

SCOPE OF SERVICES AND AGREEMENT FOR
PROCESSING AND COLLECTING ADMINISTRATIVE CITATIONS

**Revenue Experts, Inc.
A California Corporation
4600 Campus Drive, Suite 203
Newport Beach, California 92660**

(hereinafter sometimes referred to as "COMPANY")

AND

**THE CITY OF CALIFORNIA CITY
21000 Hacienda Blvd.
CALIFORNIA CITY, CA 93505**

(hereinafter sometimes referred to as "AGENCY"),

is made and entered into as of this ___ day of _____, 2006.

This agreement between the City of California City and Revenue Experts, Inc. is for the usage of a processing and collection system designed to enhance the AGENCY'S ability to obtain code compliance and/or revenue from ***Administrative Citations, parking, and other debts owed the AGENCY.***

1. The COMPANY is authorized to act as an agent for the AGENCY to collect unpaid delinquent administrative citations, delinquent parking citations and other items, as specified by the AGENCY. The term of this agreement shall be from the date of this contract for a period of five years with automatic renewal for subsequent one-year periods. Either party may terminate this agreement with 60 days written notice.
2. The AGENCY will provide a mutually suitable arrangement for the collection of funds, and express authorization to do business on the AGENCY'S behalf.
3. The COMPANY will: provide forms, notices, toll free phone lines, banking, web site database access 7/24, postage; maintain files on collected information and provide this information to the AGENCY to update its files; provide the AGENCY with comprehensive management reports; and use its best efforts to obtain maximum results.
4. Administrative Appeals: Reviews and Hearings will be held in accordance with state law, within ninety days of the appeal date, on a site provided by the

AGENCY. The AGENCY shall be responsible to pay the \$25.00 Court filing fee, if the administrative adjudication decisions are overturned by the Court.

5. **First Class Mail:** All correspondence will be mailed first class and is included in the per citation fee.
6. **Collections:** The AGENCY shall receive 100% of all revenue collected on its behalf.
7. There will be no fee for an unlimited number of debts placed in the Interagency Intercept Program, but attached to an individual social security number. There will be a small fee for each social security number acquisition. If the debts are collected through this placement, a small percentage of the amount collected will be due the COMPANY.
8. The AGENCY will be responsible for reporting all collections received from the Interagency Intercept Collections program to the COMPANY, by submitting copies of the Interagency Intercept Collections program paperwork and weekly statement and monthly warrant file reporting payments.
9. The COMPANY shall not be responsible for the AGENCY'S failure to provide correct or timely infraction information.
10. The terms of this document shall not be disclosed by the AGENCY, except as required by law, unless written agreement is given by the COMPANY.
11. Funds will be collected, deposited and reconciled on a daily basis when collected by the COMPANY. On a monthly basis these funds will be transferred to the AGENCY if a joint bank account is established. If the AGENCY bank account is used, the invoice only will be sent. Management reports supporting all monthly activity will be included. Funds reported as collected by the Interagency Intercept Collections program will be applied on a weekly basis and included in the monthly management reports.
12. **Fine Schedule:** COMPANY shall adhere to the Penalty and Administrative Fee Schedule described in the AGENCY Municipal Code Manual, adopted by the AGENCY Council. No fee shall exceed the maximum penalty as outlined in this schedule.
13. Fee Schedule is attached as Exhibit A.

AS TO: AGENCY

THE CITY OF CALIFORNIA CITY
21000 HACIENDA BLVD.
CALIFORNIA CITY, CALIFORNIA 93505

AS TO COMPANY:

REVENUE EXPERTS, INC.
A California Corporation
4600 CAMPUS DRIVE, SUITE 203
NEWPORT BEACH, CALIFORNIA 92660

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the day and year last written below:

AGENCY:

COMPANY:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

By: _____

Title: _____

APPROVED AS TO FORM:

AGENCY Attorney Date

Exhibit A

FEE PROPOSAL

THE CITY OF CALIFORNIA CITY

Description – Phase I

Proposed Fee

Fee for processing and collecting each citation \$ 22.00/cite

Specified services and material covered by the Fee for all citations shall include:

- Data entry of handwritten citations and entry of electronically transferred citations
- Processing and collection of all payments
- Disposition and status updating
- All forms and tracking
- Correspondence tracking and response
- Up to four Notices
- 800 line voice mail information 24 hours per day, 7 days per week
- 800 line customer service answered by customer service representative
- Daily Bank Deposits
- Bank reconciliation
- Comprehensive monthly management reports on issuance and revenue
- All required insurance
- Local corporate headquarters

* (Minimum monthly fee \$ 150.00 per month) Applies if basic charges are less than that amount.

Additional Client Real Time Viewing & Reporting on Client Database \$ 50.00/month

Includes:

- Client access to entire database real-time includes up to six user passwords
- Viewing and printing citation management reports 24/7
- Citizen web site access for viewing and paying citations 24/7

CONFIDENTIAL INFORMATION

Description – Phase II

- Social Security Number Access \$ 5.00/request
- (One request for multiple citations attached to one violator)

Franchise Tax Board Interface 15% of
(Interagency Intercept Program) collected revenue

Includes:

- Database transfers
- Multiple debts consolidated to one record with total due
- Files sent to IIP
- Noticing
- Daily deposits
- Payment reconciliation
- Deposit reconciliation
- Toll-free customer service inquiry lines
- Web site inquiry and payment access 24/7
- Overpayment verification and refund service
- Customer correspondence as required
- Forms
- Paperwork back-up
- Database updating
- IIP updating
- Monthly management reports

Fee to Violator for Company Credit Card Usage \$ 3.50/use

Option:

In-person Hearing and Toll-Free Hearing Appointments \$ 75.00/hr
(four-hour minimum every 60 to 90 days,
two hearings per hour)

All correspondence and taped hearings included; interface
with court and client, if hearing goes to court.

Cost to Purchase Hand Held Ticket Writers:

Please see Cost Sheets for Ticket Writers, upon selection of preferred unit, a total cost proposal will be generated for Agency including exact costs for all hardware, software, ticket stock, envelopes and additional items.

CONFIDENTIAL INFORMATION

REVENUE EXPERTS, INC.

ADMINISTRATIVE CITATION PROCESSING & COLLECTION

SERVICES

- Processing of Administrative Citations
- Revenue Collection
- Multiple Notices with Varied Verbiage
- Consistent Noticing Sent According to City Requirements
- Data Entry and Citation Tracking of Administrative Citations, Manually or Electronically
- Citation Status Updates Daily
- Citation Tracking
- Toll Free Customer Information for Citizen Inquiry – 24/7
- Toll Free Customer Care Answer Lines
- Secure Web Site Access for Citizen Inquiry 24/7
- Secure Web Site Access for Citizen Payment 24/7
- Secure Web Site Access to total database for Agency 24/7
- Agency Access to Reports 24/7 on the Web Site
- Citation Reviews/Hearings Scheduled and held
- Appeals Heard by Certified and Trained Hearing Officers
Professionally and Impartially Handled Appeals
- Decisions Sent and Tracked
- Deposits Daily
- Bank Account Reconciliation Monthly
- Monthly Reporting, Tracking and Documentation
- Interagency Intercept Program Participation & Interface
- Social Security Number Access for Interagency Intercept Program Participation
- Consolidation of all Debts for Interagency Intercept Program Participation
- Marking, Tracking & Reporting on Interagency Intercept Program Payments
- Handheld Ticket-writers Offered for Complete Automation

FEATURES AND BENEFITS

PROVIDED BY

REVENUE EXPERTS, INC.

Allows Code Enforcement Officers to do their job....Inspect, Warn, Inspect, Cite

Better productivity by outsourcing labor-intensive paperwork

Better control

Better follow-through and focus

Consistent follow-through produces higher compliance

Consistent follow-through produces higher collection rate

Code Enforcement pays for itself

Code Enforcement provides City revenue

Cumbersome Court appearances no longer necessary

Hearings offered expediently and efficiently

Redirects revenue from the Court to the City where it belongs

Provides certified Hearing Officers who understand the importance of Code Enforcement Programs

Better appeal decisions

WHY CHANGE?

Using **Revenue Experts, Inc.** services, the City will have the resources to provide a comprehensive program that will achieve Council and staff goals of:

REVENUE DIVERSIFICATION AND PRESERVATION – Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

PUBLIC SAFETY – Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City.

POSITIVE ENVIRONMENT – Create a positive environment for the development and growth for the City's future.

COMMUNITY IMAGE, NEIGHBORHOOD PRIDE AND CLEANLINESS – Promote a sense of community pride and foster an excellent image about the City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

SAMPLE TYPES OF ADMINISTRATIVE CITATIONS

Property Maintenance

Illegal Signage

Illegal Vendors

Business Licenses

Health and Safety Codes

Building Codes

Animal Control

False Alarms

Graffiti

Public Nuisance

SOLE SOURCE VALIDATION

We believe that Revenue Experts, Inc. is the only company currently offering the services listed below specifically for administrative citation program management and collections.

- 1) Customized proprietary administrative citation software, (not parking software).
- 2) Secure, real-time web site access to database provided to City for citation status and reporting information.
- 3) Real-time web site access provided to citizen for citation verification and on-line credit card payment.
- 4) No charge to City for credit card payments.
- 5) Multiple customized delinquent notices sent per unpaid citation.
- 6) Timed delinquent notices – not random.
- 7) Provide unbiased third party fully trained and certified hearing officers for appeals.
- 8) Ability to group all debts, using a minimum dollar cutoff for FTB placements.
- 9) Ability and access to match social security numbers based on name and address information.
- 10) Full interface capability with FTB. (Company does all paperwork, marks system, tracks remaining balances and generates reports based on payments made at FTB.
- 11) Vendor acts as an Agent for the City, not as an independent party.
- 12) Vendor offers handheld tickets writers offering administrative citation management software.
- 13) Vendor has been providing these services continuously as a **primary** business for a minimum of two years.

Franchise Tax Board Inter-Agency Intercept Program History

Many of California's citizens owe delinquent sums of money to agencies at all levels of government. Ironically, at the same time, the Franchise Tax Board (FTB) may owe these same individuals a tax refund or a lottery disbursement.

Since 1975, the Franchise Tax Board has been intercepting the tax refunds and lottery winnings of Californians who owe delinquent amounts to state and local agencies. Once intercepted, the refunds and lottery prizes are redirected to the agencies to which the debts are owed and disbursed on a priority basis. The program is operated on behalf of the State Controller's Office.

The Interagency Intercept Program has proven successful and cost-effective, bringing in billions of dollars that may not otherwise have been collected. In calendar year 2004, the program intercepted \$142.2 million and disbursed it to 224 participating agencies.

In 2002 Revenue Experts, Inc. a sister corporation to Data Ticket, began offering to interface with the Interagency Intercept Program on behalf of all of their clients in order to provide a final opportunity for collection of delinquent debts. Debts such as parking fines, municipal code and administrative fines, etc. are eligible to be collected through the program. Some of the cities, including Redondo Beach, Newport Beach, Moreno Valley, and La Quinta, that have previously participated have been impressed with the return rate on their collections.

Revenue Experts, Inc. will administer this program for your Agency. We will handle all written and verbal correspondence with your citizen and the Franchise Tax Board; send the required Franchise Tax Board notices prior to placement in the program; attach the required social security number on the citizen record, combine all debts that correspond to an individual social security number and handle collections, tracking and reporting. There is virtually no labor-intensive work for the Agency to perform. We feel that this program is a valuable resource for our clients and are proud to offer our services for participation.