



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

POSTAGE

RFQ COPY
 TYPE NAME/ADDRESS HERE
 Penn Credit Corporation
 916 S. 14th Street
 Harrisburg, PA 17104

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
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.						

RECEIVED
 2010 SEP -7 A 10:06
 PURCHASING DIVISION
 STATE OF WV

SEE REVERSE SIDE FOR TERMS AND CONDITIONS			
SIGNATURE	TELEPHONE	DATE	
	800-800-3328	9/3/2010	
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE	
President	23-2470030		

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

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).

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VENDOR

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07/21/2010				

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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 800-800-3328	DATE 9/3/2010
TITLE President	FEIN 23-2470030	ADDRESS CHANGES TO BE NOTED ABOVE

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



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LINE	QUANTITY	UQP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>EXHIBIT 3</p> <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

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TITLE President	FEIN 23-2470030	ADDRESS CHANGES TO BE NOTED ABOVE

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S H I P T O

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<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>REQUISITION NO.:</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE 	TELEPHONE 800-800-3328	DATE 9/3/2010
TITLE President	FERN 23-2470030	ADDRESS CHANGES TO BE NOTED ABOVE

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ADDRESS CORRESPONDENCE TO ATTENTION OF
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PROPOSER


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<p>ADDENDUM ACKNOWLEDGEMENT</p> <p>I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.</p> <p>ADDENDUM NO.'S:</p> <p>NO. 1^x</p> <p>NO. 2</p> <p>NO. 3</p> <p>NO. 4</p> <p>NO. 5</p> <p>I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.</p> <p>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.</p> <p style="text-align: center;">  SIGNATURE Penn Credit Corporation COMPANY </p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS			
SIGNATURE	TELEPHONE	DATE	
	800-800-3328	9/3/2010	
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President	23-2470030		

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..... September 3, 2010 DATE						
NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID. REV. 09/21/2009 NOTICE A SIGNED BID MUST BE SUBMITTED TO: DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130 THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED: SEALED BID BUYER: FILE 42 RFQ. NO.: DEBT10 BID OPENING DATE: SEPTEMBER 8, 2010 BID OPENING TIME: 1:30PM						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE 800-800-3328	DATE 9/3/2010
TITLE President	FEIN 23-2470030	ADDRESS CHANGES TO BE NOTED ABOVE

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PROPERTY

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PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID: ----- 717-238-0901 ----- CONTACT PERSON (PLEASE PRINT CLEARLY): ----- Richard S. Templin, President -----						
***** THIS IS THE END OF RFQ DEBT10 ***** TOTAL:						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE 800-800-3328	DATE 9/3/2010
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TITLE President	FEIN 23-2470030	ADDRESS CHANGES TO BE NOTED ABOVE
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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

Glenville State College
Glenville, 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 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 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.

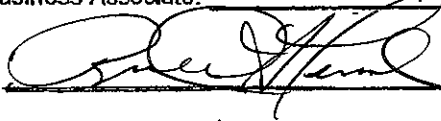
g. **Amendment.** The parties agree that to the extent necessary to comply with applicable law they will agree to further amend this Addendum.

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: Penn Credit Corporation

Signature: 

Title: President


Date: 9/3/2010

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: 
DEPUTY ATTORNEY GENERAL

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.

Penn Credit Corporation

Vendor (Type Name of Company)

916 S. 14th Street Harrisburg, PA 17104

Address

Richard S. Templin

Name (Type Name)

President

Title



Signature

September 3, 2010

Date

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

RFQ No. DEBT10

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 exceeds 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: Penn Credit Corporation

Authorized Signature:  Date: 9/3/2010

State of Pennsylvania

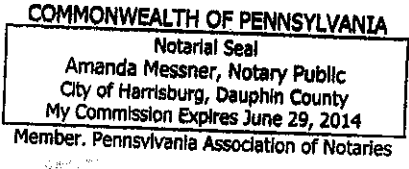
County of Dauphin, to-wit:

Taken, subscribed, and sworn to before me this 3 day of September, 2010.

My Commission expires Sept 29, 2010.

AFFIX SEAL HERE

NOTARY PUBLIC 



WV-96
Rev. 10/07

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: Penn Credit Corporation

Signed: 

Title: President

Date: September 3, 2010

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:

N/A 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,

N/A 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,

N/A 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:

N/A 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:

N/A 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:

N/A 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:

N/A 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:

N/A 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: Penn Credit Corporation

Signed: 

Date: September 3, 2010

Title: President

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



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
 804-558-8802

POST TO

RFQ COPY
 TYPE NAME/ADDRESS HERE
 Penn Credit Corporation
 916 S. 14th Street
 Harrisburg, PA 17104

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
08/30/2010				

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

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
***** ADDENDUM NO. 1 *****						
1. DEBT10 PRICING PAGE, REVISED AND ATTACHED.						
2. QUESTION AND ANSWERS, ATTACHED.						
3. END OF QUESTION AND ANSWER PERIOD.						
***** END OF ADDENDUM NO.1 *****						
0001	1	%		946-33-99-000		
DEBT COLLECTION SERVICE						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE 800-800-3328	DATE 9/3/2010
TITLE President	FEIN 23-2470030	ADDRESS CHANGES TO BE NOTED ABOVE

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

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).



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
 Penn Credit Corporation
 916 S. 14th Street
 Harrisburg, PA 17104

SHIP TO

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

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
08/30/2010				

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

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
***** THIS IS THE END OF RFQ DEBT10 ***** TOTAL: _____						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE 	TELEPHONE 800-800-3328	DATE 9/3/2010
TITLE President	FBN 23-2470030	ADDRESS CHANGES TO BE NOTED ABOVE

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

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	9.0%
2. Worker's Compensation:	Default Account	6.5%
3. WV Department of Tax and Revenue:	New Accounts	5.48%
	Levy Account - where our employee is instrumental in the preparation of the levies.	5.0%
4. Division of Environmental Protection:	Per Debt	8.0%
5. Other Spending Units:	Per Debt	7.4%
	Colleges	9.0%
6. Rate of Second Placement	Per Debt	12.5%
	Colleges	12.5%

BIDDER CONTACT INFORMATIONVendor: Penn Credit CorporationBidder Name (Print): Penn Credit CorporationContact Name (Print): Richard S. TemplinPhone: 800-800-3328 ext. 3029 Fax: 717-238-0901E-mail: richard.templin@penncredit.comBidders Signature: 

DEBT10
Questions and Answers

1Q	Have all of the current incumbents received placements? If not, which have?
1A	Not available
2Q	Why did you remove second placements from the contract since they were included in 2007?
2A	DEBT10 Pricing Page has been revised and includes second placement
3Q	Have you required reporting from vendors since 2007 and can you share any historical data about the contract?
3A	Year to date the State of West Virginia have received invoices from the DEBT07 vendors at approximately \$200,000.00
4Q	What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?
4A	See 3A
5Q	What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category?
5A	This office has no information on the debt collections that might be needed.
6Q	What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?
6A	See 5A
7Q	What has been the historical rate of return or liquidation rate provided by any incumbent(s), and/or what is anticipated or expected as a result of this procurement?
7A	Not available
8Q	If applicable, will accounts held by any incumbent(s) or any backlog be moved to any new vendor(s) as a one-time placement at contract start up?
8A	No. The placements will be permitted to run their course. These contracts would be for new placements.
9Q	Will the two low bidders for each category receive a contract award?
9A	See 44A
10Q	Will you be holding a BAFO process?

DEBT10
Questions and Answers

10A	Only in the event of tie bids.
11Q	Who is the current vendor?
11A	Current vendors are listed at: www.state.wv.us/admin/purchase/swc click on DEBT
12Q	Is the collection agency fee to be an add-on fee, or is the fee a contingency and taken from the amount collected?
12A	It is deducted from the amount collected.
13Q	If applicable, how long has the current vendor been under contract?
13A	The current contracts have gone full term (1 year with two(2) one year renewals)
14Q	If applicable, what is the current vendor's overall collection rate?
14A	This office does not have this information.
15Q	If applicable, what fee is charged by the current vendor?
15A	Colleges & Universities 7.5% and 9.0% Workers Compensation (default) 1.9% and 7.5% WV Dept of Tax & Revenue (new acct) 6.24% and 6.49% WV Dept of Tax & Revenue (levy acct) 1.0% and 4.24% Division of Environmental Protection 7.5% and 7.9% Other Spending Units 7.5% and 8.48%
16Q	If applicable, how much has been paid annually to the current vendor in fees for their services since contract inception?
16A	See 3A
17Q	How many dollars have been collected by the current vendor and over what period of time?
17A	See 3A
18Q	Does the current vendor provide legal/litigation services?
18A	No
19Q	What is the anticipated start up date for the contract?
19A	September 15, 2010
20Q	What is the anticipated award date for the contract
20A	Prior to September 15, 2010
21Q	Is the selected Service Provider required to have a local office?

DEBT10
Questions and Answers

21A	No
22Q	What, if any, historically underutilized (or minority/female owned) business policies apply to this RFP? What are the specific terms/provisions?
22A	The State of West Virginia applies preference to in-state vendors. In State vendors can submit a vendor preference certificate
23Q	What are the in-house collection methods used on the referred accounts prior to turnover to the selected vendor?
23A	Not available
24Q	Will accounts held by the current vendor (backlog) be moved to the selected vendor?
24A	See 8A
25Q	Will the location of the proposer's facilities (call centers, main offices, etc.) have bearing on the award? If yes, to what extent
25A	No
26Q	What is the age of the oldest accounts in the portfolio?
26A	Unknown
27Q	Is the selected Service Provider required to provide bankruptcy services on accounts that are subject to bankruptcy proceedings?
27A	No
28Q	Does the current vendor provide bankruptcy services on accounts that are subject to bankruptcy proceedings?
28A	No
29Q	Why are proposal being sought at this time?
29A	The current contract is due to expire and debt collection service is needed.
30Q	Regarding the Department of Taxation - could you please clarify what type of taxes will be placed for collection?
30A	Not available
31Q	Is an "add on" fee allowed for collection of accounts from the Department of Taxation?
31A	No, see 12A
32Q	Who is the incumbent vendor that provides these services?

DEBT10
Questions and Answers

32A	See 11A
33Q	What is the estimated value of this contract?
33A	See 3A
34Q	Why is the contract out for bid at this time?
34A	See 13A
35Q	Will accounts be primary placements, not having been serviced by any other outside collection agency or law firm?
35A	See 2A
36Q	What is the historical average age of accounts at placement by category if relevant or possible
36A	Not available
37Q	What is the anticipated monthly account placement?
37A	Not available
38Q	What is the anticipated monthly dollar placement to be referred?
38A	Not available
39Q	What is the average balance of account?
39A	Not available
40Q	What areas, processes and/or results are you looking to improve or enhance under this new contract?
40A	Quarterly reports and annual summaries are mandatory for all awarded vendors. Non submittal of these required reports will be grounds for contract termination.
41Q	Historical rate of return or liquidation rate either provided by any incumbent(s) or anticipated as a result of this procurement?
41A	Not available
42Q	What bearing will the vendor's location have on award of contract?
42A	None

DEBT10
Questions and Answers

43Q	What is the current fee being charged for services?
43A	See 15A
44Q	How many agencies will be selected?
44A	Two per Type Account

45Q	What is the average balance of a College or University Student Loan?
45A	No available
46Q	What is the average balance on accounts for all other spending units?
46A	Not available
47Q	Will the agencies fees need added to the amount of all spending unit accounts?
47A	See 12A
48Q	Will the spending units accounts be loaded onto the Collection agencies system or will the agency log onto the State spending units system to work accounts?
48A	This office does not utilize this contract, therefore we do not have this information.
49Q	Can the State give a breakdown by percentages of the types of account that will be submitted by the different spending units and/or by the agencies listed on the Pricing Page?
49A	Not available
50Q	Can the State disclose who are the current vendors for the State and give their pricing?
50A	See 15A
51Q	Will agencies be permitted to bid on specific segments of the State's portfolio (i.e. university debt only, tax debt only, etc.)?
51A	Yes
52Q	Can agencies propose fee rates on individual segments of the State's portfolio? For example, can an agency submit fee rates for university debt if that is the only segment of debt they are proposing to collect?
52A	Yes
53Q	RFQ page 14: The RFQ states that " <i>The West Virginia State Government HIPAA Business Associate Agreement (BAA), approved by the Attorney General, is hereby made part of the Request for Quotation. Any Collection Agency doing business with any State Agency that is bound by the Health</i>

	<i>Insurance Portability and Accountability Act of 1996 (HIPAA) must sign the attached agreement and return prior to award.” Please confirm that an agency that bids on a segment of the State’s portfolio that is not bound by HIPAA (non-medical related debt), are therefore not required to sign and return a BAA.</i>
53A	Bidders must sign the HIPPA form
54Q	On average, how many accounts (including dollar amount) do State Agencies place with vendors on a yearly basis?
54A	See 3A
55Q	What are the current vendors’ historical recovery percentages (liquidity) on
55A	See 3A
56Q	West Virginia Code Ann. §§46A-2-128(c), which regulates debt collector conduct, states the addition of the debt collector's fee or charge for services is a violation of the statute and that reasonable collection costs and charges for the collection of higher education loans may be recovered when the terms of the obligation so provide. This implies that if the debt collector adds the collection costs after the account is placed, a violation could be found. In the collection industry, the best practices approach to avoid such a violation is for the Creditor to provide collection cost amounts in the placement (separately itemizing principal, interest, collection costs and any other amounts). Will West Virginia employ this practice with its awarded collection agency vendors? If not, how will West Virginia alert awarded vendors as to when collection costs should be assessed to accounts?
56A	Accounts are managed by individual agencies.



State of West Virginia

RFQ #DEBT10

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.

Penn Credit is a collection industry leader, dedicated to recovering debts in both the public and private sector on a national level. We pride ourselves on our efficient collection methods while maintaining a professional presence. Our ultimate success is attributed to the use of technology to improve the collection process and our strong commitment to client satisfaction.

Penn Credit was incorporated under the laws of the State of Pennsylvania on June 9, 1987. Under the leadership of Donald C. Donagher, Jr. (Chief Executive Officer) and Richard S. Templin (President), it has developed into one of the **20 top collection agencies in the United States** (as reported in *Collection & Credit Risk's* 2009 Industry Rankings).

Penn Credit has assisted many state, municipal, and county governmental entities across the nation in developing innovative and effective collection programs to accelerate cash flow; providing a necessary service to the community while maintaining a positive community image. We are proud of our efforts in this regard, having delivered consistent above-average results to our numerous clients at competitive fee rates.

Since our inception, Penn Credit's portfolio has been comprised of a very reputable business clientele, as evidenced by our references.

Penn Credit has performed collection services for more than two decades. Our clients include the States of Pennsylvania, Delaware, New Jersey, Minnesota and South Carolina.

Additional information about Penn Credit is available at our website www.penncredit.com.

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

Penn Credit has provided a copy of our West Virginia business registration certificate on the following page.



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

Penn Credit maintains comprehensive insurance coverage and bonding to protect its interests and the interests of its clients in the collection of delinquent debts.

Coverage includes:

- General Liability: \$1 Million per occurrence, \$ 2 Million aggregate
- Automobile Liability: \$1 Million each person, \$1 Million each accident; \$1 Million property damage
- Excess Liability: \$10 Million per occurrence, \$ 10 Million aggregate
- Workers Compensation: \$1 Million per occurrence, \$1 Million aggregate
- Errors and Omissions
 - o Professional Liability: \$5 Million per occurrence, \$5 Million aggregate
 - o Employee Fidelity & Crime: \$4 Million / 3rd Party -- \$4 Million

Coverage limits for each category may be reviewed in a copy of our insurance certificate.

Our employees are bonded to protect against employee dishonesty, forgery, fraud, and loss of funds.

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.

Penn Credit is headquartered in Harrisburg, Pennsylvania. Our highly trained collections staff, marketing division, management personnel, client service department, in-house MIS department, and in-house letter shop are all centralized at this one location enabling all departments to work in concert to provide greater efficiency in recovery and the highest yield returns. The security this affords is particularly important for our government clients.

Penn Credit focuses on the needs and requirements of all of our clients and prospective clients. We customize work plans that help us exceed specific client objectives and goals. Each client is different and has diverse functions. In our opinion, the all-too-common practice of third party collection agencies using standard solutions that best fit their own needs is not in the best interest of the client.

Penn Credit has been in business over 23 years and has become a leader in the collection industry by:

- Developing a strategic collection policy to meet our client's goals
- Reviewing and understanding the client's policies and procedures
- Identifying performance gaps through internal audits
- Validating contract work expectations for state and federal compliance
- Evaluating trends, profitability and growth opportunities



References

Commonwealth of Pennsylvania

Office of Attorney General

Jill A. Keiser, Operations Director

(717) 787.2949

jkeiser@attorneygeneral.gov

Department of Revenue

James Furlong, Assistant to the Deputy Secretary

610-270-1101

jfurlong@state.pa.us

Services include the collection of:

- Non-Tax Accounts (Boiler Inspection, Payroll Military Affairs, PA Employables Program, State Board of Psychology, Department of Transportation, and Radiation Protection Equipment)
- Tax Accounts (Corporate, Employer Withholding, Sales Tax, Employer Withholding/Non-Filers, Sales-Non-Filers, Motor Carrier, and Inheritance)

State of New Jersey

Department of Treasury

Chris Besler, Assistant Chief

(609) 777.1020

chris.besler@treas.state.nj.us

Services include the collection of:

- Non-Tax Accounts (Bureau of Risk Management, Community Affairs, Departments of Transportation, Human Services, Military/Veterans Affairs, Labor & Workforce, Corrections, Banking and Insurance, Lottery, and Public Defenders Office)

State of South Carolina

Department of Revenue

Charlie Pitts, Collections Manager

803-898-5675

pittsc@sctax.org

Services include the collection of:

- Tax Accounts (Annual Income, Corporate Income, Sales, Employer, and Withholding)



Assignment of Accounts

In order to promote the greatest degree of efficiency among collectors, Penn Credit's collection system utilizes account routing parameters based on account classification and balance range. Management actively monitors the call lists for our automated dialing collectors and the work queues for our assigned account loop collectors on a regular basis, ensuring that the volume of accounts is not larger than appropriate. Collectors and supervisors work as a team, assisting one another with incoming calls and resolving disputes when required. This flexible and cooperative environment ensures that production levels are being met and customer service levels are being exceeded.

Collection Tools and Resources

Penn Credit has four calling strategies at our disposal: a proprietary automated calling/payment system, a predictive dialing platform, a "Confirmed Party Contact" system, and our loop collection protocol.

Predictive Dialing Platform

This predictive dialing platform predicts the availability of the collector's next call—and adjusts dialing volumes accordingly—so that the answering party is immediately transferred to an available collector. This method ensures the party is unaware that he/she has been on an automated call and is more willing to begin discussions with the collector. This system allows one (1) collector to contact up to 35 debtors an hour, effectively and efficiently increasing Penn Credit's "collector to debtor" ratio.

D.A.V.I.S. (Digitized Automated Voice Intelligence System)

This system utilizes Interactive Voice Response (IVR) technology and makes calls from 9:00 a.m. to 9:00 p.m. in the time zone where the debtor resides. Upon contact debtors are provided with their account information and available payment options. While using the D.A.V.I.S. system, any debtor has the ability to speak to a live collector at any time by following the instructions built into the system; further, D.A.V.I.S. is capable of providing debtor interaction in both Spanish and English to aid bi-lingual collection needs.

Confirmed Party Contact

Our Confirmed Party Contact system builds upon the aforementioned technologies (primarily, the D.A.V.I.S. system) by prompting a qualification question which allows us to verify that the individual who answers the call is the debtor. The call is then immediately transferred to an available collector, allowing our collection team to communicate directly with the "Confirmed Party."

Loop Collection Protocol

This collection practice assigns ownership of accounts to individual collectors, making these collectors responsible for the collection of the account. The collector to whom the account is assigned performs the majority of collection activity on the account; and if additional skip tracing beyond our waterfall process is required, the collector has access to several online resources to acquire new contact data. This loop method creates a relationship between the collector and debtor, promoting a more cooperative series of exchanges and increasing the likelihood of repayment. To further the efficacy of the loop collection protocol, a direct toll free number is included on all letters sent to the debtor.



the appropriate language.

While the main purpose of debtor contact is to collect a debt, Penn Credit also takes each debtor contact as an opportunity to maintain the relationship the debtor has with the client. Penn Credit's collectors are trained not only to obtain payment-in-full in every possible scenario, but also to prevent disputes, escalations, and complaints. It is in the best interest of all parties that each attempt at recovery is polite, patient, and proactive—imbuing a potentially unpleasant situation with a more productive agenda and empathetic tone.

Skip Tracing

Successful skip tracing is an essential part of Penn Credit's collection strategy; therefore, we subscribe to a wide range of skip tracing products and national databases. After the initial placement, accounts are "scrubbed" for address verification (NCOA), phone append, deceased and bankruptcy verification. Once the account information is confirmed, the collection process begins; however, if at any time the contact information is determined to be incomplete or incorrect, the account will be placed in our automated "Waterfall" skip tracing process.

Each step in this "Waterfall" process utilizes a new skip tracing tool, which we obtain from several different vendors. The steps and information provided are progressively more intensive and detailed than the previous. The account will proceed from step to step until the appropriate information is obtained and successful contact is made with the debtor. Penn Credit's waterfall skip tracing process may be utilized at any point during the collection process, ensuring that Penn Credit maintains contact with debtors until the amount owed the client has been recovered.

Further, our assigned account Loop collectors are provided access to several internet based skip tracing resources at their work stations, enabling them to perform individual skip tracing.

Lexis Nexis®/Accurint: This is an on line skip-tracing tool that collectors will use in attempting to locate a skipped debtor. This tool provides social security verification, address verification, phone number verification, reverse look-up, same names, and same addresses if under a different name. The collector will work all leads to conclusion. Penn Credit utilizes the following data security measures to protect against unauthorized access to individuals information.

Credit Bureau Reports: The collector will pull credit reports when the balance of the account meets minimum guidelines. The collector will review the report for possible places of employment, new updated addresses, and any other information that may lead to debtor contact. The collector will follow all leads to conclusion.

Dun & Bradstreet Reports: This skip-tracing tool is used in the skip-tracing of businesses. D&B provides addresses, corporate officers, and state of incorporation. The collector will use this information to locate officers of the company in an attempt to obtain payment of business and/or corporate debt.



Collection Letters

All of Penn Credit's collection letters are printed using a Xerox DocuTech printer, which provides highlight coloring at 180 pages per minute. These letters, generated in-house, are sent directly from our office to the debtor for security and privacy. Keeping the process in house provides strict control over our entire collection notification process.

All cases with valid mailing addresses, regardless of balance or age, receive collection letters according to client guidelines. While collection letters are not the only focus of our collection process, letters are designed in a specified sequence, at specified times, and according to specific circumstances, generating the most meaningful communication with the debtor. A collection contact followed by a meaningful, well-timed letter offers a better collection impact than a stand-alone collection notice.

Our letter series includes the initial validation notice and progressively more demanding follow-up letters. The initial demand letter has three main purposes:

1. To advise the debtor that the account has been assigned to Penn Credit
2. To provide notice of the debtor's rights established by the FDCPA and applicable state laws
3. To prompt payment

Accounts with active payment plans will receive monthly letters and those with a post-dated check plan receive a reminder notice a set number of days before the process date.

We are always willing to customize letters for clients as permitted within legal guidelines. Penn Credit will obtain Client approval of all collection letters prior to their use and we will obtain approval before making any changes to collection letters sent out to debtors.

A typical series of collection letters follows.



State of West Virginia

RFQ #DEBT10

PennCredit

PO BOX 988
HARRISBURG, PA 17108-0988

2009/07/30

Account No.: <account number>

<debtor's full name>
<street>
<city, state, zip code>

800-900-1371
Hours: Mon-Thurs 8 am – 10 pm, Fri: 8 am – 7 pm
Sat. 8 am-12 pm
(Eastern Standard Time)



NOTICE OF COLLECTION

CLIENT: [CLIENT NAME]
TOTAL BALANCE DUE: \$0,000.00

REQUEST FOR PAYMENT

Failure to contact our office leaves us to believe that you do not have intentions of resolving your just debt.

If you are unable to pay in full, settlements and/or payment arrangements may be available. We will do our best to work with you.

Please contact our office today or send payment in full in the enclosed envelope.

Account No.: <account number>
Service Date: <service date>
Service Rendered: <service description>
Amount You Owe: \$ <debt amount>

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

Detach and return the bottom portion with your payment for account identification.

[Debtor Name]
[Debtor Address]
[Debtor Account Number]

We accept Visa, MasterCard, and check by phone.
Please include a check, or fill out the information below if you wish to pay by credit card.

Check one: Visa MasterCard Discover

Card Number: _____

Expiration Date: __/__/____

Signature: _____



State of West Virginia

RFQ #DEBT10

PennCredit

800-900-1371

Hours: Mon-Thurs 8 am – 10 pm, Fri: 8 am – 7 pm

Sat. 8 am-12 pm

(Eastern Standard Time)

PO BOX 988
HARRISBURG, PA 17108-0988

2009/07/30

Account No.: <account number>

<debtor's full name>

<street>

<city, state, zip code>

NOTICE OF COLLECTION

CLIENT: [CLIENT NAME]

TOTAL BALANCE DUE: \$0,000.00



YOU HAVE FAILED TO COMPLY

To date you have not paid in full or contacted our office to discuss your just debt(s) owed our client.

This matter requires your immediate attention.

Pay in full today or contact our office to discuss this just debt.

Account No.: <account number>
Service Date: <service date>
Service Rendered: <service description>
Amount You Owe: \$ <debt amount>

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

Detach and return the bottom portion with your payment for account identification.

[Debtor Name]

[Debtor Address]

[Debtor Account Number]

We accept Visa, MasterCard, and check by phone.

Please include a check, or fill out the information below if you wish to pay by credit card.

Check one: Visa MasterCard Discover

Card Number: _____

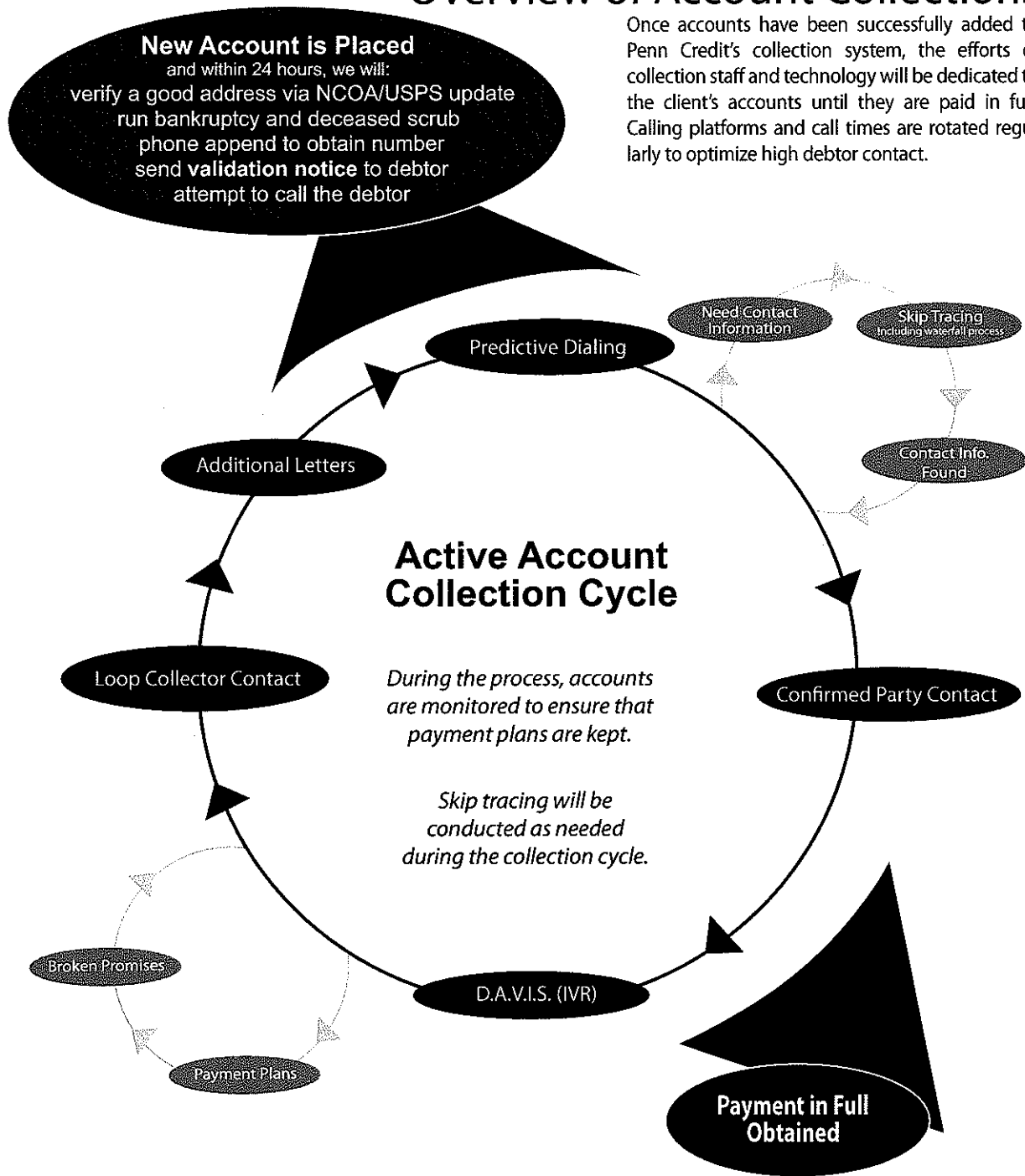
Expiration Date: ___/___/_____

Signature: _____



Overview of Account Collections

Once accounts have been successfully added to Penn Credit's collection system, the efforts of collection staff and technology will be dedicated to the client's accounts until they are paid in full. Calling platforms and call times are rotated regularly to optimize high debtor contact.



Optional: Accounts are reviewed for legal proceedings after numerous unsuccessful attempts.
Optional: Accounts are reported to national Credit Bureaus.



Acknowledgement Report serves as a receipt verifying all accounts placed have been received by Penn Credit and verifies the information on the account along with account balance totals.

ACKNOWLEDGMENT REPORT

Penn Credit Corporation
916 South 14th Street
Harrisburg, PA 17108

DATE OF REPORT

PAGE 001

CLIENT NUMBER
CLIENT NAME
CLIENT ADDRESS
ATTN: CONTACT

----- ACKNOWLEDGMENT --- WITH THANKS -----

THIS ASSIGNMENT IS ACCEPTED UNDER OUR USUAL TERMS AND CONDITIONS THAT WE HAVE WITH YOU. PLEASE NOTIFY THIS AGENCY WITHOUT DELAY OF ANY PAYMENT MADE TO YOU BY THE DEBTOR OR ANY CONTACT THAT THE DEBTOR HAS WITH YOU. FULL COMMISSION IS TO BE PAID BY YOU ON PAYMENTS MADE TO YOU DIRECTLY.

DEBTOR #	DEBTOR NAME	ADDRESS	CITY/STATE	ZIP CODE	PLACE D DATE	GROSS \$	BALANCE	ACCOUNT #
1001001	Doe, Jane	12 Park Street	Harrisburg, PA	00000	01-01-98	\$1,000.00	\$1,000.00	544886
1001001	Doe, Jane	101 Main Street	Hershey, PA	00000	01-01-98	\$59.65	\$59.65	432849
1001001	Doe, Jane	195 Main Street	Harrisburg, PA	00000	01-01-98	\$2,567.89	\$2,567.89	492394
1001001	Doe, Jane	224 Front Street	Harrisburg, PA	00000	01-01-98	\$998.57	\$998.57	927404
1001001	Doe, John	555 Elm Avenue	Harrisburg, PA	00000	01-01-98	\$59.65	\$59.65	575837
1001001	Doe, Jane	9012 Maple Drive	Harrisburg, PA	00000	01-01-98	\$895.00	\$895.00	390272
1001001	Doe, John	448 Main Street	Harrisburg, PA	00000	01-01-98	\$2,985.45	\$2,985.45	920283
						\$8,566.21	\$8,566.21	7



Close and Return (Cancellation) Report lists all accounts scheduled for return, along with the client account number, debtor name, balance and reason for return.

PENN CREDIT CORPORATION CANCELLATION REPORT

DATE

PAGE 0001

ACCOUNT NUMBER	DEBTOR #	NAME	DATE PLACED	GROSS AMOUNT	TOTAL PAYMENTS	LAST PMT DATE	REMAINING BALANCE	CLIENT NUMBER	STAT	CANCELLATION REASON
000001000100	002	DOE, JOHN	05/05/96	\$3797.24	0.00	00/00/00	\$3797.24	P5394	NEW	UNCOLLECTIBLE
000001000100	003	DOE, JOHN	05/05/96	\$259.06	0.00	00/00/00	\$259.06	P5394	NEW	UNCOLLECTIBLE
000001000100	004	DOE, JOHN	05/05/96	\$489.03	0.00	00/00/00	\$489.03	P5394	BKR	BANKRUPCY
000001000100	005	DOE, JOHN	05/05/96	\$91.62	0.00	00/00/00	\$91.62	P5394	CRQ	CLIENT REQUEST
000001000100	006	DOE, JOHN	05/05/96	\$43.20	0.00	00/00/00	\$43.20	P5394	PIF	PAID IN FULL
000001000100	007	DOE, JOHN	05/05/96	\$126.50	0.00	00/00/00	\$126.50	P5394	NEW	UNCOLLECTIBLE
000001000100	009	DOE, JOHN	05/05/96	\$53.00	0.00	00/00/00	\$53.00	P5394	NEW	UNCOLLECTIBLE
000001000100	010	DOE, JOHN	05/05/96	\$453.16	0.00	00/00/00	\$453.16	P5394	NEW	UNCOLLECTIBLE
000001000100	011	DOE, JOHN	05/05/96	\$32.60	0.00	00/00/00	\$32.60	P5394	CRQ	CLIENT REQUEST
000001000100	012	DOE, JOHN	05/05/96	\$143.90	0.00	00/00/00	\$143.90	P5394	NEW	UNCOLLECTIBLE
000001000100	013	DOE, JOHN	05/05/96	\$31.80	0.00	00/00/00	\$31.80	P5394	NEW	UNCOLLECTIBLE
000001000100	014	DOE, JOHN	05/05/96	\$126.83	0.00	00/00/00	\$126.83	P5394	NEW	UNCOLLECTIBLE
000001000100	015	DOE, JOHN	05/05/96	\$42.06	0.00	00/00/00	\$42.06	P5394	NEW	UNCOLLECTIBLE
000001000100	020	DOE, JOHN	05/05/96	\$42.40	0.00	00/00/00	\$42.40	P5394	NEW	UNCOLLECTIBLE
P5394	CLIENT NAME		TOTALS	\$18647.25	\$0.00		\$18647.25		21	
	CLIENT ADDRESS									



Account Status Report details the account's activity and current status (i.e. paid in full, bankruptcy, deceased, disputed, etc.).

STATUS REPORT

DATE
CLIENT NAME
CLIENT NUMBER
CLIENT ADDRESS

PAGE 1

- ACT - ACTIVE ACCOUNTS
- CAN - CANCEL AND RETURN TO CLIENT
- CRQ - CLIENT REQUEST TO CLOSE
- EXQ - EXONERATED FROM TAXES
- HPM - HOLD PER MANAGER
- LEG - LEGAL ACTION ACCOUNT
- NEW - NEW BUSINESS ACCOUNT
- SIF - SETTLED IN FULL
- STO - SMART TALK ONLY
- WGE - WAGE ATTACHMENT
- ATY - DEAL WATTY ONLY
- CHA - CHARITY CASE
- DEC - DECEASED
- HHP - HOLD HAVE PROMISE
- HSE - HOUSE DEBTOR ACCOUNT
- MDC - MEDICARE
- PIF - PAYMENT-IN-FULL
- SKP - SKIP CAN'T LOCATE
- VAC - VACANT HOUSE
- WSO - WATER SHUT OFF PROGRAM
- BKR - BANKRUPT
- CPY - COPY OF BILLS
- DIS - DISPUTES ACCOU
- HPC - HOLD PER CLIENT
- INS - INSURANCE CASE
- MGR - MANAGER REVIEW
- PRE - PRE-COLLECTION
- STL - SCHEDULED FOR SETTLEMENT

ACCT. #	DEBTOR NAME	PLACE DATE	GROSS AMOUNT	TOTAL PAYMENTS	BALANCE	STATUS
0011001	Doe, John	8-21-97	\$84.12	\$0.00	\$84.12	ACT
0011001	Doe, John	10-27-97	\$205.98	\$100.00	\$105.98	ACT
0011001	Doe, John	7-17-97	\$394.95	\$394.95	\$0.00	PIF
0011001	Doe, John	8-21-97	\$500.00	\$250.00	\$250.00	ACT
0011001	Doe, Jane	12-31-97	\$550.77	\$550.77	\$0.00	PIF
0011001	Doe, John	8-21-97	\$87.19	\$0.00	\$87.19	ACT
0011001	Doe, John	10-27-97	\$2,859.00	\$2,859.00	\$0.00	PIF
0011001	Doe, John	7-17-97	\$5,888.00	\$2,500.00	\$3,388.00	ACT
			\$20,319.02	\$11,196.23	\$9,122.79	



State of West Virginia

RFQ #DEBT10

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.

Penn Credit has provided our proposed fees on the pricing page as part of the section of this response entitled "Addendum 1".