



Florida's Warmest Welcome

**CITY OF POMPANO BEACH REQUEST FOR
PROPOSALS P-03-21**

DEBT COLLECTION SERVICES

OPENING: April 8, 2021, 2:00 P.M.

**Virtual Zoom Meeting
POMPANO BEACH, FLORIDA 33060**

**CITY OF POMPANO BEACH, FLORIDA
REQUEST FOR PROPOSALS P-03-21
DEBT COLLECTION SERVICES**

I. Introduction

The City of Pompano Beach ("City") seeks written responses ("Proposals") in response to this solicitation ("RFP") that demonstrate the Proposer is qualified to provide comprehensive turnkey debt collection services for all receivables due and owing the City in accordance with all applicable laws, the highest professional standards and cost-effective methods (the "Work").

The City is customer service oriented and firmly believes in a positive approach in dealing with debtors. The successful Proposer shall exercise high ethical standards in their collection philosophy and techniques and perform the Work in a professional manner that preserves the dignity of the City. The City prohibits any collection practices that be may be considered harassment or demeaning or that otherwise reflect poorly on the City.

In order to view RFP documents and submit a Proposal, all Proposers must register on the City's eBid System at <https://pompanobeachflionwave.net/CurrentSourcingEvents.aspx>. The Proposer is solely responsible for downloading all documents required under the RFP and the City is not responsible for the accuracy or completeness of any documents received from any source other than the eBid System.

Sealed Proposals shall be submitted electronically through the eBid System on or **2:00 p.m. (EST)** on before April 8, 2021. Any Proposal received after the foregoing deadline will not be considered and any uncertainty regarding the time a Proposal is received shall be resolved against the Proposer. Proposer shall upload Proposal as one (1) file to the eBid System. The file size for uploads is limited to 250 MB. If the file size exceeds 10 MB, the Proposal must be split and uploaded as two (2) separate files. The Proposer Information Page Form and any other required forms must be completed and submitted electronically through the City's eBid System.

II. Scope of Services

The successful Proposer shall provide comprehensive debt collection services from the time the City refers an account for collection until the debt is collected in full or the City takes the account back in accordance with the standard operating procedures mutually agreed upon in the negotiation phase of the bid award. Delinquent accounts may include, but are not limited to, Code Enforcement, Unsafe Structure and Nuisance Abatement liens; water and sewer charges; fines; fees; parking citations; licenses; permits; rental charges and any other receivable capable of being collected.

Proposer shall be responsible to accept any account the City submits to it regardless of account amount or age of the receivable; perform all necessary collection activities on the City's

behalf, which include, but are not limited to, telephone contact, mail correspondence, skip tracing, credit bureau reporting, reaching and monitoring debtor settlements; and, upon written approval of the City's Finance Director, seeking money judgments or filing foreclosure or garnishment actions.

The City's goal is to turnover accounts within 180 days from the delinquency date and the successful Proposer shall have forty-five (45) days thereafter to commence Work on each account. If not successful in collecting on the account within 180 days of receipt from the City, the delinquent account may be considered for withdrawal and returned to City without a collection fee unless the Proposer receives payment within five (5) working days from the date City requests said account be withdrawn.

Subject to the recordkeeping, inspection and audit rights of the City's Internal Auditor as set forth in Paragraph I of Subsection V of this RFP entitled, "Miscellaneous Contract Provisions," the City's Finance Director or designee shall have sole authority to (1) determine which delinquent accounts are referred for collection; (2) decide which collection techniques should be utilized; and (3) take back any assigned delinquent account(s).

By the first of each month, Proposer shall provide monthly reports to the City detailed for each City department that, at a minimum, include the following information:

1. All accounts which the City has referred for collection and the originating City department (e.g. Code Compliance, Utilities, etc.), the amount and collection status;
2. Acknowledges the referral of any new accounts as well as all accounts no longer being pursued and the reason why; and
3. Active accounts showing the amount submitted, amount paid in the current 30-day period, amount paid to date, balance remaining on the account and amount of commission resulting from any current payment.

Proposer shall provide an annual summary report that, at a minimum, includes the number of accounts and amounts placed in collection; the average amount of accounts in collection; the time the accounts were in collection prior to final payment; if the account remains outstanding, the amount of time in collection; collection payments received to date; percentage of collection; and any commission paid to date.

The Proposer awarded the contract under this RFP shall meet with designated City staff at least biannually or as often as required by the City's Finance Director; provide the City primary and secondary contacts for daily operational issues related to the Work; remit any amounts due City from debtor payments received by the first of each month following collection; at no charge or billed commission, return to City any account that was placed in error or previously submitted but subsequently recalled; and have established internal computer systems that are able to communicate with the City's computer systems.

III. Proposal Requirements, Terms and Conditions

The Proposal shall be clear, concise and include sufficient detail for effective evaluation and substantiating the validity of Proposer's representations therein, including providing standard operating procedures for how Proposer intends to conduct the Work. To assure consistency, Proposals must conform to the format and order presented below.

A. Title Page. This should include the RFP reference number and subject, Proposer's name and FEI number, the date of the Proposal, and the name, title, phone and email of a contact person.

B. Table of Contents. Identify the material included in the Proposal and the corresponding page number.

C. Transmittal Letter/Executive Summary. Include a letter summarizing Proposer's understanding of, and commitment to, perform the Work and describe the services and resources Proposer has to offer; provide a statement the Proposal is a firm and irrevocable offer for a 90 day period from the closing date of this RFP; and include the name, title and signature of the representative who has been authorized to submit the Proposal on behalf of Proposer.

D. Professional Experience, Qualifications and References. State whether the Proposer is a national, regional or local firm and the location from which the Work is to be performed. Provide a brief history of Proposer's background and expertise providing similar debt collection services and how that experience will be utilized to perform the Work along with any other information that Proposer deems relevant to demonstrate its qualifications for the Work.

1. Provide a detailed description of any past or current or future government or other contracts similar in scope to the Work being requested herein which Proposer is currently performing or has completed and include the following information for each contract: client name, address, email and telephone number; the contract period, scope, collection fee and average success rate; the name and contact information for an individual who can attest to Proposer's performance therein; and clarify whether Proposer was the prime contractor or a sub-contractor.

2. Discuss familiarity with state and federal laws governing the Work specific to each category of City receivables as described above, citing all applicable laws governing the City's ability to collect on said debts. Be sure to discuss any known legal issues limiting the City's ability to pursue collections to demonstrate your understanding of the legal issues governing these matters and provide any technical or practical limitations for collection of the various receivable categories (e.g. a recommended minimum dollar threshold for referring accounts for collections, etc.).

3. Provide a list of all clients that terminated your services in the past five (5) years and the reason for termination. If not applicable, please provide a statement to that effect.

4. Describe any prior or pending litigation or investigation, civil or criminal, in which Proposer or any of its employees, sub-contractors or other agents are or have been involved with in the past five (5) years while in the performance of their duties for Proposer, including the status/outcome.

5. Describe and explain any prior complaints (both substantiated and inconclusive) filed with any governmental, professional or regulatory agency against Proposer and any of its key personnel in the past five (5) years, including the status/outcome.

6. Describe any other relevant experience related to the Work.

7. List any prior projects performed for the City.

8. Key Personnel. The phrase "key personnel" includes Proposer's principals, managers, employees and subcontractors proposed to perform the Work. Describe Proposer's organizational structure showing all key personnel who will perform the Work; provide their resumes, level of involvement, field of expertise; include any honors, awards or other professional recognition received; and clearly identify whether they are Proposer's employees or a subcontractor.

E. Financial Statements and Service Organization Controls. Proposers shall be financially solvent and appropriately capitalized to provide the Work required under this RFP for the term of the contract. Proposers must upload the documentation listed below to the *Response Attachments* tab in the eBid System as a separate file titled "Financial Statements" and marked "Confidential."

Financial statements required as submittals to pre-qualify for a solicitation are exempt from public disclosure; however, financial statements submitted to pre-qualify for a solicitation that are not required by the City may be subject to public disclosure. The City requires the reserves the right to reject financial statements that do not comply with the requirements listed below and to request additional information after the Proposal is opened and prior to its evaluation, to ensure Proposer is financially solvent and has sufficient financial resources to perform the Work.

1. Provide a copy of Proposer's most recent audited financial statements that shall not be dated more than one (1) year prior to the date of your Proposal along with relevant accompanying notes and supplemental information.

2. Proposer shall provide a current SSAE 18, SOC 2, Type I Report as part of its Proposal. If Proposer cannot provide the SSAE 18, SOC 2, Type I Report at time of Proposal submittal, a current SOC 3 Report will be accepted. If awarded the bid under this RFP, Proposer shall be required to provide a SSAE 18, SOC 2, Type II Report annually during the term.

F. **Proposed Approach and Methodology to Work.** Describe the methods and processes that Proposer will utilize to perform the Work from the time a delinquent account is referred until it is either collected in full or recalled by the City, including relevant time frames for initial/follow-up letters, phone calls, skip tracing, identifying debtor assets, etc. Explain your process for making recommendations regarding potential legal options available to the City (e.g. foreclosure, garnishment, seeking a money judgment, etc.) and identify what City staff you anticipate will be needed to perform the Work.

Describe Proposer's internal online reporting capabilities and method for measuring its debt collection success rate. If specific reports are used, provide sample reports as exhibits to the Proposal along with all standard letters and notifications sent debtors as part of the Work.

G. **Collection Fee.** Proposer shall submit a proposed all-inclusive contingency fee through the designated line items listed on the eBids website which shall be subject to the terms and conditions listed below.

1. For all accounts referred by the City, unless otherwise instructed by the Finance Director or his designee, Proposer shall add the collection fee to the amount of the debt owed City. The City shall not be responsible for any fees.

2. Proposer shall be responsible to collect the collection fee from the debtor and deduct it prior to remitting the principal amount to City.

3. If an account is reduced or cancelled by the City, no collection fee shall be due Proposer for the amount so reduced or cancelled or as otherwise stated in the contract.

4. If a bankruptcy court discharges Proposer's collection fee, Proposer shall be entitled to a percentage equal to Proposer's fee of the non-dischargeable debt collected. Proposer shall deduct this amount prior to remitting the remaining principal amount to City.

5. Should there be changes in law or City policy that allow a different method for recovering collection fees, Proposer shall modify its methods in accordance the Finance Director's instruction and, if necessary, execution of an amendment to the contract.

H. **References.** Provide references for your provision of similar collection services, preferably in the Miami-Dade, Broward and Palm Beach County area. Describe the scope of each engagement in physical terms, costs and responsibilities. Provide the name, email and telephone numbers for a supervisor or manager who can attest to your performance.

I. **Insurance Requirements.** Proposer shall not commence services under the terms of this Contract until certification or proof of insurance detailing terms and provisions has been received and approved in writing by the City's Risk Manager. If you are responding to a bid and have questions regarding the insurance requirements hereunder, please contact the City's Purchasing Department at 954-786-4098. If the contract has already been awarded,

please direct any queries and proof of the requisite insurance coverage to City staff responsible for oversight of the subject contract.

Proposer is responsible to deliver to City, for timely review and written approval/disapproval, Certificates of Insurance that evidence all insurance required hereunder is in full force and effect and which name on a primary basis, the City as an additional insured on all such coverage. Such policy or policies shall be issued by United States Treasury approved companies authorized to do business in the State of Florida. The policies shall be written on forms acceptable to the City's Risk Manager, meet a minimum financial A.M. Best and Company rating of no less than Excellent, and be part of the Florida Insurance Guarantee Association Act. No changes are to be made to these specifications without prior written approval of the City's Risk Manager.

Throughout the term of this Contract, City, by and through its Risk Manager, reserves the right to review, modify, reject or accept any insurance policies required by this Contract, including limits, coverages or endorsements. City reserves the right, but not the obligation, to review and reject any insurer providing coverage because of poor financial condition or failure to operate legally.

Failure to maintain the required insurance shall be considered an event of default. The requirements herein, as well as City's review or acceptance of insurance maintained by Proposer, is not intended to, and shall not in any way limit or qualify the liabilities and obligations assumed by Proposer under this Contract.

Throughout the term of this Contract, Proposer and all subcontractors or other agents hereunder, shall, at their sole expense, maintain in full force and effect, the following insurance coverages and limits described herein, including endorsements.

1. Worker's Compensation Insurance covering all employees and providing benefits as required by Florida Statute, Chapter 440, regardless of the size of the company (number of employees) or the state in which the work is to be performed or of the state in which Proposer is obligated to pay compensation to employees engaged in the performance of the Work. Proposer further agrees to be responsible for employment, control and conduct of its employees and for any injury sustained by such employees in the course of their employment.

2. Liability Insurance.

a. Naming the City of Pompano Beach as an additional insured as City's interests may appear, on General Liability Insurance only, relative to claims that arise from Proposer's negligent acts or omissions in connection with Proposer's performance under this Contract.

b. Such Liability insurance shall include the following checked types of insurance and indicated minimum policy limits.

Type of Insurance**Limits of Liability****GENERAL LIABILITY**

* Policy to be written on occurrence basis

	Per Occurrence	Aggregate
XX comprehensive form	\$1,000,000	\$2,000,000
XX premises – operations	bodily injury and property damage	
XX underground hazard	bodily injury and property damage	
XX products/completed operations hazard	bodily injury & property damage combined	
XX contractual insurance	bodily injury & property damage combined	
XX broad form property damage	bodily injury & property damage combined	
XX independent contractors personal injury		
XX personal injury		
— CG2010	ongoing operations (or its equivalent)	
— CG 2037	completed operations (or its equivalent)	
— sexual abuse/molestation	\$1,000,000	\$1,000,000

AUTOMOBILE LIABILITY

* Minimum Bodily injury (each person)

bodily injury (each accident), property damage, bodily injury and property damage combined

	Per Occurrence	Aggregate
XX comprehensive form	\$1,000,000	\$1,000,000
XX owned		
XX hired		
XX non-owned		

REAL & PERSONAL PROPERTY

* Policy to be written on a claims

occurrence basis comprehensive form; Proposer must show proof they have this coverage

EXCESS/UMBRELLA LIABILITY

* Policy to be written on a claims

occurrence basis

	Per Occurrence	Aggregate
XX excess/umbrella	\$5,000,000	\$5,000,000
	bodily injury & property damage combined	

PROFESSIONAL LIABILITY

* Policy to be written on a claims made

basis

	Per Occurrence	Aggregate
XX professional liability	\$1,000,000	\$1,000,000

3. If Professional Liability insurance is required, Proposer agrees the indemnification and hold harmless provisions of the contract shall survive its termination or

expiration for a period of three (3) years unless terminated sooner by the applicable statute of limitations.

ENVIRONMENTAL/ POLLUTION LIABILITY	* Policy to be written on claims made basis	
— environmental/pollution liability	Per Occurrence \$1,000,000	Aggregate \$1,000,000

CYBER LIABILITY	* Policy to be written on claims made basis	
XX Network Security/Privacy Liability	Per Claim \$1,000,000	Aggregate \$1,000,000
XX Breach Response/Notification Sublimit (minimum limit of 50% of policy aggregate)		
XX Technology Products E&O - \$1,000,000 (only applicable for vendors supplying technology related services and/or products)		
XX Coverage shall be maintained in effect during the period of the contract and for not less than four (4) years after its termination or completion		

EMPLOYER’S LIABILITY * Proposer and all subcontractors shall, for the benefit of their employees, provide, carry, maintain and pay for Employer's Liability Insurance in the minimum amount of One Hundred Thousand Dollars (\$100,000.00) per employee, Five Hundred Thousand Dollars (\$500,000) per aggregate

4. Policies. Whenever, under the provisions of this contract, insurance is required of Proposer, Proposer shall promptly provide the following:

- a. Certificates of Insurance evidencing the required coverage;
- b. Names and addresses of companies providing coverage;
- c. Effective and expiration dates of policies; and
- d. A provision in all policies affording City thirty (30) days written notice by a carrier of any cancellation or material change in any policy.

5. Insurance Cancellation or Modification. Should any of the required insurance policies be canceled before the expiration date, modified or substantially modified, the issuing company shall provide thirty (30) days advance written notice to the City.

6. Waiver of Subrogation. Proposer hereby waives any and all right of subrogation against the City, its officers, employees and agents for each required policy. When required by the insurer, or should a policy condition not permit an insured to enter into a pre-loss Contract to waive subrogation without an endorsement, then Proposer shall notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to

any policy that includes a condition to the policy not specifically prohibiting such an endorsement, or voids coverage should Proposer enter into such a contract on a pre-loss basis.

J. Miscellaneous Terms and Conditions. The completed Proposal (together with all required attachments) must be submitted electronically to City on or before the time and date stated herein. All Proposers, by electronic submission of a proposal, shall agree to comply with all of the conditions, requirements and instructions of this RFP as stated or implied herein. All Proposals and supporting materials submitted shall become the property of the City.

1. All Proposers shall complete and submit all forms required for this RFP in the eBids system.

2. All Proposers are required to provide all information requested in this RFP. Failure to do so may result in the disqualification of the Proposal.

3. The City reserves the right to postpone or cancel this RFP; reject all Proposals; and waive any technical or formal errors or omissions if it is determined to be in the best interest of the City to do so.

4. The City shall not be liable for any costs incurred by the Proposer in the preparation of their Proposal or for any work performed in connection therewith.

5. Proposer's Proposal shall not contain any alteration to the document posted other than entering data in spaces provided or including attachments as necessary. By submission of a response, Proposer affirms that a complete set of bid documents was obtained from the eBid System or from the Purchasing Division only and no alteration of any kind has been made to the RFP. Exceptions or deviations to the Proposal may not be added after the submittal date.

6. The City reserves the right to waive any technical or formal errors or omissions; reject all proposals; or award the contract for the Work requested herein, in part or whole, if City determines it is in the best interests of the City to do so.

IV. Selection/Evaluation Process

A Selection/Evaluation Committee (“Committee”) will be appointed to select the most qualified Proposer(s) and present their findings to the City Commission for formal approval or other action. Proposals will be evaluated according to the criteria set forth below.

	<u>Criteria</u>	<u>Point Range</u>
1	Firm's Background, Experience and Personnel	0-25
2	Collection Method/Approach/Reporting and Success Rate	0-35

3	Collection Fee	0-40
	Total	0-100

Additional 0-5% for Tier1/Tier2 Local Business will be calculated on combined scoring totals of each Proposer.

A. Value of Previously Awarded Work in Tiebreaker. In the event of a tie, the Proposer with the lowest value of work as a prime contractor on City projects within the last five years will receive the higher ranking, the Proposer with the next lowest value of work shall receive the next highest ranking, and so on. The analysis of past work will be based on the City's Purchase Order and payment records.

The Committee has the option to use the above criteria for the initial ranking to shortlist Proposers or, if deemed necessary, to use an ordinal ranking system to score shortlisted Proposers following presentations with a score of "1" assigned to the shortlisted Proposer they deem most qualified.

For shortlisting purposes, each Proposer shall submit documentation for the Committee's review that evidences their capability to provide the Work. After an initial review of the Proposals, the City may invite Proposers for an interview to discuss their Proposal and meet their representatives, particularly key personnel who would be assigned to perform the Work. Should interviews be deemed necessary, it is understood the City shall incur no costs as a result of the interview nor bear any obligation in further consideration of their Proposal.

When more than three Proposals are received, the Committee shall furnish the City Commission a list, in ranked order, of no fewer than three Proposers deemed the most qualified to perform the Work. If three or less Proposers respond to this RFP, the list will contain the ranking of all Proposals.

The City Commission has the authority, including, but not limited to, approve/reject the Committee's recommendation; direct City staff to re-advertise the RFP; postpone or cancel this RFP; reject all Proposals; review the Proposals themselves; and request oral presentations and determine a ranking order that may be different the Committee's ranking.

B. Local Business Program. On March 13, 2018, the City Commission approved Ordinance 2018-46 wherein the City established a Local Business Program to increase participation of the City's businesses in its procurement process. For purposes of this RFP, "Local Business" is defined in subsections 1- 3as set forth below.

1. **TIER 1 LOCAL VENDOR. POMPANO BEACH BUSINESS EMPLOYING POMPANO BEACH RESIDENTS.** A business entity that has maintained a permanent place of business within Pompano Beach and maintains a staffing level, within this local office, of at least 10% who are Pompano Beach residents or has subcontracting commitments to Local Vendors Subcontractors for at least 10% of the value of the contract awarded under this

RFP. The permanent place of business may not be a post office box. The business must be located in a non-residential zone and actually distribute goods or services from that location. The business must be staffed with full-time employees located within Pompano Beach city limits. The business must also have a current business tax receipt from the City for a minimum of one year prior to the date of issuance of this RFP.

2. **TIER 2 LOCAL VENDOR. BROWARD COUNTY BUSINESS EMPLOYING POMPANO BEACH RESIDENTS OR UTILIZING LOCAL VENDOR SUBCONTRACTORS.** A business entity that has maintained a permanent place of business within Broward County and maintains a staffing level, within this local office, of at least 15% who are Pompano Beach residents or has subcontracting commitments to Local Vendors Subcontractors for at least 20% of the value of the contract awarded under this RFP. The permanent place of business may not be a post office box. The business must be located in a non-residential zone and actually distribute goods or services from that location. The business must be staffed with full-time employees located within Pompano Beach city limits. The business must have a current business tax receipt from the respective Broward County municipality for a minimum of one year prior to the date of issuance of this RFP.

3. **LOCAL VENDOR SUBCONTRACTOR. POMPANO BEACH BUSINESS.** A business entity that has maintained a permanent place of business within Pompano Beach. The permanent place of business may not be a post office box. The business must be located in a non-residential zone and actually distribute goods or services from that location. The business must be staffed with full-time employees located within Pompano Beach city limits. The business must also have a current business tax receipt from the City for a minimum of one year prior to the date of issuance of this RFP.

You can view the list of businesses in Pompano Beach that have a current City-issued Business Tax Receipt and locate local businesses available to assist in the performance of the Work. This information, sorted by business use classification, is posted on the webpage for the City's Business Tax Receipt Division by selecting the Pompano Beach Business Directory in the Shop Pompano! Section at pompanobeachfl.gov/pages/dev_svc_btr/btr.

For evaluation purposes, Tier 1 and Tier 2 businesses shall be a criterion for award of this RFP. No business may qualify for more than one tier level. It is the responsibility of the Proposer awarded the contract under this RFP to comply with all Tier 1 and Tier 2 guidelines and ensure all requirements are met before execution of a contract with the City for the Work.

The City shall award a Local Vendor preference as set forth below.

1. Tier 1 business as defined by this subsection shall be granted a preference in the amount of five percent of the total score.

2. Tier 2 business as defined by this subsection shall be granted a preference in the amount of two and one-half percent of the total score.

The City is strongly committed to ensuring the participation of Pompano Beach businesses as contractors and subcontractors for the procurement of goods and services, including labor,

materials and equipment. Proposers are required to participate in the City's Local Business Program by including, as part of their submittal package, the Local Business Participation Form listing the local businesses that will be participate in the Work (Exhibit A) and the Letter of Intent Form from each local business that will participate in the Work for this RFP (Exhibit B).

The required goal for this RFP is 10% for Local Vendor. If a Prime Contractor/Vendor is not able to achieve this goal, they will be requested to provide the Local Business Unavailability Form that identifies businesses that were contacted but not available (Exhibit C) and the Good Faith Effort Report that describes Proposer's efforts to include local business participation (Exhibit D). This documentation shall be provided to the City Commission for review and approval.

The successful Proposer is required to submit "Local Business Subcontractor Utilization Reports" during and after the term of the contract awarded under this RFP, the template and instructions for which are included in the bid document. Failure to meet Local Vendor Goal commitments will result in an "unsatisfactory" compliance rating which may impact award of future City contracts if a sanction is imposed by the City Commission.

V. Miscellaneous Contract Provisions. The contract resulting from this solicitation shall include this RFP, the successful Proposal and the resulting contract prepared by the City Attorney of Pompano Beach. The legal provisions set forth below are representative of some, but not all, of the standard legal provisions to be included in the contract awarded under this RFP.

A. Term. This Contract shall be for a five (5) year term. In the event City determines Proposer performance during the first five-year term is satisfactory, then with both parties' written consent executed with the same formality of this contract, City shall have the option to renew this contract for one (1) additional three (3) year period provided the City gives written notice of its intention to renew six (6) months prior to the end of the first Term.

B. Key Personnel and Manner of Performance. No diversion or substitution of principals or key personnel shall be allowed unless a written request that sets forth the qualifications and experience of their proposed replacement(s) is submitted to and approved by the City in writing. Proposer agrees to perform its duties and obligations under the contract resulting from this RFP in a professional manner and in accordance with all applicable local, federal and state laws, rules and regulations.

Proposer agrees the Work shall be provided by employees or other agents that are educated, trained, experienced, certified and possess and appropriately licensed in all areas encompassed within their designated duties. Proposer agrees to furnish the City with all documentation, certification, authorization, license, permit, or registration currently required by applicable laws or rules and regulations. Proposer further certifies that it and its employees are now in and will maintain good standing with such governmental agencies and that it and its employees will keep all license, permits, registration, authorization or certification required by applicable laws or regulations in full force and effect during the term of this contract. Failure of Proposer to comply with this paragraph shall constitute a material breach of contract.

C. Default and Remedies to Cure Default.

1. Default by Proposer. Proposer acknowledges City is relying on Proposer for the faithful performance of all undertakings and covenants contained herein and that Proposer's expressed professional ability to accomplish same has served as inducement for City to enter into this contract.

An event of default or breach by Proposer shall include, but not be limited to, any of the following: failure of Proposer to perform the Work at any time during the Term; failure of Proposer to obtain the approval of the City where required hereunder; failure of Proposer to perform any requisite covenant, condition or provision contained herein; or Proposer files for bankruptcy or is the subject of insolvency or receivership proceedings.

2. Default by City or Proposer. If either party fails to perform any material covenant, Contract, undertaking or term of this Contract, or if the parties' representations set forth herein are materially untrue or incorrect, then the party alleging default or breach shall give written notice, in which event the party alleged to be in default/breach shall proceed immediately to address the situation and have thirty (30) days cure or resolve same.

If such default or breach is not cured resolved within the foregoing thirty (30) day cure period, the party not in default may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy said default or breach, including, but not limited to, proceedings to compel specific performance; injunctive relief, termination of this contract, and damages for breach of contract.

However, in the event a particularly egregious default or breach poses a threat to persons or property, both parties reserve the right to require the other to take immediate or other such prudent and timely action as is necessary under the circumstances to prevent any such harm or damage from occurring.

D. Termination. City shall have the right to terminate this contract, in whole or in part, without cause upon ninety (90) days advance written notice to Proposer. Such Notice of Termination may include City's proposed Transition Plan and timeline for terminating the Work, requests for certain Work product documents and materials, and other provisions regarding winding down concerns and activities.

In the event of termination, City shall compensate Proposer for all authorized Work satisfactorily performed through the termination date under the payment terms set forth herein and Proposer shall deliver all Work product documents requested by City within thirty (30) days from the Notice of Termination. If any Work hereunder is in progress but not completed as of the date of the termination, then upon City's written approval, this contract may be extended until said Work is completed and accepted by City.

If there is any material breach or default in Proposer's performance of any covenant or obligation hereunder which has not been remedied within thirty (30) days after City's written Notice of Termination, City, in its sole discretion, may terminate this Contract immediately and Proposer

shall not be entitled to receive further payment for services rendered from the effective date of the Notice of Termination.

E. Force Majeure. If either party is unable to perform, or delayed in their performance of any obligations hereunder due to fire, hurricane, earthquake, explosion, war, civil disorder, sabotage, accident, flood, pandemic, acts of nature or any other matter or condition beyond the control of either party which cannot be overcome by reasonable diligence and without unusual expense ("Force Majeure"), such inability or delay shall be excused at any time during which compliance therewith is prevented by such event and during such period thereafter as may be reasonably necessary for either party to correct the adverse effect of the Force Majeure event. In no event shall economic hardship or lack of funds be considered an event of Force Majeure.

In order to be entitled to the benefit of the foregoing provisions, a party claiming an event of Force Majeure shall be required to give prompt written notice to the other party specifying in detail said event and diligently proceed to correct the adverse effect(s) or by the parties' mutual agreement, may reschedule performance of the Work or services to a later date. The parties agree, that to these Force Majeure provisions, time is of the essence.

With regard to the COVID-19 pandemic or similar emergency, Proposer must follow all federal, state, county and City regulations and safety guidelines, including, but not limited to, social distancing and personal protection equipment. Proposer's inability or failure to follow any and all foregoing regulations or safety guidelines shall constitute grounds for City's immediate unilateral termination of this Contract upon written notice to Proposer's Contract Administrator which may be provided via email and subsequently confirmed via certified mail.

F. Indemnification. Except as expressly provided herein, no liability shall attach to the City by reason of entering into this contract.

1. Proposer shall at all times indemnify, hold harmless and defend the City, its officers, officials, employees, volunteers and other authorized agents from and against any and all claims, demands, suit, damages, attorneys' fees, fines, losses, penalties, defense costs or liabilities suffered by the City arising directly or indirectly from any act, breach, omission, negligence, recklessness or misconduct of Proposer and/or any of its agents, officers, or employees hereunder, including any inaccuracy in or breach of any of the representations, warranties or covenants made by Proposer, its agents, officers and/or employees, in performance of the Work.

Proposer agrees to investigate, handle, respond to, provide defense for, and defend any such claims at its sole expense and to bear all other costs and expenses related thereto, even if the claim(s) is/are groundless, false or fraudulent. To the extent considered necessary by City, any sums due Proposer hereunder may be retained by City until all of City's claims for indemnification hereunder have been settled or otherwise resolved, and any amount withheld shall not be subject to payment of interest by City.

For Professional Liability claims, Proposer agrees this indemnification and hold harmless section of the contract shall survive its termination or expiration for a period of four (4) years unless sooner terminated by the applicable statute of limitations. For General Liability claims, Proposer agrees this indemnification and hold harmless section shall survive the contract's termination or

expiration for a period of two (2) years unless sooner terminated by the applicable statute of limitations.

Proposer acknowledges and agrees that City would not enter into this contract without this indemnification of the City by Proposer, and that the City's entering into this contract shall constitute good and sufficient consideration for this indemnification. These provisions shall survive the expiration or earlier termination of this contract.

2. Proposer acknowledges and agrees that City would not enter into this contract without Proposer indemnification of the City. The parties agree that one percent (1%) of the total compensation paid to Proposer hereunder shall constitute specific consideration to Proposer for the foregoing indemnification provisions which shall survive expiration or early termination of this contract.

G. Sovereign Immunity. Nothing in this contract shall be construed to waive or affect in any way the City's rights, privileges and immunities as set forth in § 768.28, Florida Statutes.

H. Non-Assignability and Subcontracting. Nothing herein shall be construed to create any personal liability on the part of any City officer or agent that may be a party hereto, nor shall it be construed as granting any rights or benefits hereunder to anyone other than the City and Proposer.

1. Non-Assignability. This contract is not assignable and Proposer agrees it shall not assign, transfer, merge or otherwise convey any of its interests, rights or obligations hereunder, in whole or in part, to any other person or entity without City's prior written consent which must be sought in writing not less than ninety (90) days prior to the date of any proposed assignment. Any attempt by Proposer to assign or transfer any of its rights or obligations hereunder without first obtaining City's written approval shall not be binding on City and, at City's sole discretion, may result in City's immediate termination of this contract whereby City shall be released of any of its obligations hereunder. In addition, this contract and the rights and obligations herein shall not be assignable or transferable by any process or proceeding in court, or by judgment, execution, proceedings in insolvency, bankruptcy or receivership. In the event of Proposer's insolvency or bankruptcy, City may, at its option, terminate and cancel this contract without any notice of any kind whatsoever, in which event all rights of Proposer hereunder shall immediately cease and terminate.

2. Subcontracting. Prior to subcontracting for Work to be performed hereunder, Proposer shall be required to obtain the written approval of the City's Contract Administrator. If the City's Contract Administrator, in his/her sole discretion, objects to the proposed subcontractor, Proposer shall be prohibited from allowing that subcontractor to provide any Work hereunder. Although Proposer may subcontract Work in accordance with this Article, Proposer remains responsible for any and all contractual obligations hereunder and shall also be responsible to ensure that none of its proposed subcontractors are listed on the *Convicted Vendors List* referenced in accordance with the Public Entity Crimes Act provisions of this contract.

I. Recordkeeping, Inspection, Audit and Public Records Procedures. Proposer shall use such accounting methods and procedures as may be prescribed by City, in accordance with

generally accepted accounting principles, which shall include but not be limited to, those methods and procedures set forth herein or otherwise prescribed by City in the contract awarded pursuant to this RFP. Proposer shall require all subcontractors, insurance agents, material suppliers and other payees to comply with the audit, retention, right to access and Public Records provisions of this subsection by inserting these requirements in any written contract for the Work. Failure to obtain such written contracts to include the requisite provisions shall be reason to exclude some or all of any amounts payable to Proposer under the contract.

1. Right to Audit. Proposer's records shall include, but not be limited to, accounting records and reports; written policies and procedures; computer records, disks and software; videos; photographs; subcontract files, including proposals of successful and unsuccessful bidders; original estimates; estimating worksheets; correspondence; change order files, including documentation covering negotiated settlements; and any other supporting evidence necessary to substantiate charges related to this contract (collectively, "records"). The form of all records and reports shall be subject to approval of the City's Internal Auditor. Proposer shall comply with all recommendations for additions, deletions or other changes requested by the City's Internal Auditor.

All records shall be available for City's inspection and subject to audit and/or reproduction during normal working hours by City's authorized representative to the extent necessary to adequately permit evaluation and verification of any invoices, payments or claims submitted by Proposer or any of its payees pursuant to execution of this contract. Such records subject to examination or audit shall also include, but not be limited to, those records necessary to evaluate and verify direct and indirect costs, including overhead allocations, as they may apply to costs associated with this contract.

For the purpose of such audits, inspections, examinations and evaluations, the City's authorized representative shall have access to said records from the effective date of this contract for the duration of the Work and for three (3) years after the date of City's final payment to Proposer under this contract. City's authorized representative shall have access to the facilities and all records of Proposer and its agents that City, in its sole discretion, deems necessary in order to exercise its examination and audit rights as provided herein. City's authorized representative shall provide reasonable advance notice of intended audits and Proposer and its agents hereunder shall provide City adequate and appropriate workspace to conduct same.

2. Public Records. The City of Pompano Beach is a public agency subject to Chapter 119, Florida Statutes. Proposer shall comply with Florida's Public Records Law, as amended. Specifically, Proposer shall:

a. Keep and maintain public records required by the City in order to perform the service.

b. Upon request from the City's custodian of public records, provide the City with a copy of requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes or as otherwise provided by law.

c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the PROPOSER does not transfer the records to the City.

d. Upon completion of the contract, transfer, at no cost to the City, all public records in possession of the Proposer, or keep and maintain public records required by the City to perform the service. If the Proposer transfers all public records to the City upon completion of the contract, the Proposer shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Proposer keeps and maintains public records upon completion of the contract, the Proposer shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records in a format that is compatible with the information technology systems of the City.

Failure of Proposer to provide the above described public records to the City within a reasonable time may subject Proposer to penalties under § 119.10, Florida Statutes, as amended.

PUBLIC RECORDS CUSTODIAN

IF THE PROPOSER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO PROPOSER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT:

CITY CLERK

100 W. Atlantic Blvd., Suite 253

Pompano Beach, Florida 33060

(954) 786-4611

RecordsCustodian@copbfl.com

J. Familiarity and Adherence to Law and Legal Requirements for the Work. Proposer shall be familiar and comply with, all federal, state and local laws, ordinances, rules and regulations associated with the Work and be responsible for obtaining all requisite permits, licenses, certifications, etc., including complying with all attendant requirements thereunder. Ignorance on Proposer's part shall in no way relieve Proposer from the foregoing responsibility. Proposer shall also adhere to all applicable laws governing its relationship with its employees including, but not limited to, laws, rules, regulations and policies concerning worker's compensation, unemployment compensation and minimum wage requirements.

K. Independent Contractor. Nothing in this contract shall be construed to create a partnership or joint venture between the City and Proposer. It is expressly agreed that in performance of the Work, Proposer, its employees and contractors/subcontractors and the

employees thereof, is and shall be an independent contractor and shall not in any manner be deemed to be an employee, principal or agent of the City. As such, the employees of the Proposer, its contractors/subcontractors and their employees, shall not be subject to any withholding for tax, social security or other purposes by City or be entitled to sick leave, pension benefits, vacation, medical benefits, life insurance, unemployment compensation or the like from City.

All persons engaged in any service or activity as Work hereunder shall at all times and in all places be subject to Proposer's sole direction, supervision and control. Proposer acknowledges it shall have no authority to bind either City to any contractual or other obligation whatsoever.

L. **Governing Law.** This contract shall be interpreted and governed by the laws of the State of Florida. The exclusive venue for any lawsuit arising from, related to, or in connection with this contract shall be in state courts of the Seventeenth Judicial Circuit in and for Broward County, Florida. If any claim arising from, related to, or in connection with this contract must be litigated in federal court, the exclusive venue for any such lawsuit shall be the United States District Court or United States Bankruptcy Court for the Southern District of Florida. BY ENTERING INTO THIS CONTRACT, THE PARTIES HEREBY EXPRESSLY WAIVE ANY RIGHTS EITHER PARTY MAY HAVE TO A TRIAL BY JURY OF ANY CIVIL LITIGATION RELATED TO THIS CONTRACT.

M. **Waiver and Modification.** No waiver made by either party with respect to performance, manner, time or any obligation or condition hereunder shall be considered a waiver of that party's rights with respect to the particular obligation or condition beyond those expressly waived in writing or a waiver of any other rights of the party making the waiver or any other obligations of the other party.

1. **No Waiver by Delay.** The City shall have the right to institute such actions or proceedings as it may deem desirable for effectuating the purposes of this contract provided that any delay by City in asserting its rights hereunder shall not operate as a waiver of such rights or limit them in any way. The intent of this provision is that City shall not be constrained to exercise such remedy at a time when it may still hope to otherwise resolve the problem nor shall any waiver made by City with respect to any specific default by Proposer be considered a waiver of City's rights with respect to that default or any other default by Proposer.

2. **Modification.** Either party may request changes to modify certain provisions of this contract; however, unless otherwise provided for herein, any such changes must be contained in a written amendment executed by both parties with the same formality of this contract.

N. **No Contingent Fee.** Proposer warrants that other than a bona fide employee working solely for Proposer, Proposer has not employed or retained any person or entity, or paid or agreed to pay any person or entity, any fee, commission, gift or any other consideration to solicit or secure this contract or contingent upon or resulting from the award or making of this contract. In the event of Proposer's breach or violation of this provision, City shall have the right to terminate this contract without liability and, at City's sole discretion, to deduct from any compensation due Proposer for the Work hereunder or otherwise recover the full amount of such fee, commission, gift or other consideration.

O. No Conflict of Interest. For purposes of determining any possible conflict of interest, each Proposer must disclose if any Elected Official, Appointed Official, or City employee is also an owner, corporate officer, or an employee of Proposer. If any Elected Official, Appointed Official, or City Employee is an owner, corporate officer, or an employee, the Proposer must file a statement with the Broward County Supervisor of Elections pursuant to § 112.313, Florida Statutes.

P. Attorneys' Fees and Costs. In the event of any litigation involving the provisions of this contract, the prevailing party shall be entitled to recover from the non-prevailing party, reasonable attorney and paraprofessional fees as well as all out-of-pocket costs and expenses incurred in such litigation through all appellate levels.

Q. Equal Opportunity Employment. Proposer agrees not to discriminate against any employee or applicant for employment for work under this Contract because of race, color, religion, sex, age, national origin or disability. This provision shall include, but not be limited to, the following: employment upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of compensation; and selection for training, including apprenticeships.

R. No Third Party Beneficiaries. Proposer and City agree this contract and other contracts pertaining to Proposer's performance hereunder shall not create any obligation on Proposer or City's part to third parties. No person not a party to this Contract shall be a third-party beneficiary or acquire any rights hereunder and nothing herein shall be construed as consent from either party to be sued by third parties.

S. Public Entity Crimes Act. As of the full execution of this contract, Proposer certifies that in accordance with § 287.133, Florida Statutes, it is not on the *Convicted Vendors List* maintained by the State of Florida, Department of General Services. If Proposer is subsequently listed on the *Convicted Vendors List* during the term of this contract, Proposer agrees it shall immediately provide City written notice of such designation in accordance with the notice procedures required under this contract.

A person or affiliate who has been placed on the *Convicted Vendors List* following a conviction for public entity crime may not (1) submit a proposal on a contract to provide any goods or services to a public entity; (2) submit a proposal on a contract with a public entity for the construction or repair of a public building or public work; (3) submit proposals on leases of real property to public entity; (4) be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; (5) transact business with any public entity in excess of the threshold amount provided in Florida Statute, § 287.017, for Category Two for a period of 36 months from the date of being placed on the *Convicted Vendors List*.

T. Counterparts. This contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A photocopy, email or facsimile copy of this contract and any signatory hereon shall be considered for all purposes as original.

U. Approvals. Whenever City approval(s) shall be required for any action hereunder, said approval(s) shall not be unreasonably withheld.

V. Absence of Conflict of Interest. Both parties represent they presently have no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with their performance under this contract and that no person having any conflicting interest shall be employed or engaged by either party in their performance hereunder.

Proposer shall timely notify City in writing of all potential conflicts of interest for any prospective business association, interest or other circumstance that may influence or appear to influence Proposer's judgment or quality of Work hereunder. Said notification shall identify the prospective business interest or circumstance and the nature of work that Proposer intends to undertake and shall request the City's opinion as to whether such association, interest or circumstance would, in the opinion of the City, constitute a conflict of interest if entered into by Proposer.

W. Drug-Free Workplace. Proposers shall maintain a Drug-Free Workplace in accordance with § 112.0455, Florida Statutes.

X. Severability. Should any provision of this contract or the applications of such provisions be rendered or declared invalid by court action or by reason of any existing or subsequently enacted legislation, the remaining provisions of this contract shall remain in full force and effect.

Y. Survival of Provisions. Any terms or conditions hereunder that require acts beyond the date this contract is terminated shall survive said termination and remain in full force and effect unless and until the terms of conditions are completed and be fully enforceable by either party.

Z. Joint Preparation, Binding Effect and Entire Contract. This contract shall be interpreted as being drafted by both parties equally with each party having the opportunity to be represented by counsel of their choice. The benefits and obligations imposed pursuant to this contract shall be binding and enforceable by and against the parties hereto.

This document embodies the entire agreement between the parties and supersedes all prior negotiations, correspondence, conversations, agreements or understandings applicable to the matters contained herein. Both parties agree there are no commitments, agreements or understandings concerning the subject matter of this contract that are not contained in this document and that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.



P-03-21

**Transworld Systems Inc.
Supplier Response**

Event Information

Number: P-03-21
 Title: Debt Collection Services
 Type: Request for Proposals
 Issue Date: 2/2/2021
 Deadline: 4/8/2021 02:00 PM (ET)
 Notes: The City of Pompano Beach ("City") seeks written responses ("Proposals") in response to this solicitation ("RFP") that demonstrate the Proposer is qualified to provide comprehensive turnkey debt collection services for all receivables due and owing the City in accordance with all applicable laws, the highest professional standards and cost-effective methods (the "Work").

The City is customer service oriented and firmly believes in a positive approach in dealing with debtors. The successful Proposer shall exercise high ethical standards in their collection philosophy and techniques and perform the Work in a professional manner that preserves the dignity of the City. The City prohibits any collection practices that be may be considered harassment or demeaning or that otherwise reflect poorly on the City.

In order to view RFP documents and submit a Proposal, all Proposers must register on the City's eBid System at <https://pompanobeachflionwave.net/CurrentSourcingEvents.aspx>. The

Proposer is solely responsible for downloading all documents required under the RFP and the City is not responsible for the accuracy or completeness of any documents received from any source other than the eBid System.

Contact Information

Contact: Jill Press
Address: Purchasing
1190 NE 3rd Avenue
Building C
Pompano Beach, FL 33060
Phone: 954 (786) 4098
Email: purchasing@copbfl.com

Transworld Systems Inc. Information

Address: 500 Virginia Drive
Suite 514
Fort Washington, PA 19034
Phone: (215) 441-3000

By submitting this Response I affirm I have received, read and agree to the all terms and conditions as set forth herein. I hereby recognize and agree that upon execution by an authorized officer of the City of Pompano Beach, this Response, together with all documents prepared by or on behalf of the City of Pompano Beach for this solicitation, and the resulting Contract shall become a binding agreement between the parties for the products and services to be provided in accordance with the terms and conditions set forth herein. I further affirm that all information and documentation contained within this response to be true and correct, and that I have the legal authority to submit this response on behalf of the named Supplier (Offeror).

Thomas J Mitchell

Signature

Submitted at 4/2/2021 11:33:44 AM

thomas.mitchell@tsico.com

Email

Requested Attachments

T1/T2 Form

Pompano Beach 2021 T1 T2 Form.pdf

Upload to Response Attachment Tab

Proposal

TSI Response to RFP P-03-21 Debt Collection Services for City of Pompano Beach.pdf

Upload to Response Attachment Tab

Financial Statwement

TSI 2020 Financial Statements.pdf

Upload to Response Attachment Tab and mark "Confidential"

Bid Attributes

1 Terms & Conditions

Check the box indicating you agree to the terms and conditions of this solicitation.

2 Acknowledgement of Addenda

Check this box to acknowledge that you have reviewed all addenda issued for this solicitation.

3 Local Business

Is your company a Local Business located within the City of Pompano Beach City Limits as required by the Local Business Program? (A copy of your current City of Pompano Beach Business Tax Receipt may be requested.)

4 Conflict of Interest

For purposes of determining any possible conflict of interest, all bidders must disclose if any City of Pompano Beach employee is also an owner, corporate officer, or employee of their business. Indicate either "Yes" (a City employee is also associated with your business), or "No". (Note: If answer is "Yes", you must file a statement with the Supervisor of Elections, pursuant to Florida Statutes 112.313.) Indicate yes or no below with the drop down menu.

5 Drug-Free Workplace

Whenever two or more bids which are equal with respect to price, quality, and service are received for the procurement of commodities or contractual service, a bid received from a business that certifies that it has implemented a Drug-free Workplace Program shall be given preference in the award process. If bidder's company has a Drug-free Workplace Program as outlined in General Conditions, section 32., indicate that by selecting yes in the drop down menu.

6 Extension of prices, terms and conditions to other governmental entities

If awarded the contract resulting from this bid, will your company agree to extend the same prices, terms and conditions to other governmental entities? (Note -- Optional, agreement not required for contract award.) All Purchases made by other governmental entities shall be understood to be transactions between that entity and the awarded vendor; the City of Pompano Beach shall not be a party to or be responsible for any such purchases. Indicate by selecting yes or no from the drop down menu.

7 Vendor Certification Regarding Scrutinized Companies Lists (Any Dollar Amount)

Section 215.4725, Florida Statutes, prohibits agencies from contracting (at any dollar amount) with companies on the Scrutinized Companies that Boycott Israel List, or with companies that are engaged in a boycott of Israel. As the person authorized to electronically sign on behalf of Respondent, I hereby certify by selecting the box below that the company responding to this solicitation is not listed on the Scrutinized Companies that Boycott Israel List. I also certify that the company responding to this solicitation is not participating in a boycott of Israel, and is not engaged in business operations in Syria or Cuba. I understand that pursuant to sections 287.135 and 215.4725, Florida Statutes, the submission of a false certification may subject company to civil penalties, attorney's fees, and/or costs. Select yes for Agree, No for disagree on the drop down menu.



tsi

BUSINESS PROPOSAL FOR

CITY OF POMPANO BEACH



**REQUEST FOR PROPOSALS P-03-21
DEBT COLLECTION SERVICES**

Transworld Systems Inc.
500 Virginia Drive, Suite 514,
Fort Washington, PA 19034
FEIN: 94-1728881

Primary contact: TJ Mitchell
Title: RFP Marketing Manager
Contact number: (773) 744-9864
Email address: Thomas.Mitchell@tsico.com

Due April 8, 2021

COMPLETE THE PROPOSER INFORMATION FORM ON THE ATTACHMENTS TAB IN THE EBID SYSTEM. PROPOSERS ARE TO COMPLETE THE FORM IN ITS ENTIRETY AND INCLUDE THE COMPLETED FORM IN YOUR PROPOSAL THAT MUST BE UPLOADED TO THE RESPONSE ATTACHMENTS TAB FOR THE RFP IN THE EBID SYSTEM.

PROPOSER INFORMATION PAGE

RFP _____, P-03-21 Debt Collection Services
(number) (RFP name)

To: The City of Pompano Beach, Florida

The below named company hereby agrees to furnish the proposed services under the terms stated subject to all instructions, terms, conditions, specifications, addenda, legal advertisement, and conditions contained in the RFP. I have read the RFP and all attachments, including the specifications, and fully understand what is required. By submitting this proposal, I will accept a contract if approved by the City and such acceptance covers all terms, conditions, and specifications of this proposal.

Proposal submitted by: 

Name (printed) Joel Petersen Title Chief Revenue Officer

Company (Legal Registered) Transworld Systems Inc.

Federal Tax Identification Number 94-1728881

Address 500 Virginia Drive, Suite 514

City/State/Zip Fort Washington, PA 19034

Telephone No. 917-855-1864 Fax No. N/A

Email Address Joel.Petersen@tsico.com



Table of Contents

TABLE OF CONTENTS	1
TRANSMITTAL LETTER/EXECUTIVE SUMMARY	3
PROFESSIONAL EXPERIENCE, QUALIFICATIONS AND REFERENCES	5
TSI'S AMHERST, NEW YORK OFFICE	5
COMPANY HISTORY	7
COMPANY OVERVIEW	7
GOVERNMENT SERVICES EXPERIENCE	8
TSI'S INVOLVEMENT IN LEGAL PROCEEDINGS	12
COLLECTING EARLIER IN THE DELINQUENCY STAGE	12
ENHANCING CITY'S LIQUIDATION RATES - COLLECTX ANALYTICS PLATFORM	12
GOVERNMENT COLLECTION EXPERIENCE	14
DEBT COLLECTION SERVICES FOR GOVERNMENT ENTITIES	14
TSI KEY MANAGEMENT PERSONNEL	15
ACCOUNT GOVERNANCE	22
FINANCIAL STATEMENTS AND SERVICE ORGANIZATION CONTROLS	23
PROPOSED APPROACH AND METHODOLOGY TO WORK	24
COLLECTION METHODS	24
WORK STANDARDS	28
CITY RESOURCES REQUIRED TO SUPPORT IMPLEMENTATION	40
COLLECTION FEE	45
REFERENCES	46
INSURANCE REQUIREMENTS	48
MISCELLANEOUS TERMS AND CONDITIONS	51
EXHIBIT A: TSI SOC 2 TYPE I REPORT	52
EXHIBIT B: SAMPLE REPORTS	53
EXHIBIT C: SAMPLE LETTERS	54



The information contained herein is confidential and for the sole use of the person(s) to whom it is delivered. It may not be reproduced in whole or in part to anyone else, without the express written permission of TSI. Such permission also must be obtained prior to discussing the contents hereof with any person other than TSI.





Transmittal Letter/Executive Summary

March 26, 2021



Purchasing Divisions
1190 NE 3 Avenue
Pompano Beach, FL 33060

To whom it may concern,

Transworld Systems Inc. (TSI) appreciates the opportunity to present this proposal to the City of Pompano Beach ("City") in response to the Request for Proposals P-03-21 for Debt Collection Services. We understand that the City is seeking to partner with an experienced, reputable agency to enhance recovery performance for amounts owed to the City.

TSI's Commitment to Service Excellence for the City

TSI understands how to perform the City's daily business requirements as we strive to assist the City's debtors resolve their unpaid debts with the utmost respect and compassion. With proven and demonstrable experience to support the City's proposed services, we are able to meet the RFP's requirements in all areas. Our best practices will facilitate higher recovery rates, greater liquidity, and increased cash flow. We deliver small-company responsiveness backed by large-company operations, compliance, and security.

TSI Qualifications

TSI is the best partner for the City based upon our qualifications:

- ✓ **Experience:** 50 years of collecting all types of accounts for government agencies
- ✓ **Pricing:** We deliver the best value - A competitive price, combined with maximizing collections
- ✓ **People:** The City's dedicated TSI team brings more than 100 years of combined experience to this project. We will leverage our Government Center of Excellence and our highly trained, experienced government team to deliver strong recoveries while treating your debtors with respect.

In addition to these key strengths, TSI will leverage our exceptional technology by using:

- Advanced scoring algorithm that directs work efforts based on propensity to pay
- Extensive skip-tracing capabilities to locate debtors quickly
- Automated compliance rules featuring speech analytics
- Predictive dialing technology to increase call performance and compliance
- FISMA-compliant information security to protect the data of the City and its debtors
- A robust portal for the City to access reporting

As required, TSI states that the Proposal is a firm and irrevocable offer for a 90 day period from the closing date of the RFP.

This proposal clearly demonstrates TSI's credentials and qualifications to successfully support the City's collection efforts. Leveraging specialized knowledge, tools, and processes, TSI delivers superior recovery performance in compliance with federal, state, and local regulations. Our best practices will facilitate higher recovery rates, greater liquidity, and an increase in the City's revenue stream.



I attest to the proposal's accuracy and will serve as the individual authorized to contract with the City and execute binding legal documents; however, to provide expedient communication with the City, TJ Mitchell, RFP Marketing Manager, will serve as the central point of contact during the procurement process. He can be contacted at 773-744-9864 or via email at Thomas.Mitchell@tsico.com.

Regards,

A handwritten signature in blue ink, appearing to read "JP", with a horizontal line extending to the right.

Joel Petersen

Chief Revenue Officer

Transworld Systems Inc.

500 Virginia Drive, Suite 514, Fort Washington, PA 19034

917-855-1864/ Joel.Petersen@tsico.com



Professional Experience, Qualifications and References

State whether the Proposer is a national, regional or local firm and the location from which the Work is to be performed. Provide a brief history of Proposer's background and expertise providing similar debt collection services and how that experience will be utilized to perform the Work along with any other information that Proposer deems relevant to demonstrate its qualifications for the Work.

TSI'S AMHERST, NEW YORK OFFICE

AMHERST, NY



BY THE NUMBERS

17,000 sq. ft.

FACILITY

111

SEATS



SITE SUMMARY	
Services	1st and 3rd party consumer debt collection, Customer service support
Languages	English, Spanish
Demographics	Skilled, experienced, educated, bilingual workforce
Security	24-hour security, CCTV, badge/swipe access control
Protected Redundancy	UPS and Generator back-up for power outages
Facility	Building solely occupied by TSI personnel

TSI plans to provide collection services from our Center of Excellence in Amherst, New York.

Our Amherst site is a 29,400 square-foot facility with the capacity, management, information systems, and telephony support necessary to accommodate the needs of the City's debt collection services. It is equipped with highly advanced automated dialing systems, and telephony systems, including the ability to record all calls. An onsite generator provides backup electric power in case of an emergency, such as a weather-related incident.

Within the Amherst location, the City work will be performed in a secure physically segregated and dedicated City space, which will be outfitted with CCTV and badge/swipe access control. Access to the workspace will



be granted on a need-to-know basis; that is, only the dedicated resources assigned to support the City will gain entry. TSI will also provide adequate workspace within the dedicated area for the City's vendor program administrator.

This modern, 89,000 square-foot facility offers the following technological and operational advantages that benefit the City:

- High-speed predictive telephone dialers
- The most technically proficient telephone switching gear and long-distance equipment
- Full power backup generator
- Highly structured environment
- Low attrition rate
- Customer service experience
- Mission is to provide the highest quality support to our customers
- Average Tenure:
 - Representatives – 5 years
 - Supervisors – 16 years

Facility

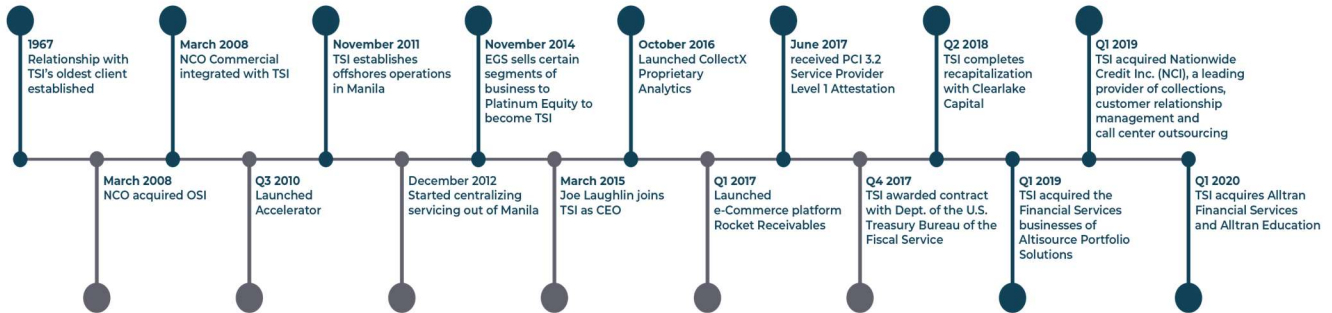
-
- Current build out capacity of 29,400 sq. ft.
 - Seating capacity is 140 seats
 - 76 seats are occupied with 64 currently available
 - Building solely occupied by TSI personnel
 - Current services provided
 - Customer service support
 - 1st & 3rd party consumer debt collection

Location

-
- Established 1st and 3rd party call center
 - Skilled, experienced, educated, bilingual workforce
 - 100% of office on protected generator for emergency or weather-related events
 - 24 hour security, CCTV badge/swipe access control

COMPANY HISTORY

TSI was founded on November 5, 1970 and has over 50 years of combined ARM experience. Headquartered in Fort Washington, Pennsylvania, and with an executive office in Lake Forest, Illinois, TSI is a wholly-owned subsidiary of parent holding company Aston Acquisition Corporation, a privately-held corporation. Our TSI is the result of the sale of multiple collections of business units in 2014 from Expert Global Solutions, the parent company of NCO Financial Systems. NCO was founded in 1926 and incorporated in 1966. The company began operating under the name NCO Financial Systems, and in 2008, NCO purchased competitor OSI (Outsourcing Solutions Inc.). See the below historical timeline for details.



Given our strong financial position, we are always in the market and exploring the potential acquisition of companies that will allow us to expand our servicing offerings. Below is a summary of the acquisitions TSI has successfully completed within the last three years:

- March 2018 - Acquired client relationships of Progressive Financial Services, Inc.
- March 2019 – Acquired the Financial Services businesses of Altisource Portfolio Solutions, including the acquisition of Nationwide Credit Inc.
- May 2019 - Acquired client relationships of Credit Bureau of Lancaster County, Inc.
- June 2019 - Acquired client relationships of NCC Business Services, Inc.
- July 2019 - Acquired the shares of Nationwide Credit, Inc. and Polyplay Solutions Private Limited and certain client relationships and assets from Altisource S.a. r.l and its subsidiaries
- January 2020 - Acquired Alltran Financial Services and Alltran Education. Alltran is a first and third-party accounts receivable management and collections solutions provider to the financial services, auto finance, and consumer finance industries.

COMPANY OVERVIEW

Transworld Systems Inc. (TSI) is a leading global provider of analytics-driven accounts receivable management, debt collection, healthcare revenue cycle, loan servicing solutions, and business process outsourcing services. Founded in 1970, TSI draws from nearly 50 years of experience across all industries.

Headquartered in Fort Washington, Pennsylvania, and with an executive office in Lake Forest, Illinois, TSI operates a network of 28 locations with over 5,000 employees and is licensed (as required) to do business in all 50 states. Our portfolio contains more than \$20 billion in debt collections, and we collected more than \$725 million in 2020 across 23 million accounts.

We are a multi-dimensional company that serves a wide array of vertical markets, comprised of industry experts, functional leaders, an engaged leadership team, and a cadre of ARM specialists. While we represent a diversity of experiences and backgrounds, we all share a single-minded focus: improving the financial lives of businesses, institutions, and people.

As an established and professional collections firm, TSI drives recovery results for clients across the United States. We deliver nationwide coverage through a robust network of regional and offshore operational locations. TSI's size and standing as one of the industry's largest collection agencies are tempered by personalized account management at the local level.

TSI's relevant experience is unmatched:

- Nationwide coverage
- More than 47 years of tax collections experience with government contracts
- 39 years of Individual and Business tax experience
- Almost 3 decades of court collections experience
- 2 decades of managing and processing bankruptcy cases
- A network of regional operations offices across the United States that serve government clients
- Staff with prior government tax collection experience

TSI offers the City a sound foundation from which we are able to sustain optimal industry standards, as well as invest in multilevel next-generation capabilities to further recovery performance for our clients.

GOVERNMENT SERVICES EXPERIENCE

TSI Government Services is solely dedicated to partnering with and meeting the needs of public-sector clients. In 2020, we achieved collections of over \$1.4 Billion for government clients from more than 9 Million placements. This volume attests to the confidence that our clients have in our ability to recover funds in a timely and efficient manner that complies with applicable regulations. Our Government Services include:

- Data entry
- Document imaging and editing
- Facilities management
- Litigation services – wage garnishment and bank levies
- Lockbox payment processing
- Multi-lingual staffing and letters
- Pre-default collection services
- Post-default collection services

TSI By-the-Numbers





- Receivables management and collection services
- Skip-tracing - location services (phone, address, employment, etc.)
- Tax amnesty programs
- Tax returns processing

1. Provide a detailed description of any past or current or future government or other contracts similar in scope to the Work being requested herein which Proposer is currently performing or has completed and include the following information for each contract: client name, address, email and telephone number; the contract period, scope, collection fee and average success rate; the name and contact information for an individual who can attest to Proposer's performance therein; and clarify whether Proposer was the prime contractor or a sub-contractor.

Please refer to the [References](#) section of this proposal on page 46 for details.

2. Discuss familiarity with state and federal laws governing the Work specific to each category of City receivables as described above, citing all applicable laws governing the City's ability to collect on said debts. Be sure to discuss any known legal issues limiting the City's ability to pursue collections to demonstrate your understanding of the legal issues governing these matters and provide any technical or practical limitations for collection of the various receivable categories (e.g. a recommended minimum dollar threshold for referring accounts for collections, etc.).

TSI will protect the City's brand from expensive violations and a tarnished reputation in the community by promoting respectful and compassionate customer service and interaction.

TSI certifies that every attempt to collect the City's debts will be in strict compliance with all applicable federal, state, and local laws and regulations. TSI has an independent compliance and audit function to provide checks and balances and unbiased oversight of service quality and adherence to FDCPA by monitoring collector-debtor interactions and conducting audits to identify areas in need of quality improvement. Our dedicated Compliance Department, consisting of 65 experienced professionals, operationalizes best practices as recommended by the regulatory agencies charged with debtor protection. **We believe that no other organization has made this level of commitment to ensuring its collections practices meet client expectations and regulatory compliance.**

The following chart includes the primary government regulations TSI is required to observe when performing recovery services. Accountability for adherence to these regulations is achieved through a multi-layered model, by department:

- Compliance identifies new regulations or changes in existing regulations and provides direction on compliance.
- Learning Management Services develops and implements related training and supporting procedures or job aids.
- Information Technology configures platforms to support compliance.
- Operations ensure compliance by collectors on a day-to-day basis.
- Centralized Call Quality Monitoring, Consumer Affairs, and Compliance perform audit/quality assurance to further ensure compliance and require remediation as necessary.

Regulation	TSI Compliance Areas
Fair Debt Collection Practices Act (FDCPA)	Rights of debtors and penalties/remedies for violations



Fair Credit Reporting Act (FCRA)	Proper collection, dissemination, and use of debtor information, including debtor credit information
Fair Credit Billing Act (FCBA)	Protection of debtors from unfair billing practices and mechanisms for addressing billing errors in open-end credit accounts
Fair and Accurate Credit Transactions Act (FACTA)	Identity theft prevention and credit history restoration (red flag rules)
Telephone Consumer Protection Act (TCPA)	Proper use of automatic dialing systems, artificial/prerecorded voice messages, SMS text messages, and fax machines, as well as provisions related to identification/contact information contained in messages
Consumer Financial Protection Bureau (CFPB)	Consumer protection in the financial sector related to abusive debt collection practices
Gramm-Leach-Bliley Act (GLBA)	Provision of privacy notices at the time the debtor relationship is established and annually thereafter; explains the information collected about the debtor, where that information is shared, how that information is used, and how that information is protected
Regulation P	Annual privacy notification required by financial institutions
Equal Credit Opportunity Act	Anti-discrimination regulations regarding credit transactions
Bank Secrecy Act	Detection and prevention of money laundering
USA Patriot Act with respect to BSA/AML/OFAC AML laws	Preventing money laundering to be used for terrorism
Health Insurance Portability and Accessibility Act (HIPAA) and Health Information Technology for Economic and Clinical Health Act (HITECH)	Privacy and security of individually identifiable health information
Service Members Civil Relief Act	Protection for those in active military service from being sued (also includes protection for up to a year after active duty)
Identity Theft Protection Act	All types of crime in which someone wrongfully obtains and uses another person's personal data in some way that involves fraud or deception, typically for economic gain
Electronic Funds Transfer Act (EFTA) and Regulation E	Rules and procedures for electronic funds transfers
Payment Card Industry (PCI) standards	Information security standards regulating credit card transactions
National Automated Clearinghouse Association (NACHA)	Governance of electronic movement of money and data

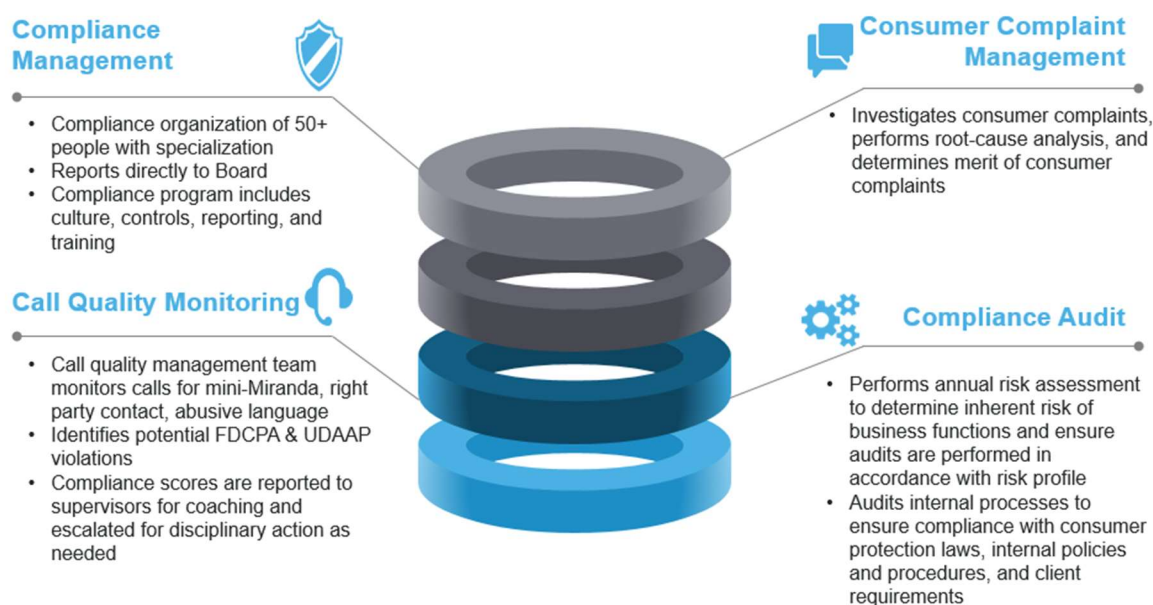
TSI's Compliance Management System (CMS) framework encompasses four key areas:

- Compliance program
- Call quality monitoring
- Consumer complaint management
- Compliance auditing

TSI's CMS is overseen by executive leadership, driving compliance adherence through a top-down methodology.

Multi-Channel Compliance & Governance

TSI's compliance controls, technology, expertise and management minimizes legal, regulatory, and reputational risk for our clients and protects consumers.



TSI's commitment to compliance reflects our culture of "treating the consumer the way we would want to be treated." We have in place, and update as necessary, policies, procedures, and restraints that our employees are required to adhere to while performing collection activities to ensure compliance with all applicable federal and state laws and regulations. Some examples of our current regulatory policies and procedures include:

- Initial and ongoing training and testing of collection personnel regarding regulatory compliance
- Annual governance and security awareness training for all employees
- Recording of all collection and customer service calls
- Monitoring and feedback to staff by collection supervisors and call quality monitoring specialists
- Use of speech analytics technology for automated call monitoring
- Review of collection notices for compliance
- Licensing and bonding in all jurisdictions nationwide where required
- Automated controls built into our collection system to comply with call hours and frequency and approved letter timing and type
- Automated controls built into our dialer platform for TCPA and state-specific compliance
- A hotline and website for debtor questions or concerns, supported by a dedicated team of agents
- A compliance hotline for employees to report suspected misconduct



- A proven and efficient customer complaint and dispute handling process

TSI maintains high standards of service and abides by the code of ethics and professional responsibility of the ACA International.

TSI's Involvement in Legal Proceedings

Given the nature of the industry, TSI is involved in legal proceedings in the ordinary course of conducting business.

The majority of these matters are not considered material in nature and, where appropriate, we notify our insurance carriers of such matters. Our management, compliance, and legal teams take all complaints, demands, inquiries, and lawsuits seriously, and we have a strong Compliance Management System (CMS) in place to limit and mitigate any such matters. With that said, it is the policy of TSI not to disclose any particulars of lawsuits that may have been brought against us because of the sensitive nature of the information involved to the consumers and our other clients; however, our team would be happy to set up a call to discuss our policies and processes in this area and to outline our current CMS. We feel confident that we can answer any questions you might on this topic. Our commitment to our CMS and ensuring we operate in a manner compliant with applicable laws helps us earn the trust of our clients.

COLLECTING EARLIER IN THE DELINQUENCY STAGE

Understandably, accounts aged over 3 to 4 years pose some challenges in terms of recovery. As accounts increase in age, so do the inherent risks associated with an increase in disputes and compliance-related issues. TSI has a unique, analytically driven collection strategy that works to maximize collections while minimizing debtor disputes and possible compliance concerns related to inaccurate client contact attempts.

TSI's CollectX analytics combined with industry-leading skip tracing techniques constantly dictates a real-time strategy that maximizes client contact and liquidation. CollectX ensures that we are focusing efforts on the most highly contactable debtors who have the ability to pay. This strategy maximizes payments while minimizing compliance and dispute issues that often come with collecting on aged accounts. Throughout the process, a high level of service and support is provided to City debtors as we move toward resolving their outstanding receivables.

ENHANCING CITY'S LIQUIDATION RATES - COLLECTX ANALYTICS PLATFORM

TSI's CollectX predictive analytics platform will drive higher recovery rates for the City by scoring accounts dynamically and focusing resources on those that have the highest statistical probability of liquidation. Tested against proprietary scores available in the market, CollectX's scoring engine has shown 400% more productivity. The result: we identify who can pay now and who is least likely to pay, resulting in a higher liquidity rate in less time.

Recoveries see an immediate boost by focusing efforts on the accounts that will liquidate at the highest rate the soonest. Then, using targeted recovery strategies and tactics, more difficult accounts get the attention they require. TSI has successfully deployed CollectX scoring to increase liquidity for our educational and government portfolios; The City is well-positioned to benefit from the expansion of this strategy.

3. Provide a list of all clients that terminated your services in the past five (5) years and the reason



for termination. If not applicable, please provide a statement to that effect.

TSI has not been in any contract related to the proposed services/products that has been terminated on the basis of a breach or default.

- 4. Describe any prior or pending litigation or investigation, civil or criminal, in which Proposer or any of its employees, sub-contractors or other agents are or have been involved with in the past five (5) years while in the performance of their duties for Proposer, including the status/outcome.**

During the past 5 years, TSI has not been subject to any litigation or regulatory findings that would affect our ability to meet the obligations under this agreement.

Please refer to the [TSI's Involvement in Legal Proceedings](#) section of this proposal on page 12 for details.

- 5. Describe and explain any prior complaints (both substantiated and inconclusive) filed with any governmental, professional or regulatory agency against Proposer and any of its key personnel in the past five (5) years, including the status/outcome.**

From time to time, consumer claims are alleged against the company and settled. TSI does not believe these matters are meritorious. The vast majority of the matters include incorrect allegations, and, once researched, the cases are resolved for a fraction of the defense costs, or dismissed by motion. TSI is covered for such claims under various insurance policies. None of the matters are material to the operation of the business and none will affect the financial condition, results of operations, or performance of work.

6. Describe any other relevant experience related to the Work.

GOVERNMENT COLLECTION EXPERIENCE

For nearly 50 years, TSI has provided collection services to the states of Alaska, Colorado, Connecticut, Delaware, Florida, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Minnesota, Missouri, Montana, New Hampshire, Oklahoma, South Carolina, Texas, Utah, and Wisconsin, plus the City of Los Angeles. TSI currently manages roughly 347,000 annual placements for city and county government parking and moving violations including red light camera and speed enforcement system-related infractions.

TSI has extensive experience with both first-party and third-party collections and a proven ability to process large account volumes. Our liquidation (collection success) rates are as high as 45%, depending on debt type and age. The experienced knowledge, expertise, best practices, and improvements that we continuously test and develop with other government clients can be shared to improve collection results, productivity, efficiency, and customer service.

DEBT COLLECTION SERVICES FOR GOVERNMENT ENTITIES

As depicted below, TSI drives recovery results for government clients across the United States – including agencies at the municipal, county, state, and federal levels. Importantly, TSI’s size and standing as one of the industry’s largest collection agencies is tempered by personalized account management at the local level. The chart below lists our major government clients; however, confidentiality requirements preclude us from providing contact information within this proposal.



DEEP DOMAIN EXPERIENCE

- Leading supplier for state and municipal government B2B and B2C collection
- 47 years of government collection experience for more than 30 cities, states, and agencies
- Handles over 12MM constituent contacts every year
- 20+ dedicated government subject matter experts
- Member of Federal Tax Administrators, Government Revenue Collection Association, National Center for State Courts, and International Association for Court Administrators

Municipal and County Client Partners	
<ul style="list-style-type: none"> • City of Boulder Municipal Court, NV • Chesterfield County, VA (all agencies) • Hampton Roads Sanitation, VA • City of Henderson Municipal Court, NV • Kane County District Court, WA • City of Jacksonville, FL • City of Long Beach, CA • City of Los Angeles, CA • City of Las Vegas District Court, NV • City of Macon, GA • Miami-Dade County, FL (all agencies) • Multnomah County, OR 	<ul style="list-style-type: none"> • Northampton County, VA (all agencies) • City of Philadelphia, PA • Pierce County Department of Finance, WA • Pierce County District Court/Juvenile Division, WA • Polk County, OR • Prince William County Service Authority, WA • Sacramento Municipal Utility District 1, CA • City and County of San Francisco, CA • City of Santa Monica, CA • City of Seattle, WA • City of Tacoma Municipal Courts, WA • Wayne County, OH
State Client Partners	

<ul style="list-style-type: none"> • Arizona Department of Revenue • Connecticut Department of Revenue • Delaware Department of Revenue • Florida Department of Financial Services • Florida Department of Revenue • Georgia State Road and Tollway Authority 	<ul style="list-style-type: none"> • Illinois Department of Revenue • Iowa Department of Revenue • Maine Revenue Services • Oregon Department of Administrative Services • Utah Office of State Debt Collection • Commonwealth of Virginia • Wisconsin Department of Revenue
Federal Client Partners	
<ul style="list-style-type: none"> • U.S. Army Air Force Exchange Service (AAFES) • U.S. Department of Health and Human Services 	

7. List any prior projects performed for the City.

TSI has not conducted any prior projects for the City of Pompano Beach.

8. Key Personnel. The phrase "key personnel" includes Proposer's principals, managers, employees and subcontractors proposed to perform the Work. Describe Proposer's organizational structure showing all key personnel who will perform the Work; provide their resumes, level of involvement, field of expertise; include any honors, awards or other professional recognition received; and clearly identify whether they are Proposer's employees or a subcontractor.

TSI KEY MANAGEMENT PERSONNEL

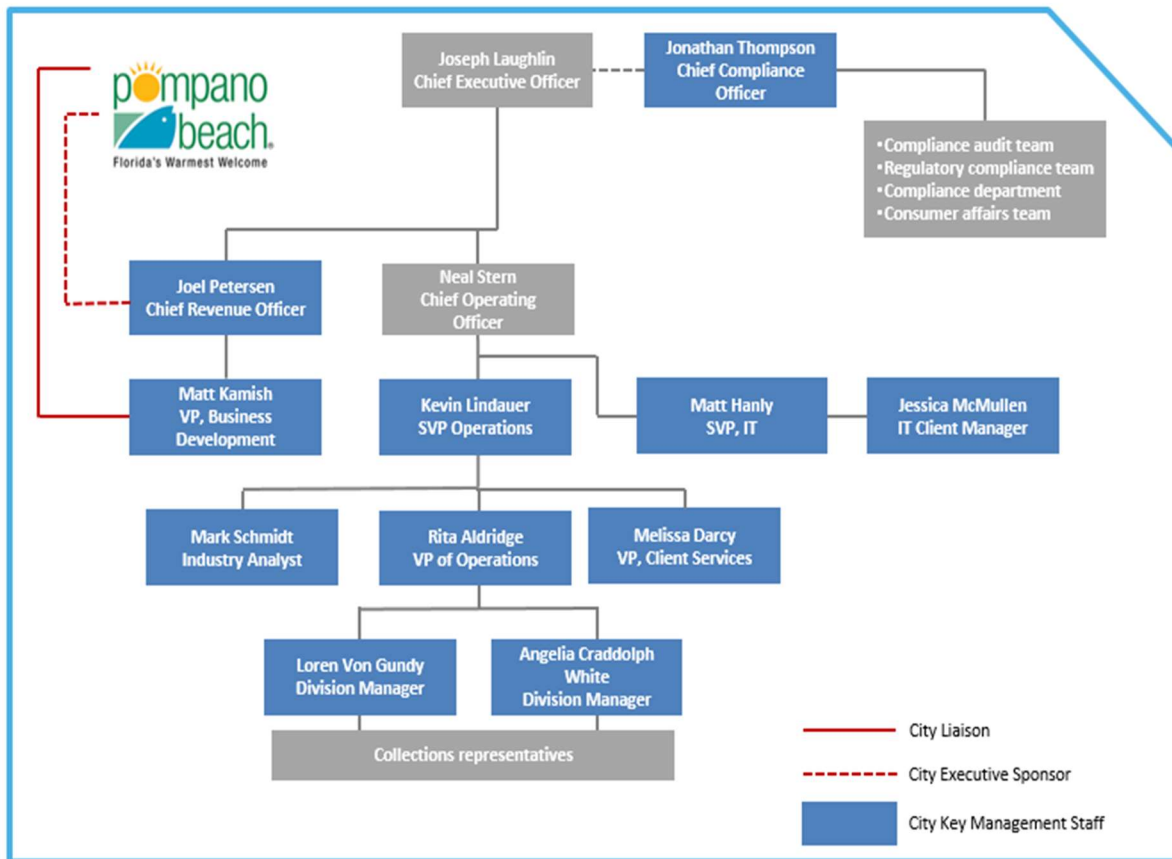
TSI offers the City extensive industry and company talent to manage and support its programs – close to 200 combined years of collections and receivables management knowledge and experience. This type of expertise provides the City with an expansive knowledge base and extensive thought leadership capabilities. The following table highlights the remarkable talent that will serve on the implementation team as well as continue to play key roles in managing the City's portfolio. Several members of this team are involved in every government implementation performed at TSI. All key staff members are current TSI employees. Due to the long tenure of key management personnel at TSI, current resumes are not available; however, we are providing corporate bios for each individual including relevant qualifications and experience.

Role in Contract	Name	Title	Years of Relevant Experience
Account Manager - Sales	Matt Kamish	VP, Business Development	23
Senior operational oversight	Kevin Lindauer	SVP Operations	29
Overall operational responsibility for contract performance	Rita Aldridge	VP of Operations, Government Services	17
Collection team supervision	Loren Von Gundy	Division Manager, Government Services	11



Collection team supervision	Angelia Craddolph White	Division Manager, Government Services	11
Senior oversight of client services and payment processing	Melissa Darcy	VP Client Services	20
Senior oversight of IT functions	Matt Hanly	Senior Vice President, IT	21
IT support and implementation management	Jessica McMullen	IT Client Manager	23
Data analysis	Mark Schmidt	Industry Analyst	21
Compliance oversight	Jonathan Thompson	Chief Legal and Compliance Officer	22

Below is an **organizational chart** that displays the level of responsibility of key staff members.



We know that timely, honest, and ongoing communication with the City will be critical to the success of its collections program. The City will work closely with **Matt Kamish, Vice President of Business Development**, who will serve as the contract manager and the liaison between the City and TSI's cross-functional internal teams to ensure timely and successful delivery of collections services.



The City Primary Contact

Matt Kamish – VP, Business Development

Matt joined TSI in the Financial Services Division as VP Business Development in early 2017. As a highly accomplished and focused sales management executive, he brings valuable industry experience in managing complex partnerships, and vast knowledge of the customer experience and ARM BPO space. Matt has worked for many of the industry's top BPO companies for over 23 years in various business development and client-facing roles. He has expertise in customer care, receivables management, technical support, and Omnichannel solutions. His primary focus is in both 1st and 3rd party recovery programs for financial institutions, including fin-tech companies, traditional financial institutions, and auto finance companies both captive and non-captive. Matt will work closely with the operations and customer service teams to ensure the City's expectations are exceeded.

Matt received his Bachelor of Science degree in Business Administration and Finance from Central Michigan University.

Executive Team

Joe Laughlin – Chief Executive Officer

An operating executive with experience in retail and commercial banking, financial technology, payment systems, and private equity, Joe Laughlin is focused on building the management team, strengthening the TSI culture, and implementing our business strategy. Prior to joining TSI, he was a senior advisor to Flexpoint Ford LLC, a large private equity investment firm specializing in financial services and healthcare. Earlier in his career, Mr. Laughlin worked for the United States Treasury on the savings and loan bailout as a special assistant in the Director's Office for the Office of Thrift Supervision. He was also the founder and CEO of a technology company, Global NetXchange LLC (GNX), a pioneer and leading business-to-business solutions provider to the global retail industry. His prior retail experience includes senior vice president of corporate finance and business development for Sears Roebuck and Company, where he was responsible for banking operations, corporate finance, treasury, business development, and mergers and acquisition. Mr. Laughlin holds an MBA in Finance and Investments from George Washington University, a BA in Economics and Finance from The Catholic University of America, and a graduate degree in Banking from the Stonier Graduate School of Banking.

Joel Petersen – Chief Revenue Officer

As TSI's Chief Revenue Officer, Joel Petersen is responsible for sales, customer relationship management and revenue for TSI. In this capacity, Joel leads Enterprise Sales, the Strategic Account Management, Commercial B2B, Telesales, SME, the Independent Consultant Sales Network and Marketing.

Having been with TSI since 2015, Joel previously served as General Manager for TSI's loan servicing company, University Accounting Service where he was responsible for all aspects of the company including strategic direction, operations, sales, and P&L. He brings a strong global financial services and capital markets background. Mr. Petersen has a deep operational skillset, with extensive leading the implementation and design of complex projects. Prior to joining UAS, he served the six years as a Portfolio Manager for Allstate Investments. During that time, he was responsible for managing a number of portfolios including: Investment Grade Credit, US Treasury and Agency debt as well as being accountable for interest rate and FX derivatives. Before that, Mr. Petersen served in senior



sales positions, as a Director with RBC Capital Markets (London & NYC), and Vice President with Toronto-Dominion Bank (London).

Dave Tuttle – Chief Financial Officer

As Chief Financial Officer specializing in high growth companies, mergers, and acquisitions, Dave Tuttle is responsible for building a best-in-class global finance function and team at TSI. Dave is an experienced private equity CFO and a CPA with over 35 years of global operations finance experience in the healthcare, software, services, and manufacturing industries. Prior to joining TSI in 2020, Dave was CFO/COO at Complia Health, a global leader in providing enterprise business software to the post-acute healthcare category. From 2015 to 2018, Dave was CFO at Apervita (healthcare analytics marketplace) during its venture growth stage and at bSwift (benefits technology platform) from its early growth through its successful \$400 million exit to Aetna.

Dave has a successful public company and private equity tenure with companies ranging from \$10 million to \$2.2 billion in revenue. He has been involved with two successful IPOs, more than \$500 million in debt offerings, and over 20 acquisitions. Dave is also an active member of the AICPA, Financial Executives International (FEI), and National Association of Corporate Directors (NACD).

Neal Stern – Chief Operating Officer

Joining TSI in June 2016, Neal Stern has more than 27 years of extensive operations and debt collections experience, which includes demonstrated expertise in data analytics, technology, and operations. He was most recently an executive vice president at PRA Group, a consumer debt buyer. During his time at PRA Group, he served as the chief operating officer for Domestic Core Operations and later as the global chief investment, analytics, and operational strategy officer. Prior to joining PRA Group, Mr. Stern served as a senior group manager for Target Financial Services, where, among his duties, he managed the performance of Target's vendors, including collection agencies, collection law firms, and customer service call centers. Additionally, he worked at US Bank and Transamerica Financial Services. Mr. Stern holds a BS from the University of Minnesota.

Operations Team

Kevin Lindauer – Senior Vice President, Operations

Kevin Lindauer is responsible for leading the day-to-day shared services and support to TSI's business units in the most effective and cost-efficient manner. He leads the TSI Operations Center of Excellence that performs the operational and support functions for TSI's government, healthcare, commercial, and SME (small and medium-sized enterprises) divisions.

Mr. Lindauer brings extensive senior collection operations leadership experience to his role. He previously served as senior vice president, performance optimization from 2008 through early 2015, responsible for optimizing strategies and work efforts to obtain maximum results for TSI's ARM operations. He also held senior operational responsibility for third-party recoveries, including contact centers in the continental U.S., Puerto Rico, and the Philippines. He joined TSI in 2004, serving as senior vice president of operations with experience in government, bankcard, financial services, auto finance, outside collection agency management, attorney networks, and healthcare receivables management. He previously worked at Sears from 1988 to 2003, holding positions of increasing responsibility, including director of operations from 1997 to 2003. He earned a BS in Business Administration, with a concentration in Accounting, from Millersville University in Pennsylvania.



Rita Aldridge – Vice President of Operations, Government Services

Rita Aldridge has 17 years of experience in both first- and third-party consumer and commercial collections, with a specific focus on government solution programs. She has direct operational responsibility for a number of public sector clients.

Ms. Aldridge has, and shares, a thorough knowledge of federal and state laws and regulations governing collections. As a goal-oriented leader, she has proven ability to motivate and inspire teamwork, develop project plans, and implement system enhancements and process improvements. She coaches, trains, and develops associates at all levels through verbal and written feedback to achieve and exceed performance objectives.

Among her achievements, over a two-year period, she increased Administrative wage garnishment client revenue from an average of \$47,619 monthly to nearly \$1 million per month.

Loren Von Gundy – Division Manager, Government Services

Loren Von Gundy has 11 years of collections experience, all with TSI. He is responsible for operations serving government clients. He has strong experience collecting heterogeneous debt types, nationwide, including both commercial and consumer debts. Mr. Von Gundy is compliance-driven, brings a strong knowledge of applicable federal and state laws and regulations, and assists in developing new procedures for clients. He is responsible for managing operations, as well as day-to-day communications with multiple clients.

Mr. Von Gundy coaches and develops associates to enhance performance. Proficient in multi-tasking and meeting deadlines, he assists supervisors with direction, evaluates performance against budget and historical data, and has the ability to motivate to enhance performance through teamwork. Mr. Von Gundy manages and monitors dialer pools and queues and tracks client statistics on a daily basis.

He brings robust knowledge of collection developments within the industry. Mr. Von Gundy has experience serving a variety of government clients including Army and Air Force Exchange Service, Florida Department of Financial Services, Metropolitan Transit Authority, Florida Department of Revenue, Indiana Department of Revenue, Kansas Department of Revenue, State of Maryland Comptroller, Hampton Roads Sanitation District, and Cuyahoga County Clerk of Courts.

Promoted to his current role in February 2014, Mr. Von Gundy's previous duties in operational and management positions provide a solid foundation in each phase of the collections process and the citizen experience. He served as operations supervisor from May 2012 to February 2014 and collections representative team lead from November 2009 to May 2012 where he maintained a 98% average in quality assurance. Mr. Von Gundy earned an AAS in Information Technology – Multimedia from ITT Technical Institute and has completed company proprietary leadership skills/supervisory training.

Angelia Craddolph White – Division Manager, Operations, Government Services

With 11 years of collections/call center management experience, Angelia Craddolph White serves as division manager for TSI's government services division and is responsible for collection operations involving various government clients. She joined TSI in 2009 as a new-employee training supervisor; in 2011 she was promoted to government operations supervisor, and in 2015 was promoted to her current position based on her experience and performance. Prior to joining TSI, she served as a training manager and operations supervisor at Teleperformance USA for three years.



In March 2017 Ms. Craddolph White has presented the Patriot Award -- a special recognition from the Department of Defense for actively supporting the Reserve Components of the United States Armed Forces. Importantly, the Patriot Award is granted to supervisors who were nominated by an employee (or the spouse of an employee) serving in the National Guard or Reserve for "supporting citizen warriors through a wide range of measures including flexible schedules, time off prior to and after deployment, caring for families, and granted leaves of absence." Ms. Craddolph White completed TSI's Six Sigma White Belt Training program in December 2015.

Melissa Darcy – Vice President, Client Services

Melissa Darcy is responsible for leading a professional team of client service account managers, administrative support representatives, and client service representatives within TSI's government, education, healthcare, and commercial business units. She has 20 years of experience with TSI, including 13 years in management roles. Successfully leading a team of more than 150 employees, Ms. Darcy consistently meets goals to effectively service TSI's clients and ensuring adherence to all requirements. Prior to her promotion to her current role in 2006, she served in roles as director of client services and manager of client services. She started with TSI in 1999 as a client service representative.

Matt Hanly – Senior Vice President, IT

As Senior Vice president of IT, Matt Hanly is responsible for IT management and strategy at TSI. He brings more than 21 years of collection industry experience, with a focus on IT and analytics. Starting at Qualink in a 70-seat first-party healthcare collections office in 1999 he advanced to IT manager in 2001 and retained this position until 2009. During that time Mr. Hanly managed the implementation and maintenance of over 50 clients and was responsible for all IT functions in the office.

From 2009 to 2013 he served in various IT roles at TSI, including managing FACS workflows for healthcare clients, maintenance, and creation of inbound IVR and outbound dialer systems; he was also responsible for client-facing reporting processes and staff for all healthcare clients. From 2013 to 2015 Mr. Hanly grew his reporting and analysis teams to support all business verticals including government, healthcare, education, commercial, and loan servicing. In 2015 he took the position of director of analytics, where he was responsible for enterprise reporting, data science, and contact management strategy.

Mr. Hanly managed the build of TSI's proprietary CollectX scoring suite, as well as the business processes involved with the implementation of the scoring models (including dial strategy and letter strategy), working to bridge the gap between the operations teams and the technical teams involved. Mr. Hanly retains his analytics responsibilities today in his current role and continues to transform our technology organization by building new capabilities and continuously improving TSI's technology and information security solutions.

Jessica McMullen – IT Client Manager

With 23 years of experience in IT, Jessica McMullen works with clients and IT personnel to design, implement, and execute successful technical solutions that meet each client's individual needs. She was promoted to her current position in 2000 and serves as the "voice of the client" to ensure TSI's technical solutions meet all program requirements and continuously evaluates processes to identify improvement opportunities. Ms. McMullen works hand-in-hand with both client and TSI IT personnel to design successful implementations for new programs, develop technical solutions to business issues, and analyze current processes to determine risks and balances against business



objectives. She also serves as the central point of contact for any IT service-related issues, and she works closely with the client and the IT team to facilitate a quick and efficient resolution to any technical issues.

Ms. McMullen served as a production support analyst from 1998 to 2000, providing second-tier support for all production processes. Her main responsibilities included applying updated application releases to the collection system, coordinating production changes to client programs, and managing scripts. From 1991 to 1998, she served as a computer operator and then a programmer/analyst, responsible for assisting technical departments with various system problems and working to alleviate any loss of processing availability.

Mark Schmidt – Industry Analyst

Mark Schmidt has 21 years of collection experience, all with TSI. He supports TSI's government services division by working on special projects, using data gathering and analysis to drive decision-making, improve results for our clients, improve processes, develop custom solutions based on client needs and objectives, and help onboard new clients. He has served in this role since September 2011 and previously served as an industry project manager, responsible for mapping the required strategies to meet and exceed collection goals for all government clients serviced by four TSI locations.

Mr. Schmidt has a proven track record with both our government and healthcare divisions. His efforts in workflow design, development, and execution have resulted in increased collections for TSI clients. He brings significant expertise with TSI's collection management system, dialer strategies, portfolio segmentation, inventory management, and citizen care through quality control. Prior to his current position, Mr. Schmidt served as an industry project manager for TSI's Healthcare Services Department, overseeing 11 offices in nine national locations servicing more than 500 clients. Prior to joining TSI, Mr. Schmidt was employed by Paramount Pictures in Los Angeles as an associate producer associate director.

Mr. Schmidt is certified as a Flexible Automated Collection System (FACS) system administrator and Davox Dialer administrator.

Jonathan M. Thompson – Chief Legal and Compliance Officer

Jonathan Thompson is responsible for TSI's compliance function and reports directly to the compliance committee of TSI's board of directors. In this role, he maintains the independence and authority necessary to cross-departmental lines and enforces compliance with company policies and procedures, as well as with federal, state, and local laws and regulations. He is an attorney with 22 years of combined business and legal experience in the financial services sector and brings a strong compliance background into the accounts receivable management environment.

Prior to joining TSI in early 2016, Mr. Thompson served as Chief Legal and Compliance Officer of legal solutions for Jefferson Capital Systems, LLC, a debt purchasing and Collections Company. Prior to that, he served as general counsel and Chief Legal and Compliance Officer for Liberty Acquisitions Servicing, LLC, and a debt buyer and collection agency. He also previously served as an attorney at the law firm of Faegre Baker Daniels, LLP where he specialized in consumer financial services litigation and complex commercial litigation.

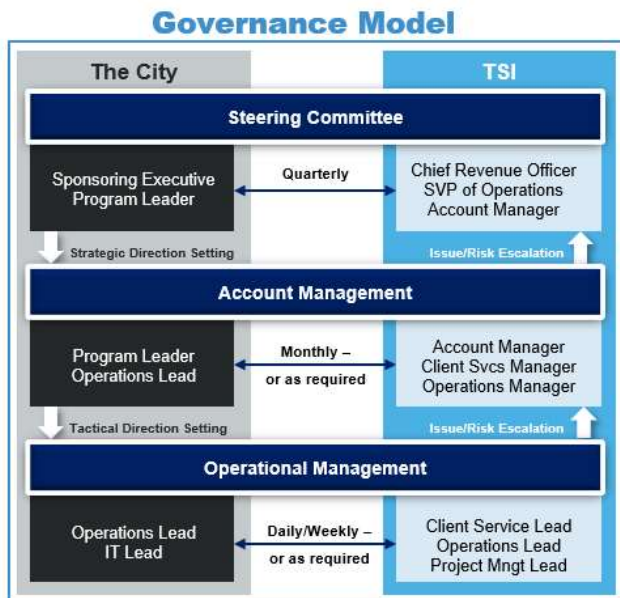
His certifications include:

- Certified Receivables Compliance Professional (CRCP), DBA International
- Credit and Collection Compliance Officer (CCCO), ACA International
- Fellow, ACA International
- Scholar, ACA International

Mr. Thompson is a licensed attorney and holds a Juris Doctor degree from Sturm College of Law at the University of Denver. He also holds a Master of Resources Law Studies from the same university and a BA in Linguistics from Brigham Young University.

ACCOUNT GOVERNANCE

TSI believes in dedicated account management practices, where our managers form a true client partner relationship based on mutual respect and trust. We will build a solid relationship with the City based on a mutual understanding of process and expectations, augmented by open channels of communication. The TSI team is dedicated to continued improvements, clear lines of accountability and reporting, delivering operational transparency, and the commitment to achieving success.



Strategic Direction

- Joint account plan and direction
- Partnership for growth and expansion
- Operational innovation and strategic projects
- Strategic events and changes
- Issue resolution and remediation actions

Relationship Management

- Performance monitoring and improvement
- Customer experience and satisfaction
- Account growth, changes, new solutions
- Program lead on escalations, risk mitigations
- Transition/onboarding management

Primary Day-to-Day Transactional Inquiries

- Account level questions, contact with customers
- Settlements, billing, payment arrangements
- Compliance w/customer communication requirements
- File transfer monitoring, tracking
- Reporting setup, portal access, performance deliverables

A critical aspect of successful contract performance for the City is TSI's proven account governance framework. We will implement a three-tiered model, depicted below, to provide clear lines of accountability and reporting for the City to ensure operational transparency and business agility within TSI's recovery management delivery framework.

We know that timely, honest, and ongoing communication is critical to the continued success of your debt recovery program. TSI will assign a primary point of contact for and serves as a liaison between your organization and TSI's cross-functional internal teams to ensure timely and successful delivery of collections services. He or she will communicate all requests and issues and be responsible to manage and convey remediation actions as applicable. Regularly scheduled meeting between our organizations address any day-to-day operational issue and discuss operational matters. The City will have 24/7 online access to TSI's client services team through the myTSI portal. This provides with secure, online access for all of its account management needs, including an online support center.



Financial Statements and Service Organization Controls

Proposers shall be financially solvent and appropriately capitalized to provide the Work required under this RFP for the term of the contract. Proposers must upload the documentation listed below to the Response Attachments tab in the eBid System as a separate file titled "Financial Statements" and marked "Confidential."

Financial statements required as submittals to pre-qualify for a solicitation are exempt from public disclosure; however, financial statements submitted to pre-qualify for a solicitation that are not required by the City may be subject to public disclosure. The City reserves the right to reject financial statements that do not comply with the requirements listed below and to request additional information after the Proposal is opened and prior to its evaluation, to ensure Proposer is financially solvent and has sufficient financial resources to perform the Work.

1. Provide a copy of Proposer's most recent audited financial statements that shall not be dated more than one (1) year prior to the date of your Proposal along with relevant accompanying notes and supplemental information.

Please refer to the Audited Financial Statements uploaded separately to the eBid System.

2. Proposer shall provide a current SSAE 18, SOC 2, Type I Report as part of its Proposal. If Proposer cannot provide the SSAE 18, SOC 2, Type I Report at time of Proposal submittal, a current SOC 3 Report will be accepted. If awarded the bid under this RFP, Proposer shall be required to provide a SSAE 18, SOC 2, Type II Report annually during the term.

Please refer to the attached SOC 2 Type I Report in [Exhibit A](#) of this proposal on page 52 for details. TSI can also provide its current SOC 2, Type II report upon request.



Proposed Approach and Methodology to Work

Describe the methods and processes that Proposer will utilize to perform the Work from the time a delinquent account is referred until it is either collected in full or recalled by the City, including relevant time frames for initial/follow-up letters, phone calls, skip tracing, identifying debtor assets, etc. Explain your process for making recommendations regarding potential legal options available to the City (e.g. foreclosure, garnishment, seeking a money judgment, etc.) and identify what City staff you anticipate will be needed to perform the Work.

COLLECTION METHODS

The TSI Advantage

TSI is uniquely qualified to best serve the collection needs of the City to maximize collections in an intelligent, secure, compliant, and highly professional manner. We are differentiated from the competition to deliver the lowest-risk/highest-reward solution by demonstrating the following to the City:

Capacity

- **Superior Customer Experience** – Our rating with the BBB is an A and we are proud of our customer complaint-free contact ratio of 99.98%. We will do everything we can to enhance relationships with your customers.
- **Unmatched Client Data Security** – Our credentials include a U.S. government Authorization to Operate, ISO 27001, PCI DSS 3.2, NIST, FISMA, and our SUPERNAP data center.
- **Robust Regulatory Compliance** – TSI’s Compliance Management System minimizes risk and prevents violations of local, state, and federal consumer protection laws. The City will have confidence in TSI systems to identify and pursue collection strategies tailored for each debtor while complying with the vast array of consumer protection laws and regulations. TSI currently employs more than 65 compliance specialists.
- **Greater Scalability and Agility** – Our operations include 28 service locations, more than 5,000 collectors, and the capacity to meet seasonal spikes in volume, client strategic changes, and client growth.

Capability

- **Enhanced Collection Performance** – Our operation is based on our proprietary predictive analytics model, CollectX, which will be utilized to develop a specific strategy for the City’s business.
- **Collector Education** – TSI has a robust training and development program that focuses on new-hire training and ongoing education of our staff. Courses include, but are not limited to laws and regulations, communication skills, systems and processes, client requirements, TSI approach, and more.
- **Dynamic Collection Process** – TSI’s layered contact strategy allows us to proactively communicate with your debtors, providing an affable reminder of overdue accounts to generate immediate results. Our state-of-the-art dialer technologies allow TSI to launch more than half-million phone calls each



day. Multiple layers of skip-tracing technology and our aforementioned data analytics will provide the City with superior collection results while delivering a positive experience for your debtors.

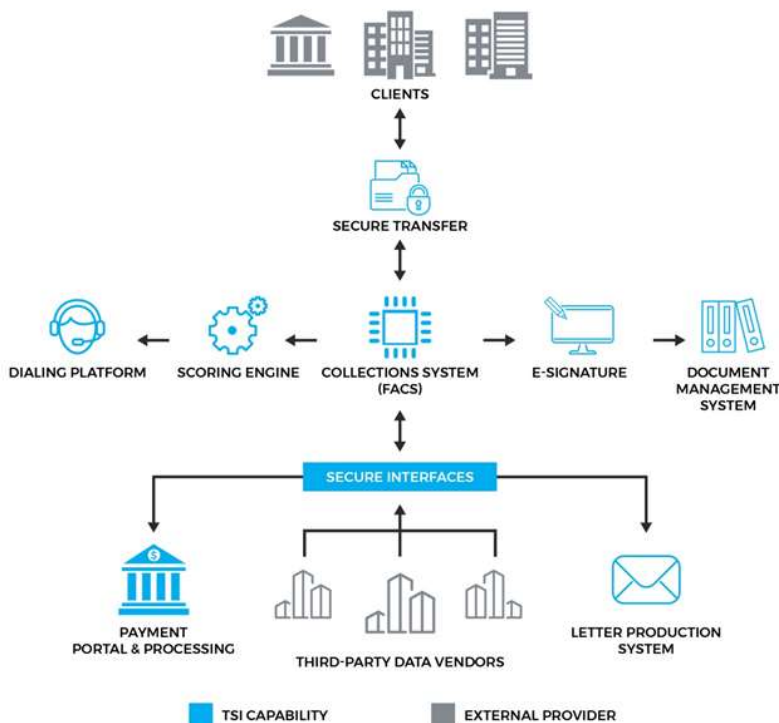
For nearly five decades, it has been our commitment to superior service and measurable results that guides us. TSI is committed to the City’s success. **Your success is our business.**

TSI FACS Collection System

TSI uses a dynamic collections system, the Flexible Automated Collection System (FACS), a product of Ontario Systems, Inc., to manage collection operations. This software has advanced features that promote collections and client satisfaction that operates within our secure environment. TSI’s integrated collections platform combines best-in-class technologies with data-driven workflows to facilitate efficient and compliant operations for our clients.

- **Flexible Reporting** - Hundreds of preformatted reports are available, in addition to ad hoc reports that can be created by TSI programmers.
- **Documentation** - Actions taken on accounts are automatically time and date-stamped with codes identifying the user for tracking purposes.
- **Integration** - Predictive dialers, digital switching equipment, and electronic skip-tracing tools work with the collection systems software.
- **User Functionality** - Users have access to the information they need to collect each account, using advanced search capabilities and the ability to make calls on or off the predictive dialer.
- **Secure Environment** - Collectors operate in a secure card data environment (CDE) that is PCI DSS 3.2 compliant with protected interfaces. TSI exchanges data with clients and third-party vendors via AES-compatible encrypted protocols.

The below graphic depicts how FACS is integrated into TSI’s overall collection operation and will be deployed for the City.





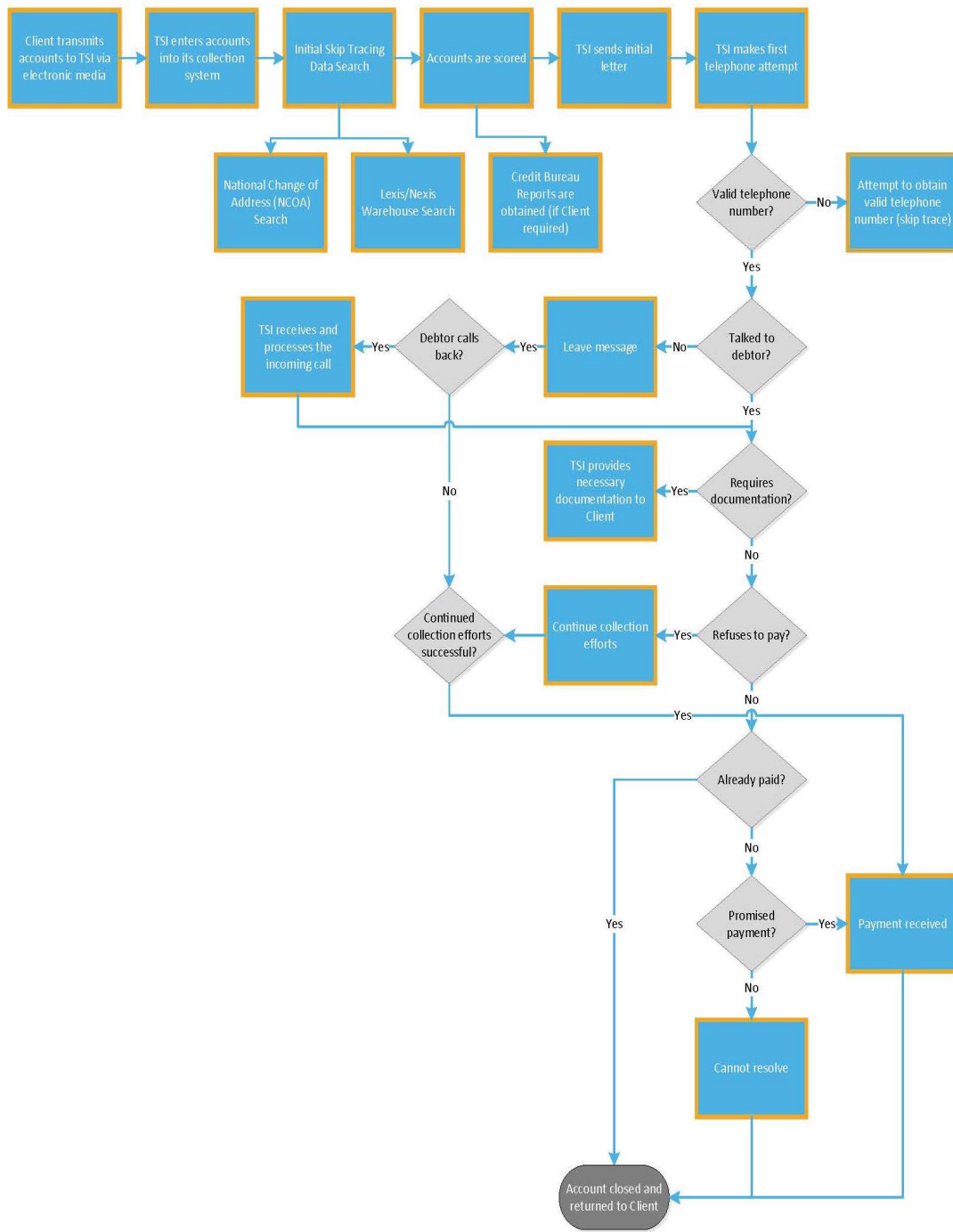
Approach to Collection of Delinquent Accounts

TSI's collection methodology consists of a combination of our best practices and our client's requirements. Our account flow and collection activity are typically adjusted based on several factors including a collectability model which draws on credit score, demographics, prior payment history, etc., as well as available phone and address contact information. We develop a customized collection program using established Account Resolution Standards (ARS) for each client program. ARS comprises our proposed work standards for data transfer procedures, telephone calls, and collection letters as well as other services relative to the collection process as described in the following pages.

To support our accounts receivable management programs, TSI uses a customized version of the Flexible Automated Collection System (FACS), a product of Ontario Systems Corporation. TSI has used FACS for more than 12 years. To ensure quality and evaluate best practices, TSI's FACS system maintains a record of all account activity, including placement data, payment history, and collection attempts. FACS is a real-time, on-line system, so accounts are immediately updated in the database when a collection representative performs any action on an account. Actions taken on accounts are automatically time-and date-stamped with codes identifying the user for tracking purposes.



FLOWCHART OF PROPOSED COLLECTION PROCESS



WORK STANDARDS

Key elements and components of our work standards are identified in the table below.

Key Elements and Components of TSI Work Standards	
Client Setup	Types of receivables are segregated according to the client's guidelines
Collection Notices	All initial collection notices that are sent to debtors are subject to client approval
First Telephone Activity	Calling campaigns are initiated within two days of placement
Left Messages	All "left messages" are scheduled for callbacks daily
Promises-to-Pay	All "promises-to-pay" are identified accordingly and scheduled for follow-up
Payment Arrangements	The account is moved to a central file once an acceptable payment arrangement is made and noted in the debtor's file
Follow Up Telephone Activity	Accounts that are not able to be contacted through our initial efforts or received returned left message calls are continually contacted weekly until contacted
Additional Collection Notices	Additional collection notices are sent to debtors that are not in a payment arrangement or their account is paid in full unless they break the payment arrangement then collection notices continue
Remittances	Collections are remitted to the client on a regular schedule
Skip-tracing	Accounts are routed through our internal database and skip traced as needed thereafter for contact information
Credit Reporting	Accounts that aren't paid in full are reported to the National Credit Bureaus if agreed to by Authorized Purchasers
Legal Action	Accounts that aren't paid in full are searched for attachable assets. Once assets are located the client is contacted to obtain permission to begin legal action to obtain monies through the court system if agreed to by Authorized Purchasers

Account Transfer

TSI quickly develops data transfer protocols for clients to initiate collection efforts as soon as possible. Our Information Technology (IT) Department coordinates file layout testing and data transfer. TSI's standard file layout, used by the majority of clients, can be customized to meet the City's specifications. After a unique client code is set up within TSI's system to identify the City's accounts, we will work with the City personnel to:

- Identify any differences between TSI and City's standard file layouts
- Identify, coordinate, and deploy any new programming requirements



- Test to ensure the accuracy/matching of all layout fields

Receipts and updates are performed in real time.

The City and TSI will define and mutually agree upon the method of file transfer during the due diligence process. TSI's preferred file transfer method is via sFTP/SSH (transfer site hosted by TSI) over the internet with either password or SSH key authentication. To use sFTP, the City would require internet access and FTP software (freeware such as FileZilla). User IDs and passwords would be provided by TSI once the setup is complete. Email confirmations can also be set up for notification that files have been placed on the sFTP site.

Account Receipt

TSI will develop data transfer protocols and customize our standard file layout to meet the City's specifications. Files are transferred via TSI-hosted sFTP over the internet with either password or SSH key authentication. Multiple quality assurance checks are performed on accounts upon receipt and account reconciliation/verification is performed on a monthly basis. Any discrepancies are immediately addressed.

- ✓ Quicker collections initiation
- ✓ Validated and accurate account data
- ✓ Secure transfer to protect debtor data

Upload to FACS

Account information is loaded to the **Flexible Automated Collection System (FACS)**, TSI's real-time, web-based accounts receivable management system. FACS hosted securely in Tier V, gold-certified SUPERNAP data center facility, has advanced features and technologies that promote effective, efficient collections and client satisfaction. It combines best-in-class technologies with data-driven workflows to facilitate efficient and compliant operations for the City.

- ✓ Compliance with all debt collection regulations – FDCPA, TCPA, UDAAP
- ✓ Captures all account activity in real-time
- ✓ Extensive monitoring capabilities to measure collector performance

Account Scrub and Crosscheck

TSI will process the City's accounts to verify telephone and address information and segregate accounts ready to be contacted from those that require manual skip-tracing. We use multiple tools and electronic databases to scrub for cell phone identification and find current contact information for referred accounts, including those with inaccurate addresses and telephone numbers. TSI first searches our internal database to see whether information about the debtor exists among our more than one billion records, and updates the demographics for those debtors as necessary. We also leverage the industry-leading database technologies from LexisNexis, Credit Bureau Recovery, and TrueTrace. Our data vendors provide credit scores, tradelines, updated telephone numbers and addresses, bankruptcy status, deceased status, and other related financial information. This data assists us in prioritizing and intensifying our collection efforts on City accounts deemed most collectible.

FACS automatically crosschecks and links all accounts for the same debtor by social security number. This ensures that debtors with multiple accounts have one comprehensive account and are contacted by the same representative each time, thus facilitating proper payment application and remittance. This also ensures we are compliant with industry requirements (FDCPA) regarding contact protocols. TSI also flags accounts with restricted collection activities to reduce the risk that a collector will unknowingly commit a compliance violation on an account.




- ✓ Big-data analytics applied on multiple databases to obtain high-score phone numbers to quickly make the right party contact (RPC)
- ✓ Event-based triggers notify us of debtor changes within 24 hours
- ✓ Automation to reinforce FDCPA-compliant debtor contact

Account Scoring

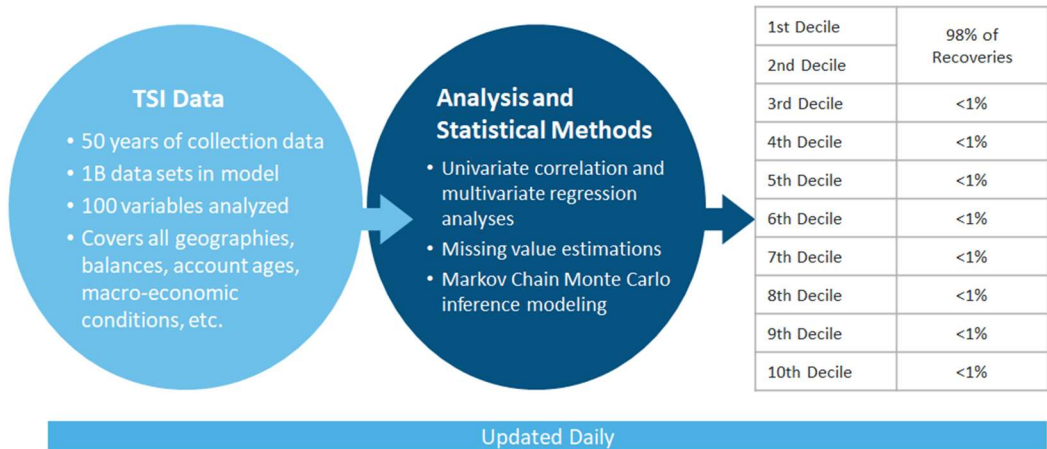
TSI will leverage industry-leading predictive analytics to drive high recovery rates for the City. Our CollectX analytics platform employs state-of-the-art SAS technology, statistical techniques, and TSI’s unique set of collections data to produce a score for each account indicating the likelihood of payment. We then apply customized collection treatments based on segment characteristics to increase collection results. And because scores are dynamically updated on a daily basis, we can apply refreshed data to drive more intelligent and effective collection operations. Recoveries see an immediate boost by focusing efforts on the accounts that will liquidate at the highest rate.

Since the implementation of CollectX, our clients have experienced, on average, a

22%  **INCREASE** in their recoveries.

Other collection firms generally purchase off-the-shelf analytics or scores that are not built upon collections data and history specific to the debt being collected; nor are they updated based on actual collector activity. This reduces their ability to accurately identify which accounts will pay and tailor precise collection strategies.

The graphic below illustrates the components of TSI’s CollectX data analysis system.



CollectX utilizes state-of-the-art SAS technology, statistical techniques, and our unique set of collections data to produce a likelihood-of-payment score for each account, and dynamically updates account scores on a daily basis using captured collections data.

- ✓ Maximized dial-through rates
- ✓ City-specific CollectX model that is unique to its business
- ✓ Accelerated recoveries and reduced collection time
- ✓ Iteratively more accurate collectability scores

Compliance Tagging

TSI flags account with restricted collection activities to reduce the risk that a collector will unknowingly commit a compliance violation on an account. Some examples include the tagging of New York City accounts to prohibit voicemail messages or the evaluation of the total number of calls to a debtor within a given week

to prevent exceeding state-imposed limits. The use of this engine reinforces TSI's compliance function through automation.

Account Lettering

TSI's strategy is to send letters upon contact with the debtor with additional letters generated as necessary (e.g., insufficient funds, payment arrangements, authorized impending legal action). All letters include the required debt validation rights notice, as well as the appropriate mini-Miranda disclosure. Letters also include payment coupons and window envelopes for remitting payments to facilitate automated mail extraction and payment posting and information for online payments. Notices are carefully composed in increasingly strong language to urge debtors to resolve their defaulted accounts.

- ✓ Customized letter content to meet the City's requirements
- ✓ Compliance with all applicable regulations

The Call Process

Each City account with a valid phone number will receive an initial call from TSI within two days (typically within 24 hours) of placement. During this initial call, we identify ourselves, verify the debtor, remind debtors of their obligation, inform them that their defaulted account has been referred for collection, and begin a dialogue to develop a profile and payment plan.

Unlike our competitors, TSI does not use static scripts, which can be limiting and stifles negotiations when speaking with debtors. We developed a call model that divides calls into four phases, with guidelines for each stage of the conversation: introduction, getting the facts, negotiating a solution, and closing with or without a promise. The call model ensures that collectors have provided the proper disclosures, captured required information, performed all necessary actions, and covered key points.



TSI provides immediate and effective support to agents during each call with "The Source of Information", a proprietary guide that delivers client-specific information.

TSI follows all regulatory guidelines when making debtor contact. Our approach and methods maintain a proper balance between assertive and sensitive, diplomatic recovery techniques, and will result in a higher percentage of recovered receivables for the City. The combination of collector compassion and diplomacy, strict adherence to industry regulations, and robust collector training results in positive debtor experience – 99.98% of all calls made are complaint-free.

TSI will work all accounts, regardless of age or dollar amount, until collected in full, recalled by the City, or deemed uncollectible. We also adhere to specialized procedures that deal with circumstances such as debtor bankruptcy or incarceration, deceased debtors, account suspension by the City, debtor disputes. TSI also offers bilingual capabilities for letters, inbound calls, and outbound calls, enabling us to communicate with all City's debtor during the collection process.

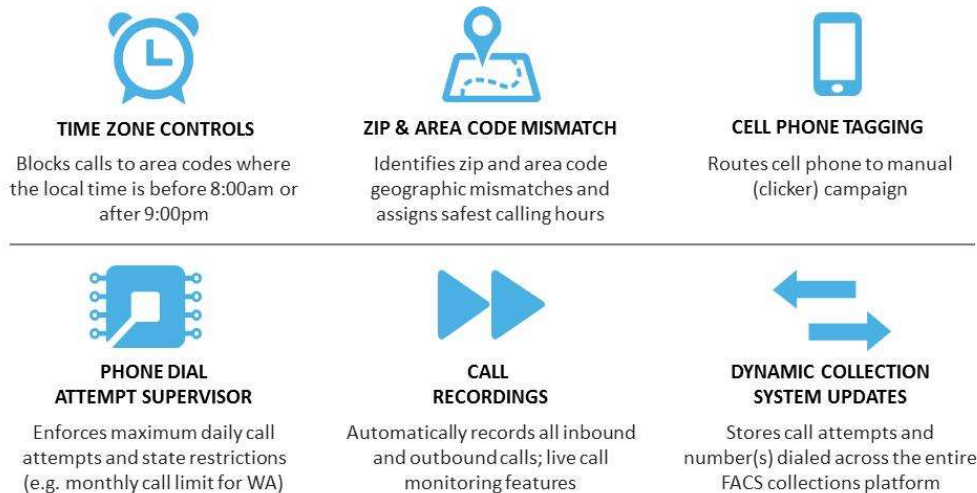


- ✓ Structured communications approach with inbuilt flexibility
- ✓ Diplomatic and outcome-based recovery techniques
- ✓ TSI investment in collector productivity – Center of Excellence pooled resources contact RPCs at very high rates

✓ Regulatory-compliant debtor contact – 99.98% complaint-free

Dialing Technology

TSI uses a cloud-based dialing solution to communicate with debtors. This platform delivers flexibility and automated controls that increase collection call center performance while reducing the risk associated with federal, city, and local compliance laws and regulations. The platform integrates the core contact components such as ACD, IVR, automated dialer, call recording, and reporting/business analytics tools onto a single, unified cloud platform. This enables TSI to maintain centralized deployment, management, and control within our multi-site contact center environment.



Credit Bureau Reporting

As appropriate, TSI will use credit bureau reporting as a collection tool in accordance with federal statutes and the City's policy/guidelines. Under the direction of the City, TSI will report delinquent accounts to one or more of the three national credit bureaus, i.e., Experian, Equifax, and Credit Bureau Recovery. Credit bureau reports are updated electronically on a monthly basis and manually on a daily basis. TSI adheres to this schedule for deletions as well.

Debtor Inquiries and Access to Accounts

TSI's main website displays a toll-free customer hotline for debtor account inquiries. Debtors can also log into our payment website using a registration code found within their initial demand letter to view account balances, make payments, or set up payment arrangements. Additional resources for debtors include TSI's customer help website, where customers in the United States can communicate with TSI 24 hours a day, seven days a week, 365 days a year. The site lists a toll-free number for customers to reach TSI; they can also communicate via email or opt to have a representative call them with just the click of a button.

TSI SKIP-TRACING PROCESSES AND TOOLS

TSI uses various location methods and electronic databases to find current contact information for referred accounts having inaccurate addresses and telephone numbers. Upon placement, TSI processes all accounts to verify telephone and address information, segregating those accounts ready to be contacted from those requiring skip tracing. TSI searches its internal database to see whether information about the debtor exists among its 500 million records and updates the demographics for those debtors as necessary.

All accounts with debt balance greater than \$500 are automatically referred to Credit Bureau Recovery to pull credit bureau reports. Files are returned to TSI within 48 hours with credit scores, tradelines, and updated

telephone numbers and addresses. Debtors who are making timely payments or have open lines of credit are highlighted for the collectors. Scores provided assist us in prioritizing and intensifying our collection efforts on the accounts deemed most collectible. Credit Bureau Recovery also offers TSI event-based “Triggers,” which will advise us within 24 hours of specific changes to the debtor’s credit profile that we request the Credit Bureau Recovery monitor for us. This is an extremely powerful skip trace and account prioritization tool.

All new placements are routed through the LexisNexis database and it provides comprehensive, accurate information on the latest bankruptcy case information. Their databases are updated daily with data sourced directly from the courts. Bankruptcy records include the debtor’s name, address, and Social Security number, as well as such information as the case number and court chapter, date filed, discharged, dismissed, and converted. Information about attorneys, trustees, and judges is also available. LexisNexis also provides automated account monitoring for regular updates and case management to keep updated with the latest bankruptcy notifications to limit your legal exposure to stay violations.

TSI will use our proprietary process to verify telephone and address information and segregate accounts ready to be contacted from those that require manual skip tracing. We use multiple tools and electronic databases to scrub for cell phone identification and find current contact information for referred accounts, including those with inaccurate addresses and telephone numbers.

Our data vendors provide trade lines, updated telephone numbers and addresses, bankruptcy status, deceased status, and other related financial information. This data assists us in prioritizing and intensifying our collection efforts on taxes with the highest propensity to make payments.

TSI also leverages the industry-leading database technologies described below.



LexisNexis is a comprehensive electronic database containing 18.8 billion public records, including names, addresses, and telephone information for more than 244 million individuals and 381 million businesses. Bankrupt and deceased debtors are identified in this search, as well as residency information and the same last names. LexisNexis also provides access to the USPS National Change of Address database, which updates our accounts to improve mailing hit rates.

LexisNexis provides advanced data-linking capabilities that allow TSI to rank in chronological order, and weigh by source, the data that is returned to ensure quality. The matching technology utilizes all data sources of reliable address and phone information to establish linkages between current, new, and historical information about a debtor’s identity and location. Once a debtor has been uniquely identified, an internal identifier is assigned to that debtor and his/her historical records. Any new information matching that individual is linked together using this internal unique identifier.



Using **Accurint**, a LexisNexis product, TSI attempts to locate the debtor’s information, including aliases, addresses, relatives, associates, neighbors, property, assets, and more. Accurint uses a name, past address, phone number, or social security number to locate a current address and phone number; address information dating back 30 years is readily accessible. Accurint dramatically improves our ability to find up-to-date contact information for skip accounts, which comprise almost half of all accounts referred for collection.

Accounts are also automatically referred to as **Credit Bureau Recovery** for credit reports. Returned information identifies debtors who are making timely payments to other creditors and provides new addresses, telephone numbers, employment information, open trade lines, and available money sources.

Credit Bureau Recovery also offers TSI event-based “triggers,” which will advise us within 24 hours of specific changes to the debtors’ credit profile. This is an extremely powerful skip-tracing and account prioritization tool.



Accounts are further run through Experian’s most powerful locating product, **TrueTrace**, which combines skip-tracing data, credit data, and alternative data sources (e.g., payday lender and property management data) to locate the debtor. In addition to a core debtor credit database of more than 220 million debtors and 140 million households, TrueTrace provides access to 100 million wireless phone numbers and additional contact data for thin-file and under-banked debtors.

TSI locates debtors faster than our competitors by using a variety of technologies and techniques. The result: more right-party contacts and higher, accelerated recoveries.



MANUAL SKIP-TRACING

If TSI is unable to make contact with a debtor, or if no valid contact information is available, the account will be routed to the manual skip-tracing team. Skip tracers attempt to locate the debtor and/or identify a place of employment (POE) through online and public records searches. When deciding whether or not and how intensely to skip trace an account, TSI examines the payment score as opposed to the balance owed. Accounts in the manual skip-tracing queue are prioritized and worked based on propensity to pay. Low-scoring accounts may receive limited skip-tracing efforts. Skip tracers document their efforts in the account notes in FACS, maintaining an audit trail of work performed.

Telephone Interaction

Frequent telephone interaction with debtors will produce the best results. TSI attempts to contact debtors with valid telephone numbers within two days of account placement. TSI conducts calling campaigns in the mornings, afternoons, and evenings, and on weekends. Calling campaigns are complemented by TSI’s letter series, which coincides with telephone efforts. TSI uses predictive dialer-based representatives and ownership representatives to contact and interact with debtors. Representatives remind debtors of their obligation, inform them that their account has been placed for collection with TSI, and begin a dialogue to develop a debtor profile and payment plan. They use carefully composed telephone scripts to help manage conversations with debtors in a positive and results-oriented manner. Our scripts comply with the Fair Debt Collection Practices Act (FDCPA) and all applicable regulations. Supervisors monitor telephone interaction to ensure proper handling and review accounts regularly to ensure that each account receives the attention it requires. Additional telephone attempts are made as often as necessary to deliver optimum results. TSI’s focus is to obtain payment-in-full while treating debtors courteously and professionally. Telephone contact attempts continue until contact is made or until accounts are deemed uncollectable.



TSI attempts to obtain a signed repayment agreement from the debtors. Before negotiating a partial payment arrangement (PPA), TSI representatives develop a financial profile of the debtor based on the existence of the real property, gainful employment, bank accounts, stocks, bonds, and other assets. TSI typically requires at least 30 percent down and the balance in full over 90 days, altering this policy to meet your requirements.

TSI allows a maximum payout period of 12 months when no other terms are possible. PPAs longer than 90 days are reassessed every three months to determine whether or not the debtor can pay in full, increase payments over a shorter term, or otherwise expedite the repayment period. TSI representatives request payment in full at the time of each contact. Upon receipt of the initial payment, the collection supervisor assigns the account to a PPA representative for monitoring and follow-up. The representative monitors accounts to ensure payments are received according to scheduled terms.

Meanwhile, TSI's automated system:

- Verifies payments posted against arrangements
- Schedules and triggers reminder letters to be sent 14 days before the next due date
- Monitors accounts in anticipation of future payments

The system automatically identifies accounts where a debtor has failed to submit a payment within three days after the payment due date. If an arrangement is broken, the account is automatically assigned to a PPA representative's queue for follow-up. Contact is again made with the debtor, a broken promise letter is mailed, and solicitations for payment-in-full begin again.

Dispute Handling

TSI handles all disputes with professionalism, respect for debtor rights, and emphasis on resolving any peripheral issues so that the collection process may continue. TSI representatives focus on resolving the dispute and achieving full liquidation of the account. Efforts to resolve disputes include:

- Qualifying the nature of the dispute
- Identifying disputed portions of a balance and continuing to collect undisputed portions
- Placing the account on hold if the entire balance is disputed
- Forwarding appropriate documents to the debtor and following up as needed

TSI works with our client to identify and resolve discrepancies during the dispute resolution process. We try to obtain proof the amount owed is valid by requesting a copy of the receipt or other applicable documentation. All pertinent information is recorded on TSI's collection system. If the amount owed is deemed valid, TSI forwards substantiating documentation to the debtor and continues collection activity. If the amount owed is found to be invalid as corroborated by the client or the debtor, TSI closes and returns the account.

TSI accepts settlements on behalf of the client only if the settlement amount is acceptable to you. When a debtor proposes settlement terms, TSI contacts the client in writing to obtain the authority to accept or reject the terms. Blanket settlement parameters may be established in accordance with client guidelines to streamline operations. TSI may also actively pursue settlements via a concentrated settlement campaign if directed to do so by the client. TSI is entitled to a collection fee based on the settlement amount, not on the original amount referred for collection.

Asset Searches

Most states with which TSI has contracts for collection mandate that the City alone is empowered to litigate in-state accounts that are eligible for legal action. These states frequently enlisted TSI to find assets on



debtors, such as a job or bank account, and to submit that information to the City. The City then processes the legal paperwork to garnish wages or levy bank accounts. Such a partnership has proven successful and has demonstrable benefits for both the City and TSI. The City receives monies on accounts they would not receive through their normal, internal collection processes, and TSI receives the contracted commission rate.

Closing and Returning Accounts Determining Uncollectible Accounts

After exhaustive collection efforts, TSI initiates close and return procedures when accounts remain uncollectible because:

- Debtor cannot be located – After comprehensive, automated and manual skip-tracing efforts are unproductive
- Debtor cannot pay at present – Because they are unemployed, on welfare, without sufficient income, seriously ill, bankrupt, have no assets, or are experiencing extenuating circumstances
- Debtor refuses to pay – And litigation is not recommended or approved
- Debtor is deceased – If death is confirmed and there is no estate

Account Close and Return Procedures

TSI complies with all requirements for closing and returning accounts, recognizing the client may recall accounts at any time at your discretion. TSI initiates close and return procedures monthly or on another schedule if an account is recalled, uncollectible, bankrupt, deceased, or paid-in-full. The account status is updated on the collection system using a code that represents the reason for the action. A supervisor review accounts before they are closed and returned. Accounts are returned according to the method and frequency specified by the client. A monthly report lists closed and returned accounts and relevant information. TSI suspends collection activity when requested by the client or when a debtor disputes the delinquent or raises a legal defense against repayment. TSI notifies our client of the suspension within five working days and follows up to determine when outstanding issues are resolved and collection activity can resume.

Documentation of Collection Activity

To ensure quality and evaluate best practices, TSI's FACS system maintains a record of all account activity, including placement data, payment history, and collection attempts. Actions taken on accounts are automatically time- and date-stamped with codes identifying the user for tracking purposes. Once the accounts are in a live environment at TSI, collection representatives make all documentation directly on the open account screen. All automated activity is also documented on each account in the notes section. FACS is a real-time, on-line system, so accounts are immediately updated in the database when a collection representative performs any action on an account. This "footprint" function is active for all representatives with "routes" attached to their user number and is optional for management. This information is then available for the client or a TSI supervisor to review. A report can also be accessed. FACS generates a variety of internal reports that allow our supervisors to monitor recovery activity and thereby manage for maximum productivity. Some of the reports that our supervisors review/analyze are:

Report Name	Description
Collection Performance Summary Report	This report shows total collections per account representative by day, as well as by the first half and last half of the month, and provides a percentage compared to the goal.

Daily Account Representative Activity Report	This report shows how many accounts (per account representative) were scheduled to be worked, how many accounts were worked, and, out of those accounts worked, how many were requested to be closed, transferred to legal, or passed. This report also includes how many recalls were made, how many letters were sent, and how many promises to pay were set up. It also shows the total dollars promised.
Daily Call Result Report	This report summarizes the number of calls made and the result of each call, i.e., "left message," "found debtor," "promised payment," "settlement offer," "line busy," etc.
Weekly Letter Trend Report	This report shows how many letters were sent by each account representative per week, how many of each type of letter was sent, and the percentage of each letter type compared to the total number of letters sent.
Account Representative Payment Type Report	This report displays the type and amount of payments each account representative is bringing in (checks, cash, and payments made directly to the client, NSF checks, post-dates). This report tracks current monitor totals as well as the past two months and year-to-date totals.
Supervisory Review Report	This report allows management to track the supervisor's progress. It shows how many account representative files the supervisor is reviewing, how many hours are being spent on the reviews, how many days the accounts have waited for review, and the total number of comments input by the supervisor.

Internal Staff Monitoring: Multi-Channel Compliance & Governance

The combination of TSI's compliance controls, technology, expertise, and management minimizes legal, regulatory, and reputational risk for the City's and provides protection for its debtors.



EXECUTIVE SPONSORSHIP

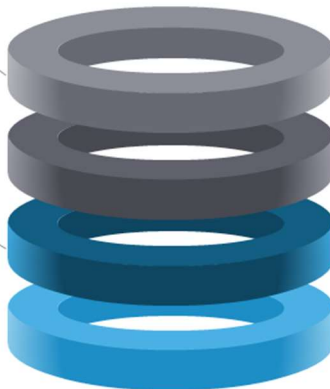
Oversees the effectiveness of our CMS, promotes a culture of compliance, and sets clear compliance expectations. With two former regulators at the helm, TSI has a greater appreciation for compliance than the competition.

COMPLIANCE PROGRAM

- Prevents and reduces regulatory violations
- Protects consumers and minimizes risk of litigation.

CALL QUALITY MONITORING

- Monitors and scores over 1000 hours of agent-debtor interactions per day
- Tracks agent acknowledgements
- Requires supervisor-agent coaching.



CONSUMER COMPLAINT MANAGEMENT

- Investigates consumer complaints
- Performs root-cause analysis
 - Determines merit of complaints.
- <1% of contacts result in a consumers complaint.

COMPLIANCE AUDIT

- Assesses each business unit's compliance with consumer protection laws, internal policies and procedures, and client requirements.

Multi-Layered Compliance and Governance to Foster Oversight and Integrity

TSI will protect the City from expensive violations and a tarnished reputation in the community by promoting respectful and compassionate debtor service and interaction. Our Compliance Management System framework encompasses a four-pronged approach overseen by executive leadership, driving compliance adherence through a top-down approach. **With a complaint-to-contact ratio of .017%**, TSI successfully drives adherence at all levels. Our compliance technology approach includes:

- **Comprehensive compliance program** for legal and regulatory protection
- **Call-monitoring** service that utilizes speech analytics and identifies potential FDCPA and UDAAP violations to significantly increase compliance
- **Advanced telephony** features predictive dialing for flexible, automated controls to increase collection call center performance and laws and regulation compliance
- **Call recording** that monitors and stores all calls while maintaining a 97/100 quality score

TSI's account management is based on a **governance model** with clear lines of accountability and reporting, so the City has operational transparency and business agility in a proven accounts receivable management delivery framework. **The City will be assigned an executive sponsor to execute oversight and increase engagement to facilitate superior outcomes.**



Audits

TSI participates in audits as required to evidence and support the company's compliance, performance, and financial condition. TSI is audited during the normal course of business and for specific contracts. TSI welcomes audits, providing auditors with access to information and workspace needed.

TSI is audited by:

- **Internal Audits and Compliance** – TSI has an Internal Audit department that provides independent analysis, recommendations, and pertinent comments concerning the adequacy, effectiveness, and efficiency of the systems of internal control, the quality of ongoing operations, and compliance with rules and regulations within the company. TSI’s Internal Audit department also performs Financial Controls Reporting testing that is required pursuant to the Sarbanes-Oxley Act of 2002. TSI also engages an Independent Registered Public Accounting Firm to provide a report on our internal controls (SAS 70 Type II report) related to the collection and payment processing activities and supporting applications.
- **Clients** – Clients, including the federal government, perform onsite or remote online audits.
- **Industry Associations** – Annual audits are required as a condition of membership in certain professional organizations.

Remittance of Collections to the City

TSI remits gross or net collections in accordance with contract terms on a daily, weekly, bimonthly, or monthly basis. TSI can remit payments to the City through the Automated Clearing House (ACH) network; ACH transfers are credited the next business day. Check payments or wire transfers are also available if required. TSI can provide electronic remittances; statements are also available through the invoice portal. However, if this doesn’t meet the City’s needs, hardcopy remits remain an available option.

Flexible Payment Options and Diplomatic Approach

Assess Ability to Pay

TSI first attempts to obtain payment in full followed by repayment agreement, partial-repayment agreement, and finally, compromise. If the debtor agrees to pay in full as a lump sum or in installments according to the City repayment terms, the account will be moved to the paying-accounts pool until all payments are received. If the debtor is willing to make a payment, but cannot afford to pay in full, TSI will begin the negotiation process by assessing the ability to pay.

The collector will obtain a financial statement or other document attesting to his/her financial situation and review the debtor's credit report. If the collector determines that the debtor is able to pay in part, the collector will attempt to negotiate an affordable arrangement that maximizes the recovery potential for the City.

Partial Payment Arrangements

TSI understands that on many occasions, a debtor requires time to become compliant, and we work with great care and diligence to help them achieve compliance. When it is clear that the debtor cannot pay in full, TSI will negotiate a voluntary, reasonable, and affordable partial payment arrangement in compliance with the City guidelines and all applicable rules and regulations. We allow a maximum payout period of 12 months when no other terms are possible. Arrangements longer than 90 days are reassessed every three months to determine whether or not the debtor can pay in full, increase payments over a shorter term, or otherwise expedite the repayment period. TSI representatives request payment in full each tie contact is made.

Before negotiating an arrangement, collectors develop a financial profile of the debtor, based on the existence of the real property, gainful employment, bank accounts, stocks, bonds, and other assets. TSI informs debtors of their rights and responsibilities, describes various repayment options, and interview them to complete a financial profile and develop a repayment plan that is appropriate for their financial situation.

Upon receipt of the initial payment, the collection supervisor assigns the account to a representative for monitoring and follow-up. The representative monitors the account to ensure payments are received

according to scheduled terms. Meanwhile, TSI's automated system verifies payments posted against arrangements, schedules, and triggers reminder letters to be sent 14 days before the next due date, and monitor accounts in anticipation of future payments. The system automatically identifies accounts where a debtor has failed to submit automatically assigned to a collector's queue for follow-up. Contact is again made with the debtor, a broken promise letter is mailed, and solicitations for payment in full begin again.

Litigation/Legal Services (Optional)

TSI maintains a proprietary nationwide network of collection attorneys that can be leveraged on behalf of the City as required. These attorneys specialize in collection work and are well-versed in all related federal, state, and local regulations. We endeavor to work with attorneys who are adept at resolving accounts amicably prior to litigation.

TSI uses the following general procedures to identify and refer accounts for possible legal action on debtors residing within the United States. No account would be referred for litigation without written authorization from the City.

1. TSI utilizes our internal skip waterfall for the location of assets, and collectors identify accounts as possible candidates for litigation/legal proceedings. These accounts are forwarded to collection supervisors for review. Accounts approved by collection supervisors as candidates for litigation/legal proceedings are forwarded to TSI's Client Services Department for abstract completion. Abstracts are then forwarded to the client for approval.
2. Our Legal Department reviews and evaluates accounts. TSI solicits written authorization from clients to file suit or begin legal proceedings, including post-judgment remedies on those accounts already in judgment form. After client authorization to proceed with litigation/legal proceedings, TSI forwards qualified accounts to an attorney in the state where the student resides.
3. Attorneys attempt to resolve accounts through letters and telephone calls, and make recommendations to file suit or begin legal proceedings, including post-judgment remedies against specific accounts. TSI forwards these recommendations to the client.
4. If the account remains suit-worthy, the student receives a letter indicating the account is scheduled for legal action or to begin legal proceedings, including post-judgment remedies. If a student does not respond appropriately, s/he is sued or our assigned attorney begins legal proceedings, including post-judgment remedies.
5. Once a judgment is rendered on an account, TSI places the account in a protected status, and the account can only be negotiated upon management direction. We use administrative wage garnishment in states where this is lawful or place a levy on a student bank account.

Please note: Litigation/legal services are assessed at a separate contingency fee rate from standard TSI debt collection services described in the other sections of this proposal. Please refer to the [Collection Fee](#) section of this proposal on page 45 for details.

CITY RESOURCES REQUIRED TO SUPPORT IMPLEMENTATION

While TSI takes the lead in each implementation step, we require client input, review, and signoff to minimize project risk and ensure all requirements are captured correctly and fit precisely with stated business needs. To ensure the most expeditious and comprehensive transition, TSI will request the following support from the City:

- Executive-level buy in; City executive involvement will result in lower project risk levels

- Input from the City resources to provide information related to file layout coordination and data transfer methods
- City resources to attend scheduled planning meetings
- City project management staff to review and sign off on all requirements documentation and testing results

The timeline for account placement will depend on the City availability and how quickly file layout coordination and data transfer method tasks can be accomplished. We view the following as responsibilities of the City once the new contract is operational:

- Send referrals daily via agreed-upon method in agreed-upon format
- Review any settlement requests per agreed-upon criteria and procedures, and, if approved, provide written approval to TSI
- Review legal referral recommendations per agreed-upon criteria and procedures
- Recall any accounts at City's discretion
- Coordinate with consumers on any disputed accounts
- Inspect or audit TSI's collection operations
- Review TSI's performance on a monthly basis
- Reallocate referrals based on agreed-upon criteria

Scheduled meetings will be held with all respective departments involved with the program to outline the strategy for the City implementation. TSI will develop a sophisticated project management flow chart to measure and track progress; it will define responsibilities and chart milestones to ensure agreed-upon timelines are met. TSI will discuss all deliverables and milestones with the City and obtain City signoff at each stage of the implementation. On an ongoing basis, TSI will meet with the City to review performance, ensure that milestones are met, and measure project satisfaction. TSI departments will meet weekly to review performance and ensure actuals to deliverables are being met. Key TSI management personnel will continuously review implantation stages, compare results to initial goals, and ensure top performance results.

TSI has a full mirrored copy of our live environment on a separate test server. Our test plan allows us to test end-to-end processes for a specific project. We can load placements and auxiliary files, post transactions, extract cancels, demographic updates, and notes. We are able to generate test letters and reports for QA as well as track the account workflow and activity prior to going live. We are confident that we will be ready to accept assigned accounts within 30 days from contract award date.

Describe Proposer's internal online reporting capabilities and method for measuring its debt collection success rate. If specific reports are used, provide sample reports as exhibits to the Proposal along with all standard letters and notifications sent debtors as part of the Work.

Reporting Capabilities

TSI's comprehensive collection system provides detailed status and management reports documenting account activity and reporting program performance. We also provide close and return reports. Our reporting capabilities maximize productivity and assure the City that accounts will be worked according to agreed-upon standards. TSI can provide electronic and/or hardcopy versions of all necessary reports on a daily, weekly, and monthly basis.

The table below describes TSI's standard client reports. Ad hoc reporting can also be supported.



Report Name	Description
Claims Acknowledgment	<ul style="list-style-type: none"> Used to validate that all accounts placed with TSI were received, entered into our platform, and are undergoing recovery activity Contains data about each transferred account, including information identifying the debtor and the outstanding balance placed for collection Output by debtor name or account number
Client Inventory	<ul style="list-style-type: none"> Includes all accounts currently listed Records account activity Output by debtor name or account number
Payments/Invoice	<ul style="list-style-type: none"> Includes all collection activity by name, identification number, payment date, the amount paid (to TSI and the City, TSI commission amount, net due to the City, current balance, and any tax, if applicable)
Close and Return	<ul style="list-style-type: none"> Indicates all closed accounts and documents reason for closing each account Output by debtor name or account number
Monthly Placement and Analysis	<ul style="list-style-type: none"> Performance analysis report indicates recovery results and provides a complete performance review Monthly or year-to-date Displays gross placements, deletions, and balance adjustments
Contact Update	<ul style="list-style-type: none"> Provides up-to-date addresses and telephone numbers

myTSI



TSI streamlines the management of collection accounts with our myTSI client portal, which will provide the City with a secure, real-time, online access for all of its account management and reporting needs. This dynamic, user-friendly site can be accessed 24/7 at the desktop level or through mobile devices.

TSI's secure, proprietary customer service portal delivers direct online access to authorize the City's staff to view various dashboards, download reports, and monitor performance and cumulative results, as well as individual debtor account information. With myTSI, the City can view all placed accounts and easily access the following features:

TSI's secure, proprietary customer service portal delivers direct online access to authorize the City's staff to view various dashboards, download reports, and monitor performance and cumulative results, as well as individual debtor account information. With myTSI, the City can view all placed accounts and easily access the following features:

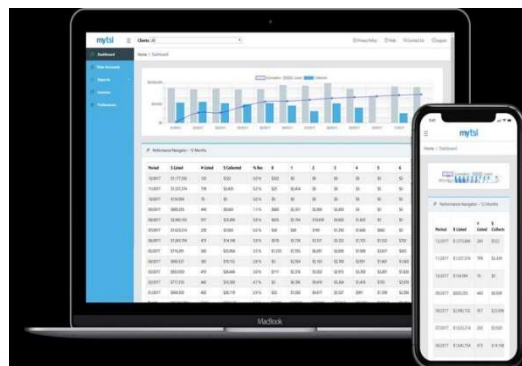
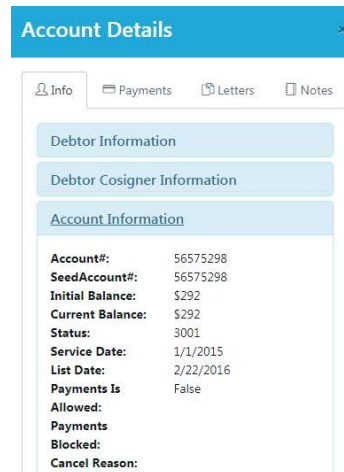
Account updates – the ability for the City to make adjustments to individual accounts

Account-level alerts – notifications for action needed on disputed accounts, accounts requiring validation/proof of debt, or claims of payments made directly to the City

Client dashboard – convenient, readily accessible performance reporting, including drill-down and charting capabilities

Recovery statistics - a consolidated view of all the City recovery and liquidity statistics

On-demand reporting - ad-hoc reporting, along with the option to export reports to multiple formats, including Excel, PDF, and email for immediate data



Debtor account demographics – debtor status and balance information; searchable by account name, TSI account number, or the City account number

Inventory reporting – all accounts, by placement date, or by status date; further refined through customizable date ranges and account status

Payment information – amounts paid, date paid, and type of payment (agency payments only, direct payments only, or all payments)

Performance reporting – number of accounts listed, amounts placed, and amounts collected

Audit trail – an audit trail of all collection and skip-tracing efforts

Collectors' notes regarding conversations with debtors

Debtor communications – letters sent to debtors

Payment information – access to invoices, statements, and online bill pay

Req.ID	Subject	Status	Category	Client#	Department	InsertDate	UpdateDate
256048	Collections AR-Inquiries - Trying to contact AR	Open pending	Collections AR-Inquiries	-	Client Support	2017-11-28	2017-11-28
256049	Cancel account - Request to Cancel an Account	Open pending	Cancel account	-	Client Support	2017-11-28	2017-11-28

Showing 1 to 2 of 2 rows

Open New Request

myTSI Support Center

In addition to account information, reports, and invoices, online support for any questions the City may have is always just a click away using myTSI's "Support Center" feature.

Superior, Proprietary Account Management

TSI provides immediate and effective support to agents during each call with The Source of Information "The Source," a proprietary guide that delivers client-specific information. This industry-leading platform allows immediate access to comprehensive client information in order to enhance compliance, increase effectiveness and provide our associates with the information they need to customize and adhere to specified account criteria in real time during a call.



Please refer to a copy of TSI's Sample Reports in [Exhibit B](#) on page 53 and Sample Letters in [Exhibit C](#) on page 54 of this proposal for details.

Performance Success

Productivity and collector performance benchmarks and quality control and assurance measures are integrated into our collection process, including business unit and client KPIs. In regard to client success goals, we measure performance success based on several integrated metrics:

- Liquidation rate
- Collector performance, production, effectiveness, compliance, and quality
- Call production – dials, right-party contacts, conversion
- Inbound production - abandon rate, average speed of answer, average hold time
- Service KPIs – file processing accuracy and timeliness, issue resolution, etc.

Ultimately, we base our success on achieving your stated revenue goals. CollectX analytics technology – Our



proprietary analytics model is based on nearly 50 years of data on debt types similar to those of the City. Our analytics model allows us to enter the network and provide elite performance immediately. A higher-performing vendor in the network means increased revenue for the City more quickly. TSI has achieved up to 400% higher recoveries for government clients but averages a 102% increase for our large municipal clients.



Collection Fee

Proposer shall submit a proposed all-inclusive contingency fee through the designated line items listed on the eBids website which shall be subject to the terms and conditions listed below.

1. For all accounts referred by the City, unless otherwise instructed by the Finance Director or his designee, Proposer shall add the collection fee to the amount of the debt owed City. The City shall not be responsible for any fees.
2. Proposer shall be responsible to collect the collection fee from the debtor and deduct it prior to remitting the principal amount to City.
3. If an account is reduced or cancelled by the City, no collection fee shall be due Proposer for the amount so reduced or cancelled or as otherwise stated in the contract.
4. If a bankruptcy court discharges Proposer's collection fee, Proposer shall be entitled to a percentage equal to Proposer's fee of the non-dischargeable debt collected. Proposer shall deduct this amount prior to remitting the remaining principal amount to City.
5. Should there be changes in law or City policy that allow a different method for recovering collection fees, Proposer shall modify its methods in accordance the Finance Director's instruction and, if necessary, execution of an amendment to the contract.

TSI has read, understands, and agrees to comply with the above requirements. TSI is pleased to present the City the following contingency fees:

Service Type	Description	Contingency Fee
Debt Collection Services	All-inclusive debt collection services performed by TSI	14%
Litigation/Legal Services (Optional)	Litigation/legal services performed by TSI's Attorney Network Services as described on page 40 (only upon written approval by the City)	35% plus court costs



References

Provide references for your provision of similar collection services, preferably in the Miami-Dade, Broward and Palm Beach County area. Describe the scope of each engagement in physical terms, costs and responsibilities. Provide the name, email and telephone numbers for a supervisor or manager who can attest to your performance.

Please note that the client references listed are provided in confidence and intended solely for the use of the City regarding this proposal response. Reference information may not be distributed, forwarded, or disclosed to parties not directly connected to the review or evaluation of this proposal without prior written consent from TSI.

Our references can attest to our commitment to customer service, system reliability, as well as the flexibility to support unique program needs.

Client Name:	Anesco North Broward
Address:	3601 W Commercial Blvd Ste 5, Fort Lauderdale, FL 33309
Contact Person/Title:	Sandra Peters – Director, Billing and Collection Operations
Email:	speters@anesco.net
Telephone Number:	954-703-2930
Contract Period:	2019 to Present
Scope of Work:	We handle 3 rd party collection & notices for Anesco North Broward's healthcare related accounts. All services are provided on a contingency basis. Our fees are based on a percentage of the collected debt and do not hold any hidden costs, nor do we charge Anesco North Broward for services we believe are essential to successfully recovering their delinquent accounts.

Client Name:	Florida Department of Financial Services
Address:	200 E Gaines St., Tallahassee, FL 32399
Contact Person/Title:	Vincent Cicco – Contract Manager
Email:	Vincent.Cicco@myfloridacfo.com
Telephone Number:	850-413-5714
Contract Period:	2010 to Present
Scope of Work:	We handle 3 rd party collections & skip tracing for the State of Florida salary overpayment, fines, and fees. Our fees are based on a percentage of the collected debt and do not hold any hidden costs, nor do we charge the Florida Department of Financial Services for services we believe are essential to successfully recovering their delinquent accounts.

Client Name:	Florida Department of Revenue
Address:	5050 W Tennessee St., Tallahassee, FL 32399-0112
Contact Person/Title:	Brad Guilford – Revenue Service Center Manager II
Email:	Brad.Guilford@floridarevenue.com
Telephone Number:	850-617-8698
Contract Period:	1999 to Present



Scope of Work:

We handle 3rd party collections & skip tracing for the State of Florida for delinquent taxes. Continued overall satisfaction for Florida Department of Revenue over the past 16 years. TSI has implemented multiple system updates as requested from FLDOR and has done so successfully. TSI has won multiple RFPs and has most recently been given a 5 year contract extension. Our fees are based on a percentage of the collected debt and do not hold any hidden costs, nor do we charge the Florida Department of Revenue for services we believe are essential to successfully recovering their delinquent accounts.



Insurance Requirements

Proposer shall not commence services under the terms of this Contract until certification or proof of insurance detailing terms and provisions has been received and approved in writing by the City's Risk Manager. If you are responding to a bid and have questions regarding the insurance requirements hereunder, please contact the City's Purchasing Department at 954-786-4098. If the contract has already been awarded, please direct any queries and proof of the requisite insurance coverage to City staff responsible for oversight of the subject contract.

Proposer is responsible to deliver to City, for timely review and written approval/disapproval, Certificates of Insurance that evidence all insurance required hereunder is in full force and effect and which name on a primary basis, the City as an additional insured on all such coverage. Such policy or policies shall be issued by United States Treasury approved companies authorized to do business in the State of Florida. The policies shall be written on forms acceptable to the City's Risk Manager, meet a minimum financial A.M. Best and Company rating of no less than Excellent, and be part of the Florida Insurance Guarantee Association Act. No changes are to be made to these specifications without prior written approval of the City's Risk Manager.

Throughout the term of this Contract, City, by and through its Risk Manager, reserves the right to review, modify, reject or accept any insurance policies required by this Contract, including limits, coverages or endorsements. City reserves the right, but not the obligation, to review and reject any insurer providing coverage because of poor financial condition or failure to operate legally.

Failure to maintain the required insurance shall be considered an event of default. The requirements herein, as well as City's review or acceptance of insurance maintained by Proposer, is not intended to, and shall not in any way limit or qualify the liabilities and obligations assumed by Proposer under this Contract. Throughout the term of this Contract, Proposer and all subcontractors or other agents hereunder, shall, at their sole expense, maintain in full force and effect, the following insurance coverages and limits described herein, including endorsements.

1. Worker's Compensation Insurance covering all employees and providing benefits as required by Florida Statute, Chapter 440, regardless of the size of the company (number of employees) or the state in which the work is to be performed or of the state in which Proposer is obligated to pay compensation to employees engaged in the performance of the Work. Proposer further agrees to be responsible for employment, control and conduct of its employees and for any injury sustained by such employees in the course of their employment.
2. Liability Insurance.
 - a. Naming the City of Pompano Beach as an additional insured as City's interests may appear, on General Liability Insurance only, relative to claims that arise from Proposer's negligent acts or omissions in connection with Proposer's performance under this Contract.
 - b. Such Liability insurance shall include the following checked types of insurance and indicated minimum policy limits.



Type of Insurance

Limits of Liability

GENERAL LIABILITY

* Policy to be written on occurrence basis

	Per Occurrence	Aggregate
XX comprehensive form – operations underground hazard	\$1,000,000	\$2,000,000
XX products/completed operations hazard	bodily injury and property damage XX premises bodily injury and property damage XX	
XX contractual insurance broad form property damage independent contractors personal injury XX personal injury	bodily injury & property damage combined	
— CG2010	bodily injury & property damage combined XX bodily injury & property damage combined XX	
— CG 2037	ongoing operations (or its equivalent) completed operations (or its equivalent)	
— sexual abuse/molestation	\$1,000,000	\$1,000,000

AUTOMOBILE LIABILITY

* Minimum Bodily injury (each person)

bodily injury (each accident), property damage, bodily injury and property damage combined

	Per Occurrence	Aggregate
XX comprehensive form	\$1,000,000	\$1,000,000
XX owned		
XX hired		
XX non-owned		

REAL & PERSONAL PROPERTY

* Policy to be written on a claims

occurrence basis comprehensive form; Proposer must show proof they have this coverage

EXCESS/UMBRELLA LIABILITY

* Policy to be written on a claims

occurrence basis

	Per Occurrence	Aggregate
XX excess/umbrella	bodily injury & \$5,000,000 property damage combined	\$5,000,000

PROFESSIONAL LIABILITY

* Policy to be written on a claims made

basis

	Per Occurrence	Aggregate
XX professional liability	\$1,000,000	\$1,000,000

3. If Professional Liability insurance is required, Proposer agrees the indemnification and hold harmless provisions of the contract shall survive its termination or expiration for a period of three (3) years unless terminated sooner by the applicable statute of limitations.

**ENVIRONMENTAL/
POLLUTION LIABILITY**

* Policy to be written on claims made basis

— environmental/pollution liability

Per Occurrence Aggregate

\$1,000,000 \$1,000,000

CYBER LIABILITY

* Policy to be written on claims made basis

Per Claim

\$1,000,000

Aggregate

\$1,000,000

- XX Network Security/Privacy Liability
- XX Breach Response/Notification Sublimit (minimum limit of 50% of policy aggregate)
- XX Technology Products E&O - \$1,000,000 (only applicable for vendors supplying technology related services and/or products)
- XX Coverage shall be maintained in effect during the period of the contract and for not less than four (4) years after its termination or completion

EMPLOYER'S LIABILITY

* Proposer and all subcontractors shall, for

the benefit of their employees, provide, carry, maintain and pay for Employer's Liability Insurance in the minimum amount of One Hundred Thousand Dollars (\$100,000.00) per employee, Five Hundred Thousand Dollars (\$500,000) per aggregate

4. Policies. Whenever, under the provisions of this contract, insurance is required of Proposer, Proposer shall promptly provide the following:

- a. Certificates of Insurance evidencing the required coverage;
- b. Names and addresses of companies providing coverage;
- c. Effective and expiration dates of policies; and
- d. A provision in all policies affording City thirty (30) days written notice by a carrier of any cancellation or material change in any policy.

5. Insurance Cancellation or Modification. Should any of the required insurance policies be canceled before the expiration date, modified or substantially modified, the issuing company shall provide thirty (30) days advance written notice to the City.

6. Waiver of Subrogation. Proposer hereby waives any and all right of subrogation against the City, its officers, employees and agents for each required policy. When required by the insurer, or should a policy condition not permit an insured to enter into a pre-loss Contract to waive subrogation without an endorsement, then Proposer shall notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy that includes a condition to the policy not specifically prohibiting such an endorsement, or voids coverage should Proposer enter into such a contract on a pre-loss basis.

TSI has read, understands, and agrees to comply with the above insurance requirements.



Miscellaneous Terms and Conditions

The completed Proposal (together with all required attachments) must be submitted electronically to City on or before the time and date stated herein. All Proposers, by electronic submission of a proposal, shall agree to comply with all of the conditions, requirements and instructions of this RFP as stated or implied herein. All Proposals and supporting materials submitted shall become the property of the City.

1. All Proposers shall complete and submit all forms required for this RFP in the eBids system.
2. All Proposers are required to provide all information requested in this RFP. Failure to do so may result in the disqualification of the Proposal.
3. The City reserves the right to postpone or cancel this RFP; reject all Proposals; and waive any technical or formal errors or omissions if it is determined to be in the best interest of the City to do so.
4. The City shall not be liable for any costs incurred by the Proposer in the preparation of their Proposal or for any work performed in connection therewith.
5. Proposer's Proposal shall not contain any alteration to the document posted other than entering data in spaces provided or including attachments as necessary. By submission of a response, Proposer affirms that a complete set of bid documents was obtained from the eBid System or from the Purchasing Division only and no alteration of any kind has been made to the RFP. Exceptions or deviations to the Proposal may not be added after the submittal date.
6. The City reserves the right to waive any technical or formal errors or omissions; reject all proposals; or award the contract for the Work requested herein, in part or whole, if City determines it is in the best interests of the City to do so.

TSI has read, understands, and agrees to comply with the above requirements.

Exhibit A: TSI SOC 2 Type I Report



Transworld Systems Inc.
Type 2 SOC 1
2019



**REPORT ON MANAGEMENT'S DESCRIPTION OF TRANSWORLD SYSTEMS
INC.'S SYSTEM AND ON THE SUITABILITY OF THE DESIGN AND OPERATING
EFFECTIVENESS OF CONTROLS**

**Pursuant to Statement on Standards for Attestation Engagements No. 18
(SSAE 18) Type 2**

October 1, 2018 to September 30, 2019

Table of Contents

SECTION 1 ASSERTION OF TRANSWORLD SYSTEMS INC.'S MANAGEMENT	1
SECTION 2 INDEPENDENT SERVICE AUDITOR'S REPORT	4
SECTION 3 DESCRIPTION OF TRANSWORLD SYSTEMS INC.'S COLLECTION AND PAYMENT PROCESSING SERVICES SYSTEM	8
OVERVIEW OF OPERATIONS.....	9
Company Background	9
Description of Services Provided	9
Boundaries of the System.....	14
Subservice Organizations	14
Significant Changes Since the Last Review	17
CONTROL ENVIRONMENT	17
Integrity and Ethical Values	17
Commitment to Competence	18
Management's Philosophy and Operating Style.....	19
Organizational Structure and Assignment of Authority and Responsibility	19
Human Resources Policies and Practices	19
RISK ASSESSMENT	19
CONTROL OBJECTIVE AND RELATED CONTROL ACTIVITIES	22
Integration with Risk Assessment	22
MONITORING	22
On-Going Monitoring	22
INFORMATION AND COMMUNICATION SYSTEMS	23
Information Systems	23
Communication Systems	25
COMPLEMENTARY USER ENTITY CONTROLS.....	25
SECTION 4 DESCRIPTION OF TRANSWORLD SYSTEMS INC.'S CONTROL OBJECTIVES AND RELATED CONTROLS, AND INDEPENDENT SERVICE AUDITOR'S DESCRIPTION OF TESTS OF CONTROLS AND RESULTS	27
GUIDANCE REGARDING DESCRIPTION OF TRANSWORLD SYSTEMS INC.'S CONTROL OBJECTIVES AND RELATED CONTROLS, AND INDEPENDENT SERVICE AUDITOR'S DESCRIPTION OF TESTS OF CONTROLS AND RESULTS	28
CHANGE CONTROL.....	29
LOGICAL ACCESS	32
DATA TRANSMISSION.....	35
COMPUTER OPERATIONS - BACKUP	38
CUSTOMER PAYMENT PROCESSING	40
CLIENT PAYMENT PROCESSING	46

SECTION 1
ASSERTION OF TRANSWORLD SYSTEMS INC.'S MANAGEMENT



Assertion of Transworld Systems Inc.'s Management

December 15, 2019

We have prepared the description of Transworld Systems Inc.'s ('TSI' or 'the Company') Collection and Payment Processing Services system for processing user entities' transactions entitled "Description of Transworld Systems Inc.'s Collection and Payment Processing Services System" throughout the period October 1, 2018 to September 30, 2019, (description) for user entities of the system during some or all of the period October 1, 2018 to September 30, 2019, and their user auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by subservice organizations and user entities of the system themselves, when assessing the risks of material misstatements of user entities' financial statements.

TSI uses Switch for cloud hosting and IT managed services, Katalyst for SAP managed services, and Amazon Web Services ('AWS') for backup services (collectively, the 'subservice organizations'). The description includes only the control objectives and related controls of TSI and excludes the control objectives and related controls of the subservice organizations. The description also indicates that certain control objectives specified by TSI in the description can be achieved only if complementary subservice organization controls assumed in the design of TSI's controls are suitably designed and operating effectively, along with the related controls at TSI. The description does not extend to controls of the subservice organizations.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of TSI controls are suitably designed and operating effectively, along with related controls at the service organization. The description does not extend to controls of the user entities.

We confirm, to the best of our knowledge and belief, that:

- a. The description fairly presents the Collection and Payment Processing Services system made available to user entities of the system during some or all of the period October 1, 2018 to September 30, 2019, for processing their transactions as it relates to controls that are likely to be relevant to user entities' internal control over financial reporting. The criteria we used in making this assertion were that the description:
 - i. presents how the system made available to user entities of the system was designed and implemented to process relevant transactions, including:
 - (1) the types of services provided including, as appropriate, the classes of transactions processed.
 - (2) the procedures, within both automated and manual systems, by which services are provided, including, as appropriate, procedures by which transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to reports and other information prepared for user entities.
 - (3) the related accounting records, supporting information, and specific accounts that are used to initiate, authorize, record, process, and report transactions; this includes the correction of incorrect information and how information is transferred to the reports and other information prepared for user entities.
 - (4) how the system captures significant events and conditions, other than transactions.
 - (5) the process used to prepare reports and other information for user entities.

- (6) services performed by a subservice organization, if any, including whether the inclusive method or the carve-out method has been used in relation to them.
 - (7) the specified control objectives and controls designed to achieve those objectives, including as applicable, complementary user entity controls contemplated in the design of the service organization's controls.
 - (8) other aspects of our control environment, risk assessment process, information and communication systems (including related business processes), control activities, and monitoring controls that are relevant to processing and reporting transactions of user entities of the system.
- ii. includes relevant details of changes to the service organization's system during the period covered by the description.
 - iii. does not omit or distort information relevant to the scope of the Collection and Payment Processing Services system, while acknowledging that the description is prepared to meet the common needs of broad range of user entities of the system and the independent auditors of those user entities, and may not, therefore, include every aspect of the Collection and Payment Processing Services system that each individual user entity of the system and its auditor may consider important in its own particular environment.
- b. the controls related to the control objectives stated in the description were suitably designed and operated effectively throughout the period October 1, 2018 to September 30, 2019, to achieve those control objectives if subservice organizations and user entities applied the complementary controls assumed in the design of TSI's controls throughout the period October 1, 2018 to September 30, 2019. The criteria we used in making this assertion were that:
- i. the risks that threaten the achievement of the control objectives stated in the description have been identified by the service organization;
 - ii. the controls identified in the description would, if operating as described, provide reasonable assurance that those risks would not prevent the control objectives stated in the description from being achieved; and
 - iii. the controls were consistently applied as designed, including whether manual controls were applied by individuals who have the appropriate competence and authority.



David Zwick
Chief Financial Officer
Transworld Systems Inc.

SECTION 2
INDEPENDENT SERVICE AUDITOR'S REPORT



INDEPENDENT SERVICE AUDITOR'S REPORT

To Transworld Systems Inc.:

Scope

We have examined TSI's description of its Collection and Payment Processing Services system for processing user entities' transactions entitled "Description of Transworld Systems Inc.'s Collection and Payment Processing Services System" throughout the period October 1, 2018 to September 30, 2019, (description) and the suitability of the design and operating effectiveness of TSI's controls included in the description to achieve the related control objectives stated in the description, based on the criteria identified in "Assertion of Transworld Systems Inc.'s Management" (assertion).

TSI uses Switch for cloud hosting and IT managed services, Katalyst for SAP managed services, and AWS for backup services. The description includes only the control objectives and related controls of TSI and excludes the control objectives and related controls of the subservice organizations. The description also indicates that certain control objectives specified by TSI can be achieved only if complementary subservice organization controls assumed in the design of TSI are suitably designed and operating effectively, along with the related controls at TSI. Our examination did not extend to controls of the subservice organizations, and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls contemplated in the design of TSI's controls are suitably designed and operating effectively, along with related controls at the service organization. Our examination did not extend to such complementary user entity controls, and we have not evaluated the suitability of the design and operating effectiveness of such complementary user entity controls.

Service Organization's Responsibilities

In Section 1 of this report, TSI has provided their assertion about the fairness of the presentation of the description and suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description. TSI is responsible for preparing the description and their assertion, including the completeness, accuracy, and method of presentation of the description and the assertion, providing the services covered by the description, specifying the control objectives and stating them in the description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria, and designing, implementing, and documenting controls to achieve the related control objectives stated in the description.

Service Auditor's Responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, in all material respects, based on the criteria in management's assertion, the description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description throughout the period October 1, 2018 to September 30, 2019. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of controls involves:

- performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of those controls to achieve the related control objectives stated in the description, based on the criteria in management's assertion.
- assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description.
- testing the operating effectiveness of those controls that management considers necessary to provide reasonable assurance that the related control objectives stated in the description were achieved.
- evaluating the overall presentation of the description and the suitability of the control objectives stated therein, and the suitability of the criteria specified by the service organization in their assertion.

Inherent Limitations

The description is prepared to meet the common needs of a broad range of user entities and their auditors who audit and report on user entities' financial statements, and may not, therefore, include every aspect of the system that each individual user entity may consider important in its own particular environment. Because of their nature, controls at a service organization may not prevent, or detect and correct, all errors or omissions in processing or reporting transactions. Also, the projection to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives, is subject to the risk that controls at a service organization may become inadequate or fail.

Description of Tests of Controls

The specific controls tested, and the nature, timing, and results of those tests are listed in Section 4.

Opinion

In our opinion, in all material respects, based on the criteria described in TSI's assertion,

- a. the description fairly presents the Collection and Payment Processing Services system that was designed and implemented throughout the period October 1, 2018 to September 30, 2019.
- b. the controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period October 1, 2018 to September 30, 2019 and subservice organizations and user entities applied the complementary user entity controls contemplated in the design of TSI's controls throughout the period October 1, 2018 to September 30, 2019.
- c. the controls operated effectively to provide reasonable assurance that the control objectives stated in the description were achieved throughout the period October 1, 2018 to September 30, 2019, if complementary subservice organization and user entity controls assume in the design of TSI's controls operated effectively throughout the period October 1, 2018 to September 30, 2019.

Restricted Use

This report, including the description of tests of controls and results thereof in Section 4 is intended solely for the information and use of TSI, user entities of TSI's Collection and Payment Processing Services system during some or all of the period October 1, 2018 to September 30, 2019, and the independent auditors of such user entities, who have a sufficient understanding to consider it, along with other information including information about controls implemented by user entities themselves, when assessing the risks of material misstatements of user entities' financial statements. This report is not intended to be and should not be used by anyone other than these specified parties.

A-LIGN ASSURANCE

December 15, 2019
Tampa, Florida

SECTION 3

DESCRIPTION OF TRANSWORLD SYSTEMS INC.'S COLLECTION AND PAYMENT PROCESSING SERVICES SYSTEM

OVERVIEW OF OPERATIONS

Company Background

TSI is a global provider of business process outsourcing services primarily focused on accounts receivable management (ARM). This report focuses on the controls in place for the ARM activities. The ARM business provides accounts receivable and collection services to TSI's clients in the financial services, healthcare, retail and commercial, telecommunications, utilities, education, and government sectors.

Description of Services Provided

TSI is a leading provider of analytics-driven ARM solutions that delivers scalability and minimizes regulatory risk with a best-in-class compliance management system.

Service offerings include:

First-Party Reminders:

- TSI communicates with client customers in the client's name
- Customers can opt-in for multi-channel communication delivery (phone, mail, SMS, e-mail)

Third-Party Demands:

- Drive home the necessity of payment
- Multi-channel communication delivery (phone, mail, SMS, e-mail)

First-Party Collection:

- TSI becomes a true extension of client back office operations
- Reduce expenses and streamline existing processes for greater cost savings
- Diplomatic approach ensures customer satisfaction and client brand protection

Third-Party Collection:

- Instill a sense of urgency in debtors
- Maximize cost savings with global (on-shore, near-shore, or off-shore) delivery model
- Full-service contingent or per-seat collections, variable capacity, champion-challenger testing, and asset investigation

Skip Tracing:

- Locate debtors sooner using a variety of advanced technologies and proprietary techniques
- The result: More right-party contacts and higher, accelerated recoveries

Legal Claims Processing:

- Target the most difficult accounts through legal action
- Leverage a proven national network of best-in-class law firms

Bankruptcy Proof-of-Claim Processing:

- Bankruptcy monitoring, identification, scrub services, account coding, and file bankruptcy proof-of-claims on behalf of the clients

Transactions Processing & Reporting

TSI's Collection and Payment Processing Services system processes include automated and manual reconciliations.

Customer Payment Processing

Automated Remittance Processing

The Payment Receipts process relates to the processing of collections received from the customer. This process leverages OPEX hardware accompanied by software to meet TSI's specific business and client needs. This process begins at the receipt of customer payments and ends at the posting of the related cash journal entries. A bank reconciliation group conducts an independent verification during the book to bank reconciliation to validate completeness and validation of payments received and disbursed.

Payments and other correspondence are routed to TSI's secure Payment Processing department in Horsham, PA where they sort, open and scan within 24 hours of receipt. The TSI mailroom receives mail daily, Monday through Friday; from various Post Offices where it has been pre-sorted by post office box (each post box corresponds to a datapath/directory or client). The mailroom delivers the mail to the Automated Remittance Processing staff for handling. Envelopes containing a single payment coupon and payment instrument are systemically opened and processed on the OPEX 7.5. All other incoming mail is opened on or OPEX 7200 extraction equipment.

All contents from the envelope are captured through the imaging system and a unique sequence number is assigned and printed on each item. TSI's Automated Remittance Platform (Wausau) leverages predefined business rules to eliminate unnecessary manual keying or intervention. Once in the system, payment files are created using data captured from payment coupons and payment instruments. After creation, payment files are sent to and processed in the collection system and a response file is returned to the Wausau remittance system. Items unable to be applied in the collection system are directed either to a suspense process within Wausau or are hard rejected and distributed to the Payment Processors for manual decision. Posted payments processed via the automated remittance platform are electronically prepared for deposit and transmitted securely to the bank via Image Cash Letter (ICL) for same day bank credit. End of day balancing to the host system is performed by the Payment Processing department using collection system reports, remittance totals and deposit reports.

Deposit Only

For payments that are manually posted, a bank deposit slip is completed for each bank account. A member of the remittance team reviews the deposit slip to verify that the total amount deposited to the bank matches the total amount posted to FACS and initials the deposit slip as evidence of review. Those deposits are ingested into the remittance system for inclusion with the ICL deposit at the end of each business day.

Credit Card Payments

An authorized Payment Processor runs the credit card settlement process daily. A system generated cash journal lists the items posted to FACS. The cash batch is balanced and updated in FACS and recorded on the Reconciliation sheet for that directory. The Bank Reconciliation department then reconciles those credit card totals to the credit card settlement report.

Wire Transfer Payments

An authorized Payment Processor generates a report from TSI's financial institutions' web site of all received EFT/Wire transactions for a given date range. Using the information provided on the report, the payments are applied to the associated accounts in the collection system.

Post-dated Check Payments/Pre-Authorized Drafts

Post-dated checks represent payments that have been agreed upon in advance by a consumer. In some cases, the consumer provides their account information and authorization for TSI to create a draft to be drawn on the consumer's account at an agreed upon amount(s) and time. Items post-dated by the consumer may also be received by mail.

Post-dated checks are logged into the FACS system which tracks them by debtor number and check date. The physical post-dated checks are then filed in order of check date and directory. When the checks are due to be posted, FACS calls for that item in a cash batch and the Payment Processor pulls the physical postdated check, posts the item and prepares it for deposit.

On a daily basis an assigned Payment Processor or systemic process executes all authorized drafts for the current date. The Payment Processors reconcile the payments posted (system generated report) to the source (instruments/file). These items are electronically transmitted for deposit via the secure ICL process to the appropriate bank account.

Return Items (non-sufficient funds transactions (NSF's))

The bank forwards TSI and its subsidiaries a daily electronic file of return items (by depository account). The electronic file is processed via the Wausau remittance system and a payment file is created and sent from Wausau to the FACS System. Reports are generated to support the entries and the reports are balanced back to the electronic file. The bank may also forward the physical items associated with the electronic file. If applicable, the Bank Reconciliation department receive the NSF package, and forwards each pack to the appropriate Payment Processing area for application to the consumer's FACS account.

For directories that are not live with the electronic process, a designated person prepares an adding machine tape to validate that the total agrees to the detailed NSF advises provided by the bank.

Any item that cannot be processed using the electronic file is processed manually by a Payment Processor who notates the account with the NSF or any other reason and balances the batch. An exception report is generated by the system when a NSF posted is attempted to be posted to a consumer account but does not have the 3-way match - date, check# and dollar amount. Bank adjustments like bank errors and NSF's are recorded along with daily processing totals and those negative amounts are entered onto the Reconciliation spreadsheet by Payment Processing. Bank Reconciliation department reconciles these negative amounts to the negative debits at the bank.

Corrections and Reapplies

Corrections and reapplies, which may be necessary due to an incorrect posting, credit card chargeback, or refund, are performed by the Payment Processing department.

For specific directories, corrections and reapplies are forwarded by the branch staff to the Payment Processing department through e-mail or fax for processing. The corrections and reapplies are received in a shared e-mail box for posting. The Payment Processor posts the corrections and reapplies; balance the totals back to the original request and updates the posting batches in FACS. All totals are then recorded on the daily reconciliation spreadsheet. The original correction and reapply requests and the Cash Journal are maintained and filed electronically.

Currency Payments

When currency is received in the mail, the receiving Remittance Processor is required to immediately notify a member of the management team who then witnesses the amount received along with the processor and places the currency in a sealed envelope. Both the processor and manager sign across the seal of the envelope to confirm the envelope is not tampered with. In addition, a cash receipt log is prepared and witnessed by the processor and manager. The sealed envelope is then put in a locked drop box within the secure remittance area. Daily, the drop box is opened by authorized personnel who verify the contents against the cash log. After confirmation the funds are applied on the intended consumer account by authorized personnel and validated by another authorized person. Those totals are then recorded onto the Daily Reconciliation spreadsheet. The completed deposits are placed in a locked deposit bag by the processor which are then reviewed and signed off on by Management. Copies of the transacted deposit slips are returned to Management who then completes a final validation of the transacted receipts against the cash log.

Daily Payment Reconciliation

The daily cash reconciliation is performed to reconcile multiple system-generated reports from FACS to the Payment Processors' Top/Batch sheets, including the ICL Deposit report to confirm that all deposits have been entered into the collection systems completely and accurately for that day. A designated person reconciles and completes the Daily Payment Reconciliation Spreadsheet. The following processes are included in the daily cash reconciliation process:

Daily the payments applied in the collection system are reconciled to items deposited by using various system generated reports. Evidence of this reconciliation is recorded on The Daily Reconciliation Sheet which is prepared by directory and summarizes all the given day's activity present on the FACS directories GL. Identified discrepancies are researched and corrected.

The reconciliation sheets are saved on a shared network drive and utilized by the Bank Reconciliation department to perform bank reconciliations daily.

Client Payment Processing

Payment Disbursement and Invoice Generation Process

Client Accounting department focuses on remitting the collected funds on gross or net terms to clients. The payment disbursement and invoicing processes take place simultaneously. FACS is used for collections and statement and invoice generation. SAP is used for payment disbursement.

IT FACS application team will setup the rate table in FACS based on the commission rates in the client contract provided by the Sales and Client Services team. Commission rates are validated by the Client Services team and any corrections required are recorded in FACS. Once all data matches, approval is provided to mark the client as active. A quality control review is performed upon receipt of initial data file from the client and periodically thereafter.

Statement and Invoice Generation Process

The Client Accounting Representatives are responsible for the specific datapath generates the statements and invoices for clients by performing system scans. The Client Accounting Representative is responsible for maintaining a schedule of client statement generation, frequency, and timing.

A FACS system scan retrieves current consumer collection activity and calculates the commissions (due to TSI) and net payable or net receivable data according to set parameters and terms. The parameters are negotiated during the sales process with the client and are set up by the Operations Group according to the contract terms. The statement generation process (client invoicing) can be set to occur daily, weekly, semi-monthly, or monthly.

As a system scan is performed, the client statements and invoices are generated and saved to a file by the Client Accounting Representative. Files are automatically sent to the archived website for printing and storage. A system check indicates that the scan was performed, and it will not allow the scan to be run more than once. The FACS system has automated processes to prevent the double posting of consumer collection activity including commissions and net payable or net receivable data. The system generates a unique invoice number for statements generated via each data path.

Daily Reconciliation

The FASC system scan process records receivable and client remittance entries. An automated process updates the related receivable and remittance activity in SAP. After the statements are generated, the Client Accounting Representative reviews the account receivable and client remittance activity in FACS to confirm that it equals to the SAP posted amounts.

Payment Proposal Initiation

To initiate wires and ACHs, the Client Accounting Representative reviews their client information and provides the Client Accounting Analyst with a proposal request form. This form contains all information related to the disbursement needed (SAP customer number, amount, and the bank variant that the wire should be disbursed from). The analyst generates the payment proposal for Treasury. The ability to create payment proposals and release payments is restricted to authorized individuals only, and these functions are logically segregated within SAP.

If there is any manual adjustment needed in SAP, a request is sent to a Client Accounting Manager for review and sign-off.

New ACH Requests

When a new client is set up in SAP to receive their funds electronically (ACH or Wire), a request (e-mail) containing the client banking information (account number and routing number) received from the client in either e-mail or on client letterhead, is sent to Treasury along with the completed SAP Customer request form for approval. Once approved, a service request is placed with the Corporate Services Group to have the customer account created in SAP.

Bank Reconciliation

Bank Reconciliation department generates a journal entry for SAP based on the Daily Payment Reconciliation prepared by the Payment Processing department. The Bank Reconciliation department also prepares the reconciliation of SAP entries to the bank statement.

Persons who have no cash receipt or disbursement functions perform bank reconciliations. Bank accounts are reconciled and reviewed within 30 days after close of month. An automated daily audit is also performed for all accounts to identify discrepancies, which are investigated in a timely manner and reported to the appropriate departments for follow-up.

Each completed bank's reconciliation consists of the following: (i) a reconciliation statement; (ii) management review; (iii) accounting review; and (iv) a completed check list of certain items of interest to management, including quarterly review of the outstanding checks list to verify compliance with other policies such as escheat. Exclusively for the purpose of execution of this control step, completed means that the reconciliation has been performed at least through steps (i) and (ii) as evidenced by the bank reconciliation archiving database.

The Bank Reconciliation Manager receives a bank account inventory list from Treasury department every month. As the review of each bank's reconciliation is completed, the reviewer adds the review date to the bank reconciliation archive index for the given month's bank reconciliation. The Bank Reconciliation Manager monitors the archiving database to confirm that all accounts are reconciled completely and timely as evidenced by the log printout on the 30th day following each month end.

Significant Events

TSI has implemented automated and manual procedures to capture and address significant event and conditions. In addition, detailed monitoring and risk assessment procedures are in place to provide management with detailed information that impacts the Collection and Payment Processing Services system. Please see the procedures, monitoring, and risk assessment procedures described in the relevant sections of this report for further details.

IT Operations staff provide around the clock coverage to monitor and respond to any significant events or conditions on TSI systems. A variety of monitoring tools are used depending on the system / application.

All relevant events and incidents are reviewed and tracked to resolution on a Daily Production Review meeting which includes the IT Leadership team.

Functional Areas of Operation

The TSI staff provides support for the above services in each of the following functional areas:

- Executive Management - provides general oversight and strategic planning of operations
- IT Engineers and Developers - Develop, build, and maintains systems that enable the business to operate
- IT Operations and Support - Provide day to day administrative and technical support for TSI systems
- Business Operations Back Office Support - Provide client services, sales, compliance, and more in support of the business
- Collection Agents - Generate revenue through debt collection

Boundaries of the System

The scope of this report includes the Collection and Payment Processing Services system performed in the Fort Washington, Pennsylvania and Manita, Philippines facilities.

Subservice Organizations

This report does not include the cloud hosting and IT managed services provided by Switch, SAP managed services provided by Katalyst, and backup services provided by AWS.

Complementary Subservice Organization Controls

TSI's services are designed with the assumption that certain controls will be implemented by subservice organizations. Such controls are called complementary subservice organization controls. It is not feasible for all of the control objectives related to TSI's services to be solely achieved by TSI control procedures. Accordingly, subservice organizations, in conjunction with the services, should establish their own internal controls or procedures to complement those of TSI.

The following subservice organization controls should be implemented by Switch to provide additional assurance that the control objectives described within this report are met:

Subservice Organization - Switch	
Control Objective	Control
Physical Security	The ability to create, modify, or delete user badge access privileges to the facilities is restricted to user accounts accessible by authorized personnel.
	A full review of employee and customer access privileges is performed on a semi-annual basis.
	Badge access card privileges are assigned to users using predefined access zones to help ensure that access privileges are consistently assigned based on job responsibilities and/or where customer equipment is located.
	Badges access privileges assigned to terminated employees are revoked within 24 hours as a component of the employee termination process.
	Physical access control systems are in place to restrict access to and within the data centers housing the offline storage, backup data, systems, and media to properly authorized individuals.
	The building perimeters for the facilities include a minimum set of physical barriers that include: <ul style="list-style-type: none"> • Fences/Walls • Entrance gates controlled by guards or card access
	Personnel and authorized customers and contractors are required to enter a mantrap where they must provide the badge access card and a biometric credential prior to being granted access to the secure interior of the data centers.
Environmental Security	The data centers are equipped with the following environmental protection equipment: <ul style="list-style-type: none"> • Fire detection and suppression systems • HVAC units • Generators • Electrical systems
	Facilities personnel retain the inspection report completed by third-party specialists to evidence the inspection and maintenance of the following on at least an annual basis: <ul style="list-style-type: none"> • Fire detection and suppression systems • HVAC units • Generators • Electrical systems

Subservice Organization - Switch	
Control Objective	Control
	Enterprise monitoring applications are utilized to monitor for attributes that include, but are not limited to, the following: <ul style="list-style-type: none"> • System performance and availability • Physical and environmental alarms
	Automated backup systems are in place to perform scheduled backups of customer systems at predefined times.
	An enterprise monitoring application is utilized to monitor for unsuccessful backup jobs and notify operations personnel if predefined events are identified on managed backup systems.
	Disaster recovery plans are in place to guide personnel in procedures to protect against disruptions caused by an unexpected event.
Computer Operations	Disaster recovery plans are in place to guide personnel in procedures to protect against disruptions caused by an unexpected event.
	Contingency planning procedures are in place to guide personnel in contingency planning activities.

The following subservice organization controls should be implemented by Katalyst to provide additional assurance that the control objectives described within this report are met:

Subservice Organization- Katalyst	
Control Objective	Control
Change Control	SAP changes are migrated to production timely and completely after the changes are approved and tested.
	Access to production is restricted to the appropriate IT personnel.
Logical Access	Access to SAP is restricted to the appropriate personnel.

The following subservice organization controls should be implemented by AWS to provide additional assurance that the control objectives described within this report are met:

Subservice Organization - AWS	
Control Objective	Control
Computer Operations	Backups of the SAP are performed on a regular basis.
	SAP backup restorations are performed in the event of processing errors or unexpected processing interruptions.

TSI management, along with the subservice organizations, define the scope and responsibility of the controls necessary to meet all the relevant control objectives through written contracts, such as service level agreements. In addition, TSI performs monitoring of the subservice organization controls, including the following procedures:

- Reviewing and reconciling output reports
- Holding periodic discussions with vendors and subservice organizations
- Making regular site visits to vendor and subservice organizations' facilities
- Testing controls performed by vendors and subservice organizations
- Reviewing attestation reports over services provided by vendors and subservice organizations
- Monitoring external communications, such as customer complaints relevant to the services by the subservice organizations

Significant Changes Since the Last Review

No significant changes have occurred to the services provided to user entities since the organization's last review.

CONTROL ENVIRONMENT

Integrity and Ethical Values

The effectiveness of controls cannot rise above the integrity and ethical values of the people who create, administer, and monitor them. Integrity and ethical values are essential elements of TSI's control environment, affecting the design, administration, and monitoring of other components. Integrity and ethical behavior are the product of TSI's ethical and behavioral standards, how they are communicated, and how they are reinforced in practices. They include management's actions to remove or reduce incentives and temptations that might prompt personnel to engage in dishonest, illegal, or unethical acts. They also include the communication of entity values and behavioral standards to personnel through policy statements and codes of conduct, as well as by example.

Specific control activities that the service organization has implemented in this area are described below:

- Formally, documented organizational policy statements and codes of conduct communicate entity values and behavioral standards to personnel
- Policies and procedures require employees sign an acknowledgment form indicating they have been given access to the employee manual and understand their responsibility for adhering to the policies and procedures contained within the manual
- A confidentiality statement agreeing not to disclose proprietary or confidential information, including client information, to unauthorized parties is a component of the employee handbook
- Background checks are performed for employees as a component of the hiring process

In addition to the above, TSI has implemented a full Compliance Management System including the following:

Compliance Program:

- Prevents and reduces regulatory violations
- Protects consumers and minimizes risk of litigation

Call Quality Monitoring:

- Monitors and scores over 1000 hours of agent-debtor interactions per day
- Tracks agent acknowledgements
- Requires supervisor-agent coaching

Consumer Complaint Management:

- Investigates consumer complaints
- Performs root-cause analysis
- Determines merit of complaints

<1% of contacts result in a consumer's complaint.

Compliance Audit

Assesses each business unit's compliance with consumer protection laws, internal policies and procedures, and client requirements.

Commitment to Competence

TSI's management defines competence as the knowledge and skills necessary to accomplish tasks that define employees' roles and responsibilities. Management's commitment to competence includes management's consideration of the competence levels for particular jobs and how those levels translate into the requisite skills and knowledge.

Specific control activities that the service organization has implemented in this area are described below:

- Management has considered the competence levels for particular jobs and translated required skills and knowledge levels into written position requirements
- Training is provided to maintain the skill level of personnel in certain positions
- Utilization of INFOR Talent System allows TSI to identify traits of employees who have been successful in the past and consistently hire that skill set in the future

New Hire Training

Courses include (but not limited to):

- FDCPA
- TCPA
- HIPAA
- FCRA
- FACTA

Additional governance courses:

- Security Awareness
- Federal Regulations

Ongoing Training

Conducted semi-annually for all TSI employees:

- FDCPA
- State Law
- Company Policies
- TCPA Training
- HIPAA Training
- Office Safety & Health
- Security Awareness Training
- FWA Training
- Governance Training
- Compliance Memos
- Complaint Handling
- Client Specifics

Management's Philosophy and Operating Style

TSI's management philosophy and operating style encompass a broad range of characteristics. Such characteristics include management's approach to taking and monitoring business risks, and management's attitudes toward information processing, accounting functions, and personnel.

Specific control activities that the service organization has implemented in this area are described below:

- Management is periodically briefed on regulatory and industry changes affecting the services provided
- Executive management meetings are held to discuss major initiatives and issues that affect the business as a whole

Organizational Structure and Assignment of Authority and Responsibility

TSI's organizational structure provides the framework within which its activities for achieving entity-wide objectives are planned, executed, controlled, and monitored. Management believes establishing a relevant organizational structure includes considering key areas of authority and responsibility. An organizational structure has been developed to suit its needs. This organizational structure is based, in part, on its size and the nature of its activities.

TSI's assignment of authority and responsibility activities include factors such as how authority and responsibility for operating activities are assigned and how reporting relationships and authorization hierarchies are established. It also includes policies relating to appropriate business practices, knowledge, and experience of key personnel, and resources provided for carrying out duties. In addition, it includes policies and communications directed at ensuring personnel understand the entity's objectives, know how their individual actions interrelate and contribute to those objectives, and recognize how and for what they will be held accountable. Organizational charts are in place to communicate key areas of authority and responsibility. These charts are communicated to employees and updated as needed.

Human Resources Policies and Practices

TSI's success is founded on sound business ethics, reinforced with a high level of efficiency, integrity, and ethical standards. The result of this success is evidenced by its proven track record for hiring and retaining top quality personnel who ensures the service organization is operating at maximum efficiency. TSI's human resources policies and practices relate to employee hiring, orientation, training, evaluation, counseling, promotion, compensation, and disciplinary activities.

Specific control activities that the service organization has implemented in this area are described below:

- New employees are required to sign acknowledgement forms for the employee handbook and a confidentiality agreement following new hire orientation on their first day of employment
- Employees undergo security awareness training on an annual basis
- Employees are evaluated on their job performance on an annual basis
- Employee termination procedures are in place to guide the termination process and are documented in a termination checklist

RISK ASSESSMENT

TSI's risk assessment process identifies and manages risks that could potentially affect TSI's ability to provide reliable services to user organizations. This ongoing process requires that management identify significant risks inherent in products or services as they oversee their areas of responsibility.

TSI identifies the underlying sources of risk, measures the impact to organization, establishes acceptable risk tolerance levels, and implements appropriate measures to monitor and manage the risks.

1 The Process

- 1.1 Risk assessment is implemented through the Risk Assessment Table (Risk Assessment and Risk Treatment Methodology Procedure - Risk Assessment Table).
- 1.2 The risk assessment process is coordinated by the Chief Compliance Officer or designee, identification of threats and vulnerabilities is performed by asset owners, and assessment of consequences and likelihood is performed by risk owners.

2 Asset Based: Vulnerabilities and Threats

- 2.1 The first step in risk assessment is the identification of all assets in the ISMS scope - i.e. of all assets which may affect confidentiality, integrity and availability of information in the organization.
- 2.2 Assets may include documents in paper or electronic form, applications and databases, people, IT equipment, infrastructure, and external services/outsourced processes.
- 2.3 When identifying assets, it is also necessary to identify their owners - the person or organizational unit responsible for each asset.
- 2.4 The next step is to identify all threats and vulnerabilities associated with each asset. Threats and vulnerabilities are identified using the catalogues included in the Risk Assessment Table.
- 2.5 Every asset may be associated with several threats, and every threat may be associated with several vulnerabilities.

3 Scenario Based: Vulnerabilities and Threats

- 3.1 Scenario based is the process of computing the risk exposure rating by identifying scenarios applicable to an asset.
- 3.2 Scenarios are identified as per the applicable threats for all Medium and High Asset Classes from the Asset Based Risk Assessment.

4 Determining the risk owners

- 4.1 For each risk, a risk owner has to be identified - the person or organizational unit responsible for each risk. This person may or may not be the same as the asset owner.

5 Consequences and likelihood

- 5.1 Once risk owners have been identified, it is necessary to assess consequences for each combination of threats and vulnerabilities for an individual asset if such a risk materializes:

Low consequence	0	Loss of confidentiality, availability or integrity does not affect the organization's cash flow, legal or contractual obligations, or its reputation.
Moderate consequence	1	Loss of confidentiality, availability or integrity incurs costs and has a low or moderate impact on legal or contractual obligations, or the organization's reputation.
High consequence	2	Loss of confidentiality, availability or integrity has considerable and/or immediate impact on the organization's cash flow, operations, legal or contractual obligations, or its reputation.
Low likelihood	0	Existing security controls are strong and have so far provided an adequate level of protection. No new incidents are expected in the future.

Moderate likelihood	1	Existing security controls are moderate and have mostly provided an adequate level of protection. New incidents are possible, but not highly likely.
High likelihood	2	Existing security controls are low or ineffective. Such incidents have a high likelihood of occurring in the future.

6 Risk Acceptance Criteria

6.1 Accumulated Values 1, 2 and 3 are acceptable risks, while values above 4 are unacceptable risks (Medium and High). Unacceptable risks must be reviewed for risk acceptance or treated accordingly.

7 Risk Treatment

7.1 Risk Treatment is implemented through the Risk Treatment Table, by copying all risks identified as unacceptable from the Risk Assessment Table. Risk treatment is conducted by the Chief Compliance Officer or designee.

7.2 One or more treatment options must be selected for unaccepted risks:

7.2.1 Selection of security control or controls from Annex A of the ISO/IEC 27001 standard or some other security controls.

7.2.2 Transferring the risks to a third-party - e.g. by purchasing an insurance policy or signing a contract with suppliers or partners.

7.2.3 Avoiding the risk by discontinuing a business activity that causes such risk.

7.2.4 Accepting the risk- this option is allowed only if the selection of the other risk treatment options would cost more than the potential impact should the risk materialize.

7.3 The selection of options is implemented through the Risk Treatment Table. Usually, one or more security controls is evaluated. When several security controls are selected for a risk, then additional rows are inserted into the treatment table immediately below the row specifying the risk.

7.4 The treatment of risks related to outsourced processes must be addressed through the contracts with responsible third parties, as specified in Supplier Information Security Policy.

8 Regular reviews of risk assessment and risk treatment

8.1 Risk owners must review existing risks and update the Risk Assessment Table and Risk Treatment Table in line with newly identified risks.

8.2 The review is conducted at least once a year, or more frequently in the case of significant organizational changes, significant change in technology, change of business objectives, changes in the business environment, etc.

9 Statement of Applicability and Risk Treatment Plan

9.1 Chief Compliance Officer or designee must document the following in the Statement of Applicability which security controls from Annex A of the ISO/IEC 27001 standard are applicable and which are not, the justification for such decisions, and whether they are implemented or not.

9.2 On behalf of the risk owners, senior leadership will accept all residual risks through the Statement of Applicability.

9.3 Chief Compliance Officer or designee will prepare the Risk treatment plan in which the implementation of controls will be planned. On behalf of the risk owners, senior leadership will approve the Risk treatment plan.

10 Reporting

10.1 Chief Compliance Officer, or designee, will document the results of risk assessment and risk treatment, and all of the subsequent reviews, in the Risk Assessment and Treatment Report.

10.2 Chief Compliance Officer, or designee, will monitor the progress of implementation of the Risk treatment plan and report the results to Chief Technology Officer, VP of Information Security and Chief Compliance Officer each month.

CONTROL OBJECTIVE AND RELATED CONTROL ACTIVITIES

Integration with Risk Assessment

Along with assessing risks, TSI has identified and put into effect actions needed to address those risks. In order to address risks, control activities have been placed into operation to help ensure that the actions are carried out properly and efficiently. Control activities serve as mechanisms for managing the achievement of those objectives.

Selection and Development of Control Activities Specified by the Service Organization

Control activities are a part of the process by which TSI strives to achieve its business objectives. TSI has applied a risk management approach to the organization in order to select and develop control activities. After relevant risk have been identified and evaluated, controls are established, implemented, monitored, reviewed and improved when necessary to meet the overall objectives of the organization.

TSI's control objectives and related control activities are included in Section 4 (the "Testing Matrices") of this report to eliminate the redundancy that would result from listing the items in this section and repeating them in the Testing Matrices. Although the control objectives and related control activities are included in the Testing Matrices, they are, nevertheless, an integral part of TSI's description of the data center services system.

The description of the service auditor's tests of operating effectiveness and the results of those tests are also presented in the Testing Matrices, adjacent to the service organization's description of control activities. The description of the tests of operating effectiveness and the results of those tests are the responsibility of the service auditor and should be considered information provided by the service auditor.

MONITORING

Management monitors controls to ensure that they are operating as intended and that controls are modified as conditions change. TSI's management performs monitoring activities to continuously assess the quality of internal control over time. Necessary corrective actions are taken as required to correct deviations from company policies and procedures. Vendor management procedures have been defined to review the services provided by external providers. Employee activity and adherence to company policies and procedures is also monitored. This process is accomplished through ongoing monitoring activities, separate evaluations, or a combination of the two.

On-Going Monitoring

TSI's management conducts quality assurance monitoring on a regular basis and additional training is provided based upon results of monitoring procedures. Monitoring activities are used to initiate corrective action through department meetings, internal conference calls, and informal notifications.

Management's close involvement in TSI's operations helps to identify significant variances from expectations regarding internal controls. Upper management evaluates the facts and circumstances related to any suspected control breakdown. A decision for addressing any control's weakness is made based on whether the incident was isolated or requires a change in the company's procedures or personnel. The goal of this process is to ensure legal compliance and to maximize the performance of TSI's personnel.

TSI's Compliance Management System includes processes for monitoring operations for compliance with regulations as well as TSI's policies and procedures. Executive sponsorship oversees the effectiveness of the CMS, promotes a culture of compliance, and sets clear compliance expectations.

Call quality monitoring Monitors and scores over 1000 hours of agent-debtor interactions per day.

TSI's broad regulatory compliance and audit oversight touches TSI employees, how they interact with consumers, how TSI monitors and assesses those interactions, and how TSI secures and protects both client and consumer data.

Vendor Management

TSI has defined the following activities to oversee controls performed by vendors that could impact the Collection and Payment Processing Services system:

- Reviewing attestation reports over services provided by vendors and subservice organizations
- Monitoring external communications, such as customer complaints relevant to the services by the subservice organizations

Reporting Deficiencies

An internal tracking tool is utilized to document and track the results of on-going monitoring procedures. Escalation procedures are maintained for responding and notifying management of any identified risks. Risks receiving a high rating are responded to immediately. Corrective actions, if necessary, are documented and tracked within the internal tracking tool. Annual risk meetings are held for management to review reported deficiencies and corrective actions.

INFORMATION AND COMMUNICATION SYSTEMS

Information Systems

TSI has implemented mechanisms to track and record operational data to make strategic decisions and ensure objectives are consistently achieved. Information gathered from systems enable TSI to understand business trends in order to maximize efforts and provide optimal services.

Infrastructure

Primary infrastructure used to provide TSI's Collection and Payment Processing Services system includes the following:

Primary Infrastructure		
Hardware	Type	Purpose
Switches	Cisco	Connects devices on the corporate network by sending message to the specific device(s) that need to receive it
Routers	Cisco	Connects multiple networks and forward packets within the network or other networks

Primary Infrastructure		
Hardware	Type	Purpose
Telco providers	Century Link - 28 MPLS circuits, 1 internet circuit, 1 point to point circuit	Data and voice communication
Firewall/IPS Provider	Four redundant Fortigate firewalls 2 ASA 5525x pairs securing non-PCI internet traffic, and client VPN traffic	Controls network traffic and access
Voice Solution - VOIP, PBX	2 SIP Trunks, On prem PBX, 41 Level 3 PRIs	Phone communication
Disk Arrays	EMC (VNX) EMC (Xtreme IO)	Provide data storage capability
VBlocks	VCE	Converged infrastructure hardware to provide compute, storage, and network

Software

Primary software used to provide TSI's Collection and Payment Processing Services system includes the following:

Primary Software		
Software	Type	Purpose
FACS version 18.2.2112 /Cache 2012 CRS	Red hat Linux	Collection System - facilitates collection activity on debtor accounts
SAP Business Objects BI 4.1	SAP Business Objects BI 4.1	Provides reporting and analytic capability
SAP ECC 6.0 (Finance, Controlling)	Windows Server 2012 R2	Financial reporting and control
UltiPro (Cloud) Adobe Captivate Prime (Cloud)	n/a	HRIS, Payroll Learning Management System
Hyland OnBase version 16	Windows Server 2012 R2	Document Management
SharePoint Foundation 2010	Windows Server 2008 R2	Internal Team Collaboration Tools
Onyx (IP)	Windows Server 2012 R2	e-Commerce (Web, Mobility, Social, Self-care)
ePay (IP)	Windows Server 2012 R2	Payment processing

Primary Software		
Software	Type	Purpose
Insite (IP)	Windows Server 2003 Standard	Call Center Workforce Management
BMC Track-IT version 11.4	Windows Server 2012 R2	IT Service Management / Trouble Ticketing Systems

Communication Systems

Communication is an integral component of TSI's internal control system. It is the process of identifying, capturing, and exchanging information in the form and time frame necessary to conduct, manage, and control the entity's operations. This process encompasses the primary classes of transactions of the organization, including the dependence on, and complexity of, information technology. At TSI, information is identified, captured, processed, and reported by various information systems, as well as through conversations with clients, vendors, regulators, and employees.

Various weekly calls are held to discuss operational efficiencies within the applicable functional areas and to disseminate new policies, procedures, controls, and other strategic initiatives within the organization. Additionally, meetings are held bi-annually to provide staff with updates on the firm and key issues affecting the organization and its employees. Senior executives lead the meetings with information gathered from formal automated information systems and informal databases, as well as conversations with various internal and external colleagues. General updates to entity-wide security policies and procedures are usually communicated to the appropriate TSI personnel via e-mail messages.

COMPLEMENTARY USER ENTITY CONTROLS

TSI's services are designed with the assumption that certain controls will be implemented by user entities. Such controls are called complementary user entity controls. It is not feasible for all of the control objectives related to TSI's services to be solely achieved by TSI control procedures. Accordingly, user entities, in conjunction with the services, should establish their own internal controls or procedures to complement those of TSI's.

The following complementary user entity controls should be implemented by user entities to provide additional assurance that the control objectives described within this report are met. As these items represent only a part of the control considerations that might be pertinent at the user entities' locations, user entities' auditors should exercise judgment in selecting and reviewing these complementary user entity controls.

Control Objective 3

1. User entities are responsible for establishing controls to provide reasonable assurance that controls to maintain the integrity, confidentiality and accuracy of their data during transmission are in place.
2. User entities are responsible for establishing controls to provide reasonable assurance that reconciliations are performed of data submitted for processing to actual data which was uploaded into FACS.

Control Objective 4

1. User entities are responsible for establishing controls to provide reasonable assurance that the timely review of TSI provided account balance and related activity reports are performed, and written notice is provided to TSI when discrepancies are identified between the clients' own records and TSI's records.

2. User entities are responsible for establishing controls to provide reasonable assurance that written, and/or verbal notice is provided to TSI if reports are not received on a timely basis.
3. User entities are responsible for establishing controls to provide reasonable assurance that timely written notification of changes to individuals authorized to instruct TSI's activities on behalf of the client are appropriately communicated to TSI.

Control Objective 5

1. User entities are responsible for contacting TSI if payments have not been processed timely, accurately, or completely.

SECTION 4

DESCRIPTION OF TRANSWORLD SYSTEMS INC.'S CONTROL OBJECTIVES AND RELATED CONTROLS, AND INDEPENDENT SERVICE AUDITOR'S DESCRIPTION OF TESTS OF CONTROLS AND RESULTS

GUIDANCE REGARDING DESCRIPTION OF TRANSWORLD SYSTEMS INC.'S CONTROL OBJECTIVES AND RELATED CONTROLS, AND INDEPENDENT SERVICE AUDITOR'S DESCRIPTION OF TESTS OF CONTROLS AND RESULTS

A-LIGN's examination of the controls of TSI was limited to the control objectives and related control activities specified by the management of TSI and did not encompass all aspects of TSI's operations or operations at user organizations. Our examination was performed in accordance with American Institute of Certified Public Accountants (AICPA) Statement on Standards for Attestation Engagements No. 18 (SSAE 18).

Our examination of the control activities was performed using the following testing methods:

TEST	DESCRIPTION
Inquiry	The service auditor made inquiries of service organization personnel. Inquiries were made to obtain information and representations from the client to determine that the client's knowledge of the control and corroborate policy or procedure information.
Observation	The service auditor observed application of the control activities by client personnel.
Inspection	The service auditor inspected among other items, source documents, reports, system configurations to determine performance of the specified control activity and in some instances the timeliness of the performance of control activities.
Re-performance	The service auditor independently executed procedures or controls that were originally performed by the service organization as part of the entity's internal control.

In determining whether a SSAE 18 report meets the user auditor's objectives, the user auditor should perform the following procedures:

- Understand the aspects of the service organization's controls that may affect the processing of the user organization's transactions;
- Understand the flow of significant transactions through the service organization;
- Determine whether the control objectives are relevant to the user organization's financial statement assertions;
- Determine whether the service organization's controls are suitably designed to prevent or detect processing errors that could result in material misstatements in the user organization's financial statements and determine whether they have been implemented.

CONTROL AREA 1 CHANGE CONTROL

Control Objective Specified by the Service Organization:

Controls provide reasonable assurance that development of new applications and changes to existing applications and related data management systems are authorized, tested, documented, approved, and implemented to result in the complete, accurate, and timely processing and reporting of transaction processing.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
1.1	FACS: Custom projects are authorized by TSI Management or a signed specifications document depending on the nature of the change. A Work Approval Form is required for problem fixes.	Inspected the approval documentation from management for a sample of FACS program changes, including both custom projects and software problem fixes to determine that custom projects were authorized by TSI Management or a signed specifications document depending on the nature of the change. A Work Approval Form was required for problem fixes.	No exceptions noted.
1.2	SAP: A request for a change is submitted to the SAP Services Group and authorization or approval to make a program change must be received from the process owner prior to implementation.	Inspected the ticket request for a sample of SAP program changes to determine that a request for a change was submitted to the SAP Services Group and authorization or approval to make a program change was received from the process owner prior to implementation.	No exceptions noted.
1.3	FACS: All changes must be approved by management prior to implementation into the production environment.	Inspected the approval documentation from management for a sample of FACS program changes to determine that all changes were approved by management prior to implementation into the production environment.	No exceptions noted.
1.4	SAP: Changes must be approved by a member of the Corporate Systems Group before they are implemented into production. The approver cannot be the person who completed the development or the QA test.	Inspected the approval documentation from management and notification of testing for a sample of SAP program changes to determine that changes were approved by a member of the Corporate Systems Group before they were implemented into production. The approver was not the person who completed the development or the QA test.	No exceptions noted.

CONTROL AREA 1 CHANGE CONTROL

Control Objective Specified
by the Service Organization:

Controls provide reasonable assurance that development of new applications and changes to existing applications and related data management systems are authorized, tested, documented, approved, and implemented to result in the complete, accurate, and timely processing and reporting of transaction processing.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
1.5	FACS: FACS program changes are tested prior to being released to production. Notification of testing completion and results is provided to TSI management for review.	Inspected the notification of testing for a sample of FACS program changes to determine that FACS program changes were tested prior to being released to production. Notification of testing completion and results was provided to TSI management for review.	No exceptions noted.
1.6	SAP: SAP program changes are tested prior to being released to production.	Inspected the notification of testing for a sample of SAP program changes to determine that SAP program changes were tested prior to being released to production.	No exceptions noted.
1.7	FACS and SAP: A segregated testing environment, dedicated to the testing of program changes prior to implementation in production, is in place.	Inspected the separate application environments for the FACS and SAP applications to determine that A segregated testing environment, dedicated to the testing of program changes prior to implementation in production, was in place.	No exceptions noted.
1.8	FACS: A daily audit report showing all FACS changes that have been implemented during the prior day is generated and reviewed by a member of the FACS IT team without development/migrator access.	<p>Inquired of the Information Security Coordinator/Analyst regarding FACS changes to determine that a daily audit report showing all FACS changes that have been implemented during the prior day was generated and reviewed by a member of the FACS IT team without development/migrator access.</p> <p>Inspected the application log configurations and an example application log extract to determine that a daily audit report showing all FACS changes that have been implemented during the prior day was generated and reviewed by a member of the FACS IT team without development/migrator access.</p>	<p>No exceptions noted.</p> <p>No exceptions noted.</p>

CONTROL AREA 1 CHANGE CONTROL

Control Objective Specified
by the Service Organization:

Controls provide reasonable assurance that development of new applications and changes to existing applications and related data management systems are authorized, tested, documented, approved, and implemented to result in the complete, accurate, and timely processing and reporting of transaction processing.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
1.9	SAP: On an annual basis, a review of users with access to perform critical SAP IT (SAP Basis) functions is performed to validate that access to promote SAP changes is restricted to authorized individuals only, based on job responsibility. If discrepancies or changes are discovered, remediation is requested and remediated where applicable.	Inspected the completed application user access reviews to determine that on an annual basis, a review of users with access to perform critical SAP IT (SAP Basis) functions was performed to validate that access to promote SAP changes is restricted to authorized individuals only, based on job responsibility. If discrepancies or changes are discovered, remediation was requested and remediated where applicable.	No exceptions noted.
1.10	FACS: Emergency changes must be approved by the FACS Support Management team prior to releasing into production. The emergency change will then be retrospectively documented, and a Track-It ticket created and approved.	Inspected the listing of users with access to approve FACS changes and approval documentation from the FACS Support Management team for a sample of FACS program changes to determine that emergency changes were approved by the FACS Support Management team prior to releasing into production, and that the emergency change was retrospectively documented, and a Track-It ticket created and approved.	No exceptions noted.
1.11	SAP: Emergency changes require unanimous approval from the members of the Change Advisory Board (CAB) prior to implementation to the production environment.	Inspected the listing of users with access to approve SAP changes and approval documentation from the CAB for a sample of SAP program changes to determine that emergency changes required unanimous approval from the members of the CAB prior to implementation to the production environment.	No exceptions noted.

CONTROL AREA 2 LOGICAL ACCESS

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that logical access to system resources is restricted to properly authorized and appropriate individuals.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
2.1	FACS: Requests for user account additions and modifications for employees, clients and vendors must be submitted via the Service Desk tool by an authorized approver.	Inspected the application user listing and user access requests ticket for a sample of new hires to determine that requests for user account additions and modifications for employees, clients and vendors were submitted via the Service Desk tool by an authorized approver.	No exceptions noted.
2.2	SAP: Requests for new and modified user access must be authorized by a manager on a Security Request Form.	Inspected the application user listing and user access request ticket for a sample of new hires to determine that requests for new and modified user access were authorized by a manager on a Security Request Form.	No exceptions noted.
2.3	Remote network access is configured with Active Directory to enforce single sign-on authentication.	Inspected the VPN and network authentication configurations to determine that remote network access was configured with Active Directory to enforce single sign-on authentication.	No exceptions noted.
2.4	Active Directory, FACS, and SAP: Password and login parameters for Active Directory, FACS, and SAP are set to require a minimum length password expiration, and account lockout after a specified number of attempts.	Inspected the authentication and account lockout configurations for network, operation system, database, and applications to determine that password and login parameters for Active Directory, FACS, and SAP were set to require a minimum length password expiration, and account lockout after a specified number of attempts.	No exceptions noted.
2.5	FACS: On an annual basis, a review over FACS administrative accounts is performed by the IT Security Team.	Inspected the completed application user access reviews to determine that on an annual basis, a review over FACS administrative accounts was performed by the IT Security Team.	No exceptions noted.
2.6	Client data is segregated within the FACS application. Users are required to authenticate via a valid user ID and password.	Inspected the client data segregation within FACS to determine that client data was segregated within the FACS application.	No exceptions noted.

CONTROL AREA 2 LOGICAL ACCESS

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that logical access to system resources is restricted to properly authorized and appropriate individuals.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
2.7	FACS: Terminated users' access is removed from the FACS system upon termination.	Inspected the client authentication prompt to determine that users were required to authenticate via a valid user ID and password. Inspected the application user listing, listing of terminated employees and user revocation request ticket for a sample of terminated employees to determine that terminated users' access was removed from the FACS system upon termination.	No exceptions noted. No exceptions noted.
2.8	SAP: On an annual basis, a review of user access to SAP is performed. If discrepancies or changes are discovered, modifications are requested via the SAP Security Team and remediated where applicable. Any recommended role changes are accompanied by the appropriate change form or an e-mail from the role owner, which are used as approval.	Inspected the completed application user access reviews to determine that on an annual basis, a review of user access to SAP was performed. If discrepancies or changes were discovered, modifications were requested via the SAP Security Team and remediated where applicable. Any recommended role changes were accompanied by the appropriate change form or an e-mail from the role owner, which were used as approval.	No exceptions noted.
2.9	SAP: On an annual basis, a review of users with access to perform critical SAP IT (SAP Basis) functions is performed to validate that access is restricted to authorized individuals only, based on job responsibility. If discrepancies or changes are discovered, remediation is requested and remediated where applicable.	Inspected the completed application user access reviews to determine that on an annual basis, a review of users with access to perform critical SAP IT (SAP Basis) functions was performed to validate that access is restricted to authorized individuals only, based on job responsibility. If discrepancies or changes were discovered, remediation was requested and remediated where applicable.	No exceptions noted.

CONTROL AREA 2 LOGICAL ACCESS

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that logical access to system resources is restricted to properly authorized and appropriate individuals.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
2.10	Active Directory: Upon classification as "terminated" within the Human Resources system, a user's access rights to Active Directory are systematically disabled.	Inspected the network user listing, listing of terminated employees, and user revocation request ticket for a sample of terminated employees to determine that upon classification as "terminated" within the Human Resources system, a user's access rights to Active Directory were systematically disabled.	No exceptions noted.

CONTROL AREA 3 DATA TRANSMISSION

Control Objective Specified
by the Service Organization:

Controls provide reasonable assurance that data transmissions between the service organization and its clients are complete, accurate, and secure and that data received is posted to the relevant systems in accordance with the Company's guidelines.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
3.1	OpsNet conversion errors automatically initiate the creation of a Track It ticket. OpsNet conversion errors are appropriately researched and resolved.	Inspected the supporting documentation for a sample of conversion errors to determine that OpsNet conversion errors automatically initiated the creation of a Track It ticket. OpsNet conversion errors were appropriately researched and resolved.	No exceptions noted.
3.2	Active Batch conversion errors are monitored real time. The Outstanding File Report is reviewed daily by the senior management team to ensure that outstanding client files are processed timely or escalated for resolution as necessary.	Inspected the Outstanding File Report for a sample of days to determine that Active Batch conversion errors were monitored real time. The Outstanding File Report was reviewed daily by the senior management team to ensure that outstanding client files were processed timely or escalated for resolution as necessary.	No exceptions noted.
3.3	Performance metrics from the Outstanding File Reports generated by ActiveBatch are reviewed weekly during operations meetings.	Inspected the operations meetings minutes for a sample of weeks to determine that performance metrics from the Outstanding File Reports generated by ActiveBatch were reviewed weekly during operations meetings.	No exceptions noted.
3.4	Policies and procedures are in place to guide users in the governance of the firewall, router, telecommunications, and network practices.	Inspected the firewall policies and procedures to determine that that policies and procedures were in place to guide users in the governance of the firewall, router, telecommunications, and network practices.	No exceptions noted.
3.5	A firewall is in place to filter unauthorized inbound network traffic from the internet.	Inspected the firewall rules sets to determine that a firewall was in place to filter unauthorized inbound network traffic from the internet.	No exceptions noted.

CONTROL AREA 3 DATA TRANSMISSION

Control Objective Specified
by the Service Organization:

Controls provide reasonable assurance that data transmissions between the service organization and its clients are complete, accurate, and secure and that data received is posted to the relevant systems in accordance with the Company's guidelines.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
3.6	The firewall system is configured to deny any type of network connection that is not explicitly authorized by a firewall system rule.	Inspected the firewall rules sets to determine that the firewall system was configured to deny any type of network connection that was not explicitly authorized by a firewall system rule.	No exceptions noted.
3.7	The ability to administer the firewall system is restricted to appropriate user accounts.	Inquired of the Information Security Coordinator/Analyst regarding administrative access to the firewall to determine that the ability to administer the firewall system was restricted to appropriate user accounts. Inspected the firewall administrator listing to determine that the ability to administer the firewall system was restricted to appropriate user accounts.	No exceptions noted. No exceptions noted.
3.8	Server certificate-based authentication is used as part of the SSL/TLS encryption with a trusted certificate authority.	Inspected the SSL certificate to determine that server certificate-based authentication was used as part of the SSL/TLS encryption with a trusted certificate authority.	No exceptions noted.
3.9	VPN users are authenticated via multi-factor authentication (username, password, and PIN/OTP/Token) prior to being granted remote access to the system.	Inspected the VPN authentication configurations to determine that VPN users were authenticated via multi-factor authentication (username, password, and PIN/OTP/Token) prior to being granted remote access to the system.	No exceptions noted.
3.10	VPN access privileges are revoked as a component of the termination process.	Inspected the VPN user listing, the listing of terminated employees and the user access revocation request ticket for a sample of terminated employees to determine that VPN access privileges were revoked as a component of the termination process.	No exceptions noted.
3.11	An intrusion detection system (IDS) is utilized to analyze network events and report possible or actual network security breaches.	Inspected the IDS configurations to determine that an IDS was utilized to analyze network events and report possible or actual network security breaches.	No exceptions noted.

CONTROL AREA 3**DATA TRANSMISSION**

Control Objective Specified
by the Service Organization:

Controls provide reasonable assurance that data transmissions between the service organization and its clients are complete, accurate, and secure and that data received is posted to the relevant systems in accordance with the Company's guidelines.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
3.12	The IDS is configured to notify IT personnel upon intrusion detection.	Inspected the IDS notification configurations to determine that the IDS was configured to notify IT personnel upon intrusion detection.	No exceptions noted.

CONTROL AREA 4 COMPUTER OPERATIONS - BACKUP

Control Objective Specified Controls provide reasonable assurance that timely system backups of critical files to an off-site location are performed.
 by the Service Organization:

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
4.1	FACS and SAP backups are conducted in accordance to the Corporate Backup and Retention Policy.	Inspected the backup policies and procedures to determine that FACS and SAP backups were conducted in accordance to the Corporate Backup and Retention Policy.	No exceptions noted.
4.2	FACS and SAP are backed up nightly. The backup processes are reviewed daily to verify that the scheduled nightly back up processes completed successfully, that all the files were copied to the backup tapes successfully, and that any errors detected are corrected in a timely manner.	<p>Inspected the backup system schedules and configurations to determine that FACS was backed up nightly and that the backup processes were reviewed daily to verify that the scheduled nightly back up processes completed successfully, that all the files were copied to the backup tapes successfully, and that any errors detected were corrected in a timely manner.</p> <p>Inspected the backup system schedules and configurations to determine that SAP was backed up nightly and that the backup processes were reviewed daily to verify that the scheduled nightly back up processes completed successfully, that all the files were copied to the backup tapes successfully, and that any errors detected were corrected in a timely manner.</p>	<p>No exceptions noted.</p> <p>No exceptions noted.</p>
4.3	FACS and SAP backup files are configured to automatically replicated to a standby data center.	<p>Inspected the backup replication configurations and an example of an automatic backup restore to determine that FACS backup files were configured to automatically replicate to a standby data center.</p> <p>Inspected the backup replication configurations and an example of an automatic backup restore to determine that SAP backup files were configured to automatically replicate to a standby data center.</p>	<p>No exceptions noted.</p> <p>No exceptions noted.</p>

CONTROL AREA 4 COMPUTER OPERATIONS - BACKUP

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that timely system backups of critical files to an off-site location are performed.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
4.4	IT personnel monitor the success or failure of backups and are notified of backup job status via e-mail notifications.	Inquired of the Director of Project Management and Information Security Coordinator/Analyst regarding the monitoring of system backups to determine that IT personnel monitored the success or failure of backups and were notified of backup job status via e-mail notifications. Inspected the backup notification configurations and an example alert from the backup system to determine that IT personnel monitored the success or failure of backups and were notified of backup job status via e-mail notifications.	No exceptions noted. No exceptions noted.
4.5	Backup media is stored in an encrypted format.	Inspected the backup media encryption configurations to determine that backup media was stored in an encrypted format.	No exceptions noted.
4.6	Backup media is rotated off-site by a third-party vendor on a quarterly basis.	Inspected the contract in place with the offsite backup storage vendor and the backup rotation logs for the last two quarters to determine that backup media was rotated off-site by a third-party vendor on a quarterly basis.	No exceptions noted.
4.7	The ability to recall backed up data is restricted to authorized personnel.	Inspected the vendor-provided listing of users with the ability to recall backup media to determine that the ability to recall backed up data was restricted to authorized personnel.	No exceptions noted.

CONTROL AREA 5 CUSTOMER PAYMENT PROCESSING

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that customer payments received are processed completely, accurately, timely, and are posted to the appropriate customer accounts.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
5.1	Customer payments received by the company are posted in a timely and accurate manner.	<p>Inspected the policies and procedures regarding customer payment processing to determine that appropriate policies and adequate procedures were in place to guide employees in processing and posting customer payments received in a timely and accurate manner.</p> <p>Inspected the posting details for a sample of payments to determine that customer payments received by the company are posted in a timely and accurate manner.</p>	<p>No exceptions noted.</p> <p>No exceptions noted.</p>
5.2	ICF of checks received are sent to the bank daily for processing. The file is also imported to FACS for posting on the debtor account.	<p>Inspected the ICFs sent to the bank for a sample of days to determine that ICFs of checks received were sent to the bank daily for processing.</p> <p>Inspected the files imported to FACS to post to debtor accounts for ICFs submitted to the bank for processing for a sample of days to determine that the file was also imported to FACS for posting on the debtor account.</p>	<p>No exceptions noted.</p> <p>No exceptions noted.</p>
5.3	ACH deposits are reviewed and posted daily by the payment processing team.	<p>Inspected the ACH deposit files for a sample of days to determine that ACH deposits were posted daily by the payment processing team.</p> <p>Inspected the ACH deposit file reviews for a sample of days to determine that ACH deposits were reviewed daily by the payment processing team.</p>	<p>No exceptions noted.</p> <p>No exceptions noted.</p>
5.4	E-pay payments are processed at least daily and the system creates a file that is imported to FACS for posting to accounts.	Inspected the E-pay posting files imported to FACS for a sample of days to determine that E-pay payments were processed at least daily and the system created a file that was imported to FACS for posting to accounts.	No exceptions noted.

CONTROL AREA 5 CUSTOMER PAYMENT PROCESSING

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that customer payments received are processed completely, accurately, timely, and are posted to the appropriate customer accounts.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
5.5	The automated remittance processing system prevents invalid check data from being entered into fields when checks are being balanced.	Inquired of the VP of Treasury regarding automated remittance processing system to determine that the automated remittance processing system prevented invalid check data from being entered into fields when checks were being balanced. Observed the resulting error message when invalid check data was attempted to be entered into the automated remittance processing system to determine that the automated remittance processing system prevented invalid check data from being entered into fields when checks were being balanced.	No exceptions noted. No exceptions noted.
5.6	The automatic remittance processing system automatically applies customer payments to the appropriate customer accounts and delivers payments to the bank for deposit. Unknown transaction data is identified, separated, and investigated.	Inquired of the VP of Treasury regarding automated remittance processing system to determine that the automatic remittance processing system automatically applied customer payments to the appropriate customer accounts and delivered payments to the bank for deposit, and that unknown transaction data was identified, separated, and investigated. Observed a sampled payment via TSI's automated payment processing system to determine that the automatic remittance processing system automatically applied customer payments to the appropriate customer accounts and delivered payments to the bank for deposit, and that unknown transaction data was identified, separated, and investigated.	No exceptions noted. No exceptions noted.

CONTROL AREA 5 CUSTOMER PAYMENT PROCESSING

Control Objective Specified Controls provide reasonable assurance that customer payments received are processed completely, accurately, by the Service Organization: timely, and are posted to the appropriate customer accounts.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
5.7	When payment instruments are manually processed, a bank deposit slip is completed for each data path/directory. A member of the remittance team reviews the deposit slip to verify that the total amount deposited to the bank matches the total amount posted to FACS and initials the deposit slip as evidence of review.	<p>Inquired of the VP of Treasury regarding manual payments to determine that payment instruments that were manually processed, a bank deposit slip was completed for each data path/directory and a member of the remittance team reviewed the deposit slip to verify that the total amount deposited to the bank matched the total amount posted to FACS and initiated the deposit slip as evidence of review.</p> <p>Inspected the deposit slips and FACS system reports for a sample of data paths/directories to determine that when payment instruments were manually processed, a bank deposit slip was completed for each data path/directory and a member of the remittance team reviewed the deposit slip to verify that the total amount deposited to the bank matched the total amount posted to FACS and initiated the deposit slip as evidence of review.</p> <p>Inspected the deposit slip review completed for a sample of data paths/directories to determine that when payment instruments were manually processed, a bank deposit slip was completed for each data path/directory and a member of the remittance team reviewed the deposit slip to verify that the total amount deposited to the bank matched the total amount posted to FACS and initiated the deposit slip as evidence of review.</p>	<p>No exceptions noted.</p> <p>No exceptions noted.</p> <p>No exceptions noted.</p>

CONTROL AREA 5 CUSTOMER PAYMENT PROCESSING

Control Objective Specified Controls provide reasonable assurance that customer payments received are processed completely, accurately, by the Service Organization: timely, and are posted to the appropriate customer accounts.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
5.8	On a daily basis an electronic file of NSF's is received and applied to the appropriate consumer accounts on the FACS system. Reconciliation is performed to validate that all NSF's were posted to consumer accounts on the FACS system completely and accurately.	<p>Inquired of the VP of Treasury regarding the NSF transactions to determine that on a daily basis an electronic file of NSF's was received and applied to the appropriate consumer accounts on the FACS system and a reconciliation was performed to validate that all NSF's were posted to consumer accounts on the FACS system completely and accurately.</p> <p>Inspected the NSF files for a sample of days to determine that on a daily basis an electronic file of NSF's was received and applied to the appropriate consumer accounts on the FACS system.</p> <p>Inspected the NSF reconciliation for a sample of days to determine that reconciliation was performed to validate that all NSF's were posted to consumer accounts on the FACS system completely and accurately.</p>	<p>No exceptions noted.</p> <p>No exceptions noted.</p> <p>No exceptions noted.</p>
5.9	A Daily Payment Reconciliation Sheet listing the items posted to FACS is printed, reviewed and reconciled to the credit card settlement report.	<p>Inquired of the VP of Treasury regarding the Daily Payment Reconciliation Sheet to determine that a Daily Payment Reconciliation Sheet listing the items posted to FACS was printed, reviewed and reconciled to the credit card settlement report.</p> <p>Inspected the Daily Payment Reconciliation Sheet and the credit card settlement report for a sample of days to determine that a Daily Payment Reconciliation Sheet listing the items posted to FACS was printed, reviewed and reconciled to the credit card settlement report.</p>	<p>No exceptions noted.</p> <p>No exceptions noted.</p>

CONTROL AREA 5 CUSTOMER PAYMENT PROCESSING

Control Objective Specified Controls provide reasonable assurance that customer payments received are processed completely, accurately, by the Service Organization: timely, and are posted to the appropriate customer accounts.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
5.10	For FACS system corrections and reapplies, the payment processor prints a Debtor Payment Batch report and verifies that totals match to the Cash Correction and Reapply sheets.	<p>Inquired of the VP of Treasury regarding FACS system corrections and reapplies to determine that for FACS system corrections and reapplies, the payment processor printed a Debtor Payment Batch report and agreed the totals to the Cash Corrections and Reapply sheets.</p> <p>Inspected the NSF files and reconciliation for a sample of days to determine that for FACS system corrections and reapplies, the payment processor printed a Debtor Payment Batch report and agreed the totals to the Cash Corrections and Reapply sheets.</p>	<p>No exceptions noted.</p> <p>No exceptions noted.</p>
5.11	The Daily Cash Reconciliation is performed to reconcile multiple system-generated reports from FACS to the payment processors' top sheets, including bank deposit slips, to verify that all deposits have been entered into the collections systems completely and accurately for that day.	<p>Inquired of the VP of Treasury regarding Daily Cash Reconciliation to determine that Daily Cash Reconciliation was performed to reconcile multiple system-generated reports from FACS to the payment processors' top sheets, including bank deposit slips, to verify that all deposits have been entered into the collections systems completely and accurately for that day.</p> <p>Inspected the Daily Cash Reconciliations for a sample of days to determine that Daily Cash Reconciliation was performed to reconcile multiple system-generated reports from FACS to the payment processors' top sheets, including bank deposit slips, to verify that all deposits have been entered into the collections systems completely and accurately for that day.</p>	<p>No exceptions noted.</p> <p>No exceptions noted.</p>

CONTROL AREA 5 CUSTOMER PAYMENT PROCESSING

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that customer payments received are processed completely, accurately, timely, and are posted to the appropriate customer accounts.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
		Inspected the top sheet and bank deposit slips correlating to the Daily Cash Reconciliations for a sample of days to determine that Daily Cash Reconciliation was performed to reconcile multiple system-generated reports from FACS to the payment processors' top sheets, including bank deposit slips, to verify that all deposits have been entered into the collections systems completely and accurately for that day.	No exceptions noted.

CONTROL AREA 6 CLIENT PAYMENT PROCESSING

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that payments to clients are processed completely and accurately.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
6.1	Client payments received by the company are posted in a timely and accurate manner.	Inspected the policies and procedures regarding client payment processing to determine that client payments received by the company were posted in a timely and accurate manner.	No exceptions noted.
		Inspected a sample of transactions to determine that client payments received by the company were posted in a timely and accurate manner.	No exceptions noted.
6.2	Prior to making new clients active in the FACS application, updates to the rate table which calculates the amount of commission due to the agency are approved.	Inquired of the VP of Treasury regarding making new clients active in the FACS application to determine that prior to making new clients active in the FACS application, updates to the rate table which calculates the amount of commission due to the agency were approved.	No exceptions noted.
		Inspected the rate table approval for a sample of new clients created in FACS to determine that prior to making new clients active in the FACS application, updates to the rate table which calculates the amount of commission due to the agency were approved.	No exceptions noted.
6.3	FACS prevents double posting of consumer collection activity, including commissions and net payable or net receivable data.	Inquired of the VP of Treasury regarding preventing double posting of consumer collection activity to determine that FACS prevented double posting of consumer collection activity, including commissions and net payable or net receivable data.	No exceptions noted.
		Observed an attempt to repost consumer collection activity for a sampled consumer account to determine that FACS prevented double posting of consumer collection activity, including commissions and net payable or net receivable data.	No exceptions noted.

CONTROL AREA 6 CLIENT PAYMENT PROCESSING

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that payments to clients are processed completely and accurately.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
6.4	The ability to create payment proposals and release payment is restricted to authorized individuals only, and these functions are logically segregated within SAP.	Inquired of the VP of Treasury regarding the ability to create payment proposals and release payment to determine that the ability to create payment proposals and release payment was restricted to authorized individuals only, and these functions were logically segregated.	No exceptions noted.
		Inspected the listing of users with the ability to create payment proposals and release payments to determine that the ability to create payment proposals and release payment was restricted to authorized individuals only, and these functions were logically segregated.	No exceptions noted.
6.5	The SAP Check Register must be approved by the User Accounting Manager prior to being released to Treasury for check printing.	Inquired of the VP of Treasury regarding the SAP Check Register to determine that the SAP Check Register must be approved by the User Accounting Manager prior to being released to Treasury for check printing.	No exceptions noted.
		Inspected the approval documentation of the SAP Check Register to determine that the SAP Check Register must be approved by the User Accounting Manager prior to being released to Treasury for check printing.	No exceptions noted.
6.6	New requests for ACH payment enrollment must be initiated by an authorized client contact, approved by the Accounting Manager or VP of Treasury and entered into the system by an authorized member of TSI's SAP Services Group.	Inquired of the VP of Treasury regarding new requests for ACH payment enrollment to determine that new requests for ACH payment enrollment must be initiated by an authorized client contact, approved by the Accounting Manager or VP of Treasury and entered into the system by an authorized member of TSI's SAP Services Group.	No exceptions noted.

CONTROL AREA 6 CLIENT PAYMENT PROCESSING

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that payments to clients are processed completely and accurately.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
6.7	Monthly bank reconciliations are performed by the Staff Accountant and reconciling items are agreed to outstanding payments.	<p>Inspected the approval documentation by the Accounting Manager or VP of Treasury of a sample of new requests for ACH payment enrollment within the review period and the listing of employees with access to enter new ACH payment enrollments into the SAP system to determine that new requests for ACH payment enrollment must be initiated by an authorized client contact, approved by the Accounting Manager or VP of Treasury and entered into the system by an authorized member of TSI's SAP Services Group.</p> <p>Inquired of the VP of Treasury regarding monthly bank reconciliations to determine that monthly bank reconciliations were performed by the Staff Accountant and reconciling items were agreed to outstanding payments.</p>	<p>No exceptions noted.</p> <p>No exceptions noted.</p>
6.8	Monthly bank reconciliations are reviewed by an authorized Treasury Manager.	<p>Inspected the corresponding bank reconciliation documentation for a sample of months and bank accounts to determine that monthly bank reconciliations were performed by the Staff Accountant and reconciling items were agreed to outstanding payments.</p> <p>Inquired of the VP of Treasury regarding monthly bank reconciliations to determine that monthly bank reconciliations were reviewed by an authorized Treasury Manager.</p> <p>Inspected the corresponding bank reconciliation documentation for a sample of months and bank accounts to determine that monthly bank reconciliations were reviewed by an authorized Treasury Manager.</p>	<p>No exceptions noted.</p> <p>No exceptions noted.</p>

Exhibit B: Sample Reports



Claims Acknowledgment Report

Transworld Systems Inc.

TRANSWORLD SYSTEMS INC. ADDRESS CITY/STATE/ZIP	CLIENT #512358	RUN ON MM/DD/YY AT 15:41:50 LIST DATE MM/DD/YY PAGE 1
1	2	
THANK YOU FOR THE FOLLOWING ACCOUNTS. DEMAND FOR PAYMENT HAS BEEN MADE. SHOULD A DEBTOR CONTACT YOU, PLEASE NOTIFY US IMMEDIATELY.		
CLAIMS ACKNOWLEDGMENT FOR:		
ABC COMPANY CONTACT PERSON NAME ADDRESS CITY, STATE, ZIP CODE		
3		
4	5	6
7		
8		9
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47		
48		
49		
50		
51		
52		
53		
54		
55		
56		
57		
58		
59		
60		
61		
62		
63		
64		
65		
66		
67		
68		
69		
70		
71		
72		
73		
74		
75		
76		
77		
78		
79		
80		
81		
82		
83		
84		
85		
86		
87		
88		
89		
90		
91		
92		
93		
94		
95		
96		
97		
98		
99		
100		

TRANSWORLD SYSTEMS INC. ADDRESS CITY/STATE/ZIP	CLIENT #512358	RUN ON MM/DD/YY AT 15:41:50 LIST DATE MM/DD/YY PAGE 1
THANK YOU FOR THE FOLLOWING ACCOUNTS. DEMAND FOR PAYMENT HAS BEEN MADE. SHOULD A DEBTOR CONTACT YOU, PLEASE NOTIFY US IMMEDIATELY.		
CLAIMS ACKNOWLEDGMENT FOR:		
ABC COMPANY CONTACT PERSON NAME ADDRESS CITY, STATE, ZIP CODE		
1		
2	3	4
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47		
48		
49		
50		
51		
52		
53		
54		
55		
56		
57		
58		
59		
60		
61		
62		
63		
64		
65		
66		
67		
68		
69		
70		
71		
72		
73		
74		
75		
76		
77		
78		
79		
80		
81		
82		
83		
84		
85		
86		
87		
88		
89		
90		

The **Claims Acknowledgment Report** is a computer printout indicating which client accounts have been listed for collection.

The following information is shown in the report:

1. Office where accounts are placed
2. TSI's Client Identification Number
3. Client's name and address
4. Client's customer's (debtor's) name
5. Client's customer's (debtor's) identification number
6. TSI's account number
7. Amount placed
8. Total number of accounts placed
9. Total amount of placements

NOTE: A Claims Acknowledgment Report can be alphabetic by client's customer's (debtor's) name or numeric by client's customer's (debtor's) identification number, as requested.



Client Inventory Report

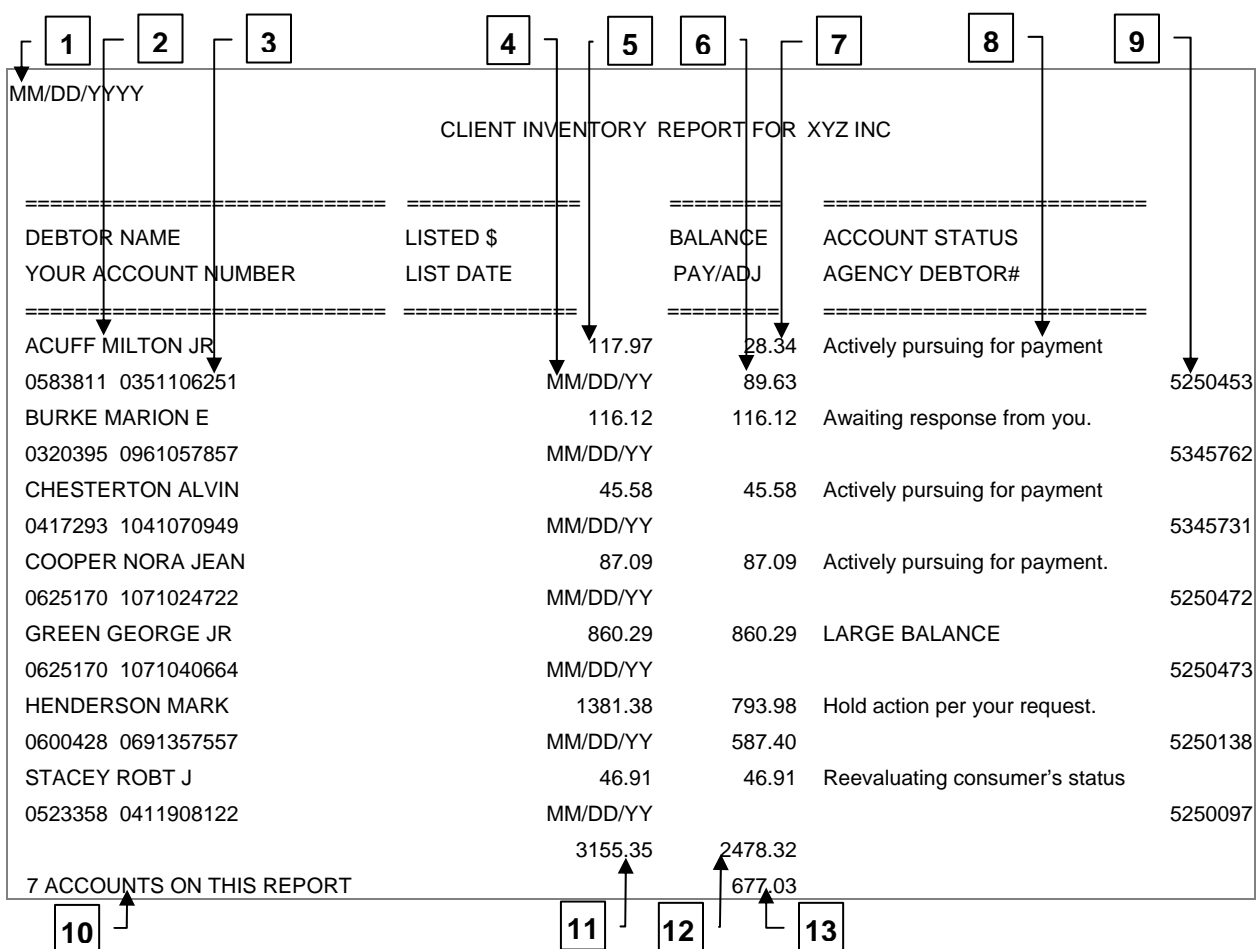
Transworld Systems Inc.

The Client Inventory Report shows all accounts currently listed with a TSI office by a specific client. This report can be generated monthly or quarterly, as required.

The following information is contained in the report:

1. Date of Report
2. Debtor Name
3. Number assigned to consumer by the client
4. Date the account was listed (in six digits)
5. Dollar amount at the time of listing, in dollars and cents
6. Debtor payment amount
7. Balance remaining on account as of Client Inventory Report date
8. Account Status
9. Number assigned by TSI to consumer
10. Number of accounts on report
11. Total dollar amount of accounts listed on report
12. Total balance remaining
13. Total amount collected

Note: The Client Inventory Report can be alphabetical by consumer name or numerical by consumer number, as requested.





Placement Month Analysis Report

Transworld Systems Inc.

Placement Month Analysis Report

Client Name: ABC COMPANY 1

Client Id: 123456 2

As of: MM/YYYY 3

	4 Placed Placements		Collections	Collections	Comm.	Closed	Closed	Active	Active	Rcvry %		Rcvry %		
	No.	Amt.	Month	To Date	Amount	No.	Amount	No.	Amount	PIF	Net	Rcvry % Gross	PIF	
YYYY	11	27	2995	33	821	96	6	114	5	2060	16	24.2%	27.4%	59.3%
YYYY	Total	27	2995	33	821	96	6	114	5	2060	16	24.2%	27.4%	59.3%
YYYY	01	1182	200138	695	7445	875	21	964	991	191729	170	3.3%	3.7%	14.4%
YYYY	02	38	5199	0	126	15	0	0	35	5073	3	2.1%	2.4%	7.9%
YYYY	03	312	42713	135	1109	130	1	0	276	41604	35	2.3%	2.6%	11.2%
YYYY	04	26	4024	30	500	59	0	0	18	3524	8	11.0%	12.4%	30.8%
YYYY	05	25	3689	17	441	52	0	0	19	3248	6	10.5%	11.9%	24.0%
YYYY	06	29	3963	0	37	4	0	0	26	3926	3	0.8%	0.9%	10.3%
YYYY	07	12	1685	0	0	0	0	0	12	1685	0	0.0%	0.0%	0.0%
YYYY	08	5 30	6 79028	7 0	8 0	9 0	10 0	11 0	12 30	79028	0	0.0%	0.0%	0.0%
YYYY	09	5 27	6 3861	7 0	8 0	9 0	10 0	11 0	12 27	3861	0	0.0%	0.0%	0.0%
YYYY	Total	1681	344297	876	9657	1135	22	964	1434	333677	225	2.5%	2.8%	13.4%
Client Total	18 1708	347292	908	10477	1231	28	1078	1439	335737	241	2.7%	3.0%	14.1%	
									13	14	15	16	17	

A Placement Month Analysis Report is generated monthly or quarterly and displays recoveries by month.

The following information is contained in this report:

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Client Name 2. Six-digit client number 3. Date—last business day of month 4. Month of placement 5. Number of accounts placed for indicated month 6. Dollar amount of accounts placed for indicated month 7. Dollar amount collected during current month on that month's indicated placements 8. Total collections to date on indicated months' placements. 9. Total commission on collections for indicated months' placements | <ol style="list-style-type: none"> 10. Number of accounts closed for indicated months' placements
 The following are not reflected in this column: <ul style="list-style-type: none"> • Accounts Paid In Full (P.I.F.) • Accounts deleted from placements 11. Dollar amount of accounts closed 12. Number of active accounts in system 13. Dollar amount of active accounts in system 14. Number of accounts paid in full and/or settled in full 15. Net recovery percentage (gross recovery minus commission divided by placement amount) 16. Gross recovery percent equals collections divided by placements 17. PIF recovery percentage (number of PIF's divided by number of placements) 18. Totals by column as indicated |
|--|--|



Payments Invoice

Transworld Systems Inc.

Invoice - 7000000



Transworld Systems Inc.
 ATTN: Collections Division
 PO Box 5505
 Carol Stream, IL 60197-5505
 Telephone Number: (866) 296-2174
 Tax ID: 94-1728881

Client X
 123 Main Street
 Anytown, MA 00000

ACTIVITY DATE FROM: 02/01/17
 INVOICE DATE TO: 02/28/17
 INVOICE NUMBER: 7000000
 CLIENT CODE: 999999

TOTAL COLLECTIONS: \$5,317.47

Date	Transaction	Fee Rate/ Current Bal	Code	N/C	Paid TSI	Paid You	Due TSI	Sales Tax	Due You
01/30/17	999999-1234567890 12202016 Sample Consumer	0.00% 309.12	31	-	20.00	0.00	0.00	0.00	20.00
02/01/17	999999-1234567890 12202016 Sample Consumer	0.00% 335.62	31	-	111.85	0.00	0.00	0.00	111.85
02/14/17	999999-1234567890 12202016 Sample Consumer	0.00% 335.62	31	-	0.00	111.85	0.00	0.00	0.00
02/16/17	999999-1234567890 12202016 Sample Consumer	0.00% 0.00	34	-	87.93	0.00	0.00	0.00	87.93
02/09/17	999999-1234567890 12202016 Sample Consumer	0.00% 0.00	30	-	30.00	0.00	0.00	0.00	30.00
02/03/17	999999-1234567890 12202016 Sample Consumer	0.00% 0.00	30	-	90.00	0.00	0.00	0.00	90.00
02/14/17	999999-1234567890 12202016 Sample Consumer	0.00% -0.18	31	-	87.00	0.00	0.00	0.00	87.00
02/14/17	999999-1234567890 12202016 Sample Consumer	0.00% -0.18	20	-	0.00	86.82	0.00	0.00	0.00
02/27/17	999999-1234567890 12202016 Sample Consumer	0.00% 0.00	34	-	1457.23	0.00	0.00	0.00	1457.23
02/14/17	999999-1234567890 12202016 Sample Consumer	0.00% 0.00	31	-	0.00	88.53	0.00	0.00	0.00
02/07/17	999999-1234567890 12202016 Sample Consumer	0.00% 1545.00	31	-	0.00	50.00	0.00	0.00	0.00
02/07/17	999999-1234567890 12202016 Sample Consumer	0.00% 0.00	30	-	543.79	0.00	0.00	0.00	543.79

Codes

20 - Paid in Full w/Overpayment	50 - Debit Adjustment
21 - Overpayment Only	52 - Court Costs
27 - Final Legal Payment w/Overpayment	53 - Attorney Fees
28 - Legal Overpayment Only	54 - Listing Fees
30 - Paid in Full	55 - Bad Address Fees
31 - Partial Payment	56 - Letter Fees
32 - Forwarded Received	57 - Management Fees (ARC, Monitoring)
33 - Full Payment w/TSI Int.	58 - Other
34 - Final Payment	59 - Debtor, DBJ, etc.
35 - Settlement in Full	60 - Credit Adjustment
36 - Legal Partial Payment	61 - Your Check Received
37 - Final Legal Payment	62 - Client Advance
39 - Partial Payment Reversal	63 - Court Costs
40 - Bill Back Sales Tax	64 - Recovered Client
41 - DP Overpay Refund	65 - Collection Costs
42 - Client Refund Reversal	65 - Unused Advance Costs
43 - Bill Back Non-contingent suit fees on commercial accounts	69 - Debtor CRJ, etc.
44 - Bill Back Contingent suit fees on commercial accounts	N = NSF Check
	C = Posting Error
	R = Transfer Credit

OUR CHECK ENCLOSED FOR (Amount may have been reduced by prior AR) \$3,604.27

PLEASE REMIT TO TSI \$0.00



Invoice - 7000000

Transworld Systems Inc.
 ATTN: Collections Division
 PO Box 5505
 Carol Stream, IL 60197-5505
 Telephone Number: (866) 296-2174
 Tax ID: 94-1728881

Client X
 123 Main Street
 Anytown, MA 00000

ACTIVITY DATE FROM: 02/01/17
 INVOICE DATE TO: 02/28/17
 INVOICE NUMBER: 7000000
 CLIENT CODE: 999999

TOTAL COLLECTIONS: \$5,317.47

Date	Transaction	Fee Rate/ Current Bal	Code	N/C	Paid TSI	Paid You	Due TSI	Sales Tax	Due You
02/07/17	999999-1234567890 12202016 Sample Consumer	0.00% 0.00	30	-	0.00	525.00	0.00	0.00	0.00
02/03/17	999999-1234567890 12202016 Sample Consumer	0.00% 0.00	30	-	0.00	411.00	0.00	0.00	0.00
02/14/17	999999-1234567890 12202016 Sample Consumer	0.00% 559.96	31	-	0.00	100.00	0.00	0.00	0.00
02/14/17	999999-1234567890 12202016 Sample Consumer	0.00% 2902.50	31	-	0.00	100.00	0.00	0.00	0.00
02/06/17	999999-1234567890 12202016 Sample Consumer <i>Original Payment Date : 10/10/2016</i>	0.00% 0.00	30	C	-492.90	0.00	0.00	0.00	-492.90
02/10/17	999999-1234567890 12202016 Sample Consumer	0.00% 0.00	30	-	492.90	0.00	0.00	0.00	492.90
02/17/17	999999-1234567890 12202016 Sample Consumer	0.00% 400.00	31	-	100.00	0.00	0.00	0.00	100.00
02/07/17	999999-1234567890 12202016 Sample Consumer	0.00% 0.00	30	-	0.00	40.00	0.00	0.00	0.00
02/02/17	999999-1234567890 12202016 Sample Consumer	0.00% 320.00	31	-	30.00	0.00	0.00	0.00	30.00
02/08/17	999999-1234567890 12202016 Sample Consumer	0.00% 0.00	30	-	236.00	0.00	0.00	0.00	236.00
02/17/17	999999-1234567890 12202016 Sample Consumer	0.00% 200.00	31	-	38.16	0.00	0.00	0.00	38.16
02/03/17	999999-1234567890 12202016 Sample Consumer	0.00% 800.00	31	-	0.00	50.00	0.00	0.00	0.00

Codes

20 - Paid in Full w/Overpayment	50 - Debit Adjustment
21 - Overpayment Only	52 - Court Costs
27 - Final Legal Payment w/Overpayment	53 - Attorney Fees
28 - Legal Overpayment Only	54 - Listing Fees
30 - Paid in Full	55 - Bad Address Fees
31 - Partial Payment	56 - Letter Fees
32 - Forwarded Received	57 - Management Fees (ARC, Monitoring)
33 - Full Payment w/TSI Int.	58 - Other
34 - Final Payment	59 - Debtor, DBJ, etc.
35 - Settlement in Full	60 - Credit Adjustment
36 - Legal Partial Payment	61 - Your Check Received
37 - Final Legal Payment	62 - Client Advance
39 - Partial Payment Reversal	Court Costs
40 - Bill Back Sales Tax	64 - Recovered Client Collection Costs
41 - DP Overpay Refund	65 - Unused Advance Costs
42 - Client Refund Reversal	69 - Debtor CRJ, etc.
43 - Bill Back Non-contingent suit fees on commercial accounts	N = NSF Check
44 - Bill Back Contingent suit fees on commercial accounts	C = Posting Error
	R = Transfer Credit

OUR CHECK ENCLOSED FOR (Amount may have been reduced by prior AR) \$3,604.27

PLEASE REMIT TO TSI \$0.00

Invoice - 7000000



Transworld Systems Inc.
 ATTN: Collections Division
 PO Box 5505
 Carol Stream, IL 60197-5505
 Telephone Number: (866) 296-2174
 Tax ID: 94-1728881

Client X
 123 Main Street
 Anytown, MA 00000

ACTIVITY DATE FROM: 02/01/17
 INVOICE DATE TO: 02/28/17
 INVOICE NUMBER: 7000000
 CLIENT CODE: 999999

TOTAL COLLECTIONS: \$5,317.47

Date	Transaction	Fee Rate/ Current Bal	Code	N/C	Paid TSI	Paid You	Due TSI	Sales Tax	Due You
02/14/17	999999-1234567890 12202016 Sample Consumer	0.00% 800.00	31	-	0.00	100.00	0.00	0.00	0.00
02/17/17	999999-1234567890 12202016 Sample Consumer	0.00% 0.00	34	-	772.31	0.00	0.00	0.00	772.31
02/14/17	999999-1234567890 12202016 Sample Consumer	0.00% -139.00	21	-	0.00	50.00	0.00	0.00	0.00
Totals:					\$3,604.27	\$1,713.20	\$0.00	\$0.00	\$3,604.27

Codes

20 - Paid in Full w/Overpayment	50 - Debit Adjustment
21 - Overpayment Only	52 - Court Costs
27 - Final Legal Payment w/Overpayment	53 - Attorney Fees
28 - Legal Overpayment Only	54 - Listing Fees
30 - Paid in Full	55 - Bad Address Fees
31 - Partial Payment	56 - Letter Fees
32 - Forwarded Received	57 - Management Fees (ARC, Monitoring)
33 - Full Payment w/TSI Int.	58 - Other
34 - Final Payment	59 - Debtor, DBJ, etc.
35 - Settlement in Full	60 - Credit Adjustment
36 - Legal Partial Payment	61 - Your Check Received
37 - Final Legal Payment	62 - Client Advance
39 - Partial Payment Reversal	63 - Court Costs
40 - Bill Back Sales Tax	64 - Recovered Client
41 - DP Overpay Refund	65 - Collection Costs
42 - Client Refund Reversal	65 - Unused Advance Costs
43 - Bill Back Non-contingent suit fees on commercial accounts	69 - Debtor CRJ, etc.
44 - Bill Back Contingent suit fees on commercial accounts	N = NSF Check
	C = Posting Error
	R = Transfer Credit

**OUR CHECK
 ENCLOSED FOR
 (Amount may have been
 reduced by prior AR)** **\$3,604.27**

PLEASE REMIT TO TSI **\$0.00**



Close and Return Report

Transworld Systems Inc.

1 **TRANWORLD SYSTEMS INC.**
STREET ADDRESS
CITY/STATE/ZIP CODE

3 **Page 1**
MM/DD/YY **4**

CLOSE & RETURN REPORT FOR:

ABCD COMPANY **2**
 P.O. BOX 1045
 BROOKLYN CENTER, MN 55430 **7**

5 **CLIENT NO. 199285**

8 **9** **10**

6

ACCOUNT IDENTIFICATION	AGENCY IDENTIFICATION	LIST DATE	BALANCE	CODE
ANTIMO, JAVIER 1195 19378053	000000-44694729 003	MM/DD/YY	59.95	81
ARMSTRONG, CLETIS 0196 20037163	000000-25635263 003	MM/DD/YY	78.50	02
ARMSTRONG, MELODY M. 0595 17762330	000000-25635264 003	MM/DD/YY	133.75	81
BACKUS, STEPHEN P. 1295 19938312	000000-44694731 003	MM/DD/YY	33.75	81
CANNON, MARGE 1195 18411867	000000-54875458 003	MM/DD/YY	94.00	30
CURTIS, MITCHELL 1095 19271824	000000-51285544 003	MM/DD/YY	101.00	68
EDWARDS, DAVE 0296 20337238	000000-51285589 003	MM/DD/YY	82.75	81
GILES, JEANNIE 0296 20465264	000000-36585802 003	MM/DD/YY	57.00	68
GREGERY, JAMES 0296 20384283	000000-36582514 003	MM/DD/YY	119.75	81
HARPER, RUTH 0296 20581156	000000-36582515 003	MM/DD/YY	243.00	81
HARRIS, ELROY 0395 20000551	000000-36582516 003	MM/DD/YY	65.50	68
JOHNSON, THOMAS 0995 18747301	000000-36582519 003	MM/DD/YY	61.80	30
		12	1130.75	

11 **12**

13

- | | |
|--|---|
| <ul style="list-style-type: none"> 01 Canceled per your request 02 Paid prior to listing 04 Listed in error 05 Bankrupt prior to placement 06 Corporation defunct prior to placement
no assets-no individual liability 07 Fraud account-details following 08 Deceased-no estate
 30 Bankrupt-no assets 31 Bankrupt-your proof of claim 32 Bankrupt-chapter 7 33 Bankrupt-chapter 11 34 Charity acct-medical 38 Bankrupt
 39 Deceased 40 Bankrupt-chapter 13 50 Debtor execution proof-no way to enforce judgment 60 Per contract 64 Regulatory problem | <ul style="list-style-type: none"> 66 Client final recall 68 All efforts exhausted-hopeless skip account 69 Statute limit passed 73 Principals of the corporation not liable 77 Incarceration 78 Authorization to sue denied 80 Indigent-no ability to pay 81 All efforts exhausted-investigation indicates the account is uncollectible 82 Welfare recipient-no way to enforce payment 83 Ill and without funds and employment 86 Retired or pensioner-unwilling to cooperate 87 Self-employed-no assets-unwilling to cooperate 90 Disputed claim-available records do not establish liability 92 Debtor refused to pay amicably-the balance does not warrant the additional cost 93 Settlement 94 Small balance close 95 Blanket settlement 96 Individual settlement 99 Paid in full |
|--|---|

The Close and Return Report is generated monthly and sent to all branch offices for forwarding to clients. Various parts of the form indicate the following information:

1. Office in which accounts were set up
2. Client name and address
3. Page number
4. Date – last day of the month
5. Six-digit client number
6. Consumer name and client identification number
7. TSI's identification number
8. List date of the account
9. Balance on account
10. Close codes
11. Total number of accounts closed and returned
12. Total dollar amount closed and returned
13. Close code explanations

Exhibit C: Sample Letters

Return Mail Only:
PO Box 15618
Dept. 940
Wilmington, DE 19850-5618
940.1110.TSIM



TSI Physical Address:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

Calls to or from this company may be monitored
or recorded.

Date: April 5, 2020
Our Account #: 72996327
Creditor: TEST CLIENT
Creditor's Account #: 800070
Balance Due: \$8239.07



FLTEST LASTNAME
123 LETTER ST
LETTERVILLE FL 12345

000001

The above amount has been placed with this company for collection.

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt, or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days after receiving this notice that you dispute this debt, or any portion thereof, this office will obtain verification of the debt or a copy of a judgment and mail you a copy of such verification or judgment. If you request of this office in writing within 30 days after receiving this notice, this office will provide you with the name and address of the original creditor, if different from the current creditor.

This is an attempt to collect a debt. Any information obtained will be used for that purpose. This is a communication from a debt collector.

Office Hours: Monday through Thursday 8:00am to 9:00pm, Friday 8:00am to 5:00pm, Saturday 8:00am to 12:00pm (ET).

You may also make payment by visiting us on-line at <https://payments.tsico.com>. Your unique registration code is 7299632716.

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT (MAKE SURE ADDRESS SHOWS THROUGH WINDOW)

TSI Physical Address:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

Our Account #	Balance Due
72996327	\$8239.07
FLTEST LASTNAME	

Payment Amount



\$

1 of 1

Check here if your address has changed and print your new address in the space provided below.

Send payment and correspondence to:

Transworld Systems Inc.
P.O. Box 15095
Wilmington, DE 198505095



P1110
1

0940 000072996327 1 00823907 1 0317 5

PAP-501-A-0

Return Mail Only:

PO Box 15820
Wilmington, DE 19850
940.1320.TSIM



TSI Physical Address:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

Calls to or from this company may be monitored
or recorded.

Date: April 5, 2020
Our Account #: 72996327



FLTEST PAYER
1234 PAY ST
LETTERVILLE, FL 12345

CONFIRMATION OF AUTHORIZATION FOR RECURRING TRANSFERS FROM ACCOUNT

Creditor's Account Number(s):
800070

Payment Method: Credit card
Account Number: *****1234

Payment Arrangement Schedule:

Date	Amount
04/10/2020	\$20.00
04/17/2020	\$20.00
04/24/2020	\$20.00
05/01/2020	\$20.00
05/08/2020	\$20.00
05/15/2020	\$20.00
05/22/2020	\$20.00
05/29/2020	\$20.00

Dear FLTEST PAYER

On 04/03/20 you agreed to a preauthorized recurring payment arrangement on the above referenced account(s). These payments will be posted to your credit card on the date(s) referenced. If any of the noted payment date(s) fall on a weekend or holiday, the payments may be executed on the next business day. You may cancel your authorization by writing to the above address or by calling 888-899-6650. Please notify us of any changes in your account information or termination of this authorization at least three (3) business days prior to the next billing date.

You may call us at 888-899-6650 during normal business hours listed below if you have any questions about your account or the payment arrangements you have authorized.

This payment authorization is valid and will remain in effect unless you notify Transworld Systems Inc. of cancellation. **Please keep a copy of this authorization for your records.**

This is an attempt to collect a debt. Any information obtained will be used for that purpose. This is a communication from a debt collector.

Office Hours: Monday through Thursday 8:00am to 9:00pm, Friday 8:00am to 5:00pm, Saturday 8:00am to 12:00pm (ET).



Return Mail Only:
PO Box 15618
Dept. 940
Wilmington, DE 19850-5618
940.66.TSIM



TSI Physical Address:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

Calls to or from this company may be monitored or recorded.

Date: April 5, 2020
Our Account #: 72996327
Creditor: TEST CLIENT
Creditor's Account #: 800070
Balance Due: \$8239.07



000004

FLTEST LASTNAME
123 LETTER ST
LETTERVILLE FL 12345

115995 - 4

You recently promised to send payment; however, it has not been received.

Your payment is expected.

This is an attempt to collect a debt. Any information obtained will be used for that purpose. This is a communication from a debt collector.

Office Hours: Monday through Thursday 8:00am to 9:00pm, Friday 8:00am to 5:00pm, Saturday 8:00am to 12:00pm (ET).

You may also make payment by visiting us on-line at <https://payments.tsico.com>. Your unique registration code is 7299632716.

If you have an income tax refund, perhaps you can use the proceeds to pay this account.

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT (MAKE SURE ADDRESS SHOWS THROUGH WINDOW)

TSI Physical Address:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

Our Account #	Balance Due
72996327	\$8239.07
FLTEST LASTNAME	

Payment Amount



\$

00000.00

Check here if your address has changed and print your new address in the space provided below.



Send payment and correspondence to:

Transworld Systems Inc.
P.O. Box 15095
Wilmington, DE 198505095



1 of 1

PMP-301-A-0

0940 000072996327 1 00823907 1 0324 5

Return Mail Only:
PO Box 15618
Dept. 940
Wilmington, DE 19850-5618
940.1043.TSIM



TSI Physical Address:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

Calls to or from this company may be monitored or recorded.

Date: April 5, 2020
Our Account #: 72996327
Creditor: TEST CLIENT
Creditor's Account #: 800070
Balance Due: \$8239.07



FLTEST LASTNAME
123 LETTER ST
LETTERVILLE FL 12345

000005

Please send payment in full.

This is an attempt to collect a debt. Any information obtained will be used for that purpose. This is a communication from a debt collector.

Office Hours: Monday through Thursday 8:00am to 9:00pm, Friday 8:00am to 5:00pm, Saturday 8:00am to 12:00pm (ET).

You may also make payment by visiting us on-line at <https://payments.tsico.com>. Your unique registration code is 7299632716.

If you have an income tax refund, perhaps you can use the proceeds to pay this account.

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT (MAKE SURE ADDRESS SHOWS THROUGH WINDOW)

TSI Physical Address:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

Our Account #	Balance Due
72996327	\$8239.07
FLTEST LASTNAME	

Payment Amount ↓

\$

Check here if your address has changed and print your new address in the space provided below.

Send payment and correspondence to:

Transworld Systems Inc.
P.O. Box 15095
Wilmington, DE 198505095



1 of 1

PAP-30 1-A-0

0940 000072996327 1 00823907 1 0324 5

P1043
5



Date: April 5, 2020
Our Account #: 72996327
Creditor: TEST CLIENT
Creditor's Account #: 800070

TSI Physical Address:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

FLTEST LASTNAME
123 LETTER ST
LETTERVILLE FL 12345

Calls to or from this company may be monitored
or recorded.

As of the date of this letter, our records indicate that your account is paid.

In the event that we are notified in the future that your payment was returned due to nonsufficient funds or was otherwise reversed or unpaid by your financial institution, this letter will be void.

This is a communication from a debt collector.

Office Hours: Monday through Thursday 8:00am to 9:00pm, Friday 8:00am to 5:00pm, Saturday 8:00am to 12:00pm (ET).

Return Mail Only:
PO Box 15618
Dept. 940
Wilmington, DE 19850-5618
940.910.TSIM



Calls to or from this company may be monitored or recorded.

TSI Physical Address:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

Date: 04/03/20
Our Account #: 72996327
Creditor: TEST CLIENT
Creditor's Account #: 800070
Balance Due: \$8239.07



124239 - 3



FLTEST LASTNAME
123 LETTER ST
LETTERVILLE FL 12345

000003

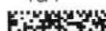
The postdated check or other payment instrument you authorized us to deposit in the amount of \$10.00 will be deposited on 04/13/20.

Please be sure the funds are available to cover this payment.

This is an attempt to collect a debt. Any information obtained will be used for that purpose. This is a communication from a debt collector.

Office Hours: Monday through Thursday 8:00am to 9:00pm, Friday 8:00am to 5:00pm. Saturday 8:00am to 12:00pm (ET).

If you have an income tax refund, perhaps you can use the proceeds to pay this account.



Return Mail Only:
PO Box 15618
Dept. 940
Wilmington, DE 19850-5618
940.5187.TSIM



TSI Physical Address:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

Calls to or from this company may be monitored or recorded.

Date: April 5, 2020
Our Account #: 72996327
Creditor: TEST CLIENT
Creditor's Account #: 800070
Balance Due: \$8239.07



COFIRST COLASTFL
123 COSIGNER AVENUE
LETTERTOWN FL 12345

000009

We at Transworld Systems Inc. are committed to working with you in order to help resolve the account(s)! There are several options that we can offer you and we hope that one of them will meet your needs.

- Option 1 - Make 5 equal consecutive monthly payments of \$1373.18. After the 5th payment, we will reach out to you to resolve the remaining balance with the 6th and final payment, which may be more than \$1373.17 because your account is accruing interest.
- Option 2 - Make 2 equal consecutive monthly payments of \$2746.36. After the 2nd payment, we will reach out to you to resolve the remaining balance with the 3rd and final payment, which may be more than \$2746.35 because your account is accruing interest.
- Option 3 - Make 3 equal consecutive monthly payments of \$1373.18 to settle your account and save \$4119.53.

Let us prove to you how committed we are to accommodating your needs. Please contact one of our representatives at the number listed above to confirm which option works best for you and we'll update your account(s) accordingly.

This offer expires on 05/05/2020, and we are not obligated to renew it.

This is an attempt to collect a debt. Any information obtained will be used for that purpose. This is a communication from a debt collector.

Office Hours: Monday through Thursday 8:00am to 9:00pm, Friday 8:00am to 5:00pm, Saturday 8:00am to 12:00pm (ET).

You may also make payment by visiting us on-line at <https://payments.tsico.com>. Your unique registration code is 7299632716.

The account balance will be periodically increased due to the addition of accrued interest, as permitted by applicable law. This does not affect the payment terms described in this letter.

If you have an income tax refund, perhaps you can use the proceeds to pay this account.

This offer is valid for 30 days from the date of this letter, but may expire without notice thereafter. If the 30 day period has expired before making payment, please confirm with one of our representatives that this offer has not expired. We are not obligated to renew this offer.

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT (MAKE SURE ADDRESS SHOWS THROUGH WINDOW)

TSI Physical Address:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

Our Account #
72996327
COFIRST COLASTFL

Payment Amount



\$



Check here if your address has changed and print your new address in the space provided below.

Send payment and correspondence to:

Transworld Systems Inc.
P.O. Box 15095
Wilmington, DE 198505095



P5187
9

0940 000072996327 1 00823907 1 0330 6

PAP-301-A-0

1 of 1

Return Mail Only:
PO Box 15618
Dept. 940
Wilmington, DE 19850-5618
940.5720.TSIM



TSI Physical Address:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

Calls to or from this company may be monitored or recorded.

Date: April 6, 2020
Our Account #: 72996327
Creditor: TEST CLIENT
Creditor's Account #: 800070
Balance Due: \$8239.07



FLTEST LASTNAME
123 LETTER ST
LETTERVILLE FL 12345

800000

At Transworld Systems Inc. we are committed to working with you to help resolve your account! We hope you will contact us at the number above and let us prove to you how committed we are to that goal.

There are several options that we can currently offer, and it is our hope that one of them will meet your needs.

- Option 1 - Make a payment this month of \$823.93 and then pay \$3707.57 next month. After the 2nd payment, we will reach out to you to resolve the remaining balance with the 3rd and final payment, which may be more than \$3707.57 because your account is accruing interest.
- Option 2 - Make 2 equal consecutive monthly payments of \$2746.36. After the 2nd payment, we will reach out to you to resolve the remaining balance with the 3rd and final payment, which may be more than \$2746.35 because your account is accruing interest.
- Option 3 - Make 2 consecutive monthly payments, the first payment of \$4119.54. After the 1st payment, we will reach out to you to resolve the remaining balance with the 2nd and final payment, which may be more than \$4119.53 because your account is accruing interest.

Please confirm with one of our representatives which option works best for you and we will note your account accordingly.

This offer is valid for 30 days from the date of this letter, but may expire without notice thereafter. If the 30 day period has expired before making payment, please confirm with one of our representatives that this offer has not expired. We are not obligated to renew this offer.

This is an attempt to collect a debt. Any information obtained will be used for that purpose. This is a communication from a debt collector.

Office Hours: Monday through Thursday 8:00am to 9:00pm, Friday 8:00am to 5:00pm, Saturday 8:00am to 12:00pm (ET).

You may also make payment by visiting us on-line at <https://payments.tsico.com>. Your unique registration code is 7299632716.

If you have an income tax refund, perhaps you can use the proceeds to pay this account.

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT (MAKE SURE ADDRESS SHOWS THROUGH WINDOW)

TSI Physical Address:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

Our Account #
72996327
FLTEST LASTNAME

Payment Amount

\$

Check here if your address has changed and print your new address in the space provided below.

Send payment and correspondence to:

Transworld Systems Inc.
P.O. Box 15095
Wilmington, DE 198505095



1 of 1

RFP-03-21-40

P5720
6

0940 000072996327 1 00623907 1 0336 0

Return Mail Only:
PO Box 15618
Dept. 940
Wilmington, DE 19850-5618
940.7208.TSIM



TSI Physical Address:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

Calls to or from this company may be monitored
or recorded.

Date: 04/06/20
Our Account #: 72996327
Creditor: TEST CLIENT
Creditor's Account #: 800070
Balance Due: \$8239.07



FLTEST LASTNAME
123 LETTER ST
LETTERVILLE FL 12345

100000



The named creditor has placed the above amount with our office for collection. It is important that you forward payment in full.

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt, or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days after receiving this notice that you dispute this debt, or any portion thereof, this office will obtain verification of the debt or a copy of a judgment and mail you a copy of such verification or judgment. If you request of this office in writing within 30 days after receiving this notice, this office will provide you with the name and address of the original creditor, if different from the current creditor.

This is an attempt to collect a debt. Any information obtained will be used for that purpose. This is a communication from a debt collector.

Office Hours: Monday through Thursday 8:00am to 9:00pm, Friday 8:00am to 5:00pm, Saturday 8:00am to 12:00pm (ET).

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT (MAKE SURE ADDRESS SHOWS THROUGH WINDOW)

TSI Physical Address:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

Our Account #	Balance Due
72996327	\$8239.07
FLTEST LASTNAME	

Payment Amount



\$

Check here if your address has changed and print
your new address in the space provided below.

Send payment and correspondence to:

Transworld Systems Inc.
P.O. Box 15095
Wilmington, DE 198505095



FAC-937-A-0

Correspondencia devuelta únicamente:
PO Box 15618
Dept. 940
Wilmington, DE 19850-5618
940.7208.TSIM



Dirección de TSI:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

Las llamadas que se realicen a esta compañía o que se originen desde esta compañía pueden ser supervisadas o grabadas.

Fecha: 04/06/20
Nuestro # de cuenta: 72996327
Acreedor: TEST CLIENT
de cuenta del acreedor: 800070
Saldo adeudado: \$8239.07

FLTEST LASTNAME
123 LETTER ST
LETTERVILLE FL 12345

El acreedor antes mencionado ha colocado la cuenta en nuestras manos para efectos de cobro. Es importante que envíe el pago en su totalidad.

A menos que usted le notifique a esta oficina dentro de los treinta (30) días siguientes al recibimiento de este aviso, e indique que disputa la validez de esta deuda, o parte de la misma, nosotros asumiremos que la deuda es válida. Si usted le notifica a esta oficina por escrito dentro de los treinta (30) días siguientes al recibimiento de este aviso e indica que disputa esta deuda o parte de la misma, nosotros obtendremos verificación de la deuda o una copia del fallo, y le enviaremos una copia de dicha verificación o fallo. Si usted lo solicita por escrito a esta oficina dentro de los 30 días siguientes al recibimiento de este aviso, nosotros le proporcionaremos el nombre y la dirección del acreedor original, en caso de que se trate de un acreedor diferente del actual.

Esta es una tentativa de cobro de una deuda. Toda información que se obtenga se utilizará para ese fin. Esta comunicación es de un cobrador de deudas.

Horas de Oficina: lunes a jueves 8:00 am a 9:00 pm, viernes 8:00am a 5:00PM, sábado 8:00am a 12:00pm (ET).

POR FAVOR DEVUELVA ESTA PORCIÓN CON SU PAGO (CERCIÓRESE QUE LA DIRECCIÓN APAREZCA EN LA VENTANA DEL SOBRE)

Dirección de TSI:
Transworld Systems Inc.
500 Virginia Dr. Suite 514
Ft Washington, PA 19034
888-899-6650

Nuestro # de cuenta: Saldo adeudado:
72996327 \$8239.07
FLTEST LASTNAME

Monto total del pago ↓

\$

Verifique aquí si su dirección ha cambiado e imprima su nueva dirección en el espacio que se proporciona abajo.

Envíe pagos y correspondencia a:

Transworld Systems Inc.
P.O. Box 15095
Wilmington, DE 198505095

FAP-037-A-0





A B O U T T S I

Transworld Systems Inc. (TSI) is the largest technology-enabled provider of the complete-suite of outsourcing solutions. Our experience expands across accounts receivable management, customer relationship management, business process outsourcing, debt collections and loan servicing solutions. TSI differentiates itself with its premier analytics, digital capabilities, proprietary collection algorithms, global scale, and unmatched attention to regulatory compliance. TSI's clients include Fortune 100 corporations, hospitals, financial institutions, governmental organizations, and small businesses.

TIER 1/TIER 2 COMPLIANCE FORM

IN ORDER FOR YOUR FIRM TO COMPLY WITH THE CITY'S LOCAL BUSINESS PROGRAM AS A TIER 1 OR TIER 2 VENDOR, BIDDERS MUST COMPLETE THE INFORMATION BELOW AND UPLOAD THE FORM TO THE RESPONSE ATTACHMENTS TAB IN THE EBID SYSTEM.

TIER 1 LOCAL VENDOR

_____ My firm has maintained a permanent place of business within the city limits and maintains a staffing level, within this local office, of at least 10 % who are residents of the City of Pompano Beach.

And/Or

_____ My firm has maintained a permanent place of business within the city limits and my submittal includes subcontracting commitments to Local Vendors Subcontractors for at least 10 % of the contract value.

Or

My firm does not qualify as a Tier 1 Vendor.

TIER 2 LOCAL VENDOR

_____ My firm has maintained a permanent place of business within Broward County and maintains a staffing level, within this local office, of at least 15% who are residents of the City of Pompano Beach

And/Or

_____ My firm has maintained a permanent place of business within Broward County and my submittal includes subcontracting commitments to Local Vendors Subcontractors for at least 20% of the contract value.

Or

My firm does not qualify as a Tier 2 Vendor.


I certify that the above information is true to the best of my knowledge.

March 26, 2021

Transworld Systems Inc.

(Date)

(Name of Firm)

BY:  Joel Petersen
(Name)