

ORIGINAL, TECH

Response to West Virginia Purchasing
Division's RFQ # CRFQ 0212 SWC
1900000006 for Debt Collection Services



IC System

November 14, 2018
Attn: Purchasing Division



SUBMITTED BY:
Karen Jonas
IC System
VP, National Accounts
651-481-6312
KJonas@ICSystem.com



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WV PURCHASING
DIVISION


www.ICSystem.com

IC System, Inc.
444 Highway 96 East
St Paul, MN 55127
800-443-4123

DESIGNATED CONTACT: Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

Karen Jonas, VP of National Accounts
(Name, Title)
Karen Jonas, VP of National Accounts
(Printed Name and Title)
444 Hwy 96 E, Saint Paul, MN 55127
(Address)
651-270-8393 / 651-204-1212
(Phone Number) / (Fax Number)
kjonas@icsystem.com
(email address)

CERTIFICATION AND SIGNATURE: By signing below, or submitting documentation through wvOASIS, I certify that I have reviewed this Solicitation in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation for that product or service, unless otherwise stated herein; that the Vendor accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that I am authorized by the vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

I.C. System, Inc
(Company)
 John Erickson, President and CEO
(Authorized Signature) (Representative Name, Title)

John Erickson, President and CEO
(Printed Name and Title of Authorized Representative)

11/14/2018
(Date)

651-481-6406, 651-204-1212
(Phone Number) (Fax Number)



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Cover Letter

On behalf of I.C. System, Inc. (IC System), I am pleased to submit this proposal for collection services in response to RFQ # CRFQ 0212 SWC1900000006. This document contains an overview of our services, along with all the required forms listed in the table of contents. Please see the accompanying cost proposal for our pricing.

We believe that solid relationships are as important as performance. For this reason, we have assigned VP of National Accounts Karen Jonas to manage this opportunity. She will be glad to discuss any questions you have regarding our proposal at the information provided below. We look forward to partnering with the State.

Sincerely,

John Erickson
President and CEO

Primary Contact for Negotiations and Clarifications

The contact for any questions related to this proposal is Karen Jonas, VP of National Accounts.
444 Highway 96 East, St. Paul, MN 55127
kjonas@icsystem.com
Office: 651-481-6312
Fax: 651-204-1212

Company Signatory Is:

John Erickson, President and CEO
He can be reached through our switchboard at 800-443-4123.

Licensure and Tax ID

IC System is licensed to collect debt in all 50 states.



Executive Summary

80 years of
collections
experience

Founded in 1938, IC System is a family-owned, privately held corporation and is one of the premier recovery firms contracted by governments. We take the time to get to know our clients, understanding their goals and challenges, and then implement a strategy to support their needs. As a result, we have built strong, long-term relationships with many clients, some of which have been with IC System for more than 45 years. We look forward to building a relationship with the State.

NATIONALLY LICENSED
to collect in all
50 STATES



Seamless
Integration with
your existing system

IC System’s nationally licensed collection services will directly integrate with the State’s software interface, allowing you to load past-due accounts for automatic entry on a proprietary collection system we developed in-house, called Intelligent Collection Engine (ICE™). The State’s recovery process will be able to integrate seamlessly with IC System’s efficient, customizable, and secure platform. After the State uploads accounts, IC System’s in-depth analytics and our consumer-friendly collectors do the rest. Our treatment begins with a detailed analytics and modeling process, flowing into several data scrubs, and finally to an intensive strategy that places the consumer experience first. The State can track IC System’s progress with convenient access to real-time account statuses through our Online Tools and reporting, as well as any custom reports the State requests, including all daily, weekly, or monthly reporting referenced in this proposal.



We offer **quality, compliance, and performance**

To sum up the advantages of IC System, the State can expect a proven record of quality, a commitment to regulatory compliance, and unparalleled expertise.

First in Quality: IC System is dedicated to providing our clients and their customers with the highest standards of quality, balancing high liquidation rates with good stewardship of the State's name and reputation. Our expansive Call Quality Program helps ensure consumer satisfaction.

A Commitment to Compliance, Security, and Privacy: IC System is committed to ensuring compliance, security, and privacy of your customers' private information. We complete an annual PCI DSS v3.2 audit and certification on our entire network, not just the part processing credit cards. Moreover, our staff is retrained and tested regularly on all applicable laws and regulations.

Collection Experts: IC System has a thorough understanding of the sensitive nature of government collections, earned over our decades of experience. But don't take our word for it; feel free to contact our references and ask them how partnering with IC System has positively affected their collections efforts.

This proposal details IC System's philosophy and how our proposed partnership with the State will be a successful one. Should you have any questions about the proposal or its contents, please do not hesitate to get in touch.



Karen Jonas
VP, National Accounts
KJonas@ICSystem.com



Our History

IC System has been ethically collecting debt for 80 years. Below is an overview of our history.

1930s – 1940s

Ruth and Jack Erickson start IC System in 1938 on the guiding principle of giving their customers ethical, honest service. The company signs its first statewide association endorsement with the Minnesota Retail Hardware Association.

1950s – 1960s

Ruth Erickson assumes control of the company after Jack dies in 1953. The company takes on a huge risk of installing expensive automatic typewriters to produce personalized collection letters. When the typewriters are replaced in 1968, IC System becomes the first totally computerized collection agency in the country.

1970s – 1980s

The company grows explosively and IC System builds new corporate offices in Arden Hills, Minnesota. IC System continues to expand in the 1980s and in 1982 the company moved into its present headquarters in St. Paul.

1990s – 2000s

The company continues to grow with several thousand clients from small regional companies to large national firms in a variety of industries. The company expands into commercial collections by acquiring Adams, Cooper & Marks. IC System doubles in size from 2000 to 2005 and becomes the largest family-owned, privately held receivables management company in the U.S.

2007

The company opens a branch office in La Crosse, Wisconsin.

2009

IC System is named to the 2009 *Inc.* 5000 list of the fastest-growing private companies in America.

2010

IC System wins a 2010 *Collection Technology* Excellence Award for developing a state-of-the-art collection system, Intelligent Collections Engine (ICE™). The 3rd generation of the Erickson family assumes control as John Erickson IV is named President.



"It's a rare thing in this day and age to have a family-owned company last three generations. I am proud to uphold IC System's long history and continue our family's success into the future—and by that I mean not only the Erickson family, but IC System's more than 500 employees. They're all family members."
John ERICKSON JR., President & CEO



2012

IC System completes its first **SSAE16 SOC 2 Type 2** attestation from the American Institute of Certified Public Accountants (AICPA), replacing the SAS 70 Type II Audit. SSAE16 SOC 2 Type-2 tested IC System’s controls in the areas of security, processing integrity, and confidentiality.

2013

IC System celebrates 75 years of business. IC System becomes a BBB Torch Award for Ethics finalist. IC System wins the 2013 TCBMag Family Business Award by *Twin City Business Magazine*.

2014

IC System becomes a BBB Torch Award for Ethics finalist for the second year in a row. A leading client presents IC System with the Best in Call Quality Award.

2015

For the third consecutive year, IC System is honored as a finalist for the BBB Torch Award for Ethics.

2016

IC System upgrades its call center, recording, and dialer systems with one comprehensive LiveVox Voice Portal to perform all functions of our previously disparate systems.

2017

IC System is named one of Minnesota’s Top Workplaces by the *Minneapolis Star Tribune*, reflecting our strong commitment to our employees’ quality of life.

2018

The company celebrates its 80th year of improving financial outcomes for clients and their consumers.

Our Experience

IC System has been servicing government accounts for more than 30 years. These include taxes, utilities, fines, ambulance charges, alarm fees, parking tickets, healthcare charges, damage claims, child support payments, and school fees. Over



Named a **TOP WORKPLACE** by the *Minneapolis Star Tribune*





the past three decades, we have cultivated a unique approach to government collections that recognizes the many nuances of that market.

While the other markets we service may use pools of collectors, our government team is specially trained and focused on government collections. These government collection specialists stay apprised of the regulatory factors and tools that are unique to their clients, such as liens, legal consequences of non-payment, and even manual skiptracing techniques. Meanwhile, the supervisors on our government team are 100% dedicated to coaching and support. Freeing them from making calls themselves allows the government collection supervisors to maintain intimate familiarity with both their clients' needs and the many considerations of the ever-shifting government market.



"I have friends at other agencies, where management asks them to adopt collection tactics they are not comfortable with. Here, we are trained to get information to help the patient. I appreciate that I'm not forced to be aggressive on the phone. I appreciate IC System's ethics. They stand behind you." Lisa DEIMAN, IC System Lead Advisor

Some examples of our government clients are as follows:

- City of Minneapolis, MN – Originally In 2007, again in 2010, and most recently in 2015, we were successful responding to RFPs from the City of Minneapolis to collect primarily water utility debts. We have also collected damage claims and other miscellaneous fees and fines for them. In 2014, they started sending all commercial debts to IC System to work, despite the presence of a competing company that by practice had always shared placements equally with IC System.
- City of Tulsa, OK – Selected by City of Tulsa in 2012 to collect delinquent utility accounts, early in the project, IC System surpassed the collection percentages attained by the previous collection agency.
- New York City Department of Finance – Selected IC System in 2016 to collect various municipal fees and fines. Now, NYC DoF is one of our largest municipal contracts.
- City of Dearborn, MI – Selected IC System in April 2012 to collect miscellaneous debts for the City. Although volumes are small, IC System has collected over 90% of the account balances sent to them.
- Town of Chapel Hill, NC – Starting in July of 2000, we began collecting unpaid parking fines for the Town of Chapel Hill, North Carolina. Although not a very large project overall, the Town continues to place their confidence in IC System.



Other government projects include:

- State of New Hampshire – Taxes
- State of Ohio – Child support and fees
- City of Mason City (IA) – Utility and other municipal accounts
- City of Tulare (CA) – Utility accounts
- City of Palacios (TX) – Utility accounts
- Colorado Springs Utilities (CO) – Utility accounts
- City of Smithville (MO) – Utility accounts

IC System's government accounts are worked by our experienced government team in our call center located just outside of La Crosse, WI. Matthew Roark, a veteran of more than seven years in the collections industry, manages the team. He has a very experienced supervisor, Cory Easton, who himself has several years' collection experience with IC System.

The IC System Difference

IC System's main strengths are our dedication to compliance and expertise in data security.

Compliance: At IC System, our core values have always viewed consumers as people deserving respectful and ethical treatment. It's not only mandated by collection regulations, it's an approach that has been ingrained in our culture for generations. We strive "to be the best, most trusted provider of receivables management services to original creditors"; this is our true approach to doing business. Being trusted includes delivering the best liquidation results and doing it in a way that preserves the valued relationship our clients have with their customers.

Data Security: No IC System server has ever had a security breach. As part of our annual security audits, IC System employs extensive testing and sign-off standards to ensure the data integrity of all files. Each client is uniquely set-up and various check pointing, record counting, and validation steps are strictly followed. To authenticate the identity of the sender we have specific set-up procedures; such as naming conventions, security protocols, and transfer procedures that are determined at the time of set up. In addition, to maintain security in file



"Security and privacy are of the utmost importance to IC System. We want to protect all consumer information, not just credit card info. And so we've implemented the highest possible security standards to protect consumers and our clients."

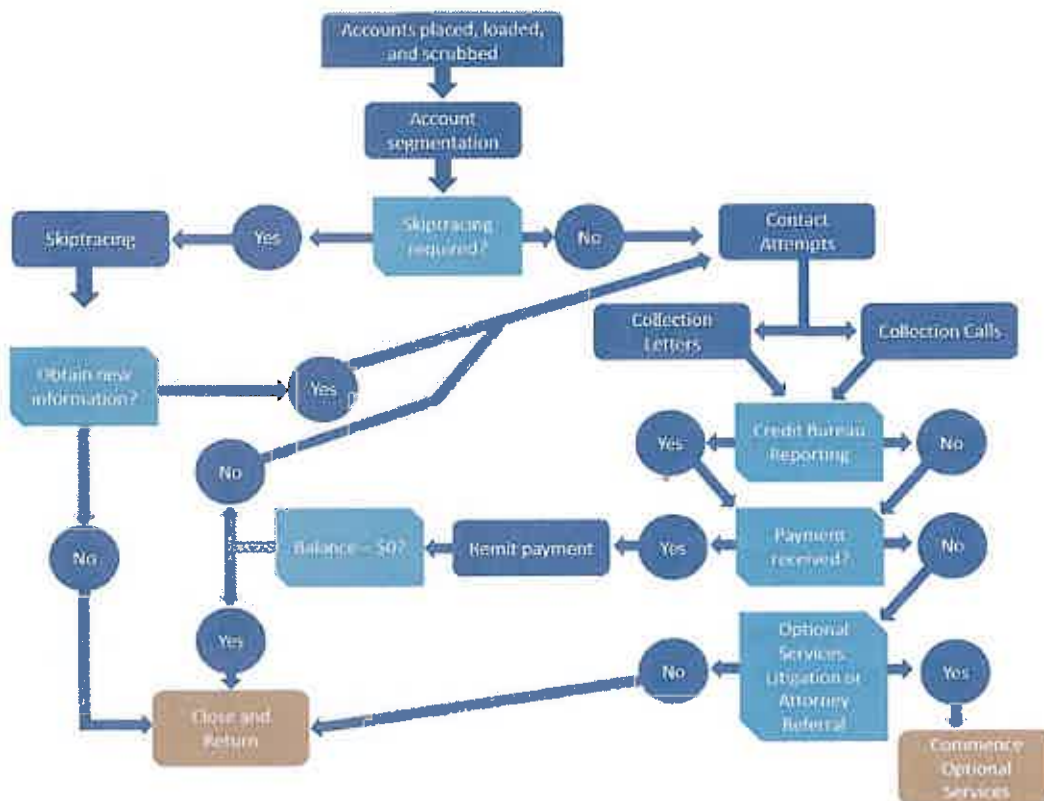
Tom EMMS, VP Information Services
/ CIO, Information Technology



transfers, IC System utilizes various transmission security methods. These include, but are not limited to Firewalls, Protected Connected Connections, and PGP encryption.

Our Methodology

The IC System approach begins with debt segmentation. Based on a complex algorithm that uses proprietary demographic models, recovery scores, and other characteristics of similar debt experiences, we divide accounts into five tiers. These tiers (or segments) will then dictate the approach we take to those accounts. For instance, the number of letters and calls an account might warrant depends on the segment. Throughout the process, we continually validate and refine the work effort models, and your office can be assured we will utilize best practices for account penetration that will limit the risk to both IC System and your office. Once the accounts are segmented (which generally takes place on the first day), our data scrubs begin.



Initial Placement Data Scrubs

To ensure the best possible information is on file, within 48 hours of account placement, IC System engages collection industry vendors to provide us with the following data points:

- **Best Possible Mailing Address** – Industry vendors identify the best possible mailing address for the responsible party and standardize addresses to meet USPS guidelines for ensuring fastest possible mailing time.

- **Bankruptcy & Deceased Identification** – To ensure we are not actively collecting on accounts that may be part of a bankruptcy proceeding or where the responsible party is deceased, IC System places all accounts with a vendor to identify if either one of these situations exists. In addition to upfront identification of bankruptcy or deceased status, the vendor continues to monitor the account on behalf of IC System. If the responsible party becomes deceased or files bankruptcy after the initial account placement, IC System is notified and the information is then passed to your office.
- **Mobile Phone Identification & Ownership Score** – TCPA violations can be costly for both IC System and your office. To minimize the risk of dialing any cell phone number manually or predictively, IC System scrubs all phone numbers on a daily basis to ensure they are not mobile telephone numbers. Because IC System uses the LiveVox HCI system, we mitigate legal liability; several courts have found this method to be TCPA compliant.

With account segmentation and data scrubs complete, our intensive collection strategy can begin. This process involves a series of call and letters, depending on the debt segment in question. For the first 180 days of placement with IC System, accounts are subject to the following treatment strategy:

Letters – Upon placement, accounts receive the initial validation notice from IC System, advising the responsible party of the balance due. Accounts owed by the same responsible party can be “linked” together to evaluate the balance as a whole. Depending on the specific segmentation and disposition of the account, additional letters may also be sent:

- **Segments 1 – 3:** A minimum of one additional letter will be sent, with allowance for two additional letters sent 45 and 90 days after the initial validation notice
- **Segments 4:** Up to two additional letters sent 90 days after the initial validation notice
- **Segment 5:** No additional letters sent after the initial validation notice

As part of IC System’s letter strategy, if we make contact with a consumer that did not have an initial validation notice mailed or the notice was returned due to a bad address; the validation notice will be resent. The account may also be subject to additional lettering based on activity taken on the account. These non-collection letters may include requests for additional information, receipt letters, pre-authorized payment reminders, and others.



Calls – As part of our intensive collection strategy, accounts are active for calling for 180 days. IC System staggers calling based on the account’s position within our segmentation models. Each account is evaluated every two weeks, to determine the calling strategy and daily penetration rate for the segment.



Penetration refers to how often an account will be dialed each day. For example, a penetration rate of 100% indicates the account is eligible to be dialed once per day. A 10% penetration rate means 10% of the segment’s inventory is cycled through in a given day. This will vary based on the segment of the account, and is subject to change based on current data models and ongoing reviews. However, accounts are typically subjected to the following call allowance guidelines:

- **Segments 1 & 2:** Subject to 100% penetration until day 75; sloped to 50% penetration until 120 days; sloped to 10% daily penetration
- **Segment 3:** Subject to 100% penetration during first two weeks of placement; sloped to a 50% penetration until 120 days; sloped to a 10% daily penetration
- **Segments 4 & 5:** Subject to 50% daily penetration during first two weeks of placement; 10% penetration for remainder of 180 days in Intensive Collections

At any point, if contact is made with the responsible party, or payment is received on the account, the penetration rate strategy is reset to maximum allowed levels on the portfolio to ensure we target accounts likely to be resolved.



Our commitment to ethical business practices has been recognized by the BBB for several years in a row.

Our Reporting Capabilities

IC System takes pride in its ability to offer flexible reporting to meet any client's needs. The basic management reports available from IC System’s ICE™ collection system are the Debt Acknowledgment, Inventory/Progress, Close and Return, Invoice/Statement, and Special Activity reports. In addition, we provide most clients a monthly Batch Track Report and Collection Effectiveness reports.

If the necessary data elements are present within the ICE™ database, reporting can be customized to meet any client specifications. Financial and performance information is readily available and flexibly presented from IC System. All reporting can be sorted alphabetically or numerically and segmented according to client guidelines. All reports can be produced in XML, CSV, PDF, MHTML, Excel, TIFF, or Word formats.



A description of these common reports follows:



- **Invoice/Statement Report** – These combined reports include a Statement that lists the date of payment, name of the consumer, client identification number, payment status (SIF, PIF), gross payment amount, agency fee, and client portion. The report also includes an Invoice that displays the amount due to the client, the amount due to IC System, and associated other totals.
- **Batch Track Report** – This report shows monthly batch placements by count and dollars submitted, collections against those placements on a monthly basis, and recovery percentages of those collections by month. The report also displays remaining inventory for each batch and value of accounts recalled or closed. The report can be delivered according to client specifications and has flexible options for display.
- **Close and Return Report** – A report of accounts worked by IC System that are deemed uncollectable. These include are persistent skips, bankruptcies, deceased consumer, no asset indigent, and recall/cancels. IC System maintains an online archival system where all records, complete with all work effort and coding, including closure reasons, are stored. These accounts can be accessed and viewed on screen.
- **Collection Effectiveness (Stair Step) Report** - Similar to a batch track, this report (often called a stair step report) details amounts collected each month per batch, for the history of the batch.
- **Debt Acknowledgement Report** – A report used to balance both the dollar value and number of debts against the clients placement. This report is also available for the client to run using the Online Tools application.
- **Inventory Progress Reports** – On-demand inventory reports (Detail and Summary versions) that sort and present a client's customers in any order. The detail report includes the clients account numbers and shows current account status descriptions. The summary report, presents totals by category. Using IC System's online archival system environment, reconciliation can be performed at any time.
- **Special Activity Report** - A weekly report containing information about special accounts including, bankruptcies, deceased, fraud, disputes, etc.
- **Client Payments and Reversals** – This ad hoc report can be pulled via Online Tools. It shows payments, NSF or reversals, and transaction detail within a given timeframe.



"Service is Number One at IC System. We have dedicated Account Managers and Client Service Representatives available so our clients always have someone to call or email if they have any questions"
Joanna MORRISON, Client Service Manager

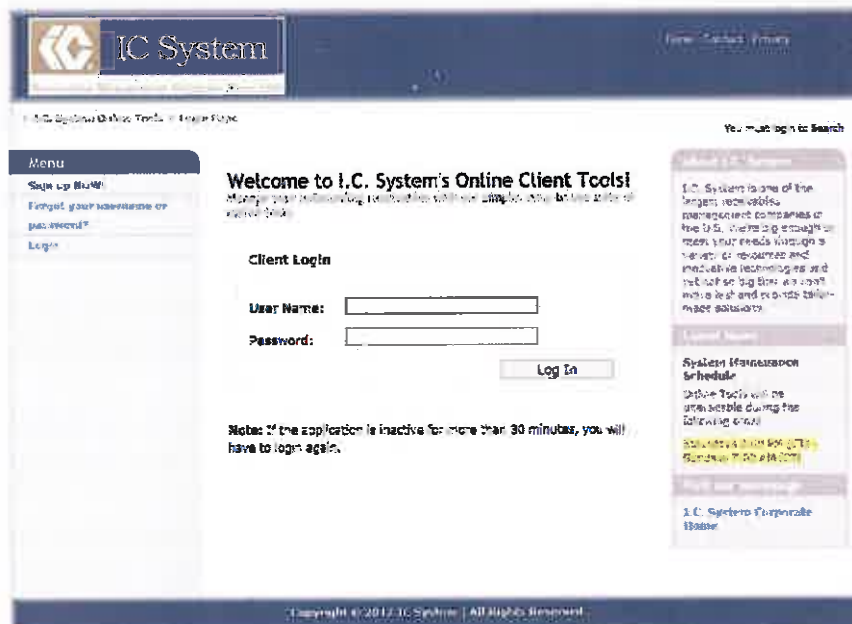


Transaction detail includes account and consumer information, entry and payment dates, amount, and transaction type.

Unparalleled Access to Your Accounts

IC System provides access to our Intelligent Collection Engine (ICE) collection system through our Online Tools application. It is a secure and convenient way of managing your outstanding receivables. Online Tools is free and easy-to-use. These are secure Web-based tools that enable clients to:

- **Submit debts** for collection 24 hours a day, seven days a week. Consumer and commercial debts are uploaded immediately and therefore ready for work effort immediately.
- **View the status** of debts submitted for collection. A simple search tool shows the **real-time** status of each debt, including: the number of letters sent, number of calls made, number of right-party contacts, paid amount, collector notes, and more.
- **Generate reports** to see how accounts are progressing in collections and to view your statements.
- **Report payments** on debts previously submitted.



Our tools are:

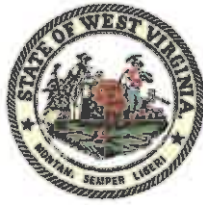
- **User-friendly** - Registered clients receive a User's Guide to ensure their online success. And, our Online Debt Support Staff is available toll free or via e-mail.
- **Secure** - Access to the tools is strictly controlled and password protected. Any information you submit is encrypted to prevent third-party disclosure.



- **Exact** - Information enters our system just as you submitted it.

Set up is simple and a demo is available on the home page of our company web site at www.icsystem.com/onlinetools.

West Virginia Ethics Commission



Disclosure of Interested Parties to Contracts

Pursuant to *W. Va. Code* § 6D-1-2, a state agency may not enter into a contract, or a series of related contracts, that has/have an actual or estimated value of \$1 million or more until the business entity submits to the contracting state agency a Disclosure of Interested Parties to the applicable contract. In addition, the business entity awarded a contract is obligated to submit a supplemental Disclosure of Interested Parties reflecting any new or differing interested parties to the contract within 30 days following the completion or termination of the applicable contract.

For purposes of complying with these requirements, the following definitions apply:

"Business entity" means any entity recognized by law through which business is conducted, including a sole proprietorship, partnership or corporation, but does not include publicly traded companies listed on a national or international stock exchange.

"Interested party" or "Interested parties" means:

- (1) A business entity performing work or service pursuant to, or in furtherance of, the applicable contract, including specifically sub-contractors;
- (2) the person(s) who have an ownership interest equal to or greater than 25% in the business entity performing work or service pursuant to, or in furtherance of, the applicable contract. (This subdivision does not apply to a publicly traded company); and
- (3) the person or business entity, if any, that served as a compensated broker or intermediary to actively facilitate the applicable contract or negotiated the terms of the applicable contract with the state agency. (This subdivision does not apply to persons or business entities performing legal services related to the negotiation or drafting of the applicable contract.)

"State agency" means a board, commission, office, department or other agency in the executive, judicial or legislative branch of state government, including publicly funded institutions of higher education: Provided, that for purposes of *W. Va. Code* § 6D-1-2, the West Virginia Investment Management Board shall not be deemed a state agency nor subject to the requirements of that provision.

The contracting business entity must complete this form and submit it to the contracting state agency prior to contract award and to complete another form within 30 days of contract completion or termination.

This form was created by the State of West Virginia Ethics Commission, 210 Brooks Street, Suite 300, Charleston, WV 25301-1804. Telephone: (304)558-0664; fax: (304)558-2169; e-mail: ethics@wv.gov; website: www.ethics.wv.gov.

West Virginia Ethics Commission
Disclosure of Interested Parties to Contracts

(Required by W. Va. Code § 6D-1-2)

Name of Contracting Business Entity: I.C. System, Inc. Address: 444 Hwy 96 E
Saint Paul, MN 55127

Name of Authorized Agent: John Erickson Address: 444 Hwy 96 E, St Paul, MN 55127

Contract Number: CRFQ0212 SWC1900000006 Contract Description: Debt Collection

Governmental agency awarding contract: West Virginia Purchasing Division

Check here if this is a Supplemental Disclosure

List the Names of Interested Parties to the contract which are known or reasonably anticipated by the contracting business entity for each category below (attach additional pages if necessary):

1. Subcontractors or other entities performing work or service under the Contract

Check here if none, otherwise list entity/individual names below.

2. Any person or entity who owns 25% or more of contracting entity (not applicable to publicly traded entities)

Check here if none, otherwise list entity/individual names below.

3. Any person or entity that facilitated, or negotiated the terms of, the applicable contract (excluding legal services related to the negotiation or drafting of the applicable contract)

Check here if none, otherwise list entity/individual names below.

Signature:  Date Signed: 11/14/2018

Notary Verification

State of Minnesota, County of Ramsey:

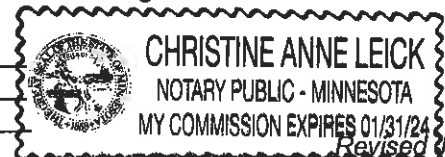
I, John Erickson, the authorized agent of the contracting business entity listed above, being duly sworn, acknowledge that the Disclosure herein is being made under oath and under the penalty of perjury.

Taken, sworn to and subscribed before me this 14th day of November, 2018.


Notary Public's Signature

To be completed by State Agency:

Date Received by State Agency: _____
Date submitted to Ethics Commission: _____
Governmental agency submitting Disclosure: _____



REQUEST FOR QUOTATION
CRFQ 0212 SWC1900000006
Debt Collection Services

SPECIFICATIONS

1. **PURPOSE AND SCOPE:** The West Virginia Purchasing Division is requesting bids for a statewide, open-end Contract for Debt Collection for all West Virginia State Agencies and political subdivisions.

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 to 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 The West Virginia Consumer Credit and Protection Act, and Chapter 46A-2-122-129 (attached as **Exhibit_A**); along with any Federal law that may preempt the West Virginia Consumer Credit and Protection Act.

The current contract (DEBT15) expires 12/31/2018 and will not be renewed. The current contract may be viewed using the following link:
<http://www.state.wv.us/admin/purchase/swc/DEBT.htm>

2. **DEFINITIONS:** The terms listed below shall have the meanings assigned to them below. Additional definitions can be found in section 2 of the General Terms and Conditions.

2.1 **“Contract Services”** means debt collection services for New Placements, Primary and Secondary as specified below. Current placements will be permitted to run their course.

2.2 **“Pricing Page”** means the pages upon which Vendor should list its proposed price for the Contract Services. The Pricing Page is either included on the last page of this CRFQ or attached hereto as **Exhibit_C**.

2.3 **“CRFQ”** means the official request for quotation published by the Purchasing Division and identified as CRFQ 0212 SWC1900000006.

2.4 **“Primary Placement”** is an account that has never been placed with another collection company or collection attorney.

2.5 **“Second Placement”** is an account that another collection company or collection attorney has previously tried to collect and failed.

1. **QUALIFICATIONS:** Vendor shall have the following minimum qualifications:

**REQUEST FOR QUOTATION
CRFQ 0212 SWC190000006
Debt Collection Services**

1.1. The collection agency must be a full-service agency and have the ability to handle several classifications of accounts including but not limited to educational, medical, and any other account that may be assigned. This is a statewide contract and is available to State agencies, spending units, and political subdivisions.

Twenty-two (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 the successful bidders.

The spending units indicating usage are –

- 1.1.1. Marshall University – Huntington, WV
- 1.1.2. West Virginia State University – Institute, WV
- 1.1.3. Shepherd College – Shepherdstown, WV
- 1.1.4. West Liberty State College – West Liberty, WV
- 1.1.5. Bluefield State College – Bluefield, WV
- 1.1.6. Glenville State College – Glenville, WV
- 1.1.7. Concord College – Athens, WV
- 1.1.8. West Virginia Northern Community College – Wheeling, WV
- 1.1.9. West Virginia Graduate College – Institute, WV
- 1.1.10. Potomac State College – Keyser, WV
- 1.1.11. WV University Institute of Technology – Montgomery, WV
- 1.1.12. WV School of Osteopathic Medicine – Lewisburg, WV
- 1.1.13. West Virginia University – Morgantown, WV
- 1.1.14. Fairmont State College – Fairmont, WV
- 1.1.15. Southern West Virginia Community College – Logan, WV
- 1.1.16. West Virginia Division of Highways – Charleston, WV
- 1.1.17. West Virginia Department of Transportation – Charleston, WV
- 1.1.18. West Virginia Dept. of Health and Human Resources – Charleston, WV
- 1.1.19. West Virginia Dept. of Tax and Revenue – Charleston, WV
- 1.1.20. Barboursville Veterans Home – Barboursville, WV
- 1.1.21. WV Workers' Compensation – Charleston, WV
- 1.1.22. WV Division of Environmental Protection – Charleston, WV

1.2. 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 the 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

REQUEST FOR QUOTATION
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Debt Collection Services

agent for service process pursuant to West Virginia State Code §56-3-33 attached as **Exhibit_B**.

2. MANDATORY REQUIREMENTS:

4.1 Mandatory Contract Services Requirements and Deliverables: Contract Services must meet or exceed the mandatory requirements listed below.

4.1.1 Vendor must attempt to collect debts on behalf of the State of West Virginia and/or its spending units.

4.1.2 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. All records must be kept a minimum of six (6) years by the vendor.

4.1.3 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 collection costs.

4.1.4 Placements: (Both Primary Placement and Secondary Placement)

4.1.4.1 The vendor(s) must have the ability to handle several account classifications of accounts separately, in order to provide the spending unit with information on the collection performance for each class of accounts.

4.1.4.2 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.

4.1.4.3 Upon Placement of an account with a collection agency, the spending unit will forward a letter of transmittal to the collection agency in its designated area. These transmittals will contain the following –

4.1.4.3.1 Type of Account and description of service

4.1.4.3.2 Name of whom the claim is made against

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4.1.4.3.3 Address, including zip code

4.1.4.3.4 Balance Due

4.1.4.3.5 Date of Service or age of account

4.1.4.3.6 Telephone number (Optional if available)

4.1.4.3.7 Previous collection reports received on individual accounts when available

4.1.4.3.8 Any other information deemed important by the spending unit.

4.1.4.4 The collection agency will have a minimum of 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 transfers accounts back to the spending unit on which payments are still being received at the end of the 180 day period or that are 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.

4.1.4.5 The vendor will implement collection procedures and attempt to achieve maximum recovery from debtors. These procedures will include:

4.1.4.5.1 Minimum of two (2) monthly telephone calls and one (1) monthly letter.

4.1.4.5.2 Direct mailing efforts and skip tracing procedures when the address is identified as undeliverable by the post office.

4.1.5 Payments and Reporting

4.1.5.1 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

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collection effort will continue until an account is paid in full, except as otherwise restricted, until the spending unit desires collection efforts to be terminated, or until the 180 period has lapsed.

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

4.1.5.3 The following information must be included in each report by debtor in alphabetical order, by debtors' surname:

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

4.1.5.3.2 Placement date of accounts

4.1.5.3.3 Beginning amount to collect, additional amount authorized for collection, amounts previously collected, amounts collected for current month, total collections to date, and balance owed.

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

4.1.5.3.5 Fees assessed, amount collected and balance due

4.1.5.3.6 Reason for returned or closed accounts (if applicable)

4.1.5.3.7 Remarks

4.1.5.3.8 Percent of dollar amounts collected to date

4.1.5.3.9 All collection agencies shall have the capacity to add accrued interest to applicable accounts on a monthly basis, this shall be included in the report

4.1.6 **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.

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4.1.7 HIPPA - 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 (see **Exhibit_D**).

3. CONTRACT AWARD:

5.1 Contract Award: The Contract is intended to provide Agency with a purchase price for the Contract Services. If it is in the best interest of the State, the contract will be a progressive award. The Contract award may be limited to the four (4) lowest bidders meeting the specifications per line item. Award will be made for low bid percentage to high percentage and usage will be in the same manner, per line item. Under this scenario, it will be possible for a Vendor to be awarded a Contract for only a portion of the line items they bid. If the lowest vendor awarded for a line item cannot provide the needs for the Facility at the requested time, the second lowest vendor awarded for the same line item will be contacted. Each vendor will be allowed 48 hours after notification for service to determine if they will be able to meet our needs. If they cannot meet the need, the vendor must notify the agency immediately in written form (letter or email) that they cannot supply the required service.

5.2 Pricing Page: Vendor must complete the **Exhibit_C** Pricing Page and submit with their bid. Online responses (electronic in wvOasis) is prohibited. The fees stated in the cost proposal must be wholly contingent on collection. Cost proposals must be bid in the form of percentage rates, as a percentage of collections. Price shall be a straight overall percentage. The quoted fees in the bid proposal shall be all inclusive and shall include all expenses to be incurred in connection with the services to be performed.

Vendor should complete the **Exhibit_C** Pricing Page for each commodity line item they wish to provide. Vendor may bid any or all commodity line items to be considered for an award for that line item.

Vendor should type or electronically enter the information into the **Exhibit_C** Pricing Page to prevent errors in the evaluation and must submit with their bid.

4. PERFORMANCE: Vendor and Agency shall agree upon a schedule for performance of Contract Services and Contract Services Deliverables, unless such a schedule is already included herein by Agency. In the event that this Contract is designated as an open-end

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contract, Vendor shall perform in accordance with the release orders that may be issued against this Contract.

5. **PAYMENT:** 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. Compensation will be paid only if the debtor pays all or a portion of the account due. The collection agency is prohibited from retaining its fee from the amount collected on behalf of the State. Furthermore, fees assessed by the 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. Agency shall pay for all Contract Services performed and accepted under this Contract. Vendor shall accept payment in accordance with the payment procedures of the State of West Virginia. In the event an account currently held by the vendor contacts a debtor and the debtor pays the agency directly (direct pay), the agency will notify the vendor of the direct pay payment and will pay the vendor the agreed upon fee for the account.
6. **TRAVEL:** Vendor shall be responsible for all mileage and travel costs, including travel time, associated with performance of this Contract. Any anticipated mileage or travel costs may be included in the flat fee or hourly rate listed on Vendor's bid, but such costs will not be paid by the Agency separately.
7. **FACILITIES ACCESS:** Performance of Contract Services may require access cards and/or keys to gain entrance to Agency's facilities. In the event that access cards and/or keys are required:
 - 7.1. Vendor must identify principal service personnel which will be issued access cards and/or keys to perform service.
 - 7.2. Vendor will be responsible for controlling cards and keys and will pay replacement fee, if the cards or keys become lost or stolen.
 - 7.3. Vendor shall notify Agency immediately of any lost, stolen, or missing card or key.
 - 7.4. Anyone performing under this Contract will be subject to Agency's security protocol and procedures.
 - 7.5. Vendor shall inform all staff of Agency's security protocol and procedures.

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8. VENDOR DEFAULT:

8.1. The following shall be considered a vendor default under this Contract.

8.1.1. Failure to perform Contract Services in accordance with the requirements contained herein.

8.1.2. Failure to comply with other specifications and requirements contained herein.

8.1.3. Failure to comply with any laws, rules, and ordinances applicable to the Contract Services provided under this Contract.

8.1.4. Failure to remedy deficient performance upon request.

8.2. The following remedies shall be available to Agency upon default.

8.2.1. Immediate cancellation of the Contract.

8.2.2. Immediate cancellation of one or more release orders issued under this Contract.

8.2.3. Any other remedies available in law or equity.

9. MISCELLANEOUS:

9.1. Contract Manager: During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor's responsibilities under this Contract. The Contract manager must be available during normal business hours to address any customer service or other issues related to this Contract. Vendor should list its Contract manager and his or her contact information below.

Contract Manager: Dana Ness
Telephone Number: 651-481-6406
Fax Number: 651-204-1212
Email Address: proposals@icsystem.com

WV STATE GOVERNMENT

HIPAA BUSINESS ASSOCIATE ADDENDUM

This Health Insurance Portability and Accountability Act of 1996 (hereafter, HIPAA) Business Associate Addendum ("Addendum") is made a part of the Agreement ("Agreement") by and between the State of West Virginia ("Agency"), and Business Associate ("Associate"), and is effective as of the date of execution of the Addendum.

The Associate performs certain services on behalf of or for the Agency pursuant to the underlying Agreement that requires the exchange of information including protected health information protected by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5) (the "HITECH Act"), any associated regulations and the federal regulations published at 45 CFR parts 160 and 164 (sometimes collectively referred to as "HIPAA"). The Agency is a "Covered Entity" as that term is defined in HIPAA, and the parties to the underlying Agreement are entering into this Addendum to establish the responsibilities of both parties regarding HIPAA-covered information and to bring the underlying Agreement into compliance with HIPAA.

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, the HITECH Act and its associated regulations, and the parties do agree to at all times treat the PHI and Interpret this Addendum consistent 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.** Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.
 - a. **Agency Procurement Officer** shall mean the appropriate Agency individual listed at: <http://www.state.wv.us/admin/purchase/vrc/agencyli.html>.
 - b. **Agent** shall mean those person(s) who are agent(s) of the Business Associate, in accordance with the Federal common law of agency, as referenced in 45 CFR § 160.402(c).
 - c. **Breach** shall mean the acquisition, access, use or disclosure of protected health information which compromises the security or privacy of such information, except as excluded in the definition of Breach in 45 CFR § 164.402.
 - d. **Business Associate** shall have the meaning given to such term in 45 CFR § 160.103.
 - e. **HITECH Act** shall mean the Health Information Technology for Economic and Clinical Health Act. Public Law No. 111-05. 111th Congress (2009).

- f. **Privacy Rule** means the Standards for Privacy of Individually Identifiable Health Information found at 45 CFR Parts 160 and 164.
- g. **Protected Health Information or PHI** shall have the meaning given to such term in 45 CFR § 160.103, limited to the information created or received by Associate from or on behalf of Agency.
- h. **Security Incident** means any known successful or unsuccessful attempt by an authorized or unauthorized individual to inappropriately use, disclose, modify, access, or destroy any information or interference with system operations in an information system.
- i. **Security Rule** means the Security Standards for the Protection of Electronic Protected Health Information found at 45 CFR Parts 160 and 164.
- j. **Subcontractor** means a person to whom a business associate delegates a function, activity, or service, other than in the capacity of a member of the workforce of such business associate.

2. Permitted Uses and Disclosures.

- a. **PHI Described.** This means PHI created, received, maintained or transmitted on behalf of the Agency by the Associate. This PHI is governed by this Addendum and is limited to the minimum necessary, to complete the tasks or to provide the services associated with the terms of the original Agreement, and is described in Appendix A.
- 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 Agreement, or as required by law, 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 Associate, or violate the minimum necessary and related Privacy and Security policies and procedures of the Agency. The Associate is directly liable under HIPAA for impermissible uses and disclosures of the PHI it handles on behalf of Agency.
- c. **Further Uses and Disclosures.** Except as otherwise limited in this Addendum, the Associate may disclose PHI to third parties for the purpose of its own proper management and administration, or as required by law, provided that (i) the disclosure is required by law, or (ii) the Associate has obtained from the third party reasonable assurances that the PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party by the Associate; and, (iii) an agreement to notify the Associate and Agency of any instances of which it (the third party) is aware in which the confidentiality of the information has been breached. To the extent practical, the information should be in a limited data set or the minimum necessary information pursuant to 45 CFR § 164.502, or take other measures as necessary to satisfy the Agency's obligations under 45 CFR § 164.502.

3. Obligations of Associate.

- a. **Stated Purposes Only.** The PHI may not be used by the Associate for any purpose other than as stated in this Addendum or as required or permitted by law.
- b. **Limited Disclosure.** The PHI is confidential and will not be disclosed by the Associate other than as stated in this Addendum or as required or permitted by law. Associate is prohibited from directly or indirectly receiving any remuneration in exchange for an individual's PHI unless Agency gives written approval and the individual provides a valid authorization. Associate will refrain from marketing activities that would violate HIPAA, including specifically Section 13406 of the HITECH Act. Associate will report to Agency any use or disclosure of the PHI, including any Security Incident not provided for by this Agreement of which it becomes aware.
- c. **Safeguards.** The Associate will use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, 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 workforce and 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 or a Limited Data Set;**
 - ii. **Appropriate notification and training of its workforce and agents in order to protect the PHI from unauthorized use and disclosure;**
 - iii. **Maintenance of a comprehensive, reasonable and appropriate 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, in compliance with the Security Rule;**
 - iv. **In accordance with 45 CFR §§ 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit protected health information on behalf of the business associate agree to the same restrictions, conditions, and requirements that apply to the business associate with respect to such information.**
- 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. **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, and report its mitigation activity back to the Agency.

f. Support of Individual Rights.

- 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, and in electronic format, if requested, 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 and consistent with Section 13405 of the HITECH Act.
- ii. 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.
- iii. 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 documentation 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 and consistent with Section 13405 of the HITECH Act. 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. 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 documentation shall include:

 - the date of disclosure;
 - the name of the entity or person who received the PHI, and if known, the address of the entity or person;
 - a brief description of the PHI disclosed; and
 - 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.
- iv. Request for Restriction.** Under the direction of the Agency, abide by any individual's request to restrict the disclosure of PHI, consistent with the requirements of Section 13405 of the HITECH Act and 45 CFR § 164.522, when the Agency determines to do so (except as required by law) and if the disclosure is to a health plan for payment or health care operations and it pertains to a health care item or service for which the health care provider was paid in full "out-of-pocket."
- v. Immediate Discontinuance of Use or Disclosure.** The Associate will immediately discontinue use or disclosure of Agency PHI pertaining to any individual when so requested by Agency. This includes, but is not limited to, cases in which an individual has withdrawn or modified an authorization to use or disclose PHI.

- g. 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.f. of this Addendum for a period of six (6) years after termination of the Agreement, or longer if required under state law.
- h. Agent's, Subcontractor's Compliance.** The Associate shall notify the Agency of all subcontracts and agreements relating to the Agreement, where the subcontractor or agent receives PHI as described in section 2.a. of this Addendum. Such notification shall occur within 30 (thirty) calendar days of the execution of the subcontract and shall be delivered to the Agency Procurement Officer. The Associate will ensure that any of its 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. The Agency may request copies of downstream subcontracts and agreements to determine whether all restrictions, terms and conditions have been flowed down. Failure to ensure that downstream contracts, subcontracts and agreements contain the required restrictions, terms and conditions may result in termination of the Agreement.
- j. Federal and Agency Access.** The Associate shall make its internal practices, books, and records relating to the use and disclosure of PHI, as well as the 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. The Associate shall also make these records available to Agency, or Agency's contractor, for periodic audit of Associate's compliance with the Privacy and Security Rules. Upon Agency's request, the Associate shall provide proof of compliance with HIPAA and HITECH data privacy/protection guidelines, certification of a secure network and other assurance relative to compliance with the Privacy and Security Rules. This section shall also apply to Associate's subcontractors, if any.
- k. Security.** The Associate shall take all steps necessary to ensure the continuous security of all PHI and data systems containing PHI. In addition, compliance with 74 FR 19006 Guidance Specifying the Technologies and Methodologies That Render PHI Unusable, Unreadable, or Indecipherable to Unauthorized Individuals for Purposes of the Breach Notification Requirements under Section 13402 of Title XIII is required, to the extent practicable. If Associate chooses not to adopt such methodologies as defined in 74 FR 19006 to secure the PHI governed by this Addendum, it must submit such written rationale, including its Security Risk Analysis, to the Agency Procurement Officer for review prior to the execution of the Addendum. This review may take up to ten (10) days.
- l. Notification of Breach.** During the term of this Addendum, the Associate shall notify the Agency and, unless otherwise directed by the Agency in writing, the WV Office of Technology immediately by e-mail or web form upon the discovery of any Breach of unsecured PHI; or within 24 hours by e-mail or web form of any suspected Security Incident, intrusion or unauthorized use or disclosure of PHI in violation of this Agreement and this Addendum, or potential loss of confidential data affecting this Agreement. Notification shall be provided to the Agency Procurement Officer at www.state.wv.us/admin/purchase/vrc/agencyli.htm and,

unless otherwise directed by the Agency in writing, the Office of Technology at incident@wv.gov or <https://apps.wv.gov/ot/ir/Default.aspx>.

The Associate shall immediately investigate such Security Incident, Breach, or unauthorized use or disclosure of PHI or confidential data. Within 72 hours of the discovery, the Associate shall notify the Agency Procurement Officer, and, unless otherwise directed by the Agency in writing, the Office of Technology of: (a) Date of discovery; (b) What data elements were involved and the extent of the data involved in the Breach; (c) A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PHI or confidential data; (d) A description of where the PHI or confidential data is believed to have been improperly transmitted, sent, or utilized; (e) A description of the probable causes of the improper use or disclosure; and (f) Whether any federal or state laws requiring individual notifications of Breaches are triggered.

Agency will coordinate with Associate to determine additional specific actions that will be required of the Associate for mitigation of the Breach, which may include notification to the individual or other authorities.

All associated costs shall be borne by the Associate. This may include, but not be limited to costs associated with notifying affected individuals.

If the Associate enters into a subcontract relating to the Agreement where the subcontractor or agent receives PHI as described in section 2.a. of this Addendum, all such subcontracts or downstream agreements shall contain the same incident notification requirements as contained herein, with reporting directly to the Agency Procurement Officer. Failure to include such requirement in any subcontract or agreement may result in the Agency's termination of the Agreement.

- m. **Assistance In Litigation or Administrative Proceedings.** The Associate shall make itself and any subcontractors, workforce or agents assisting Associate in the performance of its obligations under this Agreement, available to the Agency at no cost to the Agency to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against the Agency, its officers or employees based upon claimed violations of HIPAA, the HIPAA regulations or other laws relating to security and privacy, which involves inaction or actions by the Associate, except where Associate or its subcontractor, workforce or agent is a named as an adverse party.

4. Addendum Administration.

- a. **Term.** This Addendum shall terminate on termination of the underlying Agreement or on the date the Agency terminates for cause as authorized in paragraph (c) of this Section, whichever is sooner.
- b. **Duties at Termination.** Upon any termination of the underlying Agreement, the Associate shall return or destroy, at the Agency's option, 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 the underlying Agreement.

- c. **Termination for Cause.** Associate authorizes termination of this Agreement by Agency, if Agency determines Associate has violated a material term of the Agreement. Agency may, at its sole discretion, allow Associate a reasonable period of time to cure the material breach before termination.
- d. **Judicial or Administrative Proceedings.** The Agency may terminate this Agreement if the Associate is found guilty of a criminal violation of HIPAA. The Agency may terminate this Agreement if a finding or stipulation that the Associate has violated any standard or requirement of HIPAA/HITECH, or other security or privacy laws is made in any administrative or civil proceeding in which the Associate is a party or has been joined. Associate shall be subject to prosecution by the Department of Justice for violations of HIPAA/HITECH and shall be responsible for any and all costs associated with prosecution.
- e. **Survival.** The respective rights and obligations of Associate under this Addendum shall survive the termination of the underlying Agreement.

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 or destroyed at the Agency's option, at any time, and subject to the restrictions found within section 4.b. above.
- 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 or disclosures 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.

AGREED:

Name of Agency: _____

Signature: _____

Title: _____

Date: _____


Name of Associate: I.C. System, Inc.

Signature: 

Title: President and CEO

Date: 11/14/2018

Form - WVBA-012004
Amended 06.26.2013

APPROVED AS TO FORM THIS 26th
DAY OF Jan 20 17
BY 
Patrick Morrisey
Attorney General

Appendix A

(To be completed by the Agency's Procurement Officer prior to the execution of the Addendum, and shall be made a part of the Addendum. PHI not identified prior to execution of the Addendum may only be added by amending Appendix A and the Addendum, via Change Order.)

Name of Associate: _____

Name of Agency: _____

Describe the PHI (do not include any actual PHI). If not applicable, please indicate the same.

All possible Personal Health Information.

- Any and all personally identifiable information including but not limited to patient name, address, date of birth, Social Security Number, telephone number, and insurance information.

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

CONSTRUCTION CONTRACTS: Under W. Va. Code § 5-22-1(i), the contracting public entity shall not award a construction contract to any bidder that is known to be in default on any monetary obligation owed to the state or a political subdivision of the state, including, but not limited to, obligations related to payroll taxes, property taxes, sales and use taxes, fire service fees, or other fines or fees.

ALL CONTRACTS: Under W. Va. Code §5A-3-10a, 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: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

EXCEPTION: The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. 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.

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.

"Employer default" means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

"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 exceeds five percent of the total contract amount.

AFFIRMATION: By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that: (1) for construction contracts, the vendor is not in default on any monetary obligation owed to the state or a political subdivision of the state, and (2) for all other contracts, that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

WITNESS THE FOLLOWING SIGNATURE:

Vendor's Name: I.C. System, Inc.

Authorized Signature:  Date: 11/14/2018

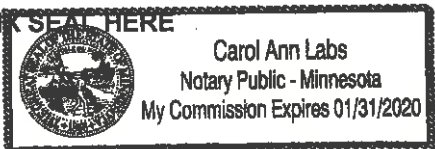
State of Minnesota

County of Ramsey, to-wit:

Taken, subscribed, and sworn to before me this 14 day of November, 2020.

My Commission expires 1/31, 2020.

AFFIX SEAL HERE



NOTARY PUBLIC



ORIGINAL, COST

Response to West Virginia Purchasing
Division's RFQ # CRFQ 0212 SWC
1900000006 for Debt Collection Services



IC System

November 14, 2018
Attn: Purchasing Division



SUBMITTED BY:
Karen Jonas
IC System
VP, National Accounts
651-481-6312
KJonas@ICSystem.com



www.ICSystem.com

IC System, Inc.
444 Highway 96 East
St. Paul, MN 55127
800-443-4123



Cover Letter

On behalf of I.C. System, Inc. (IC System), I am pleased to submit this cost proposal for collection services in response to RFQ # CRFQ 0212 SWC1900000006. This document contains our price. Please see the accompanying tech proposal for an overview of our services, along with your required documents.

We believe that solid relationships are as important as performance. For this reason, we have assigned VP of National Accounts Karen Jonas to manage this opportunity. She will be glad to discuss any questions you have regarding our proposal at the information provided below. We look forward to partnering with the State.

Sincerely,

John Erickson
President and CEO

Primary Contact for Negotiations and Clarifications

The contact for any questions related to this proposal is Karen Jonas, VP of National Accounts.
444 Highway 96 East, St. Paul, MN 55127
kjonas@icsystem.com
Office: 651-481-6312
Fax: 651-204-1212

Company Signatory Is:

John Erickson, President and CEO
He can be reached through our switchboard at 800-443-4123.

Licensure and Tax ID

IC System is licensed to collect debt in all 50 states.

Vendor must complete this schedule, for items being bid. The fee structure submitted to the State of West Virginia is as follows:

Agency	Type of Account	% of Amount Collected*
1. Colleges and Universities	Per Debt	5.98%
2. Worker's Compensation	Default Account	4.98%
3. WV Department of Tax and Revenue	New Accounts	4.98%
4. WV Department of Tax and Revenue	Levy Account - Where our employee is instrumental in the preparation of the levies.	5.00%
5. Division of Environmental Protection	Per Debt	5.98%
6. Other Spending Units	Per Debt	5.98%
7. Rate of Second Placement	Per Debt	11%
8. Rate of Second Placement	Colleges	11%

* Rates bid shall be all inclusive and shall include all expenses to be incurred in connection with the services performed. (see Specifications 5.2)

Bidder Contact Info

Vendor: I.C. System, Inc.

Bidder Name (Print): John Erickson, President and CEO, IC System

Contact Name (Print): Karen Jonas

Phone: 651-270-8393

Fax: 651-204-1212

E-mail: kjonas@icsystem.com

Bidder Signature: