fax: (215) 396-2567
jgriffin@penncro.com

Vendor Proposal

Dear Sirs:

Penncro Associates, Inc. certifies that it:

1. Is a Full Service Collection Agency
2. is an Out-of State Collection Agency and has no office in West Virginia
3. Has filed the appropriate Surety Bonds with the WV State Tax Commissioner
4. is fully licensed in all U.S. cities and states where required.

Penncro Associates, Inc. is a current vendor to the State of West Virginia providing "Debt Collection Services" and is contracted through 9/14/10.

Penncro Associates is the largest women-owned, debt collection agency in the United States and is certified a Women's Business Enterprise (WBE) by the Women's Business National Council (WBENC).

Penncro performs nationwide debt collection services for clients such as: Amerigas, ally Bank, Bank of America, BMW Bank, Charles Schwab & Co., Citibank, Discover Card, First American, Ford Motor Credit, HSBC Mortgage, Toyota Motor Credit and The Walt Disney Company.

Penncro offers the following:

Debt Collection Strategy

Penncro's Collection Procedures

- All collection units are aligned by client and/or product segment depending upon placement volumes and function. The segmentation is as follows: Credit Cards, Installment Loans, Mortgages, Retail, Auto Loans, DDA and Utilities.
- Account assignment occurs at time of placement. Accounts are distributed within the unit handling that specific portfolio. Each project is assigned a fully dedicated staff (size dictated by account volume) comprising of a manager, supervisor(s), and collectors.

RECEIVED

2008 SEP -8 A 10:21

PURCHASING DIVISION
STATE OF WV

GENERAL TERMS & CONDITIONS REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)

1. Awards will be made in the best interest of the State of West Virginia.
 2. The State may accept or reject in part, or in whole, any bid.
 3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
 4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods this Purchase Order/Contract becomes void and of no effect after June 30.
 5. Payment may only be made after the delivery and acceptance of goods or services.
 6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
 7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
 8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
 9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
 10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
 11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
 12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
 13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at www.state.wv.us/admin/purchase/vrc/hipaa.htm and is hereby made part of the agreement. Provided that the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
 14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
 15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
 16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.
- I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or Fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).

Penncro's Scoring Procedures

- Penncro utilizes a “**Behavioral Scoring Model**” that was custom designed by TransUnion. The model utilizes behavioral information along with our past experience to determine “most likely to pay”. This model allows us to segment the accounts in order to apply the best strategy to each segment in order to maximize the total dollar return for us and our clients.

Penncro's Collection Strategy (*Prioritizing Accounts*)

- Tactics employed are in a completely automated environment where accounts will be presented to the collector based on the account status such as; broken promises, NSF's, behavioral score and balance.
- Penncro's main priority is to ensure maximum contact rates while remaining in full compliance with FDCPA and client requirements. We currently utilize manual and predictive dialing methods to accomplish this. Dialer queues (built for manual collection activity) and pools (built for dialer activity) are established utilizing past collection activity and time zone matrices with the purpose of optimizing contacts. We have found success in targeting specific accounts with the efficiency of predictive dialing, and the concentrated efforts of manual dialing. Accounts are also delivered to the collector for “special” follow up using the following criteria: non-sufficient funds, broken promise, promise to pay follow-up, new accounts, oldest wait date, and balance parameters. In addition, our staff is currently assigned to specific bucket groupings, and our strategy varies somewhat depending on the stage of delinquency.
- We use our predictive dialer to efficiently attempt contact on a daily basis with all available phone numbers. Our dialing lists are defined by stage of delinquency, cycle grouping, time zone, and whether the telephone number is for the debtor's residence or place of employment. States with special contact restrictions are housed in separate dialing lists, to ensure full FDCPA and state compliance. On weekdays, we will typically dial residential lists between 8am and 11am EST and 5 pm to 9 pm EST with a focus on customer contacts. Between 11 am and 5 pm EST, we will dial a combination of business and residential dialing lists. During this time, we also leave messages on answering machines and with third parties. On Saturdays, we will dial residential and business lists. Our approach on Sundays is to exclusively dial residential telephone numbers.
- Our predictive dialer is set to redial accounts that are identified as busy, no answer, no message, etc. We also have the ability to filter answering machines or pass them to representatives. Our dialer is set to prevent more than seven

attempts in one day, and will not allow more than one right party contact on a daily basis.

- Our manual dialing efforts are used to target accounts in specific cycles or balance ranges, and to attempt contact on accounts where we have experienced little success with predictive dialing. Accounts in upcoming cycles are our main focus in this phase of our strategy. Manual dialing is also used by our agents to follow up on potential payments, promises and broken promises.
- Our strategy is structured, but not rigid. We maintain the flexibility to adjust our strategy as needed in order to comply with client requirements and to maintain a competitive posture. We regularly analyze our strategy to ensure maximum efficiency and targeted effort.

Collection Workflow

- Accounts are loaded onto Penncro's CR Software collection system and processed.
- All accounts are processed in a batch mode through Banko to sort out any existing bankruptcy.
- Accounts are transmitted to TransUnion for credit scoring
- A letter of representation is requested on all accounts with a valid address.
- Initial phone attempts are made within 24 to 48 hours of placement.
- Accounts without a valid phone number are immediately forwarded in a batch mode to Accurint for a directory assistance check and a national change of address search. These accounts are processed and returned within 24 hours. Accounts returned with a new phone number are immediately forwarded to the collection unit for contact.
- Nearby's and surnames are called during prime time hours and weekends utilizing our predictive dialer. CBR's are called during regular business hours.
- Collector to Account Ratios will be maintained to insure 100% daily file penetration on the accounts scheduled to be worked that day.
- Client/portfolio specific shifts are established to ensure the proper amount of prime time coverage. The following portfolio dynamics are evaluated for the purposes of developing specific shifts: geographical make-up of a portfolio, percentage of accounts with home phone numbers and percentage of accounts

with work phone numbers. Typically, schedules allow for alternating weekend coverage, as well as, evening coverage throughout the week.

- Exception reports are used in an effort to monitor and evaluate collection activity. Specifically, the Attempts without Contact Report is used to identify those accounts that have substantial attempts without contact. All exception reports are reviewed by the management team, which will formulate a separate strategy to improve the contact rate.
- Promises to pay and broken promises are regularly reviewed by collectors to assure maximum liquidation and follow up.
- A meaningful sample of the account file is reviewed weekly to guarantee compliance to work standards as well as quality. Results are communicated to the management team.
- Supervisor/Manager reviews are conducted on a predetermined schedule. Account reviews focus on collection effort, quality and compliance. Results of these account reviews are discussed with collectors in an effort to improve quality and provide constructive feedback.
- Accounts are returned in accordance to the agreed terms.

Penncro's Skip Tracing Procedures

- The skip tracing tools available to our staff include: TransUnion, Accolaid, Accurint, NSTN, National Change of Address, Directory Assistance, Surnames, Nearby's, CBR, Real Estate Search, Tax Assessors, Directory.Net, and Metromail.
- Upon placement, accounts are placed into our collection system (CRS) and immediately batched and sent to TransUnion where they are scrubbed for bankruptcy, deceased account information, and to obtain a behavioral score based upon the debtor's ability to pay. The accounts are also cross-referenced to confirm current addresses and telephone numbers. All newly discovered information is transmitted back to Penncro and instantly updated onto CRS. Remaining accounts that are still identified as skip accounts are quickly segregated for location efforts.
- Any remaining accounts with bad phone numbers are again batched and run through other data bases listed above to generate direct hits (the same last name at the same address). Penncro will also perform manual and dialer nearby attempts and utilize Directory.net, Metromail, and other online Internet services. All good numbers and contacts are immediately updated to CRS and forwarded to the collection unit for dialing penetration. Skip tracing parameters are set by the management team and are directly coded into the system.

Penncro's Client References

Bank of America

Mail Code: CA7-701-03-47
275 S. Valencia Avenue
Brea, CA 92823-6340
Contact: Esther Davila: (714) 792-4431
esther.f.davila@bankofamerica.com

Fireside Bank

5050 Hopyard Road, Suite 200
Pleasanton, CA 94588
Contact: Jill Pulliam
Telephone: (925) 965-5132
jill.pulliam@firesidebank.com

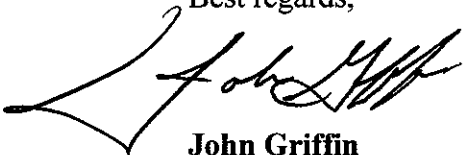
Ford Motor Credit

1335 S. Clearview Ave.
Mesa, AZ 85208
Contact: Joe Shipley: (480) 610-3207
jshiple2@ford.com

TCM Bank, NA

2701 North Rocky Point Drive, Suite 660
Tampa, FL 33607-5921
Contact: Pamala McCoy
Telephone: (813) 287-4880, ext.8706
pamala.mccoy@icba.org

Best regards,



John Griffin

Assistant Vice President
Penncro Associates, Inc.
95 James Way, Suite 113
Southampton, PA 18966
Office: (215) 942-5208
Cell: (215) 828-3897



2009

**WEST VIRGINIA
STATE TAX DEPARTMENT**

2011

**BUSINESS REGISTRATION
CERTIFICATE**

ISSUED TO:
**PENNCRO ASSOCIATES INC
95 JAMES WAY STE 113
SOUTHAMPTON, PA 18966-3847**

BUSINESS REGISTRATION ACCOUNT NUMBER: 1014-1395

This certificate is issued for the registration period beginning: **July 1, 2009**

This certificate is valid until: **June 30, 2011**

This business is licensed as a collection agency.

*This business registration certificate is issued by
the West Virginia State Tax Commissioner
in accordance with Chapter 11, Article 12 of the West Virginia Code.*

*The person or organization identified on this certificate is registered
to conduct business in the State of West Virginia at the location above.*

**This certificate is not transferrable and must be displayed at the location for which issued.
ENGAGING IN BUSINESS WITHOUT CONSPICUOUSLY POSTING A WEST VIRGINIA BUSINESS
REGISTRATION CERTIFICATE IN THE PLACE OF BUSINESS IS A CRIME AND MAY SUBJECT YOU
TO FINES PER W. VA. CODE § 11-9.**

**TRAVELING/STREET VENDORS: Must carry a copy of this certificate in every vehicle operated by them.
CONTRACTORS, DRILLING OPERATORS, TIMBER/LOGGING OPERATIONS: Must have a copy of
this certificate displayed at every job site within West Virginia.**

atL007 v.59
L1918247168

2009

**WEST VIRGINIA
STATE TAX DEPARTMENT**

2011

**BUSINESS REGISTRATION
CERTIFICATE**

ISSUED TO:
**PENNCRO ASSOCIATES INC
2901 N 23RD ST STE 100
MCALLEN, TX 78501-6569**

BUSINESS REGISTRATION ACCOUNT NUMBER: 2199-3533

This certificate is issued for the registration period beginning: **July 1, 2009**

This certificate is valid until: **June 30, 2011**

This business is licensed as a collection agency.

*This business registration certificate is issued by
the West Virginia State Tax Commissioner
in accordance with Chapter 11, Article 12 of the West Virginia Code.*

*The person or organization identified on this certificate is registered
to conduct business in the State of West Virginia at the location above.*

**This certificate is not transferrable and must be displayed at the location for which issued.
ENGAGING IN BUSINESS WITHOUT CONSPICUOUSLY POSTING A WEST VIRGINIA BUSINESS
REGISTRATION CERTIFICATE IN THE PLACE OF BUSINESS IS A CRIME AND MAY SUBJECT YOU
TO FINES PER W. VA. CODE § 11-9.**

**TRAVELING/STREET VENDORS: Must carry a copy of this certificate in every vehicle operated by them.
CONTRACTORS, DRILLING OPERATORS, TIMBER/LOGGING OPERATIONS: Must have a copy of
this certificate displayed at every job site within West Virginia.**

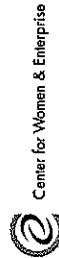


Women's Business Enterprise National Council

in partnership with

Women's Business Enterprise Council - PA-DE-SNJ

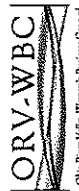
certifies that the criteria for certification as a



WOMEN'S BUSINESS ENTERPRISE
WBE
WOMEN'S BUSINESS ENTERPRISE
(WBE)
has been met by



Penncro Associates, Inc.



Expiration Date: 07/20/2011
Certificate Number: 242509
SIC Code(s): 7322
NAICS Codes: 561440

Geri Swift

Authorized by Geri Swift, President,
Women's Business Enterprise Council - PA, DE, SNJ



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
 DEBT10

PAGE
 1

ADDRESS CORRESPONDENCE TO ATTENTION OF
 JO ANN ADKINS
 304-558-8802

REQ COPY

RFQ COPY

Pennco Associates, Inc
 Attn: Jennifer Rowley
 95 James Way Suite 113
 South Hampton, PA 18966

SHIP TO

ALL STATE AGENCIES
 AND POLITICAL SUBDIVISIONS
 VARIOUS LOCALES AS INDICATED
 BY ORDER

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS		
07/21/2010						
BID OPENING DATE: 09/08/2010		BID OPENING TIME 01:30PM				
LINE	QUANTITY	UQP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
REQUEST FOR QUOTATION FOR A BLANKET OPEN-END STATEWIDE CONTRACT TO COLLECT DEBTS ON BEHALF OF THE STATE OF WEST VIRGINIA FOR ALL STATE AGENCIES AND POLITICAL SUBDIVISIONS. ***** ATTACHMENTS: 1. SPECIFICATIONS, 7 PAGES 2. PRICING PAGE, 1 PAGE. BIDDERS MUST USE THIS PRICING PAGE WHEN BIDDING ON THIS RFQ. 3. VENDOR CERTIFICATION - SHOULD BE RETURNED WITH BID; MUST BE RECEIVED PRIOR TO ANY CONTRACT AWARD. 4. AGREEMENT ADDENDUM, 1 PAGE. SHOULD BE RETURNED WITH BID; MUST BE RECEIVED PRIOR TO AWARD. 5. AFFIDAVIT, 1 PAGE. SHOULD BE RETURNED WITH BID; MUST BE RECEIVED PRIOR TO AWARD. 6. WV STATE GOVERNMENT HIPAA BUSINESS ASSOCIATE STATEWIDE CONTRACT ADDENDUM, 4 PAGES. SHOULD BE RETURNED WITH BID; MUST BE RECEIVED PRIOR TO AWARD. 7. RESIDENT VENDOR PREFERENCE, MUST BE RETURNED WITH THE BID.						
SEE REVERSE SIDE FOR TERMS AND CONDITIONS						
SIGNATURE			TELEPHONE		DATE	
TITLE		FEIN		ADDRESS CHANGES TO BE NOTED ABOVE		

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
 DEBT10

PAGE
 2

ADDRESS CORRESPONDENCE TO ATTENTION OF
 JO ANN ADKINS
 304-558-8802

VENDOR

RFQ COPY
 TYPE NAME/ADDRESS HERE

SHIP TO

ALL STATE AGENCIES
 AND POLITICAL SUBDIVISIONS
 VARIOUS LOCALES AS INDICATED
 BY ORDER

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B	FREIGHT TERMS
07/21/2010				

BID OPENING DATE: 09/08/2010 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	%		946-33-99-000		
DEBT COLLECTION SERVICE TO COLLECT DEBTS ON BEHALF OF THE STATE OF WEST VIRGINIA AND/OR ITS SPENDING UNITS PER THE ATTACHED SPECIFICATIONS. INQUIRIES: WRITTEN QUESTIONS SHALL BE ACCEPTED THROUGH CLOSE OF BUSINESS OF WEDNESDAY, AUGUST 11, 2010. QUESTIONS MAY BE SENT VIA USPS, FAX, COURIER OR E-MAIL. IN ORDER TO ASSURE NO VENDOR RECEIVES AN UNFAIR ADVANTAGE, NO SUBSTANTIVE QUESTIONS WILL BE ANSWERED ORALLY. IF POSSIBLE, E-MAIL QUESTIONS ARE PREFERRED. ADDRESS INQUIRIES TO: JO ANN ADKINS DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305 FAX: 304.558.4115 E-MAIL: JO.A.ADKINS@WV.GOV						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS		
SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
DEBT10

PAGE
3

ADDRESS CORRESPONDENCE TO ATTENTION OF
JO ANN ADKINS 304-558-8802

RFQ COPY
 TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

ALL STATE AGENCIES
 AND POLITICAL SUBDIVISIONS
 VARIOUS LOCALES AS INDICATED
 BY ORDER

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
07/21/2010				

BID OPENING DATE: 09/08/2010 BID OPENING TIME 01:30PM

LINE	QUANTITY	UCP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
EXHIBIT 3						
<p>LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE ON AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.</p> <p>UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.</p> <p>RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
 DEBT10

PAGE
 4

ADDRESS CORRESPONDENCE TO ATTENTION OF:
 JO ANN ADKINS
 304-558-8802

RFQ COPY
 TYPE NAME/ADDRESS HERE

PROPERTY

SHIP TO

ALL STATE AGENCIES
 AND POLITICAL SUBDIVISIONS
 VARIOUS LOCALES AS INDICATED
 BY ORDER

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS		
07/21/2010						
BID OPENING DATE: 09/08/2010		BID OPENING TIME 01:30PM				
LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
	<p>IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.</p> <p>ORDERING PROCEDURE: SPENDING UNIT(S) SHALL ISSUE A WRITTEN STATE CONTRACT ORDER (FORM NUMBER WV-39) TO THE VENDOR FOR COMMODITIES COVERED BY THIS CONTRACT. THE ORIGINAL COPY OF THE WV-39 SHALL BE MAILED TO THE VENDOR AS AUTHORIZATION FOR SHIPMENT, A SECOND COPY MAILED TO THE PURCHASING DIVISION, AND A THIRD COPY RETAINED BY THE SPENDING UNIT.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THIS CONTRACT IS AUTOMATICALLY NULL AND VOID, AND IS TERMINATED WITHOUT FURTHER ORDER.</p> <p>THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY ELECTRONIC MEDIUM SUCH AS CD-ROM.</p> <p>EXHIBIT 10</p> <p style="text-align: right;">REQUISITION NO.:</p>					
SEE REVERSE SIDE FOR TERMS AND CONDITIONS						
SIGNATURE			TELEPHONE		DATE	
TITLE		FEIN		ADDRESS CHANGES TO BE NOTED ABOVE		

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
DEBT10

PAGE
5

ADDRESS CORRESPONDENCE TO ATTENTION OF:
JO ANN ADKINS 304-558-8802

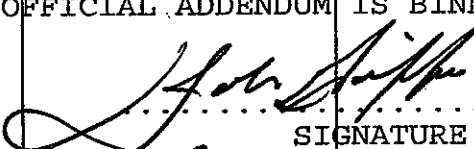
VENDOR

RFQ COPY
 TYPE NAME/ADDRESS HERE

SHIP TO

ALL STATE AGENCIES
 AND POLITICAL SUBDIVISIONS
 VARIOUS LOCALES AS INDICATED
 BY ORDER

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
07/21/2010				
BID OPENING DATE: 09/08/2010		BID OPENING TIME 01:30PM		

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
ADDENDUM ACKNOWLEDGEMENT						
I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.						
ADDENDUM NO.'S:						
NO. 1						
NO. 2						
NO. 3						
NO. 4						
NO. 5						
I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.						
VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.						
				 SIGNATURE PENNACRO ASSOCIATES, INC. COMPANY		

SEE REVERSE SIDE FOR TERMS AND CONDITIONS			
SIGNATURE	TELEPHONE	DATE	
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE	

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
DEBT10

PAGE
6

ADDRESS CORRESPONDENCE TO ATTENTION OF
JO ANN ADKINS 304-558-8802

VENDOR

RFQ COPY
 TYPE NAME/ADDRESS HERE

SHIP TO

ALL STATE AGENCIES
 AND POLITICAL SUBDIVISIONS
 VARIOUS LOCALES AS INDICATED
 BY ORDER

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
07/21/2010				

BID OPENING DATE: 09/08/2010 BID OPENING TIME 01:30PM

LINE	QUANTITY	UQP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
			 9-3-10 DATE		
<p>NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID.</p> <p>REV. 09/21/2009</p> <p style="text-align: center;">NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p style="text-align: center;">DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130</p> <p>THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:</p> <p>SEALED BID</p> <p>BUYER: FILE 42</p> <p>RFQ. NO.: DEBT10</p> <p>BID OPENING DATE: SEPTEMBER 8, 2010</p> <p>BID OPENING TIME: 1:30PM</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
DEBT10

PAGE
7

ADDRESS CORRESPONDENCE TO ATTENTION OF
JO ANN ADKINS 304-558-8802

RFQ COPY
 TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

ALL STATE AGENCIES
 AND POLITICAL SUBDIVISIONS
 VARIOUS LOCALES AS INDICATED
 BY ORDER

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
07/21/2010				

BID OPENING DATE: 09/08/2010 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID: <p style="text-align: center;">----- 215-357-7046 -----</p> CONTACT PERSON (PLEASE PRINT CLEARLY): <p style="text-align: center;">----- JOHN GRIFFIN ----- 215-942-8063 JGRIFFIN@PENNCRAO.COM -----</p>						
***** THIS IS THE END OF RFQ					DEBT10 ***** TOTAL:	_____

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

DEBT10 Specifications

To collect debts on behalf of the State of West Virginia and/or its spending units

West Virginia State Code §14-1-18A empowers the Secretary of the Department of Administration to collect, or cause to be collected, debts and claims due the State of West Virginia and/or its spending units. Any changes made in the law will be communicated to the successful vendor(s) by the Purchasing Division of the Department of Administration and made a part of the contract. All collections must be in accordance with West Virginia State Code Chapter 46A. West Virginia Consumer Credit and Protection Act and Chapter 46A-2-122-129. These may be accessed at:

<http://www.legis.state.wv.us/WVCODE/ChapterEntire.cfm?chap=46a&art=2§ion=122#02>

GENERAL

Full Service Collection Effort:

The collection agency selected must be a full service agency and have the ability to handle several classifications of accounts, including educational, medical, and any other account assigned to it.

A minimum of 22 state spending units have indicated to the Purchasing Division that they anticipate the utilization of collection services. Other State Agencies may elect to use the collection services provided by successful bidders.

These spending units are:

Marshall University
Huntington, West Virginia

West Virginia State University
Institute, West Virginia

Shepherd College
Shepherdstown, West Virginia

West Liberty State College
West Liberty, West Virginia

Bluefield State College
Bluefield, West Virginia

Glennville State College
Glennville, West Virginia

Concord College
Athens, West Virginia

West Virginia Northern Community College
Wheeling, West Virginia

West Virginia Graduate College
Institute, West Virginia

Potomac State College
Keyser, West Virginia

West Virginia University Institute of Technology
Montgomery, West Virginia

WV School of Osteopathic Medicine
Lewisburg, West Virginia

West Virginia University
Morgantown, West Virginia

Fairmont State College
Fairmont, West Virginia

Southern West Virginia Community College
Logan, West Virginia

West Virginia Division of Highways
Charleston, West Virginia

West Virginia Department of Transportation (DMV)
Charleston, West Virginia

West Virginia Department of Health and Human Resources
Charleston, WV

West Virginia Department of Tax and Revenue
Charleston, West Virginia

Barboursville Veterans Home
Barboursville, West Virginia

WV Workers' Compensation
Charleston, West Virginia

WV Division of Environmental Protection
Charleston, West Virginia

Vendor(s) will have the responsibility to collect debts from debtors anywhere within the United States.

ALL COLLECTION AGENCIES MUST MEET THE FOLLOWING CRITERIA

License: No person, firm, corporation or association shall operate a collection agency or the business of a collection agency in this state without having first applying for and obtaining a business registration certificate.

Bonds: Each applicant shall file with the State of West Virginia Tax Commissioner a continuing surety bond executed by a corporation licensed to transact business in the State of West Virginia in the amount of \$5,000.00. A separate bond shall be filed for each agency of the vendor including the principal office and each branch office thereof.

Out-of State Collection Agencies: Out-of State collection agencies without an office in the State of West Virginia are restricted to contacting residents of this State for the collection of debts by letters and telephone calls. Prior to award successful bidder is required to designate to the Tax Commissioner a resident agent (name, address and phone number) upon whom notices, orders or other communications may be served and upon whom process may be served. West Virginia Secretary of State may be designated as the resident agent for service of process pursuant to West Virginia State Code §56-3-33.

The Department of Administration reserves the right to request an examination or audit of any or all records relating to matters covered by this contract. Any and all records must be kept a minimum of six (6) years by the vendor.

In accordance with national direct student loan guidelines, all fees charged against student loan accounts will apply only to the original principal and interest owed by the debtor, excluding any added on collection costs.

FULL-SERVICE COLLECTION REQUIREMENTS AND PROCEDURES

The following requirements are mandatory:

Placements

The full service agency(ies) must have the ability to handle several classifications of accounts separately, in order, to provide the spending unit with information on the collection performance for each class of accounts.

By West Virginia State law, a spending unit must attempt to collect a claim for three (3) months before a claim can be placed with a collection agency.

Upon placement of an account with an agency, the spending unit will forward a letter of transmittal to the collection agency in its designated area.

These transmittals will contain the following:

Type of account and description of service

Name of whom the claim is made against

Address, including zip code

Balance due

Date of service or age of account

Telephone number (optional)

Previous collection reports received on individual accounts when available

Any other information deemed important by the spending unit

The collection agency will have at least 180 calendar days to attempt to collect debts. Upon expiration of 180 calendar days, the collection agency will transfer all uncollected debts back to the originating spending unit. Collection agencies are not required to transfer accounts back to the spending unit on which payments are still being received at the end of the 180 day period or validly in dispute or nearing settlement, however, all accounts not paid in full at the end of two (2) years, inclusive of the 180 day period, will be referred back to the originating spending unit unless exempted by the Secretary of Administration. When returning a claim, the collection agency must submit a completed litigation referral form.

PAYMENTS AND REPORTING

The collection agency will forward all payments collected during any month by the 15th day of the following month to the originating spending unit accompanied by the report specified below. The collection effort will continue until an account is paid in full, except as otherwise restricted, or until the spending unit desires collection efforts to be terminated, or until the 180 day period has elapsed.

The collection agency must send a complete report to the spending unit on or before the 15th of every month for the preceding month whether or not any payments were received.

The following information must be included in each report by debtor in alphabetical order:

Debtor's name(s) and social security number(s) or other identification number(s) as agreed upon by the spending unit and collection agency.

Placement date of accounts

Beginning amounts to collect

Additional amount authorized for collection

Amounts previously collected, amounts collected for current month and total collections to date

Balanced owed

Amount(s) forwarded to spending unit and balance due spending unit

Fees assessed, amount collected and balance due

Reason for returned or closed accounts (if applicable)

Remarks

Percent of dollar amounts collected to date

All collection agencies should have the capacity to add accrued interest to applicable accounts on a monthly basis.

Reports to Purchasing:

Successful vendor shall provide quarterly reports and annual summaries showing the quantities, dollar value, agencies and political subdivisions which have used this contract. This report is mandatory and failure of the successful bidder to supply such reports may be grounds for cancellation of contract.

Reports are to be sent to:

Jo Ann Adkins
 Department of Administration
 Purchasing Division
 2019 Washington Street, East
 Charleston, WV 25305
Jo.a.adkins@wv.gov

LITIGATION:

Accounts that have not been collected by the collection agencies may be referred to the Attorney General's Office for litigation. When returning a claim to the referring state spending unit, the collection agency must submit a completed litigation referral form which must contain all information requested.

FEES:

Upon payment to the spending unit of all sums collected on behalf of the spending unit by the collection agency, the collection agency will invoice the spending unit for the fee assessed. A collection agency is prohibited from retaining its fee from the amount collected on behalf of the

State. Furthermore, fees assessed by a collection agency, for collecting a claim shall never exceed the fee specified in the purchase order issued by the Purchasing Division of the Department of Administration or the amount specified by law.

MANDATORY CONDITIONS:

Vendor submitting proposals must utilize the following format

Name, address and telephone number of vendor and the individual responsible for being the point of contact with the State of West Virginia.

Vendor must specify it meets the following criteria: (This information should be brief and concise.)

Vendor is a full service collection agency capable of handling several classifications of accounts including, but not limited to, educational, medical and any other account assigned to it by the State of West Virginia and/or any of its spending units.

Vendor has a West Virginia business franchise registration certificate for each office it maintains in the State.

Vendor has filed the appropriate surety bonds with the West Virginia State Tax Commissioner. (This must be completed prior to any award.)

Vendor shall describe its experience and capability in providing the services needed and required by the State of West Virginia in collecting claims due. Vendor may provide examples of the usual type of services provided to its clients. Vendor must provide the name, address and telephone number of three (3) references.

Vendor must describe the services it will provide to the State of West Virginia and its spending unit. Vendor should elaborate on the methodology it would use to collect claims, the type of system it would use to track claims, etc. Vendor may offer examples of letters, reports, etc.

Vendor shall specify on the pricing page the fees it will assess for collecting claims in terms of a percentage. West Virginia State Code §46A-2-128 (C) provides that the maximum allowable fees (including attorney fees and collection costs) cannot exceed 33 1/3% of the debt actually collected. However, colleges and universities may pay an additional 5% of the debt actually collected being 38 1/3%. In addition, fees must remain in effect for the life of the purchase order and any renewal thereof.

CONFIDENTIALITY:

The vendor agrees that the vendor will not disclose to anyone, directly or indirectly, any personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing in accordance with the mandates of West Virginia Code §11-10-5d or the disclosure is made pursuant to the agency's policies, procedures and rules and in compliance with the West Virginia Code §11-10-5d. Vendors should visit www.state.wv.us/admin/purchase/privacy for the Notice of Agency Confidentiality Policies.

HIPAA Business Associate Addendum: The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is hereby made part of this Request for Quotation.

Any Collection Agency doing business with any State Agency that is bound by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) must sign the attached agreement and return prior to award of bid.

ORDERING PROCEDURE:

Agencies must contact the low bidder (#1 on the attached DEBT10 - Synopsis) for their agency first. If this vendor is unable to perform the service, the agency should go to the second low bidder (#2 on the attached DEBT10 - Synopsis).

WV STATE GOVERNMENT

HIPAA BUSINESS ASSOCIATE STATEWIDE CONTRACT ADDENDUM

This Health Insurance Portability and Accountability Act of 1996 (hereafter, "HIPAA") Business Associate Addendum ("Addendum") supplements and is made a part of the Agreement ("Agreement") by and between the West Virginia Department of Administration, Purchasing Division, on behalf of all state agencies executing a release order to the underlying contract to which this Addendum is appended ("Agency"), and the statewide contract vendor, the Business Associate ("Associate"), and is effective as of the date of the Release Order executed by the Agency to participate in the statewide contract.

Whereas the parties have a business relationship; and

Whereas it is desirable, in order to further the continued efficient operations of Agency to disclose to its Associate certain information which may contain confidential individually identifiable health information (hereafter, Protected Health Information or PHI); and

Whereas, it is the desire of both parties that the confidentiality of the PHI disclosed hereunder be maintained and treated in accordance with all applicable laws relating to confidentiality, including the Privacy and Security Rules, and the parties do agree to at all times treat the PHI and interpret this Addendum consistently with that desire.

NOW THEREFORE; the parties agree that in consideration of the mutual promises herein, in the Agreement; and of the exchange of PHI hereunder that:

1. Definitions.

a. Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in the Privacy and Security Rules.

b. **Privacy Rule.** Privacy Rule means the Standards for Privacy of Individually Identifiable Health Information found at 45 CFR Parts 160 and Part 164, Subparts A and E, as amended.

c. **Security Rule.** Security Rule means the Standards for the security of electronic protected health information found at 45 CFR Part 164, Subpart C, as amended.

2. PHI Disclosed; Permitted Uses.

a. **PHI Described.** PHI disclosed by the Agency to the Business Associate, PHI created by the Business Associate on behalf of the Agency, and PHI received by the Business Associate from a third party on behalf of the Agency are disclosable under this Addendum. The disclosable PHI is limited to the minimum necessary to complete the tasks, or to provide the services, associated with the terms of the original contract.

b. **Purposes.** Except as otherwise limited in this Addendum, Associate may use or disclose the PHI on behalf of, or to provide services to, Agency for the purposes necessary to complete the tasks, or provide the services, associated with, and required by the terms of the original contract, if such use or disclosure of the PHI would not violate the Privacy or Security Rules or applicable state law if done by Agency or violate the minimum necessary policies and procedures of the Agency.

3. Obligations of Business Associate.

a. **Stated Purposes Only.** The PHI may not be used by the Associate for any purpose other than stated in this Addendum or as required by law.

b. **Limited Disclosure.** The PHI is confidential and will not be disclosed by the Associate other than as required by this Addendum or by law.

c. **Safeguards.** The Associate will use appropriate safeguards to prevent use or disclosure of the PHI except as provided for in this Addendum. This shall include, but not be limited to:

(i) Limitation of the groups of its employees or agents to whom the PHI is disclosed to those reasonably required to accomplish the purposes stated in this Addendum, and the use and disclosure of the minimum PHI necessary;

(ii) Appropriate notification and training of its employees or agents to whom the PHI will be disclosed in order to protect the PHI from unauthorized disclosure;

(iii) Maintenance of a comprehensive written PHI privacy and security program that includes administrative, technical and physical safeguards appropriate to the size, nature, scope and complexity of the Associate's operations.

d. **Compliance With Law.** The Associate will not use or disclose the PHI in a manner in violation of existing law and specifically not in violation of laws relating to confidentiality of PHI, including but not limited to, the Privacy and Security Rules.

e. **Report of Disclosure.** The Associate will promptly report to the Agency, in writing, any use or disclosure of the PHI not provided for by this Addendum of which it becomes aware.

f. **Mitigation.** Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Associate of a use or disclosure of the PHI by Associate in violation of the requirements of this Addendum.

g. **Documentation.** Associate agrees to document disclosures of the PHI and information related to such disclosures as would be required for Agency to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §§ 164.528 and 164.316. This should include a process that allows for an accounting to be collected and maintained by Associate and its agents or subcontractors for at least six (6) years from the date of disclosure, or longer if required by state law. At a minimum, such PHI shall include: (i) the date of disclosure; (ii) the name of the entity or person who received the PHI, and if known, the address of the entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of purposes of the disclosure that reasonably informs the Individual of the basis for the disclosure, or a copy of the Individual's authorization, or a copy of the written request for disclosure.

h. **Accounting Rights.** Within ten (10) days of notice of a request for an accounting of disclosures of the PHI, Associate and its agents or subcontractors shall make available to Agency the PHI required to provide an accounting of disclosures to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.528.

i. **Access to PHI.** Associate shall make the PHI maintained by Associate or its agents or subcontractors in Designated Record Sets available to Agency for inspection and copying within ten (10) days of a request by Agency to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.524.

j. **Amendment of PHI.** Within ten (10) days of receipt of a request from Agency for an amendment of the PHI or a record about an individual contained in a Designated Record Set, Associate or its agents or subcontractors shall make such PHI available to Agency for amendment and incorporate any such amendment to enable Agency to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.526.

k. **Retention of PHI.** Notwithstanding section 4.a. of this Addendum, Associate and its subcontractors or agents shall retain all PHI pursuant to state and federal law and shall continue to maintain the PHI required under Section 3.g. of this Addendum for a period of six (6) years after termination of the Agreement, or longer if required under state law.

l. **Agents, Subcontractors Compliance.** The Associate will ensure that any of its agents, including any subcontractors, to whom it provides any of the PHI it receives hereunder, or to whom it provides any PHI which the Associate creates or receives on behalf of the Agency, agree to the restrictions and conditions which apply to the Associate hereunder.

m. **Amendments.** The Associate shall make available to the specific Individual to whom it applies any PHI; make such PHI available for amendment; and make available the PHI required to provide an accounting of disclosures, all to the extent required by 45 CFR §§ 164.524, 164.526, and 164.528 respectively.

n. **Federal Access.** The Associate shall make its internal practices books, and records relating to the use and disclosure of PHI received from, or created or received by the Associate on behalf of the Agency available to the U.S. Secretary of Health and Human Services consistent with 45 CFR § 164.504.

4. Termination.

a. **Duties at Termination.** Upon any termination of this Addendum, if feasible, the Associate shall return or destroy all PHI received from, or created or received by the Associate on behalf of the Agency that the Associate still maintains in any form and retain no copies of such PHI or, if such return or destruction is not feasible, the Associate shall extend the protections of this Addendum to the PHI and limit further uses and disclosures to the purposes that make the return or destruction of the PHI infeasible. This shall also apply to all agents and subcontractors of Associate. The duty of the Associate and its agents and subcontractors to assist the Agency with any HIPAA required accounting of disclosures survives the termination of this Addendum.

b. **Termination For Cause.** Agency may terminate this Addendum if at any time it determines that the Associate has violated a material term of the Addendum. Agency may, at its sole discretion, allow Associate a reasonable period of time to cure the material breach before termination.

c. **Survival.** The respective rights and obligations of Associate under Section 3.k. of this Addendum shall survive the termination of this Addendum.

5. General Provisions/Ownership of PHI.

a. **Retention of Ownership.** Ownership of the PHI resides with the Agency and is to be returned on demand.

b. **Secondary PHI.** Any data or PHI generated from the PHI disclosed hereunder which would permit identification of an Individual must be held confidential and is also the property of Agency.

c. **Electronic Transmission.** Except as permitted by law or this Addendum, the PHI or any data generated from the PHI which would permit identification of an Individual must not be transmitted to another party by electronic or other means for additional uses not authorized by this Addendum or to another contractor, or allied agency, or affiliate without prior written approval of Agency.

d. **No Sales.** Reports or data containing the PHI may not be sold without Agency's or the affected Individual's written consent.

e. No Third-Party Beneficiaries. Nothing express or implied in this Addendum is intended to confer, nor shall anything herein confer, upon any person other than Agency, Associate and their respective successors or assigns, any rights remedies, obligations or liabilities whatsoever.

f. Interpretation. The provisions of this Addendum shall prevail over any provisions in the Agreement that may conflict or appear inconsistent with any provisions in this Addendum. The interpretation of this Addendum shall be made under the laws of the state of West Virginia.

g. Amendment. The parties agree that to the extent necessary to comply with applicable law they will agree to further amend this Addendum.

h. Additional Terms and Conditions. Additional discretionary terms may be included in the release order or change order process.

i. Applicability. If the Agency which executes the Release Order and Agreement to participate in the underlying statewide contract is not a HIPAA covered entity, per 45 CFR § 160.103, or if the vendor does not use or disclose any PHI, this Addendum shall be null and void.

AGREED:

Name of Business Associate: JOHN GRIFFIN

Signature: [Handwritten Signature]

Title: ASSISTANT VICE PRESIDENT

Date: SEPTEMBER 3, 2010

Agency: David Tincher, Director, Purchasing Division, Department of Administration, on behalf of all state agencies executing a release order to the underlying contract to which this Addendum is appended.

Signature _____

Title: _____

Date: _____

APPROVED AS TO FORM PRIOR TO
ACKNOWLEDGEMENT THEREOF, THIS
27th day of July, 2004
DARRELL V. McGRAW, JR.
ATTORNEY GENERAL
By: [Handwritten Signature]
DEPUTY ATTORNEY GENERAL

DEBT10 - PRICING PAGE

VENDOR MUST COMPLETE THIS SCHEDULE

**THE FEE STRUTURE SUBMITTED TO THE STATE OF WEST VIRGINIA IS
AS FOLLOWS:**

AGENCY	TYPE OF ACCOUNT	% OF AMOUNT COLLECTED
1. Colleges & Universities:	Per Debt	25%
2. Worker's Compensation:	Default Account	NO Bid
3. WV Department of Tax and Revenue:	New Accounts	25%
	Levy Account - where our employee is instrumental in the preparation of the levies.	NO Bid
4. Division of Environmental Protection:	Per Debt	25%
5. Other Spending Units:	Per Debt	25%
	Colleges	25%

BIDDER CONTACT INFORMATION

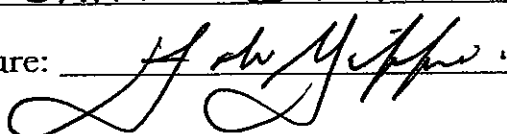
Vendor: PENNCRO ASSOCIATES, INC.

Bidder Name (Print): JOHN GRIFFIN

Contact Name (Print): JOHN GRIFFIN

Phone: 215-942-5208 Fax: 215-357-7046

E-mail: JGRIFFIN@PENNCRO.COM

Bidders Signature: 

Certification

DEBT10

By submitting a signed bid for DEBT10 (Debt Collection Service) – vendor hereby certifies under penalty of fraud that all mandatory specifications contained in the Request for Quotation are met.

PENNCRO ASSOCIATES, INC.
Vendor (Type Name of Company)

95 JAMES WAY, SUITE 113, SOUTHAMPTON, PA 18966
Address

JOHN GRIFFIN
Name (Type Name)

ASSISTANT VICE PRESIDENT
Title

John Griffin
Signature

SEPTEMBER 3, 2010
Date

Note: No contract shall be awarded prior to receipt of this certification.

RFQ No. DEBTIO

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

West Virginia Code §5A-3-10a states: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceed five percent of the total contract amount.

EXCEPTION: The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (*West Virginia Code §61-5-3*), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

WITNESS THE FOLLOWING SIGNATURE

Vendor's Name: PENNCRO ASSOCIATES, INC.

Authorized Signature: [Signature] Date: SEPTEMBER 7, 2010

State of Pennsylvania

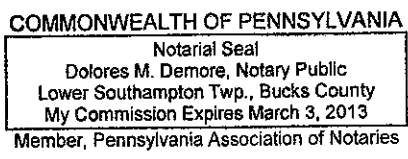
County of Bucks, to-wit:

Taken, subscribed, and sworn to before me this 7 day of September, 2010

My Commission expires 3/3, 2013

AFFIX SEAL HERE

NOTARY PUBLIC [Signature]



AGREEMENT ADDENDUM

In the event of conflict between this addendum and the agreement, this addendum shall control:

1. **DISPUTES** - Any references in the agreement to arbitration or to the jurisdiction of any court are hereby deleted. Disputes arising out of the agreement shall be presented to the West Virginia Court of Claims.
2. **HOLD HARMLESS** - Any clause requiring the Agency to indemnify or hold harmless any party is hereby deleted in its entirety.
3. **GOVERNING LAW** - The agreement shall be governed by the laws of the State of West Virginia. This provision replaces any references to any other State's governing law.
4. **TAXES** - Provisions in the agreement requiring the Agency to pay taxes are deleted. As a State entity, the Agency is exempt from Federal, State, and local taxes and will not pay taxes for any Vendor including individuals, nor will the Agency file any tax returns or reports on behalf of Vendor or any other party.
5. **PAYMENT** - Any references to prepayment are deleted. Payment will be in arrears.
6. **INTEREST** - Should the agreement include a provision for interest on late payments, the Agency agrees to pay the maximum legal rate under West Virginia law. All other references to interest or late charges are deleted.
7. **RECOUPMENT** - Any language in the agreement waiving the Agency's right to set-off, counterclaim, recoupment, or other defense is hereby deleted.
8. **FISCAL YEAR FUNDING** - Service performed under the agreement may be continued in succeeding fiscal years for the term of the agreement, contingent upon funds being appropriated by the Legislature or otherwise being available for this service. In the event funds are not appropriated or otherwise available for this service, the agreement shall terminate without penalty on June 30. After that date, the agreement becomes of no effect and is null and void. However, the Agency agrees to use its best efforts to have the amounts contemplated under the agreement included in its budget. Non-appropriation or non-funding shall not be considered an event of default.
9. **STATUTE OF LIMITATION** - Any clauses limiting the time in which the Agency may bring suit against the Vendor, lessor, individual, or any other party are deleted.
10. **SIMILAR SERVICES** - Any provisions limiting the Agency's right to obtain similar services or equipment in the event of default or non-funding during the term of the agreement are hereby deleted.
11. **ATTORNEY FEES** - The Agency recognizes an obligation to pay attorney's fees or costs only when assessed by a court of competent jurisdiction. Any other provision is invalid and considered null and void.
12. **ASSIGNMENT** - Notwithstanding any clause to the contrary, the Agency reserves the right to assign the agreement to another State of West Virginia agency, board or commission upon thirty (30) days written notice to the Vendor and Vendor shall obtain the written consent of Agency prior to assigning the agreement.
13. **LIMITATION OF LIABILITY** - The Agency, as a State entity, cannot agree to assume the potential liability of a Vendor. Accordingly, any provision limiting the Vendor's liability for direct damages to a certain dollar amount or to the amount of the agreement is hereby deleted. Limitations on special, incidental or consequential damages are acceptable. In addition, any limitation is null and void to the extent that it precludes any action for injury to persons or for damages to personal property.
14. **RIGHT TO TERMINATE** - Agency shall have the right to terminate the agreement upon thirty (30) days written notice to Vendor. Agency agrees to pay Vendor for services rendered or goods received prior to the effective date of termination.
15. **TERMINATION CHARGES** - Any provision requiring the Agency to pay a fixed amount or liquidated damages upon termination of the agreement is hereby deleted. The Agency may only agree to reimburse a Vendor for actual costs incurred or losses sustained during the current fiscal year due to wrongful termination by the Agency prior to the end of any current agreement term.
16. **RENEWAL** - Any reference to automatic renewal is hereby deleted. The agreement may be renewed only upon mutual written agreement of the parties.
17. **INSURANCE** - Any provision requiring the Agency to insure equipment or property of any kind and name the Vendor as beneficiary or as an additional insured is hereby deleted.
18. **RIGHT TO NOTICE** - Any provision for repossession of equipment without notice is hereby deleted. However, the Agency does recognize a right of repossession with notice.
19. **ACCELERATION** - Any reference to acceleration of payments in the event of default or non-funding is hereby deleted.
20. **CONFIDENTIALITY**: -Any provision regarding confidentiality of the terms and conditions of the agreement is hereby deleted. State contracts are public records under the West Virginia Freedom of Information Act.
21. **AMENDMENTS** - All amendments, modifications, alterations or changes to the agreement shall be in writing and signed by both parties. No amendment, modification, alteration or change may be made to this addendum without the express written approval of the Purchasing Division and the Attorney General.

ACCEPTED BY:
STATE OF WEST VIRGINIA

Spending Unit: _____

Signed: _____

Title: _____

Date: _____

VENDOR

Company Name: PENNCRO ASSOCIATES, INC.

Signed: [Signature]

Title: ASSISTANT VICE PRESIDENT

Date: 9-3-10

State of West Virginia

VENDOR PREFERENCE CERTIFICATE

Certification and application* is hereby made for Preference in accordance with West Virginia Code, §5A-3-37. (Does not apply to construction contracts). West Virginia Code, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the West Virginia Code. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

- 1. Application is made for 2.5% resident vendor preference for the reason checked: Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or, Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or, Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,
2. Application is made for 2.5% resident vendor preference for the reason checked: Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
3. Application is made for 2.5% resident vendor preference for the reason checked: Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
4. Application is made for 5% resident vendor preference for the reason checked: Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,
5. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked: Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,
6. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked: Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (West Virginia Code, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: _____ Signed: _____

Date: _____ Title: _____

*Check any combination of preference consideration(s) indicated above, which you are entitled to receive.