

**MASTER CONTRACT**

**No. 01120**

**DEBT COLLECTION SERVICES**

*For Use by Eligible Purchasers*

By and Between

**STATE OF WASHINGTON  
DEPARTMENT OF ENTERPRISE SERVICES**

and

**PMT SOLUTIONS, LLC**

Dated December 1, 2020

## MASTER CONTRACT

No. 01120

### DEBT COLLECTION SERVICES

This Master Contract (“Master Contract”) is made and entered into by and between the State of Washington acting by and through the Department of Enterprise Services, a Washington State governmental agency (“Enterprise Services”) and PMT Solutions, LLC, a Washington Limited Liability corporation (“Contractor”) and is dated and effective as of December 1, 2020.

#### RECITALS

- A. Pursuant to Legislative direction codified in RCW chapter 39.26, Enterprise Services, on behalf of the State of Washington, is authorized to develop, solicit, and establish master contracts for goods and/or services for general use by Washington state agencies and certain other entities (eligible purchasers).
- B. Pursuant to its statutory authority, Enterprise Services is establishing a Master Contract for Debt Collection Services that is designed to enable eligible purchasers to procure specified debt collection services from the awarded Contractor in a cost-effective, efficient manner using the terms and conditions of the Master Contract. The Master Contract is limited to debt collection services and does not include the sale of debt by eligible Purchasers to the awarded Contractor.
- C. On behalf of the State of Washington, Enterprise Services, as part of a competitive governmental procurement, issued Competitive Solicitation No. 01120 dated April 1, 2020 regarding Debt Collection Services.
- D. Enterprise Services evaluated all responses to the Competitive Solicitation and identified Contractor as an apparent successful bidder.
- E. Enterprise Services has determined that entering into this Master Contract will meet the identified needs and be in the best interest of the State of Washington.
- F. The purpose of this Master Contract is to enable eligible purchasers to purchase the services as set forth herein.

#### AGREEMENT

**NOW THEREFORE**, in consideration of the mutual promises, covenants, and conditions set forth herein, the parties hereto hereby agree as follows:

1. **TERM.** The initial term of this Master Contract is twenty four (24) months, commencing December 1, 2020 and ending November 30, 2022; *Provided*, however, that if Contractor is not in default, Enterprise Services may extend the term of the Master Contract, by written amendment, for up to forty-eight (48) additional months.
2. **ELIGIBLE PURCHASERS.** This Master Contract may be utilized by any of the following types of entities (“Purchaser”):
  - 2.1. **WASHINGTON STATE AGENCIES.** This Master Contract may be utilized by:
    - Washington state agencies, departments, offices, divisions, boards, and commissions

- 2.2. WASHINGTON STATE INSTITUTIONS OF HIGHER EDUCATION (COLLEGES). Any of the following specific institutions of higher education in Washington:
- State universities – i.e., University of Washington & Washington State University;
  - Regional universities – i.e., Central Washington University, Eastern Washington University & Western Washington University;
  - Evergreen State College;
  - Community colleges; and
  - Technical colleges.
- 2.3. MCUA PARTIES. Any of the following types of entities that have executed a Master Contract Usage Agreement with Enterprise Services:
- Political subdivisions (e.g., counties, cities, school districts, public utility districts) in the State of Washington;
  - Federal governmental agencies or entities;
  - Public-benefit nonprofit corporations (i.e., § 501(c)(3) nonprofit corporations that receive federal, state, or local funding); and
  - Federally-recognized Indian Tribes located in the State of Washington.

### **3. SCOPE – INCLUDED GOODS/SERVICES AND PRICE.**

- 3.1. CONTRACT SCOPE. Pursuant to this Master Contract, Contractor is authorized to provide only those services set forth in *Exhibit A – Included Services* for the prices set forth in *Exhibit B – Prices for Services*. Contractor shall not represent to any Purchaser under this Master Contract that Contractor has contractual authority to provide any service beyond those set forth in *Exhibit A – Included Services*.
- 3.2. STATE’S ABILITY TO MODIFY SCOPE OF MASTER CONTRACT. Subject to mutual agreement between the parties, Enterprise Services reserves the right to modify the services included in this Master Contract; *Provided*, however, that any such modification shall be effective only upon thirty (30) days advance written notice; and *Provided further*, that any such modification must be within the scope of this Master Contract.
- 3.3. PRICE CEILING. Although Contractor may offer lower prices to Purchasers, during the term of this Master Contract, Contractor guarantees to provide the Services at no greater than the prices set forth in *Exhibit B – Prices for Services*.
- 3.4. MASTER CONTRACT INFORMATION. Enterprise Services shall maintain and provide information regarding this Master Contract, including scope and pricing, to eligible Purchasers.

- 4. CONTRACTOR REPRESENTATIONS AND WARRANTIES.** Contractor makes each of the following representations and warranties as of the effective date of this Master Contract and at the time any order is placed pursuant to this Master Contract. If, at the time of any such order, Contractor cannot make such representations and warranties, Contractor shall not process any orders and shall, within three (3) business days notify Enterprise Services, in writing, of such breach.
- 4.1. **QUALIFIED TO DO BUSINESS.** Contractor represents and warrants that it is in good standing and qualified to do business in the State of Washington, that it is registered with the Washington State Department of Revenue and the Washington Secretary of State, that it possesses and shall keep current all required licenses and/or approvals, and that it is current, in full compliance, and has paid all applicable taxes owed to the State of Washington.
- 4.2. **SUSPENSION & DEBARMENT.** Contractor represents and warrants that neither it nor its principals or affiliates presently are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any governmental contract by any governmental department or agency within the United States.
- 4.3. **EXECUTIVE ORDER 18-03 – WORKERS’ RIGHTS (MANDATORY INDIVIDUAL ARBITRATION).** Contractor represents and warrants, as previously certified in Contractor’s bid submission, that Contractor does NOT require its employees, as a condition of employment, to sign or agree to mandatory individual arbitration clauses or class or collective action waivers. Contractor further represents and warrants that, during the term of this Contract, Contractor shall not, as a condition of employment, require its employees to sign or agree to mandatory individual arbitration clauses or class or collective action waivers.
- 4.4. **WAGE VIOLATIONS.** Contractor represents and warrants that, during the term of this Master Contract and the three (3) year period immediately preceding the award of the Master Contract, it is not determined, by a final and binding citation and notice of assessment issued by the Washington Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction, to be in willful violation of any provision of Washington state wage laws set forth in RCW chapters 49.46, 49.48, or 49.52.
- 4.5. **PAY EQUALITY.** Contractor represents and warrants that, among its workers, similarly employed individuals are compensated as equals. For purposes of this provision, employees are similarly employed if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed. Contractor may allow differentials in compensation for its workers based in good faith on any of the following: a seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels. A bona fide job-related factor or factors may include, but not be limited to, education, training, or experience that is: consistent with business necessity; not based on or derived from a gender-based differential; and accounts for the entire differential. A bona fide regional difference in compensation level must be consistent with business necessity; not based on or derived from a gender-based differential; and account for the entire differential. Notwithstanding any provision to the contrary, upon breach of warranty and Contractor’s failure to provide satisfactory evidence of compliance within thirty (30) days, Enterprise Services may suspend or terminate this Master Contract and any Purchaser hereunder similarly may suspend

or terminate its use of the Master Contract and/or any agreement entered into pursuant to this Master Contract.

- 4.6. WASHINGTON SMALL BUSINESS. Contractor represents and warrants, as previously certified in Contractor's Bidder Certification, that Contractor qualifies as a Washington Small Business pursuant to RCW 39.26.010.
- 4.7. PERFORMANCE & DELIVERY OF SERVICES. Contractor represents and warrants that, in performing this Contract, Contractor shall:
- (a) Perform its obligations in a timely, professional, and workmanlike manner consistent with standards in the profession;
  - (b) Meet or exceed the performance and operational standards, requirements, and specifications set forth in this Contract;
  - (c) Provide all contractual requirements or deliverables in good quality with no material defects;
  - (d) Obtain and maintain in good status all necessary licenses, permits, or other authorizations necessary for the performance of the Contract;
  - (e) Cooperate with Purchaser to achieve the objectives of the Contract;
  - (f) Return to Purchaser any Purchaser-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract;
  - (g) Not make any media releases without prior written authorization from Purchaser;
  - (h) Not interfere with the State and Purchaser's operations; and
  - (i) Comply with all applicable State or Purchaser data and information technology security policies and standards, which will be made available upon request.

Notwithstanding any provision to the contrary, any breach under this paragraph is considered a material breach.

- 4.8. PROCUREMENT ETHICS & PROHIBITION ON GIFTS. Contractor represents and warrants that it complies fully with all applicable procurement ethics restrictions including, but not limited to, restrictions against Contractor providing gifts or anything of economic value, directly or indirectly, to Purchasers' employees.
- 4.9. WASHINGTON'S ELECTRONIC BUSINESS SOLUTION (WEBS). Contractor represents and warrants that it is registered in Washington's Electronic Business Solution (WEBS), Washington's contract registration system and that, all of its information therein is current and accurate and that throughout the term of this Master Contract, Contractor shall maintain an accurate profile in WEBS.
- 4.10. STATEWIDE PAYEE DESK. Contractor represents and warrants that it is registered with the Statewide Payee Desk, which registration is a condition to payment.

- 4.11. **MASTER CONTRACT PROMOTION; ADVERTISING AND ENDORSEMENT.** Contractor represents and warrants that it shall use commercially reasonable efforts both to promote and market the use of this Master Contract with eligible Purchasers and to ensure that those entities that utilize this Master Contract are eligible Purchasers. Contractor understands and acknowledges that neither Enterprise Services nor Purchasers are endorsing Contractor's goods and/or services or suggesting that such goods and/or services are the best or only solution to their needs. Accordingly, Contractor represents and warrants that it shall make no reference to Enterprise Services, any Purchaser, or the State of Washington in any promotional material without the prior written consent of Enterprise Services.
- 4.12. **MASTER CONTRACT TRANSITION.** Contractor represents and warrants that, in the event this Master Contract or a similar contract, is transitioned to another contractor (e.g., Master Contract expiration or termination), Contractor shall use commercially reasonable efforts to assist Enterprise Services for a period of sixty (60) days to effectuate a smooth transition to another contractor to minimize disruption of service and/or costs to the State of Washington.

**5. USING THE MASTER CONTRACT – PURCHASES AND ACTIVITIES.**

- 5.1. **ORDERING REQUIREMENTS.** Eligible Purchasers shall order services from this Master Contract, consistent with the terms hereof and by using any ordering mechanism agreeable both to Contractor and Purchaser but, at a minimum, including the use of a purchase order. When practicable, Contractor and Purchaser also shall use telephone orders, email orders, web-based orders, and similar procurement methods (collectively "Purchaser Order"). All order documents must reference the Master Contract Number, 01120.
- 5.2. **ON-LINE ACCESS TO ACCOUNTS.** Contractor must provide and maintain, at no additional cost, an on-demand, password-protected online access to collection accounts to Purchaser to track progress on collection accounts and collection procedures employed.
- 5.2. **ACCOUNT STEWARDSHIP – KEY PERSONNEL FOR STATE ACCOUNT.**
- (a) **Account Management.** Contractor understands and acknowledges that an important aspect of this Contract is account familiarity, prompt response time, and deep understanding of each Purchaser's current and evolving debt collection needs. Accordingly, Contractor, as set forth herein, shall assign Key Personnel and other staff to each Purchaser's account and, to the maximum extent reasonably practicable, Contractor shall strive to maintain account stability for such Key Personnel and assigned staff and, in the event of change, work with the Purchaser in a collaborative fashion to achieve the goals of this Master Contract.
  - (b) **Key Personnel.** Key Personnel must be specifically assigned to each Purchaser's account, be knowledgeable on the contractual requirements, and respond to inquiries by Purchaser within 24 hours. Purchaser has the right to recommend and approve the initial assignment of any Key Personnel.
- 5.3. **RECEIPT AND REVIEW OF SERVICES.** Services provided under this Master Contract are subject to Purchaser's reasonable review and approval. Purchaser reserves the right to reject and refuse acceptance of services that are not in accordance with this Master Contract and Purchaser's Purchase Order. If there are any apparent issues or discrepancies in the services at the time of

review, Purchaser will promptly notify Contractor. At Purchaser's option, and without limiting any other rights, Purchaser may require Contractor to correct or replace, at Contractor's expense, any or all of the incorrect services.

5.4. MINIMUM COLLECTION PROCEDURES. At minimum, Contractor shall implement within 10 calendar days the following collection procedures to achieve recovery on each account, except in those occasions described in Return of Accounts section below:

- (a) Notify the debtor in writing that Contractor is handling the account and demand immediate payment from the debtor. If the letter is returned due to a bad address, attempt telephone, email, or other contact with the debtor to get a working address. If no contact is made or no contact information is found, perform a skip trace to locate debtor and/or use a credit reporting service or other database to locate sources.
- (b) Subsequently, if the initial letter is not returned for a bad address, initiate at least three actions using a variety of different methods to collect the account referred including but not limited to any of the following actions:
  - 1. Send an additional letter or letters demanding payment; or
  - 2. Attempt telephone, email or other contact with the debtor to demand payment and/or make payment arrangements; or
  - 3. Perform a skip trace to locate debtor; or
  - 4. Use a credit reporting service or other database to locate sources for a Department administrative lien.

Twelve (12) months after referral of the debt to Contractor by Purchaser, provided the Contractor has implemented the minimum collection procedures set forth above and has been unable to procure payment of the referred debt Contractor shall return the account to Purchaser with all information discovered by the Contractor, accompanied by a complete address for employment, bank, or other source of income.

5.5. PROFESSIONAL STANDARDS. Contractor shall not engage in any illegal, unfair, unprofessional or unethical collection practices. Contractor shall not violate any provision of federal or state laws relating to collection agency and debt-collection practices. Further, Contractor and employees of the Contractor will comply with any Purchaser confidentiality requirements regarding assigned account information.

5.6. LEGAL ACTION AND REFERRALS. Contractor shall have no authority to initiate any legal action nor refer accounts to an attorney or other collector, unless approved in advance, in writing, by Purchaser. Contractor shall return collection accounts, with all locator information discovered by Contractor, for consideration of legal action when:

- (a) Debtor is known to have assets and after 60 days refuses to pay.
- (b) Debtor has legal counsel.
- (c) Debtor files for Chapter 7 bankruptcy and the specific debt of the debtor is deemed to have been discharged by the Chapter 7 filing.
- (d) An applicable statute of limitations is about to expire.
- (e) Contractor has actual knowledge that collectability will be impossible without taking legal action.
- (f) Debtor refuses to pay because of a dispute with the validity of the underlying debt.

- (g) Debtor exercises his/her/its rights under the Fair Debt Collections Practices Act and informs Contractor to stop communications.
- 5.7. FOREIGN JUDGEMENT. Successful Contractor(s) must have the ability to pursue collection in all 50 states, either through direct assignment of company affiliates outside Washington or through sub-contracting with collection agencies licensed in states other than Washington.
- 5.8. DISCLOSURE OF NON-PUBLIC PERSONAL INFORMATION. Contractor must comply with Federal Trade Commission rules resulting from the Gramm-Leach-Bliley Act concerning disclosure of non-public personal information. Contractor agrees that any information about identifiable persons which Contractor receives from a Purchaser shall be used and disclosed only as lawful and necessary to enforce the rights of such Purchaser in any contracted debt collection transaction. In addition, Contractor hereby certifies that it will maintain all appropriate information safeguards mandated under federal 16 C.F.R. Part 314 for all "nonpublic personal information."
- 5.9. CREDIT BUREAU REPORTING. Contractor shall report debtors of accounts received or accounts that remain uncollected, to an appropriate credit bureau, unless Purchaser notifies Contractor that Purchaser does its own credit reporting, or that Purchaser does not want any credit reporting performed.
- 5.10. REMITTANCE. Contractor will be required to remit all collected funds to Purchaser no later than the 10th of the month following the collection. Repeated failure of Contractor to remit payments as required will be grounds for contract suspension or termination.
- 5.11. SETTLEMENTS. Contractor shall not have authority to accept a compromise on any account. Contractor shall forward, in writing, any offers of settlement to Purchaser to be negotiated and approved by Purchaser. If account has been referred to Contractor, any settlements must have prior approval by Contractor, specifically regarding payment of the applicable fees. If Purchaser accepts settlement, Contractor is entitled to fees as described in this Master Contract.
- 5.12. FLEXIBILITY. Because there are a wide range of programs and requirements, Contractor shall be flexible in the execution of this Master Contract to meet each Purchaser's needs. Contractor shall conduct business with Purchaser based on terms and conditions of this Master Contract. Contractor shall not require any Purchaser to waive any term or condition of this Master Contract and shall not require any Purchaser to agree to any term or condition inconsistent with this Master Contract
- 5.13. ACCOUNT REDUCTION. In cases where accounts assigned to Contractor are based on estimated amounts or subject to an offset and Purchaser adjusts those accounts to a lesser amount, the fee paid by the debtor will be based on the lesser amount. Further, if an account is reduced to zero or cancelled by the adjustment, no fee will be due to Contractor.
- 5.14. NEGOTIATED PAYMENTS. Payment schedules may be negotiated by Contractor only with prior approval from Purchaser. This consent may be accomplished by a prior written agreement in which specific parameters are established. Contractor will monitor and collect all payments.
- 5.15. RETURN OF ACCOUNTS. As requested by each Purchaser, all accounts that have no activity shall be returned to Purchaser within 12 months after being assigned to Contractor. With the consent of Purchaser, an account may remain with Contractor after 12 months. An account for which a repayment schedule has been established and payments are being received regularly shall remain with Contractor until the account is paid in full or until a default in the payment schedule



occurs. The collection period may be extended if legal action has been commenced or for other reasons mutually agreed upon in writing by Contractor and Purchaser. Once accounts are closed and returned to Purchaser, Contractor is not entitled to any compensation if they collect on the account, unless they have specific permission from Purchaser to collect on such account.

- 5.16. ON SITE REQUIREMENTS. While on Purchaser's premises, Contractor, its agents, employees, or subcontractors shall comply, in all respects, with Purchaser's physical, fire, access, or other security requirements.

## 6. DATA USE AND SECURITY.

- 6.1. DATA OWNERSHIP. Purchaser's data ("Data") shall include: (a) Purchaser's data provided, collected, used, processed, stored, or generated as the result of the use of Contractor's services; and, (b) personally identifiable information ("PII") provided, collected, used, processed, stored, or generated as the result of the use of Contractor's services, including without limitation, any information that identifies an individual, such as an individual's social security number or other government issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements listed herein. Data is and shall remain the sole and exclusive property of Purchaser and all right, title, and interest in the same is reserved by Purchaser.
- 6.2. DATA USE. Contractor is provided a limited, non-exclusive license to access and use Data solely for performing its obligations under this Master Contract. Contractor shall: (a) keep and maintain Data in strict confidence and as further described in this Master Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose Data solely and exclusively for the purpose of providing the services under this Master Contract; and, (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available Data for Contractor's own purposes or for the benefit of anyone other than Purchaser without Purchaser's prior written consent.
- 6.3. SECURITY COMPLIANCE. Contractor is responsible for establishing security program and maintaining physical, technical, administrative, and organizational safeguards, that comply with: (a) applicable industry standards and guidelines; and (b) Washington State Office of Chief Information Officer (OCIO) Policy 141.10 – Securing Information Technology Assets Standards located at <https://ocio.wa.gov/policy/securing-information-technology-assets-standards>. Contractor shall encrypt all Data and back-up copies of Data, whether in transit or at rest, by using OCIO approved encryption algorithms. Any hard copies of Data must be stored in locked containers or storage areas accessible only to authorized personnel.
- 6.4. ANNUAL SECURITY CERTIFICATION. Upon request, Contractor will provide Enterprise Services or Purchaser with attestation that Contractor's services are in compliance with OCIO Security Policy 141.10 – Securing Information Technology Assets Standards. Enterprise Services or Purchaser may accept, at its sole discretion, alternative reports, audits or reporting formats which it determines to be equivalent or better to the reports and certifications described herein.
- 6.5. LOCATION OF SERVICES. Contractor must store data solely within the continental United States on computing and data storage devices residing therein.
- 6.6. DATA DISPOSAL. Upon direction by Purchaser, Contractor shall within ninety (90) days delete, destroy and render unrecoverable all Data in compliance with procedures established by the

National Institute of Standards and Technology (NIST) and OCIO Policy 141.10 – Securing Information Technology Assets Standards. Within the same time period, under a penalty of perjury Contractor shall certify in writing to Purchaser that Contractor has destroyed all Data disclosed to it under this Master Contract.

- 6.7 DATA BREACH. Contractor acknowledges the legal obligation to provide notification of any breach of the security system as set forth in RCW 42.56.590 and RCW chap. 19.255. Contractor further certifies that it has an incident response process that follows National Institute of Standards and Technology (NIST) standards and includes breach detection, breach notification, and breach response. Upon discovery or reasonable belief of any access, destruction, loss, theft, use, or disclosure of State Data by an unauthorized party (“Data Breach”), Contractor shall notify Purchaser by the fastest means available and also in writing. Contractor shall provide such Data Breach notification within twenty-four (24) hours after Contractor reasonably believes that a Data Breach has occurred. Contractor’s notification shall identify:
- (a) The nature of the Data Breach;
  - (b) The Data accessed, used, or disclosed;
  - (c) The person(s) or entity(ies) who accessed, used, disclosed, and/or received the Data (if known);
  - (d) What Contractor has done or will do to quarantine and mitigate the Data Breach; and
  - (e) What corrective action Contractor has taken or will take to prevent future Data Breaches.

Contractor shall quarantine the Data Breach, ensure secure access to Data, and restore Services as needed to comply with terms and conditions of this Contract. Contractor shall conduct an investigation of the Data Breach and shall share the report of the investigation with Purchaser.

In the event of a Data Breach, Contractor shall comply with all applicable state and federal statutory provisions, including, but not limited to, RCW 42.56.590 and RCW chap 19.255. Where notifications are required to the public or regulators, Contractor, at no additional cost, shall coordinate and cooperate with Purchaser in the development of a communication plan, and promptly provide advance copies of any notifications for Purchaser review before disseminating. If a Data Breach occurs and is found to be the result of Contractor’s acts, omission, or negligence, Contractor shall assume complete responsibility for notification of affected parties, and shall be liable for all associated costs incurred by Purchaser in responding to or recovering from the Data Breach.

## **7. INVOICING & PAYMENT.**

- 7.1. CONTRACTOR INVOICE. Contractor shall submit to Purchaser’s designated invoicing contact properly itemized invoices. Such invoices shall itemize the following:
- (a) Master Contract No. 01120;

- (b) Contractor name, address, telephone number, and email address for billing issues (i.e., Contractor Customer Service Representative);
- (c) Contractor's Federal Tax Identification Number;
- (d) Account details of the debt collection (debtor name, total debt owed to Purchaser, amount of Contractor's debt collection service fees and expenses as authorized by this Master Contract, payments made by debtor, current debt status, etc.); and
- (e) Invoice amount detailing, by each assigned debt that has been resolved and for which Contractor is eligible to be paid, Contractor's debt collection service fees and expenses as authorized by this Master Contract.

Contractor's invoices for payment shall reflect accurate Master Contract prices. Invoices will not be processed for payment until receipt of a complete invoice as specified herein.

- 7.2. PAYMENT OF DEBT COLLECTION SERVICE FEES. Pursuant to this Master Contract, debt collection services fees are owed and paid by the debtor. This includes both debts collected in full by Contractor as well as debts that are settled or compromised by the Purchaser following notice of a proposed settlement or compromise by Contractor to Purchaser. Purchasers who utilize this Master Contract to obtain debt collection services from Contractor shall authorize Contractor, pursuant to a written purchase order, to instruct the debtor to pay Contractor the full amount of the assigned debt and Contractor's debt collection service fees as authorized by this Master Contract (and Contractor then will remit to Purchaser the full amount of the payment less Contractor's itemized applicable debt collection service fees). In the event an eligible assigned debt is compromised or settled pursuant to Contractor's efforts, such settlement payment shall be made directly to Purchaser and Purchaser shall, in turn, pay to Contractor, Contractor's authorized debt collection service fees.
- 7.3. OVER COLLECTION. Contractor promptly shall communicate to Purchaser and Enterprise Services any instance in which Contractor over collected on any assigned debt. For purposes of this Master Contract, over collection means either collecting an amount in excess of the assigned debt or imposing and collecting debt collection service fees greater than authorized by this Master Contract. Such communication to Purchaser and Enterprise Services shall occur as promptly as reasonably practical, but in no event later than fifteen (15) calendar days after discovering or being informed of any such over collection. In the event of an over collection, Contractor shall work with Purchaser and, as appropriate, the debtor, to refund any over collection. Such over collection refunds shall occur as promptly as reasonably practical but in no event later than thirty (30) days of written notice to Contractor by Purchaser.
- 7.4. NO ADVANCE PAYMENT FOR DEBT COLLECTION SERVICES. Contractor shall not require any Purchaser to make any advance payments for any services furnished by Contractor pursuant to this Master Contract.
- 7.5. NO ADDITIONAL CHARGES. Unless otherwise specified herein, Contractor shall not include or impose any additional charges including, but not limited to, charges for travel or payment processing.
- 7.6. TAXES/FEES. Contractor promptly shall pay all applicable taxes on its operations and activities pertaining to this Master Contract. Failure to do so shall constitute breach of this Master Contract. Unless otherwise agreed, Purchaser shall pay applicable sales tax imposed by the State of Washington on purchased goods and/or services. Contractor, however, shall not make any

charge for federal excise taxes and Purchaser agrees to furnish Contractor with an exemption certificate where appropriate.

**8. CONTRACT MANAGEMENT.**

8.1. **CONTRACT ADMINISTRATION & NOTICES.** Except for legal notices, the parties hereby designate the following contract administrators as the respective single points of contact for purposes of this Master Contract. Enterprise Services’ contract administrator shall provide Master Contract oversight. Contractor’s contract administrator shall be Contractor’s principal contact for business activities under this Master Contract. The parties may change contractor administrators by written notice as set forth below.

Any notices required or desired shall be in writing and sent by U.S. mail, postage prepaid, or sent via email, and shall be sent to the respective addressee at the respective address or email address set forth below or to such other address or email address as the parties may specify in writing:

**Enterprise Services**

Attn: Leslie Edwards  
Washington Dept. of Enterprise Services  
PO Box 41411  
Olympia, WA 98504-1411  
Tel: (360) 407-8416  
Email: [DESContractsTeamCedar@des.wa.gov](mailto:DESContractsTeamCedar@des.wa.gov)

**Contractor**

Attn: Ollie Garrett  
PMT Solutions, LLC  
2330 130<sup>th</sup> Ave. NE, Suite C101  
Bellevue, WA 98005  
Tel: (425) 881-1312  
Email: [ollie@pmt-solutions.com](mailto:ollie@pmt-solutions.com)

Notices shall be deemed effective upon the earlier of receipt, if mailed, or, if emailed, upon transmission to the designated email address of said addressee.

8.2. **CONTRACTOR CUSTOMER SERVICE REPRESENTATIVE.** Contractor shall designate a customer service representative (and inform Enterprise Services of the same) who shall be responsible for addressing Purchaser issues pertaining to this Master Contract.

8.3. **LEGAL NOTICES.** Any legal notices required or desired shall be in writing and delivered by U.S. certified mail, return receipt requested, postage prepaid, or sent via email, and shall be sent to the respective addressee at the respective address or email address set forth below or to such other address or email address as the parties may specify in writing:

**Enterprise Services**

Attn: Legal Services Manager  
Washington Dept. of Enterprise Services  
PO Box 41411  
Olympia, WA 98504-1411  
Email: [greg.tolbert@des.wa.gov](mailto:greg.tolbert@des.wa.gov)

**Contractor**

Attn: Ollie Garrett  
PMT Solutions, LLC  
2330 130<sup>th</sup> Ave. NE, Suite C101  
Bellevue, WA 98005  
Email: [ollie@pmt-solutions.com](mailto:ollie@pmt-solutions.com)

Notices shall be deemed effective upon the earlier of receipt when delivered, or, if mailed, upon return receipt, or, if emailed, upon transmission to the designated email address of said addressee.

**9. CONTRACTOR SALES REPORTING; VENDOR MANAGEMENT FEE; & CONTRACTOR REPORTS.** Pursuant to this Master Contract, as set forth herein, Contractor shall pay to Enterprise Services a Vendor Management Fee (VMF) on its debt collection service fees. The VMF does NOT apply to the debt amount for the debt(s) assigned by Purchaser(s) to Contractor for collection. Rather, the VMF applies only to Contractor's debt collection service fees as authorized by this Master Contract. Such debt collection service fees shall be reported to Enterprise Services, as set forth below and for purposes of such reporting, Contractor's debt collection service fees are 'Master Contract sales.'

9.1. **MASTER CONTRACT SALES REPORTING.** Contractor shall report total Master Contract sales quarterly to Enterprise Services, as set forth below.

- (a) **Master Contract Sales Reporting System.** Contractor shall report quarterly Master Contract sales in Enterprise Services' Master Contract Sales Reporting System. Enterprise Services will provide Contractor with a login password and a vendor number. The password and vendor number will be provided to the Sales Reporting Representative(s) listed on Contractor's Contractor Profile.
- (b) **Data.** Each Master Contract sales report must identify every authorized Purchaser by name as it is known to Enterprise Services and its total combined Master Contract sales amount invoiced during the reporting period (i.e., Master Contract sales of an entire agency or political subdivision, not its individual subsections). The "Miscellaneous" option may be used only with prior approval by Enterprise Services. Upon request, Contractor shall provide contact information for all authorized Purchasers specified herein during the term of the Master Contract. If there are no Master Contract sales during the reporting period, Contractor must report zero sales.
- (c) **Due dates for Master Contract Sales Reporting.** Quarterly Master Contract Sales Reports must be submitted electronically by the following deadlines for all Master Contract sales invoiced during the applicable calendar quarter.

9.2. **VENDOR MANAGEMENT FEE.** Contractor shall pay to Enterprise Services a vendor management fee ("VMF") of 1.50 percent on all of Contractor's Master Contract sales (the total debt collection service fees less any applicable sales tax).

- (a) The sum owed by Contractor to Enterprise Services as a result of the VMF is calculated as follows:  
$$\text{Amount owed to Enterprise Services} = \text{Total Master Contract sales invoiced (not including sales tax)} \times .0150.$$
- (b) The VMF must be rolled into Contractor's current pricing. The VMF must not be shown as a separate line item on any statement unless specifically requested and approved by Enterprise Services.
- (c) Enterprise Services will invoice Contractor quarterly based on Master Contract sales reported by Contractor. Contractors are not to remit payment until they receive an invoice from Enterprise Services. Contractor's VMF payment to Enterprise Services must reference this Master Contract number, work request number (if applicable), the year and quarter for which the VMF is being remitted, and the Contractor's name as set forth in this Master Contract, if not already included on the face of the check.
- (d) Failure to accurately report total net Master Contract sales, to submit a timely usage report, or remit timely payment of the VMF, may be cause for Master Contract

termination or the exercise of other remedies provided by law. Without limiting any other available remedies, the Parties agree that Contractor's failure to remit to Enterprise Services timely payment of the VMF shall obligate Contractor to pay to Enterprise Services, to offset the administrative and transaction costs incurred by the State to identify, process, and collect such sums. The sum of \$200.00 or twenty-five percent (25%) of the outstanding amount, whichever is greater, or the maximum allowed by law, if less.

- (e) Enterprise Services reserves the right, upon thirty (30) days advance written notice, to increase, reduce, or eliminate the VMF for subsequent Master Contract Sales, and reserves the right to renegotiate Master Contract pricing with Contractor when any subsequent adjustment of the VMF might justify a change in pricing.

9.3 PURCHASER REPORTS – COLLECTION SERVICES. Contractor shall provide Purchaser an analysis of accounts assigned to Contractor. The analysis shall detail the recovery history in number of accounts, percentages of accounts collected, percentage of dollars collected, as well as any other information requested by Purchaser. Contractor shall provide Purchaser with a quarterly report no later than the 10th of January, April, July, and October, with any partial quarter to be provided in the earliest reporting month. Reports should include:

- (a) Active accounts report. The report shall include the following minimum information for all active accounts:
  - Both Purchaser and Contractor account numbers
  - Debtor name
  - Date of assignment from Purchaser
  - Warrant/Reference number
  - Amount of assignment
  - Last payment date
  - Balance
  - Current status (i.e., dispute, collecting, unable to collect, etc.)
- (b) Cancelled, determined uncollectible, or sent back to purchaser reports. This report shall include the following minimum information:
  - Account number
  - Account name
  - Date of assignment
  - Balance
  - Warrant/Reference number
  - Reason for cancellation or return
- (c) Monthly total collected amount report. This report will include the following minimum information:

- Payment date
- Account numbers
- Account name
- Warrant/Reference number
- Amount collected
- Commission due
- Account balance
- Applicable remarks

9.4 ANNUAL MASTER CONTRACT SALES REPORT. Annually, within thirty (3) days of the anniversary of the effective date of this Master Contract, Contractor shall provide to Enterprise Services a detailed annual Master Contract sales report. Such report shall include, at a minimum: Total dollar amount collected for Purchasers, by Purchaser, total amount of debt, total debt collection service fees collected, by Purchaser, and applicable debt collection service fees. This report must be provided in an electronic format that can be read by MS Excel.

## 10 RECORDS RETENTION & AUDITS.

- 10.1 RECORDS RETENTION. Contractor shall maintain books, records, documents, and other evidence pertaining to this Master Contract and orders placed by Purchasers under it to the extent and in such detail as shall adequately reflect performance and administration of payments and fees. Contractor shall retain such records for a period of six (6) years following expiration or termination of this Master Contract or final payment for any order placed by a Purchaser against this Master Contract, whichever is later; *Provided*, however, that if any litigation, claim, or audit is commenced prior to the expiration of this period, such period shall extend until all such litigation, claims, or audits have been resolved.
- 10.2 AUDIT. Enterprise Services reserves the right to audit, or have a designated third party audit, applicable records to ensure that Contractor has properly invoiced Purchasers and that Contractor has paid all applicable vendor management fees. Accordingly, Contractor shall permit Enterprise Services, any Purchaser, and any other duly authorized agent of a governmental agency, to audit, inspect, examine, copy and/or transcribe Contractor's books, documents, papers and records directly pertinent to this Master Contract or orders placed by a Purchaser under it for the purpose of making audits, examinations, excerpts, and transcriptions. This right shall survive for a period of six (6) years following expiration or termination of this Master Contract or final payment for any order placed by a Purchaser against this Master Contract, whichever is later; *Provided*, however, that if any litigation, claim, or audit is commenced prior to the expiration of this period, such period shall extend until all such litigation, claims, or audits have been resolved.
- 10.3 OVERPAYMENT OF PURCHASES OR UNDERPAYMENT OF FEES. Without limiting any other remedy available to any Purchaser, Contractor shall (a) reimburse Purchasers for any overpayments inconsistent with the terms of this Master Contract or orders, at a rate of 125% of such overpayments, found as a result of the examination of the Contractor's records; and (b) reimburse Enterprise Services for any underpayment of fees, at a rate of 125% of such fees found as a result of the examination

of the Contractor's records (e.g., if Contractor underpays the Vendor Management Fee by \$500, Contractor would be required to pay to Enterprise Services  $\$500 \times 1.25 = \$625$ ).

## **11 INSURANCE.**

- 11.1 **REQUIRED INSURANCE.** During the Term of this Master Contract, Contractor, at its expense, shall maintain in full force and effect the insurance coverages set forth in *Exhibit C – Insurance Requirements*. All costs of insurance, including any payments of deductible amounts, shall be considered incidental to and included in the price for the contracted services and no additional payment shall be made.
- 11.2 **WORKERS COMPENSATION.** Contractor shall comply with applicable workers compensation statutes and regulations (e.g., RCW Title 51, Industrial Insurance). If Contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as may be required by law, Enterprise Services may terminate this Master Contract. This provision does not waive any of the Washington State Department of Labor and Industries (L&I) rights to collect from Contractor. In addition, Contractor waives its immunity under RCW Title 51 to the extent it is required to indemnify, defend, and hold harmless the State of Washington and its agencies, officials, agents, or employees.

## **12 CLAIMS.**

- 12.1 **ASSUMPTION OF RISKS; CLAIMS BETWEEN THE PARTIES.** Contractor assumes sole responsibility and all risks of personal injury or property damage to itself and its employees and agents in connection with its operations under this Master Contract. Enterprise Services has made no representations regarding any factor affecting Contractor's risks. Contractor shall pay for all damage to any Purchaser's property resulting directly or indirectly from its acts or omissions under this Master Contract, even if not attributable to negligence by Contractor or its agents.
- 12.2 **THIRD-PARTY CLAIMS; INDEMNITY.** To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless Enterprise Services and any Purchaser and their employees and agents from and against all claims, demands, judgments, assessments, damages, penalties, fines, costs, liabilities or losses including, without limitation, sums paid in settlement of claims, attorneys' fees, consultant fees, and expert fees (collectively "claims") arising from any act or omission of Contractor or its successors, agents, and subcontractors under this Master Contract, except claims caused solely by Enterprise Services or any Purchasers' negligence. Contractor shall take all steps needed to keep Purchaser's property free of liens arising from Contractor's activities, and promptly obtain or bond the release of any such liens that may be filed.



12.3 DISPUTE RESOLUTION. The parties shall cooperate to resolve any dispute pertaining to this Master Contract efficiently, as timely as practicable, and at the lowest possible level with authority to resolve such dispute. If, however, a dispute persists and cannot be resolved, it may be escalated within each organization. In such situation, upon notice by either party, each party, within five (5) business days shall reduce its description of the dispute to writing and deliver it to the other party. The receiving party then shall have three (3) business days to review and respond in writing. In the event that the parties cannot then agree on a resolution of the dispute, the parties shall schedule a conference between the respective senior manager of each organization to attempt to resolve the dispute. In the event the parties cannot agree, either party may resort to court to resolve the dispute.

### 13 SUSPENSION & TERMINATION; REMEDIES.

13.1 SUSPENSION & TERMINATION FOR DEFAULT. Enterprise Services may suspend Contractor's operations under this Master Contract immediately by written cure notice of any default. Suspension shall continue until the default is remedied to Enterprise Services' reasonable satisfaction; *Provided*, however, that, if after thirty (30) days from such a suspension notice, Contractor remains in default, Enterprise Services may terminate Contractor's rights under this Master Contract. All of Contractor's obligations to Enterprise Services and Purchasers survive termination of Contractor's rights under this Master Contract, until such obligations have been fulfilled.

13.2 DEFAULT. Each of the following events shall constitute default of this Master Contract by Contractor:

- Contractor fails to perform or comply with any of the terms or conditions of this Master Contract including, but not limited to, Contractor's obligation to pay vendor management fees when due;
- Contractor breaches any representation or warranty provided herein; or
- Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary.

13.3 REMEDIES FOR DEFAULT.

- Enterprise Services' rights to suspend and terminate Contractor's rights under this Master Contract are in addition to all other available remedies.
- In the event of termination for default, Enterprise Services may exercise any remedy provided by law including, without limitation, the right to procure for all Purchasers replacement goods and/or services. In such event, Contractor shall be liable to Enterprise Services for damages as authorized by law including, but not limited to, any price difference between the Master Contract price and the replacement or cover price as well as any administrative and/or transaction costs directly related to such replacement procurement – e.g., the cost of the competitive procurement.

13.4 LIMITATION ON DAMAGES. Notwithstanding any provision to the contrary, the parties agree that in no event shall any party or Purchaser be liable to the other for exemplary or punitive damages.

13.5 GOVERNMENTAL TERMINATION.

- Termination for Withdrawal of Authority. Enterprise Services may suspend or terminate this Master Contract if, during the term hereof, Enterprise Services' procurement authority is withdrawn, reduced, or limited such that Enterprise Services, in its judgment, would lack

authority to enter into this Master Contract; *Provided*, however, that such suspension or termination for withdrawal of authority shall only be effective upon twenty (20) days prior written notice; and *Provided further*, that such suspension or termination for withdrawal of authority shall not relieve any Purchaser from payment for goods and/or services already ordered as of the effective date of such notice. Except as stated in this provision, in the event of such suspension or termination for withdrawal of authority, neither Enterprise Services nor any Purchaser shall have any obligation or liability to Contractor.

- Termination for Public Convenience. Enterprise Services, for convenience, may terminate this Master Contract; *Provided*, however, that such termination for convenience must, in Enterprise Services' judgment, be in the best interest of the State of Washington; and *Provided further*, that such termination for convenience shall only be effective upon sixty (60) days prior written notice; and *Provided further*, that such termination for convenience shall not relieve any Purchaser from payment for goods and/or services already ordered as of the effective date of such notice. Except as stated in this provision, in the event of such termination for convenience, neither Enterprise Services nor any Purchaser shall have any obligation or liability to Contractor.

13.6 TERMINATION PROCEDURE. Regardless of basis, in the event of suspension or termination (in full or in part), the parties shall cooperate to ensure an orderly and efficient suspension or termination. Accordingly, Contractor shall deliver to Purchasers all goods and/or services that are complete (or with approval from Enterprise Services, substantially complete) and Purchasers shall inspect, accept, and pay for the same in accordance with this Master Contract and the applicable Purchase Order. Unless directed by Enterprise Services to the contrary, Contractor shall not process any orders after notice of suspension or termination inconsistent therewith.

#### 14 GENERAL PROVISIONS.

- 14.1 TIME IS OF THE ESSENCE. Time is of the essence for each and every provision of this Master Contract.
- 14.2 COMPLIANCE WITH LAW. Contractor shall comply with all applicable law.
- 14.3 INTEGRATED AGREEMENT. This Master Contract constitutes the entire agreement and understanding of the parties with respect to the subject matter and supersedes all prior negotiations, representations, and understandings between them. There are no representations or understandings of any kind not set forth herein.
- 14.4 AMENDMENT OR MODIFICATION. Except as set forth herein, this Master Contract may not be amended or modified except in writing and signed by a duly authorized representative of each party.
- 14.5 AUTHORITY. Each party to this Master Contract, and each individual signing on behalf of each party, hereby represents and warrants to the other that it has full power and authority to enter into this Master Contract and that its execution, delivery, and performance of this Master Contract has been fully authorized and approved, and that no further approvals or consents are required to bind such party.
- 14.6 NO AGENCY. The parties agree that no agency, partnership, or joint venture of any kind shall be or is intended to be created by or under this Master Contract. Neither party is an agent of the other party nor authorized to obligate it.

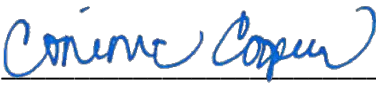
- 14.7 ASSIGNMENT. Contractor may not assign its rights under this Master Contract without Enterprise Services' prior written consent and Enterprise Services may consider any attempted assignment without such consent to be void; *Provided*, however, that, if Contractor provides written notice to Enterprise Services within thirty (30) days, Contractor may assign its rights under this Master Contract in full to any parent, subsidiary, or affiliate of Contractor that controls or is controlled by or under common control with Contractor, is merged or consolidated with Contractor, or purchases a majority or controlling interest in the ownership or assets of Contractor. Unless otherwise agreed, Contractor guarantees prompt performance of all obligations under this Master Contract notwithstanding any prior assignment of its rights.
- 14.8 BINDING EFFECT; SUCCESSORS & ASSIGNS. This Master Contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.
- 14.9 PUBLIC INFORMATION. This Master Contract and all related documents are subject to public disclosure as required by Washington's Public Records Act, RCW chapter 42.56.
- 14.10 ASSIGNMENT OF ANTITRUST RIGHTS REGARDING PURCHASED SERVICES. Contractor irrevocably assigns to Enterprise Services, on behalf of the State of Washington, any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future by reason of any violation of state or federal antitrust laws in connection with any goods and/or services provided in Washington for the purpose of carrying out the Contractor's obligations under this Master Contract, including, at Enterprise Services' option, the right to control any such litigation on such claim for relief or cause of action.
- 14.11 FEDERAL FUNDS. To the extent that any Purchaser uses federal funds to purchase goods and/or services pursuant to this Master Contract, such Purchaser shall specify, with its order, any applicable requirement or certification that must be satisfied by Contractor at the time the order is placed or upon delivery.
- 14.12 SEVERABILITY. If any provision of this Master Contract is held to be invalid or unenforceable, such provision shall not affect or invalidate the remainder of this Master Contract, and to this end the provisions of this Master Contract are declared to be severable. If such invalidity becomes known or apparent to the parties, the parties agree to negotiate promptly in good faith in an attempt to amend such provision as nearly as possible to be consistent with the intent of this Master Contract.
- 14.13 WAIVER. Failure of either party to insist upon the strict performance of any of the terms and conditions hereof, or failure to exercise any rights or remedies provided herein or by law, or to notify the other party in the event of breach, shall not release the other party of any of its obligations under this Master Contract, nor shall any purported oral modification or rescission of this Master Contract by either party operate as a waiver of any of the terms hereof. No waiver by either party of any breach, default, or violation of any term, warranty, representation, contract, covenant, right, condition, or provision hereof shall constitute waiver of any subsequent breach, default, or violation of the same or other term, warranty, representation, contract, covenant, right, condition, or provision.
- 14.14 SURVIVAL. All representations, warranties, covenants, agreements, and indemnities set forth in or otherwise made pursuant to this Master Contract shall survive and remain in effect following the expiration or termination of this Master Contract, *Provided*, however, that nothing herein is intended to extend the survival beyond any applicable statute of limitations periods.

- 14.15 **GOVERNING LAW.** The validity, construction, performance, and enforcement of this Master Contract shall be governed by and construed in accordance with the laws of the State of Washington, without regard to its choice of law rules.
- 14.16 **JURISDICTION & VENUE.** In the event that any action is brought to enforce any provision of this Master Contract, the parties agree to exclusive jurisdiction in Thurston County Superior Court for the State of Washington and agree that in any such action venue shall lie exclusively at Olympia, Washington.
- 14.17 **ATTORNEYS' FEES.** Should any legal action or proceeding be commenced by either party in order to enforce this Master Contract or any provision hereof, or in connection with any alleged dispute, breach, default, or misrepresentation in connection with any provision herein contained, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs incurred in connection with such action or proceeding, including costs of pursuing or defending any legal action, including, without limitation, any appeal, discovery, or negotiation and preparation of settlement arrangements, in addition to such other relief as may be granted.
- 14.18 **FAIR CONSTRUCTION & INTERPRETATION.** The provisions of this Master Contract shall be construed as a whole according to their common meaning and not strictly for or against any party and consistent with the provisions contained herein in order to achieve the objectives and purposes of this Master Contract. Each party hereto and its counsel has reviewed and revised this Master Contract and agrees that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be construed in the interpretation of this Master Contract. Each term and provision of this Master Contract to be performed by either party shall be construed to be both a covenant and a condition.
- 14.19 **FURTHER ASSURANCES.** In addition to the actions specifically mentioned in this Master Contract, the parties shall each do whatever may reasonably be necessary to accomplish the transactions contemplated in this Master Contract including, without limitation, executing any additional documents reasonably necessary to effectuate the provisions and purposes of this Master Contract.
- 14.20 **EXHIBITS.** All exhibits referred to herein are deemed to be incorporated in this Master Contract in their entirety.
- 14.21 **CAPTIONS & HEADINGS.** The captions and headings in this Master Contract are for convenience only and are not intended to, and shall not be construed to, limit, enlarge, or affect the scope or intent of this Master Contract nor the meaning of any provisions hereof.
- 14.22 **ELECTRONIC SIGNATURES.** A signed copy of this Master Contract or any other ancillary agreement transmitted by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Master Contract or such other ancillary agreement for all purposes.


14.23 COUNTERPARTS. This Master Contract may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this Master Contract at different times and places by the parties shall not affect the validity thereof so long as all the parties hereto execute a counterpart of this Master Contract.

EXECUTED as of the date and year first above written.

**STATE OF WASHINGTON**  
**Department of Enterprise Services**

By:   
Corinna Cooper  
Its: Statewide Procurement Manager

**PMT SOLUTIONS, LLC,**  
**a Washington Limited Liability corporation**

By:   
Ollie Garrett  
Its: President

**Included Services  
Debt Collection Services**

1. General Collections – Unsecured debts owed by individuals or businesses.
2. Educational Collections – Unsecured educational student loans. The methods for collecting private student loans are generally the same as any other type of consumer debt (like credit card debt, medical debt, etc.). It is fundamentally different from federal loans, where the Department of Education has fairly broad and far-reaching rights to collect the debt without a lawsuit.
3. Legal Services Collections – Legal Services associated with acting on filed warrants and judgments. This will include the levying of any money sources, as well as the garnishing of wages. Contractor shall undertake any such legal action in accordance with RCW 19.16.270.

In providing these debt collection services, Contractor represents and warrants that Contractor shall

- a) Act as a debt collection agency for debtor accounts referred/assigned by Purchaser(s) pursuant to this Master Contract;
- b) Perform all debts collection services in full compliance with the federal Fair Debt Collection Practices Act (15 U.S.C. §§ 1692 et seq.) and Washington’s Collection Agency Act (RCW chap. 19.16);
- c) Promptly acknowledge referrals/assignments of debts from Purchaser(s) and actively work to collect such debts;
- d) Monitor referred/assigned debts and maintain accurate accounting of the same, including applicable interest and fees;
- e) Timely remit to Purchaser(s) all collected debts, net of Contractor’s debt collection fee as provided by this Master Contract; and
- f) Timely forward to Purchaser(s) any offer of settlement or compromise of any referred/assigned debt.

Contractor further represents and warrants that, in providing debt collection services pursuant to this Master Contract, prior to communicating with any referred/assigned debtor, Contractor shall confirm that the Purchaser that referred/assigned such debt:

- a) Attempted to advise the debtor (i) of the existence of the debt; and (ii) that the debt may be assigned to a collection agency for collection if the debt is not paid, and
- b) At least thirty (30) days have elapsed from the time such notice was attempted.

4. Contractor shall document and retain records detailing such confirmation.

Prices for Services

Pricing	Fee Percentage (%) Debts Below \$15,000	Fee Percentage (%) Debts Between \$15,000 - \$50,000	Fee Percentage (%) Debts Above \$50,000
General Collections	25%	20%	15%
Educational Collections	25%	20%	15%
Legal Services Collections	30%	30%	30%

### Insurance Requirements

1. **INSURANCE OBLIGATION.** During the Term of this Master Contract, Contractor shall possess and maintain in full force and effect, at Contractor's sole expense, the following minimum insurance coverages:
  - a. **COMMERCIAL GENERAL LIABILITY INSURANCE.** Commercial general liability insurance (and, if necessary, commercial umbrella liability insurance) covering bodily injury, property damage, personal injury, and advertising injury liability on an 'occurrence form' that shall be no less comprehensive and no more restrictive than the coverage provided by Insurance Services Office (ISO) under the most recent version of form CG 00 01 in the amount of not less than \$2,000,000 per occurrence and \$4,000,000 general aggregate. This coverage shall include blanket contractual liability coverage. This coverage shall include a cross-liability clause or separation of insured condition.
  - b. **COMMERCIAL AUTOMOBILE LIABILITY INSURANCE.** 'Symbol 1' Commercial Automobile Liability coverage (and, if necessary, commercial umbrella liability insurance) including coverage for all owned, hired, and non-owned vehicles. The combined single limit per occurrence shall not be less than \$1,000,000.
  - c. **CRIME INSURANCE/EMPLOYEE DISHONESTY.** Employee dishonesty and (when applicable) inside/outside money and securities, including computer fraud coverages for State of Washington and/or Purchaser-owned property in the care, custody, and control of Contractor. Coverage limits shall not be less than \$1,000,000 per occurrence and \$2,000,000 general aggregate.
  - d. **TECHNOLOGY PROFESSIONAL LIABILITY (ERRORS & OMISSIONS).** Technology professional liability insurance coverage. Coverage shall be sufficiently broad to respond to the duties and obligations as undertaken by Contractor in this Master Contract and shall include, but not be limited to, claims involving infringement of intellectual property, including, but not limited to, infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion, and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. Combined single limit per claim shall not be less than \$2,000,000 per occurrence and \$4,000,000 general aggregate.



- e. **CYBER RISK LIABILITY INSURANCE.** Cyber risk insurance, on a claim form. This coverage shall include Contractual Liability insurance for the indemnity provided under this Master Contract. Limits are \$2,000,000 per occurrence and \$2,000,000 aggregate.
- f. **EMPLOYERS LIABILITY (STOP GAP) INSURANCE.** Employers liability insurance (and, if necessary, commercial umbrella liability insurance) with limits not less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.

The insurance coverage limits set forth herein are the minimum. Contractor's insurance coverage shall be no less than the minimum amounts specified. Coverage in the amounts of these minimum limits, however, shall not be construed to relieve Contractor from liability in excess of such limits. Contractor waives all rights against the State of Washington for the recovery of damages to the extent such damages are covered by any insurance required herein.

- 2. **INSURANCE CARRIER RATING.** Coverages provided by the Contractor must be underwritten by an insurance company deemed acceptable to the State of Washington's Office of Risk Management. Insurance coverage shall be provided by companies authorized to do business within the State of Washington and rated A- Class VII or better in the most recently published edition of Best's Insurance Rating. Enterprise Services reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.
- 3. **ADDITIONAL INSURED.** Except for Workers Compensation, Professional Liability, Personal Automobile Liability, and Pollution Liability Insurance, all required insurance shall include the State of Washington and all authorized Purchasers (and their agents, officers, and employees) as Additional Insureds evidenced by copy of the Additional Insured Endorsement attached to the Certificate of Insurance on such insurance policies.
- 4. **CERTIFICATE OF INSURANCE.** Prior to execution of the Master Contract, Contractor shall furnish to Enterprise Services, as evidence of the insurance coverage required by this Master Contract, a certificate of insurance satisfactory to Enterprise Services that insurance, in the above-stated kinds and minimum amounts, has been secured. In addition, no less than ten (10) days prior to coverage expiration, Contractor shall furnish to Enterprise Services an updated or renewed certificate of insurance, satisfactory to Enterprise Services, that insurance, in the above-stated kinds and minimum amounts, has been secured. Failure to maintain or provide proof of insurance, as required, will result in contract cancellation. All policies and certificates of insurance shall include the Master Contract number stated on the cover of this Master Contract.
- 5. **PRIMARY COVERAGE.** Contractor's insurance shall apply as primary and shall not seek contribution from any insurance or self-insurance maintained by, or provided to, the additional insureds listed above including, at a minimum, the State of Washington and/or any Purchaser. All insurance or self-insurance of the State of Washington and/or Purchasers shall be excess of any insurance provided by Contractor or subcontractors.

6. **SUBCONTRACTORS.** Contractor shall include all subcontractors as insureds under all required insurance policies. Alternatively, prior to utilizing any subcontractor, Contractor shall cause any such subcontractor to provide insurance that complies with all applicable requirements of the insurance set forth herein and shall furnish separate Certificates of Insurance and endorsements for each subcontractor. Each subcontractor must comply fully with all insurance requirements stated herein. Failure of any subcontractor to comply with insurance requirements does not limit Contractor's liability or responsibility.
7. **WAIVER OF SUBROGATION.** Contractor waives all rights of subrogation against the State of Washington and any Purchaser for the recovery of damages to the extent such damages are or would be covered by the insurance specified herein.
8. **NOTICE OF CHANGE OR CANCELLATION.** There shall be no cancellation, material change, exhaustion of aggregate limits, or intent not to renew insurance coverage, either in whole or in part, without at least sixty (60) days prior written Legal Notice by Contractor to Enterprise Services. Failure to provide such notice, as required, shall constitute default by Contractor. Any such written notice shall include the Master Contract number stated on the cover of this Master Contract.