

Agenda Summary Report (ASR)

Franklin County Board of Commissioners

DATE SUBMITTED: 10-05-2022	PREPARED BY: Kelly Fields
Meeting Date Requested: 10-11-2022	PRESENTED BY: Kelly Fields
ITEM: (Select One) ☒ Consent Agenda ☐ Brought Before the Board Time needed:	
SUBJECT: Collection Contract between Franklin County and Washington Collectors	
FISCAL IMPACT: No impact	
BACKGROUND: Previous contract expires December 31, 2022	
RECOMMENDATION: Recommend Commissioners sign attached contract and resolution.	
COORDINATION: Jennifer L. Johnson-Chief Civil Prosecuting Attorney and Risk Manager for Franklin County and Washington Collectors	
ATTACHMENTS: 1. Amendment 2. Resolution	
HANDLING / ROUTING: Auditor, District Court, Washington Collectors and Prosecutor's Office	

I certify the above information is accurate and complete.

Kelly Fields Administrator Name, Title

FRANKLIN COUNTY RESOLUTION NO. _____

BEFORE THE BOARD OF COMMISSIONERS, FRANKLIN COUNTY, WASHINGTON

RE: COLLECTION SERVICE AGREEMENT RENEWAL BETWEEN FRANKLIN COUNTY DISTRICT COURT AND WASHINGTON COLLECTORS TRI-CITIES, INC., EFFECTIVE JANUARY 1, 2023 THROUGH DECEMBER 31, 2023

WHEREAS, District Court has contracted with Washington Collectors for many years and desires to continue said service and requests authorization from the Franklin County Board of Commissioners for approval of the Collection Service Agreement Renewal between Franklin County District Court and Washington Collectors Tri-Cities, Inc.; and

WHEREAS, pursuant to R.C.W. 36.01.010 and R.C.W. 36.32.120 the legislative authority of each county is authorized to enter into contracts on behalf of the County and have the care of County property and management of County funds and business; and

WHEREAS, the Board of Franklin County Commissioners constitutes the legislative authority of Franklin County and deems this to be in the best interest of the County;

NOW, THEREFORE, BE IT RESOLVED the Franklin County Board of Commissioners hereby approves the attached Collection Service Agreement Renewal between Franklin County District Court and Washington Collectors Tri-Cities, Inc., effective January 1, 2023 through December 31, 2023.

APPROVED this 11th day of October 2022.

**BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON**

Chairman

Attest:

Member

Clerk to the Board

Member

Originals: Auditor
Washington Collectors

cc: District Court
Prosecutor's Office



510 NORTH 20TH, SUITE D
P.O. BOX 742
PASCO, WASHINGTON 99301
PHONE: (509) 547-9711
FAX: (509) 547-0681
1 (800) 877-6415

COLLECTION SERVICES AGREEMENT

THIS AGREEMENT is made and entered into by and between FRANKLIN COUNTY, a political subdivision of the State of Washington, by and for FRANKLIN COUNTY DISTRICT COURT, with its principal offices located at 1016 North 4th Avenue, Pasco, WA 99301 (hereinafter also collectively referred to as "County" and/or "District Court") and WASHINGTON COLLECTORS TRI-CITIES, INC., a Washington Corporation and licensed collection agency under Chapter 19.16 RCW, with its principal offices located at 510 North 20th Avenue, STE D, Pasco, WA 99301 (hereinafter referred to "Collectors").

WHEREAS, Franklin County, by and through Franklin County District Court maintains a court of limited jurisdiction pursuant to Title 3 RCW; and

WHEREAS, prior to September 1, 2010 the City of Connell maintained a Municipal Court of limited jurisdiction pursuant to Title 3 RCW within Franklin County; and

WHEREAS, as of September 1, 2010, per the request of the City of Connell and Franklin County District Court Districting Committee, the Board of Franklin County Commissioners adopted Resolution No. 2010-246 establishing a Franklin County District Court Districting Plan (Plan); and

WHEREAS, said Plan provided for Franklin County District Court to replace City of Connell Municipal Court to process cases formerly under the jurisdiction of the Municipal Court; and

WHEREAS, now Franklin County District Court has criminal jurisdiction to impose fines of up to five thousand dollars (\$5,000.00) and to assess court costs and costs of prosecution, as well as jurisdiction to impose other penalties, assessments, civil judgments and forfeitures as permitted by law in both the boundaries of Franklin County and boundaries of the City of Connell; and

WHEREAS, some criminal defendants, other offenders and persons have failed to pay a part of, or all of their penalties, fines, costs, assessments, and/or restitution or any other penalties or fees due and owing to Franklin County, City of Connell and/or other parties as adjudged by the Franklin County District Court; and

WHEREAS, pursuant to RCW 36.01.010 and RCW 36.32.120, the legislative authority of each county is authorized to enter into contracts on behalf of the County and have the care of County property and management of County funds and business; and

WHEREAS, the Board of Franklin County Commissioners constitutes the legislative

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WHEREAS, the Board of Franklin County Commissioners constitutes the legislative

authority of Franklin County and desires to enter into this Agreement in the best interests of Franklin County; and

WHEREAS, RCW 3.02.045 and 19.16.500, authorize courts of limited jurisdiction the use of collection agencies for purposes of collecting unpaid penalties on infractions, criminal fines, costs, assessments, civil judgments or forfeitures that have been imposed by the courts; and

WHEREAS, Washington Collectors Tri-Cities, Inc., is a licensed collection agency pursuant to the provisions of Chapter 19.16 RCW; and

NOW THEREFORE, in consideration of the covenants and agreements herein contained and the terms and conditions hereof, the parties agree as follows:

1. **TERM:** This Agreement shall commence January 1, 2023, and remain in effect through December 31, 2023, unless terminated sooner as permitted herein this Agreement.
2. **PERFORMANCE:** Collectors shall do all collection work and furnish all equipment, labor and materials necessary to collect amounts due the District Court for all accounts assigned for collection.
3. **SCOPE OF SERVICES:** Collection services shall be provided as directed in the following:
 - a. Collectors shall provide an active email address(es) for District Court to forward the records and information necessary to effect assignment of accounts for Collectors to engage in the collection process, or information by be transmitted in another form by written agreement of the District Court Administrator.
 - b. Collectors shall provide the District Court with an alphabetized computer printout, with District Court and/or City of Connell case numbers and Collectors account numbers and amounts owed for each group of accounts sent to Collectors for pre-collection processing.
 - c. Collectors shall prepare, process, and mail the thirty (30) day notice forms required by Washington statute to the address provided by the District Court. Collectors shall sort and mark mail returns and forwarding addresses. Collectors shall use a post office box for the District Court as the return address for the thirty (30) day notice forms. Annual box rental fees shall be reimbursed to Collectors by the District Court upon presentation of billing for same.
 - d. Collectors shall furnish all stationery, forms, envelopes and postage required in mailing the thirty (30) day notice.
 - e. The District Court will send a copy of the current pre-collection list, indicating partial payments, payments in full, cancels and mail returns from 30 day notices. The updated list shall be received by the Collectors at least one (1) day prior to

transferring to regular collection. On the day cases are to be transferred, telephone or facsimile contact will be made to update any additional payments in order to insure an accurate transfer.

- f. Collectors shall prepare and process thirty (30) day notice forms, sort and mark mail returns and forwarding addresses. Collectors shall use a post office box for District Court pre-collection accounts separate from their other post office boxes.
- g. Collectors will provide an account acknowledgment of those accounts still outstanding and subject to regular collection activity. The acknowledgment will show debtor name, case number and amount owing.
- h. The Collectors' trained staff will mail collection notices, make direct contacts by telephone, utilize skip-tracing tools and all other resources available in accordance with State and Federal collection laws.
- i. Collectors will advance legal costs and attorney fees when necessary.
- j. Collectors shall withhold their collection commission and pay amounts received on District Court cases on or about the 10th business day of each month for collections made the preceding month. Remittance checks will be accompanied by a statement showing debtor name, case number, amount paid, balance remaining, and commission split when applicable.
- k. If Collectors receive a dishonored check after the monthly remittance check has been disbursed, collectors shall handle the dishonored check as a separate item and funds will not be recalled from the District Court.
- l. Collectors shall submit to the District Court monthly reports showing month to date, year to date and total amounts assigned and collected.
- m. Both parties shall identify no less than three (3) contact persons within their respective offices who are familiar with and authorized to handle District Court cases.
- n. Collectors shall properly designate each collection case with the following collection codes as applicable:

TIME PAYMENT CODING GUIDE

Franklin County District Court	500, 505, 531
City of Connell	530, 535

4. TERMINATION:

- a. The Court may terminate this Agreement in whole or in part whenever the County determines, in its sole discretion that such termination is in the best interests of the

Court. The County may terminate this Agreement upon giving ten (10) days written notice by Certified Mail to Collectors. In that event, the County shall pay the Collector for all costs incurred by the Collectors in performing the Agreement up to the date of such notice termination. Payment shall be made in accordance with Section 5 of this Agreement.

- b. This Agreement may be terminated by mutual consent of the parties hereto, for breach of contract upon thirty (30) days advance written notice, provided however, that waiver of breach by either party shall not be deemed a waiver of any subsequent breach. In the event of such a termination, Collectors will retain all previously listed accounts for continued collection action.

5. COMPENSATION for DISTRICT COURT: The Court shall pay the Collectors for performance of the work described in and required by this Agreement as follows:

- a. No fee on the total amount collected during the initial thirty (30) day pre-collection period, pursuant to Chapter 19.16 RCW.
- b. Dishonored checks will be accepted for collection and 100% of the face amount of the check will be returned to the Court when collected.
- c. Collectors shall collect and keep as remuneration for collection services, costs of collection, not to exceed forty (40%) percent of the original amount placed by the Court for collection. Collectors shall pay the Court all of the original amount assigned, contingent upon collection.
- d. Interest collected will be split at fifty (50%) percent on accounts assigned.
- e. When money is collected for an individual consumer owing more than one Court account, it shall be applied to the oldest account first, unless otherwise specified by the consumer (in compliance with the requirements of the Fair Debt Collection Practices Act) or as directed by the Court.
- f. The Court shall be paid 100% of the original amount assigned, contingent upon collection, with monies collected being applied 75% to the Court and 25% to the Collector until the full amount is paid. The account must remain open on the Court records until such time as both the Court obligation amount, plus any additional fees owed to Collector, including increased costs for legal fees and attorney fees have been paid in full.
- g. It is Collectors policy to honor all reasonable requests for cancellation of accounts.
- h. The Court shall properly designate each collection case with the following collection codes as applicable:

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6. **REPORTS:** Collectors shall provide District Court with all reports called for herein. In the event any additional reports are deemed necessary in the future for further breakdown purposes, Collectors shall make every effort to meet the needs of District Court.
7. **AUDITS:** Either party may audit the records pertaining to collection cases with provision of reasonable notice to the other party.
8. **INDEMNITY:** Either party shall indemnify, defend and save harmless the other party and its officers, agents and employees against and from any loss, damage, cost, charge, expense, liability, claim, demand or judgment of whatsoever kind or nature, whether to persons or property arising wholly or partially out of any act, action, neglect, omission or default on the part of that party, its' agents and/or employees. In case any suit or cause of action shall be brought against either party on account of any act, action, neglect, omission or default on the part of the other party, its' agents, and/or employees in the performance of this Agreement, the other party shall assume the defense thereof and pay any and all costs, charges, attorney fees and other expenses and any and all judgments that may be incurred or obtained.

9. INSURANCE:

- A. **Workers Compensation:** Collector shall comply with all State of Washington workers compensation statutes and regulations. Workers compensation coverage shall be provided for all employees of Collector and employees of any subCollector or sub-subCollector. Coverage shall include bodily injury (including death) by accident or disease, which arises out of or in connection with the performance of this Contract.

Except as prohibited by law, Collector waives all rights of subrogation against the County for recovery of damages to the extent they are covered by workers compensation, employer's liability, commercial liability or commercial umbrella liability insurance.

If Collector, subCollector, or sub-subCollector, fails to comply with all State of Washington workers compensation statutes and regulations and County incurs fines or are required by law to provide benefits to or obtain coverage for such employees, Collector shall indemnify the County. Indemnity shall include all fines, payment of benefits to Collector or subCollector employees, or their heirs or legal representatives, and the cost of effecting coverage on behalf of such employees. Any amount owed to County by Collector pursuant to the indemnity agreement may be deducted from any payments owed by County to Collector for performance of this Contract.

- B. **Commercial General Liability and Employers Liability Insurance:** Collector shall maintain commercial general liability coverage for bodily injury, personal injury and property damage, subject to limits of not less than one million dollars (\$1,000,000) per occurrence. The general aggregate limit shall apply separately to this Contract and be no less than two million dollars (\$2,000,000).

The Collector will provide commercial general liability coverage that does not exclude any activity to be performed in fulfillment of this Contract. Specialized form specific to the

industry of the Collector will be deemed equivalent; provided, coverage will be no more restrictive than would be provided under a standard commercial general liability policy and will include contractual liability coverage.

Collector also shall maintain employer's liability insurance with limits of not less than one million dollars (\$1,000,000) each incident for bodily injury by accident or one million dollars (\$1,000,000) each employee for bodily injury by disease.

C. Other Insurance Provisions:

- 1) The Collector's liability insurance provisions shall be primary with respect to any insurance or self-insurance programs covering the County, its elected and appointed officers, officials, employees and agents.
- 2) Franklin County, its officers, officials, employees and agents shall be named as additional insured with respect to performance of services on all required insurance policies, except for any required professional and automobile liability policy.
- 3) The Collector's liability insurance policies shall contain no special limitations on the scope of protection afforded to the County as an additional insured.
- 4) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County, its officers, officials, employees or agents.
- 5) The Collector's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- 6) The collector shall include all subCollectorss as insureds under its policies or shall furnish separate certificates and endorsements for each subCollector. All coverage for subCollectors shall be subject to all for the requirements stated herein.
- 7) The insurance limits mandated for any insurance coverage required by this Contract are not intended to be an indication of exposure nor are they limitations on indemnification.
- 8) The Collector shall maintain all required policies in force from the time services commence until services are completed. Certificates, policies, and endorsements expiring before completion of services shall be promptly replaced. If the Collector's liability coverage is written as a "claims made" policy, then the Collector must evidence the purchase of an extended reporting period or "tail" coverage for a three-year period after completion of the services required under this Contract.

D. Verification of Coverage and Acceptability of Insurers: All insurance required under this Contract shall be issued by companies admitted to do business within the State of Washington and have a current A.M. Best Rating of not less than A: VII. Any exception to this requirement must be reviewed and approved by the Franklin County Prosecuting Attorney's Office. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policy must comply with Chapter 48.15 RCW and 284-15 WAC.

- 1) The Collector shall furnish the County with properly executed and unaltered Accord form certificates of insurance or a signed policy endorsement which shall clearly evidence all required insurance within ten (10) days after the effective date of this Contract. The certificates will, at a minimum, list limits of liability and coverage. For other insurance, Collector shall not cancel or allow the insurance contract to expire except on forty-five (45) days prior written notice to the County. Collector shall also instruct the insurer to give the County forty-five (45) days advanced notice of any cancellation by the insurer. The certificate or endorsement shall not limit or negate the insurer's obligation as required by law to notify the County as an additional insured of cancellation.
- 2) The collectors shall furnish the County with evidence that the additional insured provision required above has been met. Acceptable forms of evidence are the endorsement pages of the policy showing the County as an additional insured.
- 3) Certificates of insurance shall show the certificate holder as "Franklin County" and include "c/o" Franklin County Risk Manager. The address of the certificate holder shall be shown as Franklin County, 1016 North 4th Avenue, Pasco, WA 99301.
- 4) The Collector shall request the Washington State Department of Labor and Industries, Workers Compensation Representative, to send written verification to the County that Collector is currently paying workers compensation.
- 5) All written notices under this section and notice of cancellation or change of required insurance coverages shall be mailed to the County at the following address:

Attn: Risk Manager
Franklin County Prosecuting Attorney's Office
1016 North 4th Avenue
Pasco, WA 99301

- 6) The Collector or its broker shall provide a copy of any and all insurance policies specified in this Contract upon request of the Franklin County's Risk Manager.
- 7) If Collector is self-insured for worker's compensation coverage, evidence of its status as a self-insured entity shall be provided to County. If requested by County, Collectors must describe its financial condition and the self-insured funding mechanism.

10. LICENSING, BONDING: Collectors shall keep in force licensing and bonding in compliance with all State and Federal laws governing collection agencies.

11. ASSIGNMENT OF AGREEMENT: Neither party shall assign this Agreement, nor any interest, right or responsibility arising herein, without the written consent of the other party's authorized representatives.

- a. The Collector shall perform the terms of the Agreement using only its bona fide employees or agents, and the obligations and duties of the Collector under this

Agreement shall not be assigned, delegated, or subcontracted to any other person or firm without the prior express written consent of the Court's authorized representatives.

- b. The Collector warrants that it has not paid nor has it agreed to pay any company, person, partnership, or firm, other than a bona fide employee working exclusively for Collector, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement.

12. INDEPENDENT CONTRACTOR:

- a. The Collector's services shall be furnished by the Collector as an independent contractor and not as an agent, employee or servant of the County. The Collector specifically has the right to direct and control Collector's own activities in providing the agreed services in accordance with the specifications set out in this Agreement.
- b. The Collector acknowledges that the entire compensation for this Agreement is set forth in Section 5 of this Agreement, and the Collector is not entitled to any County benefits, including, but not limited to: vacation pay, holiday pay, sick leave pay, medical, dental, or other insurance benefits, fringe benefits, or any other rights or privileges afforded to Franklin County employees.
- c. The Collector shall have and maintain complete responsibility and control over all of its subCollectors, employees, agents, and representatives. No subCollector, employee, agent, or representative of the Collector shall be or deem to be or act or purport to act as an employee, agent, or representative of the County.
- d. The Collector shall assume full responsibility for the payment of all payroll taxes, use, sales, income, or other form of taxes, fees, licenses, excises, or payments required by any city, county, federal, or state legislation which is not or may during the term of this Agreement be enacted as to all persons employed by the Collector and as to all duties, activities and requirements by the Collector in performance of the work on this project and under this Agreement, Collector shall assume exclusive liability therefore the above, and meet all requirements thereunder pursuant to any rules or regulations.
- e. The Collector agrees to immediately remove any of its employees or agents from assignment to perform services under this Agreement upon receipt of written request from the County.

13. RENEWAL: Upon the mutual written consent of each party's authorized representatives hereto, this Agreement may be renewed for additional twelve (12) month periods upon the same terms and conditions as contained herein. Notice of desire of renewal shall be given by the party desiring renewal, to the other party in writing not less than ninety (90) days prior to the expiration of the term of this Agreement.

14. BREACH OF AGREEMENT: In any action for the breach of this Agreement, the prevailing party shall be entitled to reasonable attorney fees and venue shall be in Franklin

County, Washington.

15. NONDISCRIMINATION: The Collector, its assignees, delegates or subCollectors shall not discriminate against any person in the performance of any of its obligations hereunder on the basis of race, color, creed, religion, national origin, age, sex, marital status, veteran status, sexual orientation or the presence of any disability. Implementation of this provision shall be consistent with Initiative 200, Sec. 1 (effective 12/3/98).

THIS AGREEMENT is the entire agreement of the parties and shall not be modified except by a written modification signed by each party's authorized representatives.

APPROVED

This 15th day of September 2022

WASHINGTON COLLECTORS TRI-CITIES, INC.



Sean Lamb
President

APPROVED

This _____ day of _____, 2022

BOARD OF COUNTY COMMISSIONERS
FOR FRANKLIN COUNTY DISTRICT COURT

Chairman

Pro- tem

Member

Attest: _____ Clerk of the Board

Approved as to Form:  _____

Deputy Prosecuting Attorney

Dated: 10/4/22