

**STATE OF LOUISIANA**



**REQUEST FOR PROPOSALS  
FOR  
COLLECTION SERVICES**

**RFP #:44000012100**

**DATE**

**December 13, 2011**

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# **1 GENERAL INFORMATION**

## ***1.1 Purpose***

This Request for Proposals (RFP) is issued by the Louisiana Department of Revenue (herein referred to as “LDR”) for the purpose of soliciting proposals from qualified entities to provide debt collection services for the collection of delinquent tax accounts as provided by Louisiana Revised Statutes 47:1516 and 47:1516.1.

## ***1.2 Overview***

The LDR is responsible for the administration, assessment and collection of personal income taxes and a variety of business taxes. Business taxes include sales and use taxes, employer withholding taxes, corporation income and franchise taxes, excise taxes and fees and severance oil and gas taxes. Accounts to be referred will consist of liabilities based on returns filed, federal state match assessments, non-filing estimates, CP2000 adjustments, audits, NSF/Returned checks, and Revenue Agent Reports (RAR). In most cases, in-house collection staff has attempted initial collection.

LDR reserves the right to make placements of miscellaneous manual taxes/files which would require special handling of placement, payment processing and reporting. Examples are motor vehicle sales tax and officer liability files.

## ***1.3 Scope of Services***

Attachment 1 details the scope of services and deliverables or desired results that LDR requires of the selected Contractor. (*See Attachment I*)

# **2 ADMINISTRATIVE INFORMATION**

## ***2.1 Term of Contract***

The period of any contract resulting from this RFP is tentatively scheduled to begin on or about April 12, 2012 and to continue through April 11, 2015. The State has the right to contract for up to three years upon approval. This contract is not effective until approved by the Director of Office of Contractual Review in accordance with LRS 39:1502.

## ***2.2 Proposer Inquiries***

Written questions regarding RFP requirements or Scope of Services must be submitted to the RFP Coordinator as listed below.

Elizabeth Kunjappy, Procurement Director  
Financial Services Division  
Louisiana Department of Revenue  
6th Floor  
617 North 3<sup>rd</sup> Street  
Baton Rouge, Louisiana 70802-5428

Telephone Number: (225) 219-2123

Fax Number: (225) 219-2120

E-mail Address: [elizabeth.kunjappy@la.gov](mailto:elizabeth.kunjappy@la.gov)

LDR will consider written inquiries and requests for clarification of the content of this RFP received from potential proposers. Written inquiries must be received by 4:00 p.m. Central Daylight Time on the date specified in the Schedule of Events. LDR reserves the right to modify the RFP should a change be identified that is in the best interest of LDR.

Official responses to all questions submitted by potential proposers will be posted on LDR's website at <http://www.revenue.louisiana.gov> and LAPAC's website at <http://wwwprd.doa.louisiana.gov/osp/lapac/pubmain.asp>.

#### Definitions

Account	Liabilities based on audits, NSF's/Returned checks, state assessments, non-filing estimates, CP2000 adjustments, RARs and returns filed by the taxpayer including tax, interest, applicable penalties and fees
Account Number	The business taxpayer's account number assigned by the LDR or the individual income taxpayer's social security number
Collection Contractor	One or more private persons, companies, associations, or corporations who provide debt collection services
Contractor	The successful proposer who is awarded the contract
CP2000	Automated federal audit
First Placement	First time under this contract
FTI	Federal Tax Information
LaPAC	Louisiana Procurement and Contract Network
LDR	State of Louisiana - Department of Revenue
LRS	Louisiana Revised Statutes
May, Can, Should	To be allowed or permitted
Shall, Must, Will	Mandatory requirements

Proposer	A collection entity submitting a proposal in response to this RFP
RFP	Request for Proposal
RAR	Revenue Agent Report (IRS)
Second Placement	Accounts that have been previously placed with a collection contractor including the Louisiana Department of Justice
Secretary	The executive head and chief administrative officer of the Louisiana Department of Revenue
Tax Debtor	A person or business with outstanding tax liabilities owed the Louisiana Department of Revenue

### ***2.3 Schedule of Events***

<b><u>Event</u></b>	<b><u>Date</u></b>
Advertise RFP and Release RFP to interested parties	December 13, 2011
Deadline for receipt of written inquiries	January 4, 2012
Issue responses to written inquiries	January 18, 2012
Deadline for receipt of proposals	February 15, 2012, 4 :00 PM
Evaluation	February 24, 2012
Announce award of contractor selection	March 5, 2012
Contract execution	April 2, 2012

**NOTE: LDR reserves the right to change this schedule of RFP events, as it deems necessary.**

## **3 PROPOSAL INFORMATION**

### ***3.1 Minimum Qualifications of Proposer***

Proposers must meet the following minimum qualifications:

- a. Have a minimum of five (5) years experience in the collections of state tax accounts.
- b. Have provided collections services to at least three (3) state taxing authorities within the past three (3) years.

- c. Have demonstrated experience collecting and processing payments in excess of \$1 million per month for an individual state client.
- d. Have the appropriate licenses to collect on a nationwide basis.
- e. Be willing to provide one or more employees to assist with account processing on-site at LDR at no additional cost to LDR.
- f. Have a history of working accounts to proper resolution regardless of the age or dollar amount of the account.
- g. Have the ability for filing and serving legal documents, and must have the ability to and execute judgments within the United States and its territories without regard to the Proposer's home office location or location of branch offices if necessary.

### ***3.2 Determination of Responsibility***

Determination of the proposer's responsibility relating to this RFP shall be made according to the standards set forth in LAC 34: 136. LDR must find that the selected proposer:

- a. Has adequate financial resources for performance, or has the ability to obtain such resources as required during performance;
- b. Has the necessary experience, organization, technical qualifications, skills, and facilities, or has the ability to obtain them;
- c. Is able to comply with the proposed or required time of delivery or performance schedule;
- d. Has a satisfactory record of integrity, judgment, and performance; and
- e. Is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Proposers should ensure that their proposals contain sufficient information for LDR to make its determination by presenting acceptable evidence of the above to perform the contracted services.

#### ***3.2.1 Right to Prohibit Award***

In accordance with the provisions of R.S. 39:2192, in awarding contracts after August 15, 2010, any public entity is authorized to reject a proposal or bid from, or not award the contract to, a business in which any individual with an ownership interest of five percent or more, has been convicted of, or has entered a plea of guilty or nolo contendere to any state felony or equivalent federal felony crime committed in the solicitation or execution of a contract or bid awarded under the laws governing public contracts under the provisions of Chapter 10 of Title 38 of the Louisiana Revised Statutes of 1950, professional, personal, consulting, and social services procurement under the provisions of Chapter 16 of this Title, or the Louisiana Procurement Code under the provisions of Chapter 17 of this Title.

### ***3.3 RFP Addenda***

LDR reserves the right to change the schedule of events or revise any part of the RFP by issuing an addendum to the RFP at any time. Addenda, if any, will be posted at

<http://wwwprd.doa.louisiana.gov/osp/lapac/pubmain.asp> and <http://www.revenue.louisiana.gov>. It is the responsibility of the proposer to check the website for addenda to the RFP, if any.

### ***3.4 Waiver of Administrative Informalities***

LDR reserves the right, at its sole discretion, to waive administrative informalities contained in any proposal.

### ***3.5 Proposal Rejection/RFP Cancellation***

Issuance of this RFP in no way constitutes a commitment by LDR to award a contract. LDR reserves the right to accept or reject, in whole or part, all proposals submitted and/or cancel this announcement if it is determined to be in LDR's best interest.

### ***3.6 Withdrawal of Proposal***

A proposer may withdraw a proposal that has been submitted at any time up to the date and time the proposal is due. To accomplish this, a written request signed by the authorized representative of the proposer must be submitted to the RFP Coordinator.

### ***3.7 Subcontracting Information***

LDR shall have a single prime contractor as the result of any contract negotiation, and that prime contractor shall be responsible for all deliverables specified in the RFP and proposal. This general requirement notwithstanding, proposers may enter into subcontractor arrangements, however, should acknowledge in their proposals total responsibility for the entire contract.

The contractor shall be allowed to subcontract any of its collection activities with the prior consent of LDR. If the contractor is given LDR's consent, subcontractor will be bound to all terms and conditions contained in the contract. The contractor shall furnish LDR the subcontractor names, relationships, qualifications, experience, and include specific designations of the tasks to be performed by the subcontractor. Information required of the contractor under the terms of this RFP shall also be required for each subcontractor. The prime contractor shall be the single point of contact for all subcontract work and shall remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the contract.

### ***3.8 Ownership of Proposal***

All materials submitted in response to this request shall become the property of LDR. Selection or rejection of a proposal does not affect this right.

### ***3.9 Proprietary Information***

Only information which is in the nature of legitimate trade secrets or non-published financial data may be deemed proprietary or confidential. Any material within a proposal identified as such must be clearly marked in the proposal and will be handled in accordance with the Louisiana Public Records Act, R.S. 44: 1-44 and applicable rules and regulations. Any proposal marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.

### ***3.10 Cost of Preparing Proposals***

LDR shall not be liable for any costs incurred by proposers prior to issuance of or entering into a contract. Costs associated with developing the proposal, mailing, shipping or courier services and any other expenses incurred by the Proposer in responding to this RFP are entirely the responsibility of the Proposer and shall not be reimbursed in any manner by LDR.

### ***3.11 Errors and Omissions in Proposal***

LDR will not be liable for any errors in proposals. LDR reserves the right to make corrections or amendments due to minor errors identified in proposals by LDR or the Proposer. LDR, at its option, has the right to request clarification or additional information from the proposers.

### ***3.12 Contract Award and Execution***

The contract will be awarded to the Proposer whose proposal, at the sole discretion of the LDR, is determined to be most advantageous to the State, taking into consideration the collection service fee and the ability of the Proposer to perform satisfactorily.

The RFP and proposal of the selected Proposer shall become part of any contract initiated by LDR.

The selected Proposer shall be expected to enter into a contract that is substantially the same as the sample contract included in Attachment III. In no event shall a Proposer submit its own standard contract terms and conditions as a response to this RFP. The Proposer should submit with its proposal any exceptions or exact contract deviations that its firm wishes to negotiate. Negotiations may begin with the announcement of the selected Proposer.

If the contract negotiation period exceeds thirty (30) days or if the selected Proposer fails to sign the final contract within fifteen (15) business days of delivery, LDR may elect to cancel the award and award the contract to the next-highest-ranked Proposer.

### ***3.13 Code of Ethics***

Proposers are responsible for determining that there will be no conflict or violation of the Ethics Code if their company is awarded the contract. The Louisiana Board of Ethics is the only entity which can officially rule on ethics issues.

The contractor **shall not**, under any circumstances, use any threats, intimidation, or harassment, in the collection process or violate any guidelines established by the Federal Trade Commission, the State of Louisiana, or any other State.

The contractor **must** be a member of the American Collectors Association and **shall** comply strictly with the code of ethics adopted by this organization.

## 4 RESPONSE INSTRUCTIONS

### 4.1 Proposal Submission

Firms/individuals who are interested in providing services requested under this RFP must submit a proposal containing the information specified in this section. The proposal must be received in hard copy (printed) version by the RFP Coordinator on or before 4:00 p.m. Central Daylight Time on the date specified in the Schedule of Events. FAX or e-mail submissions shall not be acceptable. Proposers mailing their proposals should allow sufficient mail delivery time to ensure receipt of their proposal by the time specified. The proposal package **must** be delivered at the proposer's expense to:

Elizabeth Kunjappy, Procurement Director  
Financial Services Division  
Louisiana Department of Revenue  
617 North 3<sup>rd</sup> Street  
Baton Rouge, Louisiana 70802-5428

For courier delivery, the street address is 617 North 3<sup>rd</sup> Street, LaSalle Building, 6<sup>th</sup> Floor Room 165 and the telephone number is 225-219-2300. It is solely the responsibility of each Proposer to ensure that their proposal is delivered at the specified place and prior to the deadline for submission. Proposals received after the deadline will not be considered.

LDR requests that eight (8) paper copies of the proposal be submitted to the RFP Procurement Director at the address specified above. At least 1 copy of the proposal shall contain original signatures of those company officials or agents duly authorized to sign proposals or contracts on behalf of the organization. A certified copy of a board resolution granting such authority should be submitted if proposer is a corporation. The copy of the proposal with original signatures will be retained for incorporation in any contract resulting from this RFP.

Each proposer **shall** submit their signed collection service fee (Cost) proposal in a clearly identified sealed package that is separate from the Technical Proposal. **Failure to submit the proposed cost data (Collection Service Fee Information) shall result in disqualification of the proposal.**

Late submissions will be rejected, regardless of the circumstances.

A Proposer's response to this Request for Proposals shall be considered a formal offer. Only communications from Proposer's, which are signed, and in writing, will be recognized by the State as duly, authorized expressions on behalf of Proposer. Proposals must be labeled as the following:

(Proposer's Name)  
Proposal for Collection Services  
Louisiana Department of Revenue

### 4.2 Proposal Format

Proposers should respond to this RFP with a Technical Proposal and Cost Proposal. No pricing information should be included in the Technical Proposal. All proposals **should** conform to the following format:

1. Each proposal should contain an executive summary, which should be limited to **10 pages**.
2. The text portion of proposal should be limited to a maximum of **75 pages**, not including the appendices, which concisely addresses the information requested from the Proposer in its response to this RFP.
3. The Proposer should include as appendages:
  - a. Resumes
  - b. Sample Reports
  - c. Sample Letters (i.e. billing/notices sent to the taxpayer)
  - d. Reference Letters from a minimum of three (3) state taxing authorities for which the Proposer has performed similar work as requested in the RFP within the past three (3) years.
  - e. Audited Financial Statement for three (3) years or other representation of financial solvency.

### ***4.3 Cover Letter***

A cover letter should be submitted on the Proposer's official business letterhead explaining the intent of the Proposer.

### ***4.4 Technical and Cost Proposal***

Proposals should be submitted as specified in Section 5, and should include enough information to satisfy evaluators that the Proposer has the appropriate experience and qualifications to perform the scope of services as described herein. Proposers should respond to all requested areas.

### ***4.5 Certification Statement***

The Proposer must sign and submit the Certification Statement shown in Attachment II.

## **5 EVALUATION AND SELECTION**

### ***5.1 Evaluation Team***

The evaluation of proposals will be accomplished by an evaluation team, to be designated by the state, which will determine the proposal most advantageous to the state, taking into consideration price and the other evaluation factors set forth in the RFP.

### ***5.2 Administrative and Mandatory Screening***

All proposals will be reviewed to determine compliance with administrative and mandatory requirements as specified in the RFP. Proposals that are not in compliance will be rejected from further consideration.

### 5.3 Clarification of Proposals

The State reserves the right to seek clarification of any proposal for the purpose of identifying and eliminating minor irregularities or informalities.

### 5.4 Evaluation and Review

Proposals that pass the preliminary screening and mandatory requirements review will be evaluated by a selection committee based on information provided in the proposal. The evaluation team may require any proposer to be interviewed in order to discuss or clarify its proposal. The evaluation team reserves the right to adjust its original scores based upon information and/or clarification given in the interview. LDR reserves the right to conduct on-site inspections of Proposer’s company physical locations prior to the awarding of the subject contract. The inspection will be for the purpose of verifying the Proposer’s ability to perform the services required under the contract. The evaluation team reserves the right to adjust its original scores based upon the on-site inspection of physical location.

The Evaluation Team will evaluate and score the proposals using the criteria and scoring as follows:

CRITERIA	MAXIMUM SCORE
<p>Capability, Expertise, and Means –            The Proposer’s capability and expertise in collections are a vital concern and it is imperative that the Proposer has sufficient locations/personnel or has the means to effectively pursue collection efforts for all accounts.</p>	<b>25</b>
<p>Methodology and Reporting Capability –            The proposed methodology for accomplishing the project with a precise statement of what LDR will receive as an end product of the project. The Proposer's ability to capture, update, report and transfer any and all information gathered regarding the assigned accounts to LDR in an automated manner. The willingness of the Proposer to prepare and submit detailed management reports to the LDR in an automated manner.</p>	<b>15</b>
<p>Staff Levels and Qualifications/Volume of Accounts Handled –            The number of personnel and their qualifications and classifications who will be assigned to work on LDR accounts; and the volume of accounts the Proposer can timely and efficiently handle with the expressed staffing level.</p>	<b>15</b>

Added Value – Additional provided services to enhance collections and improve state efficiencies.	<b>15</b>
Financial Information – The fiscal solvency of Proposer, including having no outstanding obligations to the State.	<b>10</b>
Hudson/Veteran Small Entrepreneurship Program	<b>10</b>
Collection Service Fee (Cost Proposal) – The collection service fee (represented in a percentage of the dollar amount of recovered collections) the Proposer will charge for collections.	<b>10</b>
<b>TOTAL SCORE</b>	<b>100</b>

The Evaluation Team will compile the scores and make a recommendation to the head of the agency on the basis of the responsive and responsible proposer with the highest score.

#### ***5.4.1 Capability, Expertise, and Means***

The Proposer should submit a detailed overview of its relevant state tax collection experience as well as the collection methods and system utilized, including but not limited to, the following:

1. The Proposer’s five (5) years of experience of state tax collection experience.
2. The Proposer’s collection services provided to at least three (3) state taxing authorities within the past three (3) years.
3. The Proposer’s ability for filing and serving legal documents and the ability to litigate and execute judgments within the United States and its territories without regard to the Proposer’s home office location or location of branch offices if necessary.
4. The extent to which any collection attempt will be made based on the dollar value of the account and the types of attempts. For example: collection letters, phone contacts, skip traces, etc.
5. The method of documenting collection attempts and also the ability of the Proposer to guarantee that such attempts will be made.
6. The extent and procedures used for accounts that will be skip traced. Proposer should indicate if different procedures will be used based upon dollar value of the account. The LDR expects that the Proposer will contact the post office, neighbors, and prior employers. Additional sources used include credit bureaus, telephone directories, etc., in an effort to locate the taxpayer. The Proposer should indicate which steps are to be taken in a given category of cases.

7. A description of any internal audit program for the recording, checking, reporting of services performed, and the control of funds.
8. The Proposer should provide customer reference letters from three state taxing authorities for which the Proposer has performed similar work as described in this RFP. The LDR may contact these customers to determine if the Proposer has demonstrated a high level of performance and integrity and if the Proposer has a history of working accounts to proper resolution regardless of the age or dollar amount of the account.
9. The Proposer should also provide its demonstrated experience collecting and processing payments in excess of \$1 million per month for an individual state taxing authority.

#### ***5.4.2 Staff Levels and Qualifications***

The Proposer should identify the number of personnel, their qualifications and classifications who will be assigned full-time to work on LDR accounts; and should specify the volume of accounts the Proposer can timely and efficiently handle on a monthly, quarterly, or annual basis with the projected staffing level.

1. The Proposer should submit the resume of a Contract Manager who will be responsible for the day-to-day operations of the contract. It is expected that although many company branches may actually process accounts under the contract, the Contract Manager shall be available in the event of any and all problems with the contract. Resumes of all key personnel should also be included. The key positions are Contract Manager, Customer Service Liaison and Collection Manager.
2. The proposer should indicate its willingness to provide one or more employees to assist with account processing on-site at LDR at no additional cost to LDR.

#### ***5.4.3 Methodology and Reporting Capability***

The proposer should describe their proposed methodology and reporting capability for accomplishing the project with a precise statement of what LDR will receive as an end product of the project including the following:

1. A plan to implement full-scale collection within 60 days should be furnished. The Proposer should have the ability to generate reports in the required format with the necessary fields in a timely manner. The Proposer should describe, in a concise narrative, his ability to comply with the reporting requirements mandated in Attachment I of this proposal. The narrative should include a description of the size and kind of computer system, where the records will be stored and the number of Information Technology (I.T.) personnel dedicated to the system and their functions. The Proposer should attach actual copies of existing reports the Proposer considers to meet the requirements, or drafts, or adjusted reports that will be developed for that purpose. The Proposer should describe the level of electronic data processing sophistication and capacity, including but not limited to, the availability of a competent technical staff that can meet the operational requirements of the RFP, the sufficiency of hardware that can handle the volume of the tax data, the existence of

security systems and procedures, the capability to develop reporting and case tracking systems that will insure that the desired information on accounts is captured, updated and reported to the LDR. The Proposer should describe the ability to exchange data using a secured web-based electronic file transfer protocol (FTP) according to LDR specifications; the ability to receive and generate timely automated reports in the format required by LDR, and the capability of documenting audit trails acceptable to the Louisiana State Legislative Auditor.

2. The Proposer's procedures and safeguards for processing payments should be furnished.
3. Samples of management reports provided to other clients, particularly those provided to other governmental units, on a monthly or yearly basis, which summarizes collection activity and results.
4. The Proposer should provide sample letters (i.e. billing/notices sent to the taxpayer).

#### ***5.4.4 Added Value***

If Proposer can provide any additional services to enhance collections and improve state efficiencies, the Proposer should describe these services in detail

#### ***5.4.5 Financial Information***

The Proposer should provide the fiscal solvency of Proposer, including have no outstanding obligations to the State.

1. The Proposer **must** demonstrate a history of financial stability. The Proposer shall provide three (3) years of audited financial statements or other representation of financial solvency, which demonstrates that the Proposer Contractor has adequate resources or has the stability to obtain such resources, as required for the performance of this contract. The Proposer **must** also submit the names and addresses of banking and lending institutions, which the LDR **may** contact for financial references.
2. Proposer **must** submit evidence that they meet the tax requirements of the State of Louisiana. Proposers **must** certify that they have made all required filings, if applicable, and have no outstanding obligations to the State of Louisiana subdivisions.
3. Disclosure of any lawsuits or judgments against the Proposer, subsidiaries or affiliates, officers or employees that will significantly affect the Proposers ability to deliver the services required by this RFP.

#### **5.4.6 Collection Service Fee (Cost Proposal)**

This is the collection service fee (represented in a percentage of the dollar amount of recovered collections) the Proposer will charge for collections. All Proposers **shall** clearly state the collection service fee percentage of collections they will charge for their services. All assignments are on a contingency basis only. The Proposer **must** quote a collection service fee as a straight overall percentage of collections. All partial payments will be considered inclusive of the amount owed LDR and the collection service fee. This percentage shall be all inclusive – no additional fees or expenses shall be paid by LDR.

The proposer with the lowest percentage fee shall receive 10 points. Other proposers shall receive points for cost based upon the following formula:

$$\text{CPS} = (\text{LPC}/\text{PC}) * 10$$

CPS = Cost Proposal Score

LPC = Lowest Percentage Fee of all proposers

PC = Individual Percentage Fee

#### **5.4.7 Veteran-Owned and Service-Connected Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Participation**

Each Proposer should address how the firm will meet the following:

The State of Louisiana Veteran and Hudson Initiatives are designed to provide additional opportunities for Louisiana-based small entrepreneurships (sometimes referred to as LaVet's and SE's respectively) to participate in contracting and procurement with the state. A certified Veteran-Owned and Service-Connected Disabled Veteran-Owned small entrepreneurship (LaVet) and a Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) small entrepreneurship are businesses that have been certified by the Louisiana Department of Economic Development. All eligible vendors are encouraged to become certified. Qualification requirements and online certification are available at [https://smallbiz.louisianaforward.com/index\\_2.asp](https://smallbiz.louisianaforward.com/index_2.asp).

A current list of certified Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurships may be obtained from the Louisiana Economic Development Certification System at [https://smallbiz.louisianaforward.com/index\\_2.asp](https://smallbiz.louisianaforward.com/index_2.asp). Additionally, a list of Hudson and Veteran Initiative small entrepreneurships, which have been certified by the Louisiana Department of Economic Development and who have opted to register in the State of Louisiana LaGov Supplier Portal [https://lagoverpvendor.doa.louisiana.gov/irj/portal/anonymous?guest\\_user=self\\_reg](https://lagoverpvendor.doa.louisiana.gov/irj/portal/anonymous?guest_user=self_reg) may be accessed from the State of Louisiana Procurement and Contract (LaPAC) Network <http://wwwprd.doa.louisiana.gov/osp/lapac/vendor/srchven.asp>. When using this site, determine the search criteria (i.e. alphabetized list of all certified vendors, by commodities, etc.) and select SMALLE, VSE, or DVSE.

If a proposer is not a certified small entrepreneurship as described herein, but plans to use certified small entrepreneurship(s), proposer shall include in their proposal the names of their certified Veteran Initiative or Hudson Initiative small entrepreneurship subcontractor(s), a description of the work each will perform, and the dollar value of each subcontract.

During the term of the contract and at expiration, the Contractor will also be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each.

The statutes (R.S 39:2171 *et. seq.*) concerning the Veteran Initiative may be viewed at <http://www.legis.state.la.us/lss/lss.asp?doc=671504>; and the statutes (R.S 39:2001 *et. seq.*) concerning the Hudson Initiative may be viewed at <http://www.legis.state.la.us/lss/lss.asp?doc=96265>. The rules for the Veteran Initiative (LAC 19:VII. Chapters 11 and 15) and for the Hudson Initiative (LAC 19:VIII Chapters 11 and 13) may be viewed at <http://www.doa.louisiana.gov/osp/se/se.htm>.

#### ***5.4.8 Veteran-Owned and Service-Connected Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Participation (Value of 10% of the total evaluation points)***

Ten percent (10%) of the total evaluation points on this RFP are reserved for proposers who are themselves a certified Veteran or Hudson Initiative small entrepreneurship or who will engage the participation of one or more certified Veteran or Hudson Initiatives small entrepreneurships as subcontractors.

Reserved points shall be added to the applicable proposers' evaluation score as follows:

##### **Proposer Status and Reserved Points**

- Proposer is a certified small entrepreneurship: Full amount of the reserved points
- Proposer is not a certified small entrepreneurship but has engaged one or more certified small entrepreneurships to participate as subcontractors:
  - 1 participating small entrepreneurship: 1/5th of the reserved points
  - 2 participating small entrepreneurships: 2/5ths of the reserved points
  - 3 participating small entrepreneurships: 3/5ths of the reserved points
  - 4 participating small entrepreneurships: 4/5ths of the reserved points
  - 5 or more participating small entrepreneurships: Full amount of the reserved points

#### ***5.5 Announcement of Contractor***

The State will notify the contractor and proceed to negotiate terms for final contract. Unsuccessful proposers will be notified in writing accordingly.

Any contractor aggrieved by the proposed award has the right to submit a protest in writing to the head of the agency issuing the proposal within 14 days after the award has been announced by the agency. During this period, any Proposer may submit a written request for a debriefing

to the Evaluation Committee. The Chairperson of the Evaluation Committee or his designee will conduct the debriefing.

The award of a contract is subject to the approval of the Division of Administration, Office of Contractual Review.

## **6 CONTRACTOR REQUIREMENTS**

### ***6.1 Corporation Requirements***

If the contractor is a corporation not incorporated under the laws of the State of Louisiana, the contractor shall have obtained a certificate of authority pursuant to R. S. 12:301-302 from the Secretary of State of Louisiana.

If the contractor is a for-profit corporation whose stock is not publicly traded, the contractor shall ensure that a disclosure of ownership form has been properly filed with the Secretary of State of Louisiana.

### ***6.2 Operational Requirements***

#### ***6.2.1 Account Information***

The contractor **shall** collect delinquent tax accounts, commence and prosecute suits, or other legal proceedings in the collection of such delinquent tax accounts at the expense of the Contractor. **The contractor must have prior written approval of the LDR and subject to approval of the Attorney General's office before commencing any litigation on accounts.**

The contractor **must** undertake the collection of all accounts assigned by the LDR within 10 business days of receipt without regard to the amounts to achieve a maximum recovery of debts. Such procedures shall include but shall not be limited to a reasonable number of telephone, mail and skip-tracing efforts.

The contractor **must** maintain records on each individual account referred by the LDR for collection. Such records **shall** contain all of the collection activities made by the contractor and other pertinent information. The Contractor **shall** maintain the records on each account until such time the account is returned to the LDR. These records **shall** remain the property of the LDR. Upon termination or expiration of the contract, the Contractor shall return these records to the LDR in an electronic file (see 6.2.5) within thirty (30) days of the ending date.

The contractor will add to each account balance the collection fee based on the percentage rate agreed upon with the LDR. The Contractor shall collect the collection fee from the taxpayer. All partial payments will be considered inclusive of the amount owed LDR and the collection fee.

The contractor **must** also agree that any and all information gathered and used by it in the collection of accounts is the property of the LDR, and that such information **shall not** be used for any other purpose by the Contractor.

### ***6.2.2 Computer Capability***

The contractor **must** lease, own, or have access to a computer server which has the ability to exchange data using a web-based electronic file transfer protocol (FTP) formatted to LDR specifications; the ability to receive and generate timely automated reports in an acceptable format (see Attachment VIII: File Record Layouts Page 1-5) as required by LDR, and the capability of documenting audit trails acceptable to the Louisiana State Legislative Auditor.

The LDR will use ASCH-format files (see Attachment VIII) to exchange data with the collection agency. Files are transferred via File Transfer Protocol (FTP) to and from an FTP server maintained by the collection agency. LDR initiates all FTP file exchanges. The FTP data exchange **must** be secure, with encrypted authentication, and data transfer. The encryption **must** be at least 128-bit, **must** use RSA 2048 Titus-level public keys using PGP or GNUPG encryption, **must** be compatible with a Windows 2000 or higher operating system client software package or configuration, and **must** be implemented at no cost to the LDR.

All electronic media prepared by the Contractor for use by the LDR **must** be compatible with LDR's applications computer system. Conversion of files, if necessary, will be the Contractor's responsibility. The contractor **must** accept and be able to process electronic documents and files created by LDR's current applications computer system.

### ***6.2.3 Assignment of Accounts***

The LDR will provide the contractor with a file containing the account number or social security number, name, address (last known), type of tax and period, amount due as of a certain date (tax, penalty and current interest), and other pertinent financial and demographic information to recover delinquent tax debts owed to the State of Louisiana. (See Attachments V - VIII) In addition, from time to time, the LDR **may** also make manual assignments of taxes that are not computerized.

The file will be date and timestamp sensitive. The contractor **must** have the ability to update the account to include current interest due to the State of Louisiana. The interest rate applicable to the tax deficiencies is subject to change on January 1<sup>st</sup> each calendar year.

The contractor **shall** acknowledge the number and logical validity of the file within **five (5)** business days after delivery **date**. For items not logically valid, notification **shall** be sent to the LDR for examination within one week subsequent to the acknowledgement (e.g. obviously illogical amounts, uninterruptible or illogical material of any type, etc.).

LDR **shall** retain the right to withhold and/or to request the return of accounts at its discretion.

### ***6.2.4 Payment for Services***

The contractor shall agree to remit by electronic funds transfer by the 10<sup>th</sup> of each month to the LDR, the full amount of all monies collected in the previous month, **including accrued interest**, on accounts placed by the LDR with the contractor for collection, less the commissions earned by the contractor

The contractor **shall** place electronic payment file, formatted and named as specified by the LDR, out on the Contractor's server for pickup by LDR that contains the details of the collection of money by the 10<sup>th</sup> of each month for the preceding month. (See Attachment VIII). *This file will be accompanied by an electronic report summarizing the amount collected by tax, and any other documentation necessary. The payments **must** be subtotaled by type of tax and a grand total **must** be furnished.*

In the event the LDR offsets a refund against the amount owed on an account assigned to the contractor, the LDR will notify the Contractor of the amount of the offset. The contractor **shall** treat tax-offset payments as a balance adjustment and adjust their inventory accordingly. The contractor **shall not** be entitled to a fee on the offset amount.

Any amounts received by the Contractor that are in excess of that which is due, and payable are overpayments and **shall** be forwarded to the LDR in full with an explanation that the amount is an overpayment. The contractor **shall not** be entitled to a collection fee for overpayments and **shall not** retain any portion of an overpayment.

Under no circumstances will the contractor receive a fee for any payment received:

1. Outside placement begin and end dates with Contractor
2. Credits resulting from administrative resolution
3. Payment is decreased by offset
4. After contract expiration or termination

The LDR **may** terminate the contract because of non-compliance or unsatisfactory compliance with the payment provisions.

### ***6.2.5 Return/Update of Referred Accounts***

The contractor **shall** document its efforts to collect all accounts. If the contractor should discover new taxpayer demographic information, the Proposer **must** submit the updated names, address, phone numbers, etc, to the LDR via an electronic file formatted and named as specified by the LDR out on the contractor's server for pickup by LDR. This file **shall** be separate and apart from the electronic payment file. It **shall** contain only demographic update information.

The contractor **shall** return to the LDR an account deemed uncollectible with an explanation why it is so rendered. Examples of reasons given may include the taxpayer's death, total and permanent disability, the taxpayer does not have the means to satisfy the debt or portion thereof, or the taxpayer cannot be located and skip tracing efforts have been exhausted. (See Attachment VI)

In any case where an account has been assigned to the contractor and that account becomes the subject of a bankruptcy proceeding, state insolvency, receivership, probate or other proceeding, the contractor **shall** immediately, on discovery, return the account to the LDR. No additional fee will be generated on the remaining balance.

**The contractor agrees to return any accounts referred by mistake by LDR to LDR at no charge.**

The LDR, as a result of an administrative action, decision, an offset action by the LDR, age prescription, and/or a legal decision, **may manually or systematically** recall any and all accounts. In any such event, the contractor will suspend any and all collection action either temporarily or permanently on any account referred to them for collection upon written notification by the LDR. The contractor will confirm in writing within three (3) days that the account has been recalled. There will be no collection fee charged on the uncollected portion of such accounts.

If suit has not been filed, the Contractor shall prepare and send to LDR an automated report listing the account(s) and all of all collection efforts taken and skip trace efforts, latest telephone numbers and addresses and the reason collection was not pursued.

If a recall is requested and the contractor has filed suit and a judgment has been rendered but payment in full has not been collected, an electronic softcopy of the judgment shall also be attached. If an account is canceled for bankruptcy, death, or permanent and total disability, proper documentation acceptable to the LDR of these instances **must** be enclosed with the canceled account. The contractor **shall** provide LDR with such additional information as it **may** have acquired, including but not limited to, the taxpayer's current address or employment.

### ***6.2.6 Inventory***

The contractor **shall** provide semi-annually or as requested to the LDR an electronic file known as a reconciliation file. The file **shall** contain all accounts assigned including the date account/period was assigned for collection, outstanding balance, and account status. (See Attachment VII)

### ***6.2.7 Disputed Accounts***

If during the collection of an account the contractor is not satisfied that the taxpayer owes the liability that account should be forwarded to the LDR for verification. The LDR will attempt to promptly verify the liability and notify the contractor of its finding. During this verification period, the contractor will suspend any active contact with the taxpayer.

### ***6.2.8 Reporting Requirements***

All reports and/or correspondence requiring individual detail **must** contain appropriate taxpayer identification. Taxpayer identification shall be defined as the account number assigned by the LDR or the individual's social security number and the taxpayer's name. On all reports, any column requiring figures such as payments, fees, accounts balances, etc., **must** be totaled at the end of the report for balancing purposes. The format will consist of the taxpayer's identification with relevant figures and dates under the item headings listed for each report. The contractor is cautioned that the fields indicated under each report type are mandatory and that all reports listed **must** be generated in the manner prescribed and within the time frames allotted in Section 6.2, Operational Requirements. The Contractor shall have the ability to generate reports in the required format with the necessary fields in a timely manner.

### ***6.2.9 Litigation Report***

The contractor **shall** provide a litigation report upon request. The report **shall** indicate the current status of all accounts and the effective date of the status. Each account reported **shall** be assigned one of the following designations:

1. Judgment Pending (all accounts that have had suit filed but a judgment has not yet been rendered).
2. Judgment Rendered (all accounts that have had judgment rendered but not yet executed).
3. Judgment Executed (all accounts that are in the process of being executed).

Each of these designations **shall** include the next scheduled action to be taken on the account. This report **shall** also contain the date suit was filed on each account and the new current balance.

### ***6.2.10 Liability Satisfied***

The contractor shall **not** send notices to the taxpayer stating the liability has been paid in full. When accounts are paid out and returned to the LDR on the weekly automated Close/Return file, LDR shall require the Contractor to list the current address on the file.

### ***6.3 Performance Bond***

The State will require the Contractor to post a performance guarantee in the amount of \$100,000.00 prior to the contract being executed and approved, in the form of a bond from a surety licensed to conduct business in the State of Louisiana.

The terms of the bond **shall** extend for the balance of the term of the contract and provide that if the Contractor materially breaches the terms of the contract, specifically including, without limitation, the provisions for confidentiality and security so as to result in the termination of the contract, that the performance bond will be paid to the LDR as liquidated damages together with any other funds due to the LDR pursuant to the terms of the contract.

### ***6.4 Fidelity Bond***

The Contractor **shall** keep in effect a fidelity bond for the period of this contract plus ninety (90) days thereafter, in the amount of \$100,000.00 to protect the LDR against loss through failure by the Contractor or any of its employees or agents to remit to the LDR all monies due. The bond **shall** be in the form approved by the LDR. The surety company **shall** be authorized to do business in Louisiana and **shall** be a company approved and licensed by the Louisiana Commissioner of Insurance. Proof of this bond coverage **must** be provided within 10 days of notification of award.

### ***6.5 Performance Reviews and Management Information***

The contractor **shall**, upon request by the LDR, provide to the LDR an analysis of the accounts assigned to the contractor. The analysis **shall** show the recovery history in numbers, percentages and dollars.

The LDR maintains the right to ask for and receive further information reports as requested, and the contractor **must** be prepared to institute further controls should the LDR require. On request of the LDR, the contractor **shall** meet with the Secretary, or his designee, to review the performance of the contractor and discuss concerns and enhancement of collection services.

### ***6.6 Monitoring and Evaluation***

The contractor **shall** maintain separate records satisfactory to the LDR concerning the accounts referred. All monies received as a result of any activities referred by the LDR **shall** be maintained separately and apart from all other funds of the contractor. The contractor **shall** be responsible for any and all of its cost of the preparation for an audit of such books and records. The contractor **shall** also maintain electronic backup of all electronically exchanged files, reports and other significant records for the life of the contract. The contractor **must** maintain a log and filing system, which will ensure that said files and reports are retrievable for the life of the contract.

The contractor will prepare and maintain such financial records and records of services performed as are necessary to substantiate claims for payments, at an address designated in the contract, and **shall** permit the LDR and/or the Legislative Auditors to make copies.

To assure compliance with the contract, the LDR and/or the Legislative Auditors **shall** have the right to enter into the contractor's premises or any facilities where any portion of the contract is being performed, without notice during normal work hours to inspect, monitor or otherwise evaluate its work performance, examine the books, records and other compilations of data of the contractor which pertain to the performance of the provision and requirements of the contract. The LDR **shall** not be denied access by the contractor for any reason whatsoever. The LDR **shall** also have the right to independently verify the contractor activities through direct contact with taxpayers assigned for collection or any other means without notice to the contractor. The contractor **must** be prepared to institute any further controls the LDR **may** require.

### ***6.7 Financial Audits***

The contractor **must** submit to the LDR yearly audited financial statements through the contract period.

### ***6.8 Accounting and Record Maintenance***

The contractor **shall** preserve and make available complete and accurate records of collection service transactions in accordance with accepted industry accounting practices, and **shall** keep in a safe place all such financial records and statements pertaining to the collection agency service operations for the LDR for a period of six (6) years from the close of each year's operation.

The contractor will prepare and maintain such financial records of services performed as are necessary to substantiate claims for payment hereunder, and **shall** permit the persons named the LDR Contract Monitor and the contractor's Contract Manager to make copies. The LDR and/or the Legislative Auditor **shall** have the right to examine the books, records and other compilations of data of the contractor, which pertains to the performance of the provisions and requirements of this contract.

The contractor **shall** preserve and make available such books, records and data for a period of six (6) years from the date of final payment under this contract. The contractor **shall** retain such documents that are pertinent to adjudicatory proceedings or appeals commenced during the six (6) year period until such proceedings or appeals have reached final disposition.

### ***6.9 Publication Rights***

The LDR shall retain all rights to all data, reports, programs, designs and other results of this contract. The contractor **shall** not produce or otherwise use the products of this contract without the written consent of the LDR. The LDR shall reserve first publication rights to any products of this contract, and the LDR may place these products in the public domain without the permission of the contractor.

### ***6.10 Confidentiality***

All financial, statistical, personal, technical and other data and information relating to LDR's operation which are designated confidential by LDR and made available to the contractor in order to carry out this contract, or which become available to the contractor in carrying out this contract, shall be protected by the contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as LDR's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by LDR in writing to the contractor. If the methods and procedures employed by the contractor for the protection of the contractor's data and information are deemed by LDR to be adequate for the protection of LDR's confidential information, such methods and procedures may be used, with the written consent of LDR, to carry out the intent of this paragraph. The contractor shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the contractor's possession, is independently developed by the contractor outside the scope of the contract, or is rightfully obtained from third parties.

The contractor recognizes that in the performance of this contract it will become a holder of confidential data as defined in Louisiana Revised Statute (L.R.S.) 47:1508 and **shall** be required to comply with all of the confidentiality restrictions embodied therein. The contractor agrees that it will conform to the obligations of the LDR.

In its handling of any returns of taxpayers or other records and files of the Department of Revenue, or information derived there from, the contractor recognizes and acknowledges the confidential nature of said information, and **shall** comply with all the confidentiality restrictions embodied in L.R.S. 47:1508. Furthermore, the contractor recognizes that L.R.S. 47:1508.1 imposes fines and/or imprisonment upon conviction for the disclosure of information in violation of L.R.S. 47:1508.

The contractor, its employees and subcontractors **must** meet certain IRS requirements. It has been determined that the contractor must be included in the awareness and certification process. The contractor will be provided with copies of CD or DVD's addressing UNAX, Safeguarding Federal Tax Information and Safeguarding IRS Confidential Information that **must** be viewed by all employees and all approved subcontractors who have access to federal tax information.

The contractor **shall** disclose or make available said confidential information only to those of its employees, agents and representatives whose duties clearly justify the need to know or be exposed to such information, and then only on the basis of a clear understanding by said employees, agents and representatives of their obligation to maintain the confidential status of such information and to restrict its use in accordance with this contract. The contractor agrees and assures that data, material, and information gathered based upon its contact or disclosed to the contractor for purpose of this contract will not be disclosed to other parties or discussed with other parties without the prior written consent of the State.

Under no circumstance shall the contractor discuss and/or release information to the media concerning this project without prior express written approval of the Louisiana Department of Revenue.

### ***6.11 Criminal/Civil Sanctions***

Each officer or employee or any person to whom returns or return information is or **may** be disclosed will be notified in writing by the contractor that returns or return information disclosed to such officer or employee can be used only for the purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein, constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as five (5) years, or both, together with the costs of prosecution. Such person **shall** also notify each such officer and employee that any such unauthorized further disclosure of return information **may** also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC 7213 and forth at 26 CFR301.6103 (n). Additional criminal penalties **may** be imposed under state law pursuant to L.R.S. 47: 1508 et. Seq.

Each officer or employee or any person to whom return or return information is or **may** be disclosed **shall** be notified in writing by the contractor that any return information made available in any format **shall** be used for the purpose of carrying out the provisions of this contract. Information contained in such material **shall** be treated as confidential and shall not be divulged or made known in any manner to any person except as **may** be necessary in the performance of the contract. Inspection or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as one (1) year, or both, together with the costs of prosecution. Such person **shall** also notify each officer and employee that any such unauthorized inspection or disclosure of returns or return information **may** also result in an award of civil damages against the office or employee in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus, in the case of a willful inspection or disclosure which is the result

of gross negligence, punitive damages, plus costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure by Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to LDR or IRS records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established there under, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, **shall** be guilty of a misdemeanor and fined not more than \$5,000.

# **ATTACHMENT I: SCOPE OF SERVICES**

## **SERVICES AND TASKS**

Contractor shall agree to furnish the services outlined in Section 6, Contractor Requirements, as well as the following services:

To provide collection services for delinquent tax accounts, and commence and prosecute suits or other legal proceedings at its own expense. Litigation for collection purposes shall be initiated only upon prior written approval of LDR, as deemed to be in the best interest of the State of Louisiana.

All out-of-state accounts will be original assignments. In-state accounts **may** or **may** not be original and may have been previously placed with The Louisiana Attorney General's Office. LDR **shall** retain the right to withhold and/or request the return of accounts as provided by LDR.

Contractor **shall** commence work within 10 business days upon receipt of delinquent accounts as provided by LDR.

## **LICENSES AND CERTIFICATIONS**

A copy of all required licenses to collect nationwide will be required to be submitted to LDR by the Contractor after contract award. Should a license be required by law for collection companies to collect debts owed by persons and entities owing monies pursuant to the contract, then Contractor must submit verification of application for license and branch certificate within 30 days of the effective date of the law. Should a license not be granted, LDR reserves the right to cancel the contract. If the license is granted and the contractor does not remain in good standing, LDR reserves the right to cancel the contract. The contractor must comply with the Fair Debt Collection Act and any other applicable state or federal law which regulates their activities.

## **STAFF REQUIREMENTS**

The Contractor shall designate a Contract Manager who will be responsible for the day-to-day operations of the contract. It is expected that although many company branches may actually process accounts under the contract, the Contract Manager shall be available in the event of any and all problems with the contract.

The Contractor must be willing to provide one or more employees to assist with account processing on-site at LDR at no additional cost to LDR.

Notification to the LDR of personnel changes in key positions shall be required. Such consent shall not be unreasonably withheld by LDR provided an equally qualified replacement is offered. In the event that any Contractor personnel becomes unavailable due to resignation, illness or other factors, excluding assignment to other projects outside this contract, outside of

the Contractor's reasonable control, as the case may be, the Contractor shall be responsible for providing an equally qualified replacement in time to avoid delays.

## **PERFORMANCE MEASURES AND MONITORING PLAN**

In addition, the Contractor shall provide the following:

Reports **shall** be submitted monthly by the contractor to the LDR, giving a detailed account of the amount collected per taxpayer. Monthly reports provided by contractor **shall** include an activity statement which lists the taxpayer name, account number/Social security number, type of tax, tax period, date collected, total amount collected, amount of contractor's fees and the amount collected for the LDR.

The Contractor **shall** prepare reconciliation files on demand, showing the status of all accounts, including accounts in litigation, and the collection activity of each account. These files **must** contain the designation shown in 6.2.2 of the Request for Proposals. The contractor **shall** maintain separate records satisfactory to the LDR concerning the accounts referred. All monies received as a result of any activities referred by the LDR shall be maintained separately and apart from all other funds of the Contractor. The contractor **shall** be responsible for any and all of its cost of the preparation for an audit of such books and records. The contractor shall also maintain copies of all assignment files, deletion files, payment files, return status files and other significant files and records for the life of the contract (this contradicts Section 10.0 of the sample contract which says 6 years after contract end). The contractor **must** maintain a log and filing system that will ensure that said files are retrievable for the life of the contract.

Contractor shall generate monthly invoices for collection fees due Contractor for payments submitted directly to LDR. This information is to be derived from the weekly electronic balance update filed transmitted by LDR.

The contractor will prepare and maintain such financial records and records of services performed as are necessary to substantiate claims for payments, at an address designated in the contract, and **shall** permit the LDR and or the Legislative Auditors to make copies.

To assure compliance with the contract, the LDR and/or the Legislative Auditors **shall** have the right to enter into the contractor's premises or any facilities where any portion of the contract is being performed, without notice during normal work hours to inspect, monitor or otherwise evaluate its work performance, examine the books, records and other compilations of data of the contractor which pertain to the performance of the provision and requirements of the contract. The LDR **shall** not be denied access by the contractor for any reason whatsoever. The LDR **shall** also have the right to independently verify the contractor's activities through direct contact with taxpayers assigned for collection or any other means without notice to the contractor. The contractor **must** be prepared to institute any further controls the LDR may require.

The Collection Activity Reports shall serve the purpose of assuring LDR that work is progressing satisfactorily in accordance with this contract.

## **DELIVERABLES**

In addition to the reports referenced above, the contractor shall agree to provide the following deliverables within the time frames specified herein:

The contractor shall agree to remit, by the 10<sup>th</sup> of each month to LDR, the full amount of all monies collected in the previous month, including accrued interest collected on accounts placed by LDR with the contractor for collection, less the collection fee (commission) permitted by L.R.S. 47:1516 earned by the contractor, as prescribed by LDR.

## **STANDARD OF PERFORMANCE**

The standard of performance shall be the percentage of assigned accounts collected and the amount of accounts collected.

## ATTACHMENT II: CERTIFICATION STATEMENT

The undersigned hereby acknowledges she/he has read and understands all requirements and specifications of the Request for Proposals (RFP), including attachments.

**OFFICIAL CONTACT.** The State requests that the Proposer designate one person to receive all documents and the method in which the documents are best delivered. Identify the Contact name and fill in the information below: (Print Clearly)

Date \_\_\_\_\_ Official Contact Name: \_\_\_\_\_

A. E-mail Address: \_\_\_\_\_

B. Facsimile Number with area code: (     ) \_\_\_\_\_

C. US Mail Address: \_\_\_\_\_

Proposer certifies that the above information is true and grants permission to the State or Agencies to contact the above named person or otherwise verify the information provided.

By its submission of this proposal and authorized signature below, Proposer certifies that:

1. The information contained in its response to this RFP is accurate;
2. Proposer complies with each of the mandatory requirements listed in the RFP and will meet or exceed the functional and technical requirements specified therein;
3. Proposer accepts the procedures, evaluation criteria, mandatory contract terms and conditions, and all other administrative requirements set forth in this RFP.
4. Proposer's quote is valid for at least 90 days from the date of proposal's signature below;
5. Proposer understands that if selected as the contractor, he/she will have 15 business days from the date of delivery of final contract in which to complete contract negotiations, if any, and execute the final contract document.
6. Proposer certifies, by signing and submitting a proposal for \$25,000 or more, that their company, any subcontractors, or principals are not suspended or debarred by the General Services Administration (GSA) in accordance with the requirements in OMB Circular A-133. (A list of parties who have been suspended or debarred can be viewed via the internet at [www.epls.gov](http://www.epls.gov).)

Authorized Signature: \_\_\_\_\_

Typed or Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

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SIGNATURE of Proposer's Authorized Representative

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DATE

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## **ATTACHMENT III: INSURANCE REQUIREMENTS**

### **1.0 MINIMUM SCOPE OF INSURANCE**

Coverage shall be at least as broad as:

1. Insurance Services Office form number GL 0002 (Ed. 1/73) covering Comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage (“occurrence” form CG 001). “Claims Made” form is unacceptable. The “occurrence form” shall not have a “sunset clause”.
2. Insurance Services Office form number CA 0001 (Ed 1/78) covering Automobile Liability and endorsement CA 0025 or CA 0001 12 90. The policy shall provide coverage for owned, hired, and non-owned coverage is sufficient.
3. Workers’ Compensation insurance as required by the Labor Code of the State of Louisiana, including Employers Liability insurance.

### **2.0 MINIMUM LIMITS OF INSURANCE**

Contractor shall maintain limits no less than:

1. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
2. Automobile Liability: \$1,000,000 combined single limit per accident, for bodily injury and property damage.
3. Workers Compensation and Employers Liability: Workers’ Compensation limits as required by the Labor Code of the State of Louisiana and Employers Liability coverage. Exception: Employers liability limit is to be \$1,000,000 when work is to be over water and involves maritime exposure.

### **3.0 DEDUCTIBLES AND SELF- INSURED RETENTIONS**

Any deductibles or self-insured retention must be declared to and approved by the LDR, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the LDR, its officers, officials, employees and volunteers; or the contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

#### **4.0 OTHER INSURANCE PROVISIONS**

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverage

- a. The LDR, its officials, employees, boards and commissions and volunteers are to be added as "additional insured" as respects liability arising out of activities performed by or on behalf of the contractor; products and completed operations of the contractor, premises owned, occupied or used by the contractor. The coverage shall contain no special limitations on the scope of protection afforded to the LDR, its officers, officials, employees or volunteers. It is understood that the business auto policy under "Who is an Insured" automatically provides liability coverage in favor of the State of Louisiana.
- b. Any failure to comply with reporting provision of the policy shall not affect coverage provided to the LDR, its officers, officials, employees, boards and commissions or volunteers.
- c. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- d. Contractor shall keep in effect a \$500,000 liability insurance policy, which protects the State/LDR against all claims and demands against the State/LDR that may arise out of the collection of the accounts, which shall remain in force during the period of one hundred twenty (120) days after the expiration of the contract, and any renewal thereof.
- e. Contractor shall keep in effect an employee fidelity bond for the period of this contract, plus ninety (90) days thereafter, in the amount of \$100, 000 and shall submit proof thereof prior to commencement of work under this contract.

2. Workers' Compensation and Employer's Liability Coverage

The insurer shall agree to waive all rights of subrogation against the LDR, its officers, officials, employees and volunteers for losses arising from work performed by the Contractor for the LDR.

3. All Coverage

Each insurance policy required by this clause shall be endorsed to State/LDR that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits except after thirty days prior written notice by certified mail, return receipt requested, has been given to the LDR.

## **5.0 ACCEPTABILITY OF INSURERS**

Insurance is to be placed with insurers with a Best's rating of A-: VI or higher. This rating requirement may be waived for worker's compensation coverage only.

## **6.0 VERIFICATION OF COVERAGE**

The contractor shall furnish LDR with certificate of insurance affecting coverage required by this clause. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by LDR before work commences. The LDR reserves the right to require complete, certified copies of all required insurance policies, at any time.

## **7.0 BOND**

The contractor shall keep in effect an employee fidelity bond for the period of this contract, plus ninety days thereafter, in the amount of \$100,000 and shall submit proof thereof prior to commencement of work under this contract.

## **8.0 SUBCONTRACTORS**

The contractor shall include all subcontractors as insured under its policies or shall furnish separate certificates for each subcontractor. All coverage for subcontractor shall be subject to all of the requirements stated herein.

# **ATTACHMENT IV: SAMPLE CONTRACT**

## **STATE OF LOUISIANA CONTRACT**

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the Louisiana Department of Revenue, hereinafter sometimes referred to as the "state" or "LDR", and “(CONTRACTOR NAME and Address)”, hereinafter sometimes referred to as the 'Contractor", do hereby enter into a contract under the following terms and conditions.

### **1.0 SCOPE OF SERVICES**

To be completed following negotiations

### **1.1 CONCISE DESCRIPTION OF SERVICES**

Contractor shall provide collection services for delinquent accounts assigned to Contractor by LDR.

### **2.0 ADMINISTRATIVE REQUIREMENTS**

#### **2.1 TERM OF CONTRACT**

This contract shall begin on (DATE) and shall end on (DATE) unless otherwise terminated in accordance with the Termination provision of this agreement. This contract is not effective until approved by the Director of the Office of Contractual Review in accordance with LRS 39: 1502.

#### **2.2 WARRANTIES**

Contractor shall indemnify LDR and the State of Louisiana against any loss or expense arising out of any breach of any specified warranty. The warranty period under this contract will begin on the date of acceptance or date of first productive use, whichever occurs later, and will terminate thirty six (36) months thereafter.

Contractor undertakes (and such undertaking will survive a termination of the contract) to indemnify and hold harmless the LDR and State of Louisiana from and against any and all liability, obligation, loss, damage, penalty, claim, suit, cost, expense, or disbursements (including any legal fees and expenses) that may be imposed on, or incurred by the LDR or State of Louisiana in any way relating to or arising out of the performance of the Contractor's duties, except in the case of misconduct, misrepresentation or negligence on the part of the LDR in the performance of its duties hereunder. The LDR undertakes (and such undertaking will survive a termination of the contract) to indemnify and hold Contractor harmless from and against all liability, obligation, loss, damage, penalty, claim, suit, cost, expense or disbursements (including legal fees and expenses) that may be imposed or incurred by Contractor arising out of misconduct, misrepresentation, or negligence of the State of Louisiana.

## **2.3 STAFF INSURANCE**

Contractor shall procure and maintain, for the duration of the contract, insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subContractors. The cost of such insurance shall be included in the total contract amount including Section 6. For insurance requirements, refer to Attachment III.

## **2.4 LICENSES AND PERMITS**

Contractor shall secure and maintain all licenses and permits, and pay inspection fees required to do the work required to complete this contract.

## **2.5 SECURITY**

Contractor's personnel will always comply with all security regulations in effect at the State's premises, and externally for materials belonging to the LDR or to the project. Contractor is responsible for reporting any breach of security to the LDR promptly.

## **2.6 TAXES**

Contractor hereby agrees that the responsibility for payment of taxes due on fees earned under this contract shall be Contractor's obligation and identified under Federal Tax Identification Number and/or the Louisiana Department of Revenue account number.

## **2.7 CONFIDENTIALITY**

All financial, statistical, personal, technical and other data and information relating to the LDR's operations which are designated confidential by the LDR and made available to the Contractor in order to carry out this contract, or which becomes available to the Contractor in carrying out this contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State.

In its handling of any returns of taxpayers or other records and files of the Department of Revenue, or information derived there from, the Contractor recognizes and acknowledges the confidential nature of said information, and shall comply with all the confidentiality restrictions embodied in Louisiana Revised Statute (LRS) 47:1508. Furthermore, Contractor recognizes that LRS 47:1508.1 imposes fines and/or imprisonment upon conviction for the disclosure of information in violation of LRS 47:1508.

Contractor shall disclose or make available said confidential information only to those of its employees, agents and representatives whose duties clearly justify the need to know or be exposed to such information, and then only on the basis of a clear understanding by said employees, agents and representatives of their obligation to maintain the confidential status of such information and to restrict its use in accordance with this contract. Contractor agrees and assures that data, material, and information gathered based upon this contract or disclosed to

Contractor for the purposes of this contract will not be disclosed to other parties or discussed with other parties without prior written consent of the LDR.

Furthermore, in performance of this contract, the Contractor agrees to comply, with and assume responsibility for compliance by his or her employees with the following Internal Revenue Service and LDR requirements:

- (1) All work will be done under the supervision of the Contractor or the Contractor's employees and subcontractors.
- (2) Any Federal tax return or return information (hereafter referred to as returns or return information) made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the Contractor will be prohibited.
- (3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output and products will be given the same level of protection as required for the source material.
- (4) The Contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the Contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- (5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the LDR Contract Monitor or his or her designee. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the LDR Contract Monitor or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- (6) All computer systems processing, storing, or transmitting federal tax information must meet the requirements defined in NIST SP 800-53. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to federal tax information.
- (7) No work involving federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.
- (8) The Contractor will maintain a list of employees authorized access. Such list will be provided to the LDR and, upon request, the IRS reviewing office.

- (9) The LDR will have the right to void the contract if the Contractor fails to provide the safeguards described above.

### **2.7.1 CRIMINAL/CIVIL SANCTIONS**

- (1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or returns information disclosed to such officer or employee can be used only for the purpose and to the extent authorized herein, and that further disclosure of any such returns or return information of a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1. Additional criminal penalties may be imposed under state law pursuant to LRS 47:1508 et. Seq.
- (2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure or an inspection or disclosure which is the result of gross negligence, punitive damages, plus costs of the action. These penalties are prescribed by IRC section 7213A and 7431.
- (3) Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure by Privacy Act of 1974, 5 U.S. C 552a. Specifically, 5 U.S.C.552a (i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a Contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established there under, and who knowing that disclosure of

the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5000.

- (4) Granting a Contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213, and 7213A. (see Exhibit 6, IRC Sec. 7431 Civil Damages for Unauthorized Disclosure of Information). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

## **2.7.2 INSPECTION**

The IRS and the LDR and the Louisiana Legislative Auditors shall have the right to send its officers and employees into the offices and plants of the Contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the Contractor is found to be noncompliant with contract safeguards.

## **2.8 TECHNICAL REQUIREMENT**

### **2.8.1 STATE OF WORK**

Contractor will perform services according to the terms of this contract and according to the Scope of Services.

### **2.8.2 CONFIGURATION REQUIREMENTS**

The software systems being used shall be designed and configured by the Contractor to operate within the LDR's hardware, software, and networking environment.

### **2.8.3 PROJECT MANAGEMENT**

Contractor shall provide, at a minimum, the following project management functions:

- A. Contractor will provide day-to-day project management practices for all tasks and activities necessary to complete the Statement of Work..
- B. Provide Issue Control. Contractor will develop and implement with LDR approval, procedures and forms to monitor the identification and resolution of key project issues and problems.
- C. The contractor **shall** provide semi-annually or as requested to the LDR in an electronic file known as a reconciliation file. The file **shall** contain all accounts assigned including the date account/period was assigned for collection, outstanding balance, and account status. (See Attachment VII)

#### **2.8.4 QUALITY ASSURANCE REVIEWS**

State reserves the right to conduct Quality Assurance Reviews at appropriate checkpoints throughout the project. Contractor will facilitate the review process by making staff and information available as requested by the reviewers at no additional cost to the State.

#### **2.8.5 CONTRACTOR RESOURCES**

Contractor agrees to provide the following contract related resources:

- A. Project Manager. Contractor shall provide a project manager to provide day-to-day management of project tasks and activities, coordination of Contractor support and administrative activities, and for supervisions of Contractor employees. The project manager shall possess the technical and functional skills and knowledge to direct all aspects of the project.
- B. Key Personnel. Contractor shall assign staff that possesses the knowledge, skills, and abilities to successfully perform assigned tasks. Individuals to be assigned by the Contractor are listed in Attachment III.
- C. Personnel Changes. Contractor's Project Manager and other key personnel assigned to this contract may not be replaced without the written consent of the LDR. Such consent shall not be unreasonably withheld or delayed provided an adequately qualified replacement is offered. In the event that any Contractor personnel become unavailable due to resignation, illness or other factors, excluding assignment to project outside this contract, or Contractor's reasonable control, as their case may be, the Contractor shall provide an adequately qualified replacement in time to avoid delays to the work plan.

#### **2.8.6 STATE PROJECT DIRECTOR**

LDR shall appoint a Project Director for this contract who will provide oversight of the activities conducted hereunder. Notwithstanding the contractor's responsibility for total management during the performance of this contract, the assigned State Project Director shall be the principal point of contract for Contractor concerning the contractor's performance under this contract.

Any resources of the LDR furnished to the Contractor shall be used only for the performance of this contract. LDR will make available to the contractor for the contractor's use in fulfillment of this contract, resources as described below:

The Project Director appointed by the LDR is Velesial S. Rodman who is the principal point of contact for this contract on behalf of the State.

### **2.8.7 ELECTRONICALLY FORMATTED INFORMATION**

Where applicable, LDR shall be provided all documents in electronic format, as well as hard copy. Electronic media prepared by the contractor for use by the LDR will be compatible with the LDR's comparable desktop application (e.g., spreadsheets, word-processing documents). Conversion of files, if necessary, will be the contractor's responsibility. Conversely, as required, Contractor must accept and be able to process electronic documents and files created by the LDR's current desktop applications.

### **3.0 ACCEPTANCE OF DELIVERABLES**

Contract deliverables will be submitted, reviewed, and accepted according to the following procedure:

- A. General. Except where this contract provides different criteria, work will be accepted if it has been performed in accordance with the applicable specification for Contractor's work in the Statement of Work, the Request for Proposals, the Contractor's Proposal, and/or as subsequently modified in LDR approved design documents developed within this Project, and in the accepted final documentation.
- B. Submittal and Initial Review. Upon written notification by Contractor that a deliverable is completed and available for review and acceptance, the State Project Director will use best efforts to review the deliverable within five business days after the deliverable is presented to the State Project Director, but in no event later than ten (10) business days after the deliverable is presented to the State Project Director. Within the applicable period, the State Project Director will direct the appropriate review process, coordinate any review outside the Project team, and present results to any user committee and/or steering committee for approval, as needed. The initial review process will be comprehensive with a view toward identifying all items, which must be modified or added to enable a deliverable to be approved. A failure to deliver all or any essential part of a deliverable shall be cause for non-acceptance.
- C. Notification of Acceptance or Rejection. If no notification is delivered to contractor within the applicable period, the deliverable will be considered approved. If LDR disapproves a deliverable, LDR will notify Contractor in writing of such disapproval, and will specify those items, which, if modified or added, will cause the deliverable to be approved.

### **4.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

As authorized by RS 47:1516 and 1516.1, the compensation for Contractor shall be a fee determined by a percentage of the amount of tax, penalty and interest collected.

#### **4.1 ADD-ON FEE/PARTIAL PAYMENT**

The contractor's fee shall not be taken from the tax, penalty and interest collected on behalf of LDR, but shall be a fee imposed in addition thereto. The contractor shall be obligated to forward all tax, penalty and interest collected from the delinquent taxpayer to the state and shall retain as compensation only the add-on percentages specified below. All partial payments shall be deemed to include the tax, penalty and interest owed to LDR in addition to the contractor's fee.

#### **4.2 PERCENTAGE ALLOWED**

In consideration of the services required by this contract, the contractor may add as compensation the contracted \_\_\_\_\_% of the total collections of tax, penalty, and interest, collected for LDR. All taxpayer account assignments shall be on a contingency basis only. All partial payments shall be considered inclusive of the amount owed to LDR and the contractor's fee. The contractor shall be responsible for any costs incurred by the contractor in litigation and other collection expenses. The maximum consideration to be accepted by the contractor under this contract is the contracted \_\_\_\_\_% percentage amount in addition to the tax, penalty and interest collected.

#### **5.0 TERMINATION**

##### **5.1 TERMINATION FOR CAUSE**

LDR may terminate this contract for cause based upon the failure of contractor to comply with the terms and/or conditions of the contract; provided that the LDR shall give the contractor written notice specifying the contractor's failure. If within thirty (30) days after receipt of such notice, the contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the LDR may, at its option, place the contractor in default and the contract shall terminate on the date specified in such notice. The contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the LDR to comply with the terms and conditions of this contract; provided that the contractor shall give the LDR written notice specifying the LDR's failure.

Termination or expiration of the contract does not relieve the contractor of its responsibility to return all accounts, systematically placed, in the record format described as "Close/Return" within thirty (30) days of the termination date.

Upon termination, all copies of collection efforts and skip- trace, latest phone numbers and addresses, all finished or unfinished documents, data, studies, and reports prepared by or in the possession of the Contractor pursuant to this contract shall become property of the LDR.

If termination is for cause, each party is responsible for its own expenses for the return of records and equipment.

## **5.2 TERMINATION FOR CONVENIENCE**

State may terminate the contract at any time without penalty by giving thirty (30) days written notice to the contractor of such termination or negotiation with the Contractor an effective date thereof.

Termination or expiration of the contract does not relieve the contractor of its responsibility to return all accounts, systematically placed, in the record format described as "Close/Return" within thirty (30) days of the termination date. On any account for which a payment plan has been established and payments are being regularly received, the contractor shall continue to receive compensation on funds collected, as provided in Section 6.2.4, herein, for a period of six months from the termination date or until a default in the payment plan occurs. Default of a payment plan will be considered to have occurred if a payment is not received for a period of ninety (90) consecutive days.

Upon termination, all copies of collection effort, and skip trace effort, latest phone numbers and addresses, all finished or unfinished documents, data, studies, and reports prepared by or in the possession of the Contractor pursuant to this contract shall become property of LDR.

Charges for the return of records or equipment in the possession of the Contractor shall be borne by the LDR if termination is without cause.

## **6.0 REMEDIES FOR DEFAULT**

Any claim or controversy arising out of this contract shall be resolved by the provisions of LRS 39:1524 through 1526.

## **7.0 OWNERSHIP OF PRODUCT**

Upon completion of this contract, or if terminated earlier, all data files, documentation, records, worksheets, or any other materials related to this contract shall become the property of LDR. All such records, worksheets, or materials shall be delivered to the LDR within thirty days of the completion or termination of this contract.

## **8.0 ASSIGNMENT**

The contractor shall not assign any interest in this contract and shall not transfer any interest in same (whether by assignment or notation), without prior written consent of the LDR, provided however, that claims for money due or to become due to the contractor may be assigned to a bank, trust company, or other financial institution without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the LDR and to the Office of Contractual Review, Division of Administration.

## **9.0 RIGHT TO AUDIT**

The contractor grants to the Office of the Legislative Auditor, Inspector General's Office, the Federal Government, and any other duly authorized agencies of the State, where appropriate, the right to inspect and review all books and records pertaining to services rendered under this contract. The contractor shall comply with federal and/or state laws authorizing an audit of Contractor's operation as a whole, or of specific program activities.

## **10.0 RECORD RETENTION**

Full, immediate, and unrestricted access to the work product of the contractor during the term of this contract shall be available to LDR.

All records, reports, documents and other material delivered or transmitted to the contractor by LDR shall remain the property of LDR, and shall be returned by the contractor to LDR, at the contractor's expense, at termination or expiration of this contract. All records, reports, documents and other material related to this contract and/or obtained or prepared by the contractor in connection with the performance of the services contracted for herein shall become the property of LDR and shall, upon request, be returned by the contractor to LDR, at the contractor's expense, at termination or expiration of this contract. (This is not meant to include computer programs or data files.) Use of these materials other than related to the contract performance by the contractor without the prior written consent of LDR is prohibited.

The contractor shall preserve and make available complete and accurate records of collection service transactions in accordance with accepted industry accounting practices and shall keep in a safe place all such financial records and statements pertaining to the collection agency service operation for a period of six (6) years from the close of each year's operation under this contract.

It is hereby agreed that the Legislative Auditor of the State of Louisiana and/or the office of the Governor, Division of Administration auditors shall have the option of auditing all accounts of the contractor, which relate to this contract.

## **11.0 AMENDMENT IN WRITING**

Any alternation, variation, modification, or waiver of provisions of this contract shall be valid only when they have been reduced to writing, duly signed. No amendment shall be valid until it has been executed by all parties and approved by the Director of the Office of Contractual Review, Division of Administration.

## **12.0 FUND USE**

The contractor agrees not to use funds received for services rendered under this contract to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall

not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.

### **13.0 NON-DISCRIMINATION**

The contractor agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education of 1972, the Age Act of 1975, and the contractor agrees to abide by the requirements of the Americans with Disability Act of 1990. The contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, disabilities, or because of an individual's sexual orientation. Any act of discrimination committed by Contractor, or failure to comply with these obligations when applicable shall be grounds for termination of this contract.

### **14.0 HEADINGS**

Descriptive headings in this contract are for convenience only and shall not affect the construction or meaning of contractual language.

### **15.0 ENTIRE AGREEMENT AND ORDER OF PRECEDENCE**

This contract (together with the Request for Proposals and addenda issued thereto by the State, the proposal submitted by the contractor in response to the LDR's Request for Proposals, and any exhibits specifically incorporated herein by reference) constitutes the entire agreement between the parties with respect to the subject matter.

This contract shall, to the extent possible, be construed to give effect to all provisions contained therein; however, where provisions are in conflict, first priority shall be given to the provisions of the contract, excluding the Request for Proposals and the Proposal; second priority shall be given to the provisions of the Request for Proposals and amendments thereto; and third priority shall be given to the provisions of the Proposal.

THUS DONE AND SIGNED on the date (s) noted below

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CONTRACTOR'S SIGNATURE

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STATE'S SIGNATURE

---

DATE

---

DATE

## ATTACHMENT V: TAX TYPES and INTEREST RATES

TAX TYPE	DESCRIPTION	Interest Rate
AL	Alcohol	6.75%
BR	Beer	6.75%
CIT	Corporation – Income & Franchise	6.75%
CMP	Corporation Partnership – Income	6.75%
GSD	Gasoline – Dealer	6.75%
GSJ	Gasoline – Jobber	6.75%
GSR	Fuel Tax - Gasoline Refund	6.75%
GSU	Gasoline – User	6.75%
HW	Hazardous Waste	18.0%
IFTA	International Fuel Tax Agreement	6.75%
IND	Individual Income	6.75%
IS	Inspection Supervision	6.75%
ORG	Oilfield Restoration – Gas	6.75%
ORO	Oilfield Restoration – Oil	6.75%
SEVG	Severance – Gas	6.75%
SEVM	Severance – Minerals	6.75%
SEVO	Severance – Oil	6.75%
SEVT	Severance – Timber	6.75%
SFD	Special Fuels – Decal	6.75%
SFR	Special Fuels – Refund	6.75%
SFS	Special Fuels – Supplier	6.75%
DDV	Dyed Diesel Violation	6.75%
SLD	Sales – Hotel/Motel (Orleans & Jefferson Parishes)	6.75%
SLH	Sales – Hotel/Motel (Statewide)	6.75%
SLN	Sales – NOEHA	6.75%
SLS	Sales – General	6.75%
TBR	Tobacco – Return	6.75%
TBS	Tobacco – Stamp	6.75%

TC	Transportation & Communication	6.75%
VR	Automobile Rental	6.75%
WTH	Withholding	6.75%
WTHN	Withholding Non-Employee Comp	6.75%
ALDS	Alcohol – Distilled Spirits	6.75%
FTX	Fuel Tax - Floor Stock Tax	6.75%
BTX	Fuel Tax - Backup Tax	6.75%
IMU	Fuel Tax - Interstate Motor Fuel User	6.75%
TMO	Fuel Tax - Terminal Operator	6.75%
MFT	Fuel Tax - Transporter	6.75%
SUP	Fuel Tax - Supplier	6.75%
IMP	Fuel Tax - Importer	6.75%
DEB	Fuel Tax – Distributor/Exporter/Blender	6.75%
AFD	Fuel Tax – Aviation Fuel Dealer	6.75%
DSR	Fuel Tax – Diesel Refund	6.75%
SLP	Sales – Prepaid Cell Phone	6.75%
WnDS	Wine – Direct Shipper	6.75%
AMVS	Audit – Motor Vehicle Sales	6.75%
ANGF	Audit – Natural Gas Franchise	6.75%

## ATTACHMENT VI: RETURN / RECALL CODES

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RECALL CODE	RECALL DESCRIPTION
00	Amount paid in full
01	Skip, unable to locate
02	All means exhausted
03	Bankrupt
04	Judgment proof – no assets
05	Deceased – No assets in estate
06	Outstanding suits/judgments
07	Disputed claim – too small
08	Settlement – Balance closed
09	Too small for litigation
10	Pre- nuptial debt
11	Indigent
12	On welfare- hopeless
13	Statute barred
14	Out of business - skip
15	Corporation out of business
16	Fraud case
17	Client declines suit action
18	Paid before assigned
19	Assigned in error
20	Debtor incarcerated
21	Policy cancelled by insured
22	Non supportive documentation
23	Cease and desist
24	Client recall
25	Deferment
26	Cancellation
27	Per client request
28	Per contact
29	Close for justice
30	Remission
31	Medical
32	Unanswered railway rule #11
33	Amnesty
34	Jan. rec. Cl. GRS/A
35	Legal action recommended
36	Vacant
37	Recommend shut off

<b>RECALL CODE</b>	<b>RECALL DESCRIPTION</b>
38	SB: low balance: stop series
39	Mail return
40	Unsuccessful collection efforts
41	Code abuse
42	Closed per G.R.S.
43	Overpayment – refund to debtor
44	Cycle stage completion close
45	Penalty Only Abatement

## ATTACHMENT VII: RECONCILIATION TAX BILL STATUS CODES

STATUS CODE	STATUS DESCRIPTION
PIFD	Amount paid in full
CANC	Cancelled
BILL	Billed
PMTP	Payment Plan
SKIP	Skip Tracing
LITI	Litigation
SUSP	Suspense
DISP	Disputed claim

# ATTACHMENT VIII: FILE – RECORD LAYOUTS

Louisiana Department of Revenue  
 Collection Services File - Record Descriptions  
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Rec Type	Record Name	Rec Sub-Type	Field Order	Field Name	Start Pos	Field Size	Req
00	Header		1	HeaderRecordType	1	2	1
00	Header		2	FileIdentifier	3	8	1
00	Header		3	HeaderAgencyCode	11	12	1
00	Header		4	HeaderAgencyName	23	20	1
00	Header		5	HeaderFileCreationDate	43	8	1
00	Header		6	HeaderFileCreationTime	51	6	1
00	Header		7	TestIndicator	57	4	1
00	Header		8	HeaderFiller	61	440	1
01	Taxpayer	01	1	RecordType	1	2	1
01	Taxpayer	01	2	RecordSubType	3	2	1
01	Taxpayer	01	3	AgencyCode	5	12	1
01	Taxpayer	01	4	TaxpayerType	17	1	1
01	Taxpayer	01	5	TaxpayerID	18	10	1
01	Taxpayer	01	6	BusinessName	28	70	1
01	Taxpayer	01	7	TaxpayerLastName	28	30	1
01	Taxpayer	01	8	TaxpayerSuffix	58	3	0
01	Taxpayer	01	9	TaxpayerFirstName	61	25	1
01	Taxpayer	01	10	TaxpayerMiddleName	86	12	0
01	Taxpayer	01	11	TaxpayerAddress	98	40	1
01	Taxpayer	01	12	TaxpayerAddress2	138	40	0
01	Taxpayer	01	13	TaxpayerCity	178	30	1
01	Taxpayer	01	14	TaxpayerState	208	2	1
01	Taxpayer	01	15	TaxpayerZip	210	9	1
01	Taxpayer	01	16	CountryCode	219	3	0
01	Taxpayer	01	17	TaxpayerPhone	222	10	1
01	Taxpayer	01	18	OtherPhone	232	10	0
01	Taxpayer	01	19	SecondaryName	242	50	0
01	Taxpayer	01	20	SecondaryAddress	292	40	0
01	Taxpayer	01	21	SecondaryAddress2	332	40	0
01	Taxpayer	01	22	SecondaryCity	372	30	0
01	Taxpayer	01	23	SecondaryState	402	2	0
01	Taxpayer	01	24	SecondaryZip	404	9	0
01	Taxpayer	01	25	SecondaryPhone	413	10	0
01	Taxpayer	01	26	TaxpayerDOB	423	8	0
01	Taxpayer	01	27	TotalOutstandingAmount	431	11	1
01	Taxpayer	01	28	BankruptcyExists	442	1	0
01	Taxpayer	01	29	AuditExists	443	1	0
01	Taxpayer	01	30	FederalIDNumber	444	11	0
01	Taxpayer	01	31	Filler	455	34	1
01	Taxpayer	01	32	ControlAmount	489	12	1

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01	TaxBill	02	1	RecordType	1	2	1
01	TaxBill	02	2	RecordSubType	3	2	1
01	TaxBill	02	3	AgencyCode	5	12	1
01	TaxBill	02	4	TaxpayerType	17	1	1
01	TaxBill	02	5	TaxpayerID	18	10	1
01	TaxBill	02	6	TaxBillIdentifier	28	15	1
01	TaxBill	02	7	BillPeriod	43	8	1
01	TaxBill	02	8	DelinquentAmount	51	11	1
01	TaxBill	02	9	CurrentInterestRate	62	5	1
01	TaxBill	02	10	TaxTypeCode	67	4	1
01	TaxBill	02	11	UnpaidTaxAmount	71	9	1
01	TaxBill	02	12	AccruedInterestAmount	80	9	1
01	TaxBill	02	13	Penalties	89	9	1
01	TaxBill	02	14	OtherCharges	98	9	0
01	TaxBill	02	15	CollectionCostCharges	107	9	0
01	TaxBill	02	16	InterestThroughDate	116	8	1
01	TaxBill	02	17	DebtType	124	1	1
01	TaxBill	02	18	Filler	125	364	1
01	TaxBill	02	19	ControlAmount	489	12	1
01	CoMaker	04	1	RecordType	1	2	1
01	CoMaker	04	2	RecordSubType	3	2	1
01	CoMaker	04	3	AgencyCode	5	12	1
01	CoMaker	04	4	TaxpayerType	17	1	1
01	CoMaker	04	5	TaxpayerID	18	10	1
01	CoMaker	04	6	CoMakerType	28	1	1
01	CoMaker	04	7	CoMakerID	29	10	1
01	CoMaker	04	8	CoMakerBusinessName	39	70	1
01	CoMaker	04	9	CoMakerLastName	39	30	1
01	CoMaker	04	10	CoMakerSuffix	69	3	0
01	CoMaker	04	11	CoMakerFirstName	72	25	1
01	CoMaker	04	12	CoMakerMiddleName	97	12	0
01	CoMaker	04	13	CoMakerAddress	109	40	1
01	CoMaker	04	14	CoMakerAddress2	149	40	0
01	CoMaker	04	15	CoMakerCity	189	30	1
01	CoMaker	04	16	CoMakerState	219	2	1
01	CoMaker	04	17	CoMakerZip	221	9	1
01	CoMaker	04	18	CoMakerPhone	230	10	0
01	CoMaker	04	19	OtherPhone	240	10	0
01	CoMaker	04	20	CoMakerDOB	250	8	0
01	CoMaker	04	21	BillPeriod	258	8	1
01	CoMaker	04	22	TaxTypeCode	266	4	1
01	CoMaker	04	23	Filler	270	219	1
01	CoMaker	04	24	ControlAmount	489	12	1

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02	CloseReturn	01	1	RecordType	1	2	1
02	CloseReturn	01	2	RecordSubType	3	2	1
02	CloseReturn	01	3	AgencyCode	5	12	1
02	CloseReturn	01	4	TaxpayerType	17	1	1
02	CloseReturn	01	5	TaxpayerID	18	10	1
02	CloseReturn	01	6	BillPeriod	28	8	1
02	CloseReturn	01	7	TaxTypeCode	36	4	1
02	CloseReturn	01	8	BusinessName	40	70	1
02	CloseReturn	01	9	TaxpayerLastName	40	30	1
02	CloseReturn	01	10	TaxpayerSuffix	70	3	0
02	CloseReturn	01	11	TaxpayerFirstName	73	25	1
02	CloseReturn	01	12	TaxpayerMiddleName	98	12	1
02	CloseReturn	01	13	RecallCode	110	8	1
02	CloseReturn	01	14	RecallDescription	118	30	0
02	CloseReturn	01	15	CloseDate	148	8	1
02	CloseReturn	01	16	TaxBillIdentifier	156	15	1
02	CloseReturn	01	17	Filler	171	318	1
02	CloseReturn	01	18	ControlAmount	489	12	1
02	DemographicUpd	02	1	RecordType	1	2	1
02	DemographicUpd	02	2	RecordSubType	3	2	1
02	DemographicUpd	02	3	AgencyCode	5	12	1
02	DemographicUpd	02	4	TaxpayerType	17	1	1
02	DemographicUpd	02	5	TaxpayerID	18	10	1
02	DemographicUpd	02	6	BusinessName	28	70	0
02	DemographicUpd	02	7	TaxpayerLastName	28	30	0
02	DemographicUpd	02	8	TaxpayerSuffix	58	3	0
02	DemographicUpd	02	9	TaxpayerFirstName	61	25	0
02	DemographicUpd	02	10	TaxpayerMiddleName	86	12	0
02	DemographicUpd	02	11	TaxpayerAddress	98	40	0
02	DemographicUpd	02	12	TaxpayerAddress2	138	40	0
02	DemographicUpd	02	13	TaxpayerCity	178	30	0
02	DemographicUpd	02	14	TaxpayerState	208	2	0
02	DemographicUpd	02	15	TaxpayerZip	210	9	0
02	DemographicUpd	02	16	CountryCode	219	3	0
02	DemographicUpd	02	17	TaxpayerPhone	222	10	0
02	DemographicUpd	02	18	SecondaryName	232	50	0
02	DemographicUpd	02	19	SecondaryAddress	282	40	0
02	DemographicUpd	02	20	SecondaryAddress2	322	40	0
02	DemographicUpd	02	21	SecondaryCity	362	30	0
02	DemographicUpd	02	22	SecondaryState	392	2	0
02	DemographicUpd	02	23	SecondaryZip	394	9	0
02	DemographicUpd	02	24	SecondaryPhone	403	10	0
02	DemographicUpd	02	25	ChangeEffectDate	413	8	1
02	DemographicUpd	02	26	UpdateType	421	2	1
02	DemographicUpd	02	27	Taxpayer DOB	423	8	0
02	DemographicUpd	02	28	FederalIDNumber	431	11	0
02	DemographicUpd	02	29	Filler	442	47	1
02	DemographicUpd	02	30	ControlAmount	489	12	1

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02	Payment	03	1	RecordType	1	2	1
02	Payment	03	2	RecordSubType	3	2	1
02	Payment	03	3	AgencyCode	5	12	1
02	Payment	03	4	TaxyerType	17	1	1
02	Payment	03	5	TaxyerID	18	10	1
02	Payment	03	6	TaxBillIdentifier	28	15	1
02	Payment	03	7	BillPeriod	43	8	1
02	Payment	03	8	TaxTypeCode	51	4	1
02	Payment	03	9	PaymentAmount	55	11	1
02	Payment	03	10	NegativeIndicator	66	1	1
02	Payment	03	11	PaymentEffectDate	67	8	1
02	Payment	03	12	PaymentTypeCode	75	1	1
02	Payment	03	13	PaymentSource	76	1	1
02	Payment	03	14	TotalOutstandingBalance	77	9	0
02	Payment	03	15	TaxBalance	86	9	0
02	Payment	03	16	InterestBalance	95	9	0
02	Payment	03	17	PenaltyBalance	104	9	0
02	Payment	03	18	OtherBalance	113	9	0
02	Payment	03	19	CollectFee	122	9	1
02	Payment	03	21	Filler	131	358	1
02	Payment	03	22	ControlAmount	489	12	1
02	Balance Update	04	1	RecordType	1	2	1
02	Balance Update	04	2	RecordSubType	3	2	1
02	Balance Update	04	3	AgencyCode	5	12	1
02	Balance Update	04	4	TaxpayerType	17	1	1
02	Balance Update	04	5	TaxpayerID	18	10	1
02	Balance Update	04	6	TaxBillIdentifier	28	15	1
02	Balance Update	04	7	BillPeriod	43	8	1
02	Balance Update	04	8	TaxTypeCode	51	4	1
02	Balance Update	04	9	TotalDelinquentAmount	55	11	1
02	Balance Update	04	10	UnpaidTaxDue	66	9	1
02	Balance Update	04	11	UnpaidInterestDue	75	9	1
02	Balance Update	04	12	UnpaidPenaltyDue	84	9	1
02	Balance Update	04	13	UnpaidOtherDue	93	9	1
02	Balance Update	04	14	TaxAmount	102	9	1
02	Balance Update	04	15	InterestAmount	111	9	1
02	Balance Update	04	16	PenaltyAmount	120	9	1
02	Balance Update	04	17	OtherAmount	129	9	1
02	Balance Update	04	18	CreditAmount	138	9	1
02	Balance Update	04	19	InterestThroughDate	147	8	1
02	Balance Update	04	20	DebtType	155	1	1
02	Balance Update	04	21	BankruptcyExists	156	1	0
02	Balance Update	04	22	AuditExists	157	1	0
02	Balance Update	04	23	Filler	158	331	1
02	Balance Update	04	24	ControlAmount	489	12	1

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03	Reconciliation	01	1	RecordType	1	2	1
03	Reconciliation	01	2	RecordSubType	3	2	1
03	Reconciliation	01	3	AgencyCode	5	12	1
03	Reconciliation	01	4	TaxpayerType	17	1	1
03	Reconciliation	01	5	TaxpayerID	18	10	1
03	Reconciliation	01	6	BusinessName	28	70	1
03	Reconciliation	01	7	TaxpayerLastName	28	30	1
03	Reconciliation	01	8	TaxpayerSuffix	58	3	0
03	Reconciliation	01	9	TaxpayerFirstName	61	25	1
03	Reconciliation	01	10	TaxpayerMiddleName	86	12	0
03	Reconciliation	01	11	TaxpayerAddss	98	40	1
03	Reconciliation	01	12	TaxpayerCity	138	30	1
03	Reconciliation	01	13	TaxpayerState	168	2	1
03	Reconciliation	01	14	TaxpayerZip	170	9	1
03	Reconciliation	01	15	CountryCode	179	3	1
03	Reconciliation	01	16	TaxpayerPhone	182	10	0
03	Reconciliation	01	17	TaxpayerDOB	192	8	0
03	Reconciliation	01	18	TaxBillIdentifier	200	15	1
03	Reconciliation	01	19	TaxTypeCode	215	4	1
03	Reconciliation	01	20	BillPeriod	219	8	1
03	Reconciliation	01	21	CurntIntestRate	227	5	1
03	Reconciliation	01	22	TaxOutstandingAmt	232	9	1
03	Reconciliation	01	23	AccruedIntestAmt	241	9	1
03	Reconciliation	01	24	AccruedIntestDate	250	8	1
03	Reconciliation	01	25	IntestRateType	258	4	0
03	Reconciliation	01	26	PenaltyCharges	262	9	1
03	Reconciliation	01	27	CollectionCharges	271	9	1
03	Reconciliation	01	28	OtherCharges	280	9	1
03	Reconciliation	01	29	LastPaymentAmt	289	11	1
03	Reconciliation	01	30	LastPaymentDate	300	8	1
03	Reconciliation	01	31	PlacementDate	308	8	1
03	Reconciliation	01	32	DelinquencyDate	316	8	0
03	Reconciliation	01	33	TaxBillStatus	324	4	1
03	Reconciliation	01	34	Filler	328	161	1
03	Reconciliation	01	35	ControlAmount	489	12	1
99	Trailer	99	1	TrailerRecordType	1	2	1
99	Trailer	99	2	TrailerRecordSubType	3	2	1
99	Trailer	99	3	TrailerAgencyCode	5	12	1
99	Trailer	99	4	TrailerFileCreationDate	17	8	1
99	Trailer	99	5	TrailerFileCreationTime	25	6	1
99	Trailer	99	6	DetailRecordCount	31	9	1
99	Trailer	99	7	TrailerFiller	40	447	1
99	Trailer	99	8	TotalControlAmount	487	14	1