

REPLY TO: Karen P. Ricks, Paralegal
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MEMORANDUM

TO: Clients

FROM: Karen P. Ricks
Manager, Collection Section

DATE: June 22, 2000

SUBJECT: Collection Services for the State of North Carolina and the North
Carolina Department of Justice - RFP #09-CSSA0300

We are pleased to inform you that effective July 1, 2000, the North Carolina Department of Justice has awarded a new collection services contract. The contract will be effective for twelve (12) months, beginning July 1, 2000, and ending June 30, 2001, and may be extended, at the discretion of the North Carolina Department of Justice, for an additional twenty-four (24) months, in two (2) twelve-month increments, ending respectively on June 30, 2002 and June 30, 2003.

The terms and conditions of the contract with each agency are identical except for the collection fees. The contract provides that the Contractor shall be paid a collection fee, which applies equally to all accounts referred for collection, regardless of the size or age of the account, any skip-tracing services performed or the necessity of legal action. If the collection fee is a flat percentage fee, then the fee shall be applied to monies actually collected. However, the contractor may apply the collection fee utilizing the formula indicated in 34 CFR s. 30.60. Please refer to page 2 of the Request for Proposals, Section 2.4 Collection Fees. The collection fees vary among the agencies as follows:

ConServe	18%
NCO	20%
Williams and Fudge	23%
Windham Professionals	25%

Below are the names of the collection agencies along with other pertinent information.

ConServe
Christopher Rollins, Vice President
700 Perinton Hills Office Park
Fairport, NY 14450
Telephone: (716) 421-1000
Toll Free: (800) 724-7500
Fax: (716) 421-1028

NCO Financial Systems, Inc.
Joseph C. McGowan, Executive Vice-President
CONTACT PERSON: Ron Isgett (954) 575-3684
515 Pennsylvania Avenue
Fort Washington, PA 19034
Telephone: (215) 793-9300
Toll Free: (800) 220-2774
Fax: (215) 793-2750

Williams & Fudge, Inc.
Gary L. Williams, President
CONTACT PERSON: Ms. B.J. Lee (803) 329-9791 Ext. 2120
452-8 Lakeshore Parkway Techpark
Post Office Box 11590
Rock Hill, SC 29731
Telephone: (803) 329-9791
Toll Free: (800) 849-9791
Fax: (803) 329-0797

Windham Professionals, Inc.
Edward M. Sheehan, Jr., President
CONTACT PERSON: Kathleen Brown (800) 969-0059 Ext. 237
380 Main Street
Salem, NH 03079
Telephone: (603) 890-4034
Toll Free: (800) 969-0059
Fax: (603) 890-3554

Attached for your records is a copy of the REQUEST FOR PROPOSALS (RFP), which contains the terms and conditions of the contract. Also, attached is EXHIBIT III, THE

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COLLECTION FEE, for each of the four (4) collection agencies. This page indicates each agency's collection fee, the authorized persons signature for each agency, and the North Carolina Department of Justice's authorized person's signature which executes this contract. All original contracts will be retained at this office.

This contract should **not** be disseminated to any prospective bidder(s). You may tell any prospective bidder interested in the next RFP contract or any future bids that they may check on the Internet web page for N. C. Department of Administration, Purchase and Contract Division at www.ips.state.nc.us/ips/pubmain.asp If you receive any questions regarding the award of this contract please refer them to Ms. Tad Gray, Purchasing Agent, N.C. Department of Justice at (919) 716-6420 or Ms. Barbara Stone-Newton, N.C. Department of Administration, Purchase and Contracts, at (919) 733-4505.

The North Carolina Department of Justice hopes that you will be pleased with the services of the newly awarded collection agencies. If you have any questions, concerns, or you encounter problems with any of the collection agencies please put these in writing to my attention at the letterhead address or e-mail address. If you have received this memorandum and the mailing address or contact person is different please let me know in writing as soon as possible so that I can update my contact list.

This office, along with the four (4) collection agencies will be scheduling an award meeting for all clients to attend. It is **strongly** recommended that everyone attend this award meeting in order to meet the representatives of each collection agency and so that you may receive answers to any questions that you may have concerning the collection of your accounts. I will be sending a memorandum to the clients as soon as I have this information. We look forward to a successful and cooperative relationship with these four collection agencies.

/kp

cc: Denise Sessoms, Chief Fiscal Officer
N.C. Department of Justice

Ann Reed
Senior Deputy Attorney

Harry Bunting, Jr.
Special Deputy Attorney