

Violation Processing Services Agreement

This Violation Processing Services Agreement (the “Agreement”) is made and entered into on January 18, 2017 (the “Effective Date”), by and between the FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY (herein called “Authority”), and SWC GROUP, L.P., (herein called “SWC”), a limited partnership organized under the laws of the State of Texas.

RECITALS

WHEREAS, this Agreement provides for the services to be provided by SWC to the Authority with respect to violation processing services for the Project (defined below); and

WHEREAS, the Authority has determined it is in the Authority’s best interest to engage a professional service provider for the services described in **Exhibit A** (the “Services”); and

WHEREAS, the Authority issued a Request for Proposals (the “RFP”) dated September 9, 2016, for the processing, handling, collecting, and maintaining violation transactions for the Authority and Fort Bend County Toll Road Authority (the “Project”) as described in **Exhibit B**; and

WHEREAS, SWC has reviewed the RFP and available documentation on the Project and submitted a proposal dated October 14, 2016 (the “Proposal”), as described in **Exhibit C**, in response to the RFQ; and

WHEREAS, on November 16, 2016, the Authority found and determined that SWC’s Proposal was the best proposal submitted and authorized negotiations with SWC for a definitive agreement for the Services; and

WHEREAS, the Parties have read and understood the terms and provisions set forth in this Agreement and have been afforded a reasonable opportunity to review this Agreement with their respective legal counsel;

NOW, THEREFORE, in consideration of the premises, mutual promises, covenants, obligations and benefits herein contained, the Authority and SWC agree as follows:

ARTICLE I: Services

Section 1.01. Scope of Work. SWC shall perform the scope of work described in **Exhibit A**. The Performance Requirements related to the Services are described in **Exhibit D**. SWC shall not deviate from the Services, except as permitted by Section 1.02. No proposed change to the Services or terms of this Agreement, by either party, shall be effective unless and until agreed to in writing by both parties, or their designees.

Section 1.02. Change Orders and Approval of Minor Changes.

(a) The Authority may, at any time by written notice and without notice to sureties or assignees, make minor changes within the Services with the mutual agreement of SWC. The Authority’s Manager, currently Mike Stone Associates Inc., may request and/or approve minor

changes on behalf of the Authority within the limits of the authority that has been delegated by the Authority to the Manager. Should any such change increase or decrease the cost and/or the time required for performance of this Agreement, SWC must notify the Authority within thirty (30) days of receiving notice of the change from the Authority. Upon receipt of such notice from SWC, the Authority has the option to withdraw the request or negotiate an equitable adjustment in the price, delivery schedule or both.

Any claim for costs associated with a change in the scope of the work shall be negotiated between SWC and the Authority. Adjustments to price shall be computed by agreement of a fixed price (or change to unit price). The Authority may request that SWC submit a written proposal indicating the price at which SWC would be willing to perform certain changes in the work as described by the Authority. Upon receipt of such a request, SWC shall prepare and submit such proposal promptly, but no later than thirty (30) business days. If SWC and the Authority agree in writing as to the price to be paid to SWC for the work changes, a separate written proposal or service order ("Job Order"), signed by the Authority or the Authority's Manager and SWC, which shall describe the service to be performed, duration of performance, the location, and the fees, shall be executed.

(b) SWC may, at any time by written notice to the Authority's Manager, request a change order to the Services or delivery schedule. Upon receipt of such notice from SWC, the Authority will consider an equitable adjustment in the price, delivery schedule or both. If SWC and the Authority agree in writing as to the price to be paid to SWC for the work changes, a separate written proposal or Job Order, signed by the Authority or the Authority's Manager and SWC, which shall describe the service to be performed, duration of performance, the location, and the fees, shall be executed.

(c) In the event SWC is delayed at any time hereunder and the cause of the delay is beyond SWC's control and arises without its fault or negligence, SWC shall be entitled an equitable adjustment in the price, delivery schedule, or both.

Article II: Agreement, Pricing and Payment Terms

Section 2.01. Compensation for Services. The Compensation for the Services and payment schedule is set forth in **Exhibit E**. The amount paid under this Agreement for Services may not exceed the fees set forth in **Exhibit E** without an approved written change order or Job Order to this Agreement executed by the Parties or pursuant to Section 1.02 above.

Section 2.02. Invoicing. Invoices shall be sent to the Authority's bookkeeper for payment and to the Authority's Manager:

Authority's Bookkeeper

Ms. Pamela Logsdon
AVANTA Services
5635 NW Central Drive, Suite 104E
Houston, Texas 77092
Phone 713-934-9107

Authority's Manager

Mr. Michael Stone
Mike Stone & Associates
P. O. Box 546
Richmond, Texas 77406
Phone 713-568-7252

The Authority shall make payment within forty-five (45) days of receipt of SWC's invoice for the Implementation Milestone Payments, and within sixty (60) days of receipt for the operational payments after the Implementation Milestone period. Interest shall not be paid on service invoices.

Article III: Term and Termination

Section 3.01. Term. It is understood and agreed that the time for SWC's performance of the Services under this Agreement shall expire three years from the beginning of the System Operations Commence-Go Live milestone. The Authority shall provide SWC written notice to start processing violations upon SWC satisfying the operational requirements set forth in the Services in all material respects. The Authority has the option to extend the Agreement for up to two one-year terms.

Section 3.02. Events of Default. The following are specific events of material default, but does not limit the events of default to those items specifically listed:

By SWC:

1. Material failure to perform the Services pursuant to the terms of this Agreement.
2. The voluntary or involuntary commencement of bankruptcy proceedings by or against the SWC.

By Authority:

1. Failure to make payments for the work in accordance with Section 2.02.

Section 3.03. Notice of Default to SWC. If SWC has triggered an Event of Default under Section 3.02, the Authority shall deliver to SWC written notice of such Event of Default. Upon receipt of said notice, SWC shall have ten (10) business days to cure said failure(s).

Section 3.04. Notice of Default to Authority. If the Authority has triggered an Event of Default under Section 3.02, the SWC shall deliver to the Authority written notice of Event of Default. Upon the Authority's receipt of said notice, the Authority shall have ten (10) business days to cure said failure(s).

Section 3.05. Termination With or Without Cause. Either party may terminate this Agreement without cause upon nine (9) months written notice to the other party. Either party may terminate this Agreement with cause upon thirty (30) days written notice to the other party if an Event of Default has occurred, notice has been provided and the defaulting party has not cured the failure(s) pursuant to Sections 3.03 or 3.04.

Article IV: Proprietary Information and Intellectual Property

Section 4.01. Proprietary Information. The Authority agrees that SWC's methodologies, tools, concepts, know-how, structures, techniques, inventions, developments, processes, discoveries, improvements, proprietary data and software programs, and any other information identified as proprietary or confidential by SWC, which may be disclosed to the Authority, are

confidential and proprietary information (“SWC Confidential Information”). With respect to SWC Confidential Information, the Authority shall keep such information confidential and use good faith efforts to ensure its contractors and consultants shall do so also, by using the same degree of care and discretion that it uses with similar information of its own which the Authority regards as confidential. However, the Authority shall not be required to keep confidential any information which: (i) is or becomes publicly available; (ii) is already in the Authority’s possession; (iii) is independently developed by the Authority outside the scope of this Agreement and without any reliance on SWC Confidential Information; or (iv) is rightfully obtained from third parties. Moreover, the Authority may share such SWC Confidential Information with its agents and employees, other contractors, and its consultants to the extent reasonable or necessary to develop, operate or maintain the Project; provided, however, the Authority agrees that it shall not share such Confidential Information without the consent of SWC.

Notwithstanding the above, SWC acknowledges and agrees that the Authority is subject to the Texas Public Information Act (“TPIA”) and may be required to disclose proprietary information pursuant thereto. SWC is required to clearly label all documents considered “proprietary,” as defined in the TPIA.

Section 4.02. Intellectual Property. SWC shall retain title to any and all SWC proprietary intellectual property, such as software, utilized in the performance of this Agreement. The use of any third party software in the performance of this Agreement shall be in accordance with the terms and conditions of those third party licenses. Conditioned upon receipt of payment hereunder SWC shall, during the term of this Agreement, ensure that the Authority has adequate rights to use of benefit from, through the services provided by SWC, any SWC intellectual property and third-party intellectual property.

Article V: General Conditions

Section 5.01. SWC’s Duties. SWC covenants with the Authority to furnish its best skill and judgment in performing the Services for the Authority pursuant to the terms of this Agreement. SWC agrees to furnish efficient business administration and superintendence and to use its best reasonable efforts to furnish at all times an adequate supply of workmen, materials, and equipment, and to perform the Services in the most expeditious and economical manner. SWC agrees to exercise reasonable diligence in performing the Services, using the degree of care and skill that a prudent person in the same or similar profession would use. SWC agrees to comply with the Proposal submitted to perform these services.

Section 5.02. Relationship of Authority and SWC. SWC has been retained by the Authority for the sole purpose and to the extent set forth in this Agreement. It is understood and agreed that all work so done by SWC shall meet the requirements of this Agreement, but that the detailed manner and method of performing the Services shall be under the control of SWC. SWC’s relationship to the Authority during the term of this Agreement is that of an agent, for the sole purpose of authorizing SWC to charge consumers fees which the Authority is able to charge by statute. The relationship between the Authority and SWC is not exclusive.

Section 5.03. Insurance and Indemnification. Before commencing any work hereunder, SWC shall furnish certificates of its insurance and copies of any required endorsements to the

Authority evidencing the following insurance coverage, which coverage shall be maintained throughout the term of this Agreement. Certified copies of each policy shall be furnished to the Authority upon the Authority's request. SWC shall not violate or knowingly permit to be violated any condition of the insurance policies required by this Agreement. Nothing contained in this Section shall limit or waive SWC's legal or contractual responsibilities to the Authority or others. Cancellation or expiration of any of said insurance policies shall not preclude the Authority from recovery thereunder for any liability arising under this Agreement.

SWC shall obtain the following insurance from companies having a Best's rating of B+/VII or better and licensed to transact business in the State of Texas:

- A. Workers' Compensation Insurance covering liability arising out of SWC's employment of workers and anyone for whom the employer may be liable for workers' compensation claims at limits as imposed by statute. Workers' compensation insurance is required, and no alternative forms of insurance shall be permitted.
- B. Employer's Liability Insurance Limitations with limits of not less than \$500,000.
- C. Commercial General Liability Insurance with limits not less than:
 - a. Each occurrence – \$2,000,000
 - b. General aggregate - \$2,000,000
 - c. Products-Completed Operations Aggregate - \$2,000,000
 - d. Personal & Advertising Injury -\$1,000,000
- D. Comprehensive Automobile Liability Insurance with limits not less than \$1,000,000 (combined)
- E. Excess Liability: \$2,000,000/\$2,000,000.

SWC's insurance shall include the following endorsements:

- A. The Authority and the Authority's agents and employees shall be added as additional insureds to all coverage required under this Agreement for all liability arising out of SWC's work under this Agreement, except for workers' compensation insurance, as to the full limits of liability provided by each insurance policy (including limits greater than the minimum limits required herein).
- B. All required insurance shall be endorsed to provide that coverages afforded under the policy will not be canceled or modified without at least seven days prior written notice to the Authority. Renewal certificates shall be provided at least 30 days prior to the termination date of the current certificates of insurance during the term of this Agreement.
- C. Inasmuch as Authority and SWC intend that all of SWC's insured loss and liabilities fall upon SWC's insurers, without recourse against Authority, SWC agrees to cause all of its policies of insurance maintained in force or procured by SWC to provide, if necessary by endorsement, that each such insurer fully waives subrogation against the Authority and its agents and employees.
- D. All of the aforesaid policies shall be endorsed to provide that the coverage provided to the Authority as an additional insured will be on a primary basis, and not in excess of other insurance coverage available to the Authority, and that neither SWC nor its insurer will seek contribution or recovery from the Authority or such other insurance available to the Authority.
- E. SWC shall cause its subcontractors, including all persons hired by SWC who are not

SWC's employees, who perform any part of the work hereunder, to be added as additional insureds to all coverage required under this Agreement, as to the full limits of liability provided by each insurance policy (including limits greater than the minimum limits required herein).

TO THE FULLEST EXTENT PERMITTED BY LAW, SWC, FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS, AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE AUTHORITY AND ITS OFFICERS, DIRECTORS, REPRESENTATIVES, AND AGENTS, FROM EVERY LOSS, DAMAGE, INJURY, COST, EXPENSE, CLAIM, JUDGMENT, OR LIABILITY OF EVERY KIND OR CHARACTER (INCLUDING SPECIFICALLY ATTORNEYS' FEES, COURT COSTS AND OTHER EXPENSES INCURRED IN ENFORCING THIS INDEMNITY PROVISION), WHETHER IN CONTRACT, TORT, OR OTHERWISE, WHICH ARISES DIRECTLY OR INDIRECTLY FROM SWC'S WILLFUL, INTENTIONAL, RECKLESS OR NEGLIGENT (WHETHER ACTIVE, PASSIVE, OR GROSS) ACTS OR OMISSIONS RELATED TO OR ARISING FROM THIS AGREEMENT. THIS INDEMNITY AND HOLD HARMLESS PROVISION WILL APPLY WHETHER SUCH ACTS OR OMISSIONS ARE CONDUCTED BY SWC OR ANY SUBCONTRACTOR OR AGENT OF SWC.

THIS INDEMNITY AGREEMENT IS INTENDED TO MEET THE TEXAS "EXPRESS NEGLIGENCE RULE" BECAUSE SWC AGREES THAT IT APPLIES AND IS ENFORCEABLE EVEN AS TO LOSSES, DAMAGES, INJURIES, EXPENSES, CLAIMS, CAUSES OF ACTION, JUDGMENTS OR LIABILITIES JOINTLY OR CONCURRENTLY CAUSED BY THE NEGLIGENCE OR OTHER FAULT OF THE AUTHORITY. THE TERM "FAULT" IN THE PREVIOUS SENTENCE INCLUDES THE VIOLATION OR BREACH BY THE AUTHORITY OF ANY COMMON LAW DUTY, ANY TERM OF THIS CONTRACT, OR ANY STATUTE OR REGULATION.

THIS INDEMNIFICATION OBLIGATION IS IN ADDITION TO ALL OTHER LEGAL, EQUITABLE, OR INDEMNIFICATION REMEDIES AVAILABLE TO THE AUTHORITY. THIS INDEMNIFICATION OBLIGATION SURVIVES THE TERMINATION OR EXPIRATION OF THIS CONTRACT.

SWC DOES HEREBY WAIVE, RELEASE AND FOREVER RELINQUISH AND DISCHARGE THE AUTHORITY FROM ALL OF SWC'S CAUSES OF ACTION ARISING FROM BODILY INJURY OR DEATH OR DAMAGE TO ANY PROPERTY ARISING OUT OF THE WORK, REGARDLESS OF WHETHER THE INJURY OR DAMAGE IS CAUSED IN FULL OR IN PART BY THE NEGLIGENCE OR OTHER FAULT OF THE AUTHORITY.

The requirements of this Section 5.03 are independent of all other obligations of SWC under this Agreement, and nothing contained in this Section shall limit or waive SWC's legal or contractual responsibilities to the Authority or others.

Section 5.04. Agreement Documents.

To the extent that there is any inconsistency between the provisions of this Agreement and any attachments or exhibits hereto, the terms of this Agreement shall control.

This Agreement includes **Exhibits A, B, C, D, and E**, all of which are incorporated herein by reference and are made a part hereof (together such documents, are referred to herein as the “Agreement Documents”). Any changes and/or additions made to the Agreement Documents as a result of negotiations with the Authority shall be included as part of this Agreement and attached hereto as an Exhibit. In the event of a conflict within the Agreement Documents, the order of prevailing precedence shall be as follows:

1. Change Orders;
2. The Agreement, as amended; and
3. Exhibits to the Agreement, and all exhibits and attachments thereto.

Section 5.05. Compliance with Regulatory Requirements. SWC must comply with all applicable federal, state, county, and city rules, regulations and laws, and any codes which may apply to the Services being provided. SWC will obtain all permits and licenses required to perform the Services and will be responsible for securing inspections and approvals of its work from any authority having jurisdiction over SWC’s Services.

Section 5.06. Inspection and Audits. The Authority and its duly authorized representatives shall have the right to inspect and audit, at its expense, the Services being performed hereunder at any time. SWC agrees to maintain adequate records and documentation satisfactory to the Authority to support the changes and expenses related to all Services performed hereunder and to maintain such records and documentation for at least four years. SWC will provide such back-up documentation to the Authority upon request. The Authority agrees to maintain the confidentiality of such materials, subject to the requirements of applicable law, including the TPIA.

Article VI: Miscellaneous

Section 6.01. Assignability. SWC shall not assign its rights or obligations or any sum that may accrue to it hereunder without the written consent of the Authority, which shall be granted or denied in the Authority’s sole discretion. The Authority may, at its sole option, assign all or a portion of its rights and obligations under this Agreement to Fort Bend County or to any entity chosen by Authority to operate any segment of the toll roads.

Section 6.02. Modifications. This Agreement shall be subject to amendment, change or modification only with the prior mutual written consent of the Authority and SWC.

Section 6.03. Force Majeure. In the event either party to this Agreement is rendered unable, wholly or in part, by force majeure including an act of God; strikes; lockouts, or other industrial disturbances; acts of the public enemy; orders of any kind of government of the United States or the State of Texas or any civil or military authority (other than a party to this Agreement); insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; droughts; arrests; civil disturbances; explosions; or other inability similar to those enumerated including those by third parties that neither SWC nor the Authority has control over; to carry out its obligations under this Agreement, it is agreed that party shall give written notice of such act to the

other party as soon as possible after the occurrence of the cause relied on and shall, thereafter, be relieved of its obligations, so far as they are affected by such act, during the continuance of any inability so caused, but for no longer.

Section 6.04. Agreement Subject to Applicable Law. This Agreement and the obligations of the parties hereunder are subject to all rules, regulations and laws which may be applicable by the United States, the State of Texas or any other regulatory agency having jurisdiction.

Section 6.05. Governing Law. This Agreement is governed in accordance with the laws of the State of Texas without respect to conflicts of laws principles or doctrines and venue shall be in Fort Bend County.

Prior to execution of this Agreement by the District, SWC will be required to submit a Texas Ethics Commission Form 1295. Please see the below website for details related to this disclosure:

<https://www.ethics.state.tx.us/whatsnew/elfinfoform1295.htm>

Section 6.06. Waiver. No waiver or waivers of any breach or default by a party hereto of any term, covenant or condition or liability hereunder of performance by the other party of any duty or obligation hereunder will be deemed a waiver thereof in the future, nor will any such waiver or waivers be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, character or description, under any circumstances.

Section 6.07. Intended Beneficiaries. This Agreement is for the sole and exclusive benefit of the Authority, including Fort Bend County, and SWC and will not be construed to confer any benefit upon any other party.

Section 6.08. Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstance is ever held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances will not be affected hereby.

Section 6.09. Survival. Section 5.03 shall survive the termination of this Agreement.

Section 6.10. Section Headings. Section Headings are included for section identification purposes only and are not to be considered Agreement terms.

Section 6.11. Notice Provisions. Notices under this Agreement and the Agreement Documents shall be in writing and (a) delivered personally, (b) sent by certified mail, return receipt requested, or (c) sent by a recognized overnight mail or courier service, with delivery receipt requested, to those individuals designated by SWC and the Authority from time to time in writing:

To Authority:
Fort Bend Grand Parkway Toll Road Authority

To SWC:
SWC Group, LP

c/o The Muller Law Group, PLLC
16555 Southwest Freeway, Suite 200
Sugar Land, Texas 77479
Attn: Richard L. Muller, Jr.

4120 International Pkwy Ste 1100
Carrollton, Texas 75007
Attn: Clayton Howe

With a copy to:
Authority's Manager
Mr. Michael Stone
Mike Stone & Associates
P. O. Box 546
Richmond, Texas 77406

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple copies, each of equal dignity, as of the date set forth on the first page hereof.

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

FORT BEND GRAND PARKWAY TOLL
ROAD AUTHORITY


Chairman, Board of Directors

ATTEST:



Secretary, Board of Directors

(SEAL)



SWC GROUP, LP
a Texas limited partnership

By: SWC GP, LLC
Its: General Partner

By: 
Name: Clayton Howe
Title: Vice President of Business Development

Attachments:

- Exhibit A – Scope of Services
- Exhibit B – Request for Proposals
- Exhibit C – Proposal from SWC Group
- Exhibit D – Performance Requirements
- Exhibit E – Compensation for Services and Payment Schedule

EFFECTIVE DATE

THIS AGREEMENT IS EFFECTIVE ON THE DATE IT IS APPROVED BY THE FORT BEND COUNTY COMMISSIONERS COURT, AND IF NOT SO APPROVED SHALL BE NULL AND VOID.

DATE OF COMMISSIONERS COURT APPROVAL: _____

AGENDA ITEM NO.: _____

4 SCOPE OF WORK

4.1 GENERAL

The Authority Violation Processing Center (VPC) shall be established to develop and process violation notices to motorists using the facility without a valid interoperable transponder; to provide customers a place and format to communicate with the Authority; to make payments on violation accounts; update account information; and to handle disputes and/or appeals.

The Contractor shall provide and maintain the staff, software, hardware, systems, supplies, and services to operate and maintain a Violation Processing Center for the Authority and perform operations services in accordance with the Contract and current Fort Bend Business Rules for the duration of the operations and maintenance (O&M) Term. The Contractor shall support all of the violation transaction processing, data management, violation account management, customer service, and violation processing activities associated with Authority toll collections.

The Contractor shall test all of the equipment and software that is required to provide the operations and functionality described in these requirements. The Contractor shall be responsible for any software customization, design engineering, hardware and equipment installation, integration and configuration, testing, operations, database management, system administration, and maintenance of the VPC to provide a fully functional and operational VPC that meets or exceeds the requirements that are presented herein.

The Contractor shall provide software to monitor and report on the operations of the VPC Call Center, accuracy of the IVR call center statistics, training of CSR staff, and performance audits on an approved schedule using randomly recorded calls in addition to complying with other requirements of the Contract and Key Performance Indicators (KPIs).

The Contractor shall provide a multifaceted operation with multiple means of customer access with person-to-person interaction to be provided at a walk-in center located in Fort Bend County, TX, a call center located within the state of Texas inclusive of an IVR option, and web inquiry through a responsive web design.

The Contractor shall provide all necessary hardware and software to meet the requirements and service levels detailed herein. The solution shall be hosted and maintained at Contractor facilities as required. The Authority shall be provided access to all systems monitoring, reporting, and customer service applications. This access shall be configured in a read only manner as appropriate.

The following schedule milestones shall be adhered to:

Notice to Proceed	February 1, 2017
Project Schedule Approved	February 15, 2017
Project Management Plan Approval	March 1, 2017
Quality Assurance Plan Approval	March 10, 2017
Detailed Design Approval	April 15, 2017
Transition Plan Approval	May 1, 2017
All Documents Approved	May 30, 2017

CSC and Walk-in center Fully Functional	June 15, 2017
Onsite Full System Integration Testing Complete	June 15, 2017
Data Migration, Transition, and Go Live	July 10, 2017

The actual date of the Notice to Proceed milestone shall establish the remaining milestones.

The contractor is responsible for the Implementation of Fort Bend County's Toll Road Systems Business Rules, Toll Rate Order, policies and procedures as defined in this scope including but not limited to:

- System development work needed to meet the operational and functional requirements established by the Authority
- Procurement of administrative furnishings including specialized equipment, network communications, and operating materials and supplies
- Human resources including compensation structure/job categories and salaries, staffing, hiring, a training program for both new and retained staff, employee performance incentive programs, and human resources records and files
- Minimum PCI Merchant Level 2 Certification

4.2 PROJECT OVERSIGHT AND PROJECT CONTROLS

4.2.1 Project Staffing

The Contractor shall provide a qualified team to deliver the services described herein. The Contractor shall designate a Project Manager that shall serve as the Contractor's primary point of contact for the term of the Contract. The Contractor shall design an Operations Manager shall oversee all operational aspects of the Contractor's service during the O&M period.

The Project Manager shall meet the following minimum qualifications:

- Ten or more years of relevant experience
- Managed at least one project of similar size and complexity within the past five years
- Bachelor's degree in systems engineering, information technology, business administration or similar

The Operations Manager shall meet the following minimum qualifications:

- Five or more years of relevant experience
- Overseen at least one operations project of similar size and complexity within the past five years
- Demonstrated experience leading a toll operations engagement that includes postpaid billing functionality

The Contractor shall designate and provide other key staff as required including but not limited to QA / Test Manager, Business Analyst, and Systems Engineering Manager. These staff members shall be designated on the Contractor's organization chart. Any key staff replacement shall be subject to Authority approval.

4.2.2 Project Controls

The Contractor shall establish all necessary project controls to deliver and maintain the systems and services described herein. All project controls shall be detailed within the Project Management Plan subject to Authority approval.

Project control tools shall include but not be limited to:

- Project Schedule developed and maintained in Microsoft Project
- Risk Tracker; identification of risks, assessment of potential impact, mitigation strategies
- Action item tracking tool
- Monthly project status reports
- Monthly operational reports
- Monthly maintenance reports
- Monthly performance metric tracking reports

4.3 VPC TRANSACTION PROCESSING

The roadside toll system processes all ETC Transactions at a single flat rate (Tag Rate) at each respective toll location. All transactions that require image review are assessed a single flat rate (Non-Tag Rate) at the respective toll locations. Higher rates are charged to vehicles with three (3) or more axles. Image review will be conducted by the roadside toll system provider and a fully formed transaction inclusive of toll due, license plate details, a region of interest (ROI) image and an overview image will be provided to the VPC for processing.

Once in the violation lifecycle the Contractor shall assign varying penalties depending on the duration of time and at what point the violation is finally adjudicated. Transactions with a license plate not previously submitted to the DMV shall be processed to the DMV to obtain the Registered Owner's name and address connected with the vehicle. Subsequently, when the information is received back from the DMV, the transaction shall be filed into a violation account associated with the plate number and Registered Owner's name. Once this account reaches a threshold determined by the Authority the account shall trigger the next stage in the violation lifecycle, Initial Toll Notice (ITN).

An ITN shall be sent to any customer whose account reaches a predetermined threshold set forth by the Authority. From this point forward, the violator will have thirty (30) days to pay the expected amount before the next phase, Toll Violation Notice begins. An additional 30 days unpaid shall initiate the Final Toll Violation Notice (FTVN).

Each FTVN that goes unpaid or handled for a period of thirty (30) days will be subject to collections. Collections, which will be handled by others as designated by the Authority, will result in subsequent penalties to be added on to the previously expected amount. Once an account has been sent to collections, violators shall have ninety (90) days to pay the expected amount, or the account will enter the last phase of the violation lifecycle, the administrative hearing process.

The number of days associated with escalations is subject to change.

From a high level perspective, violation transactions will follow the diagram as seen in Figure 2:

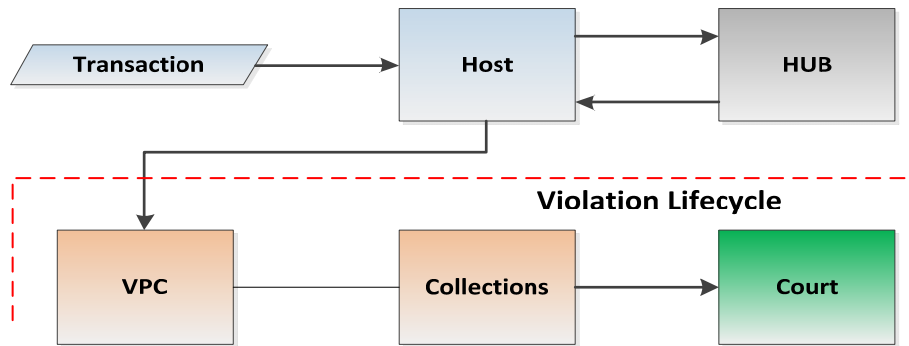


Figure 1: Violation Lifecycle

The administrative hearing conducted by the Court is the last phase of the violation lifecycle. All accounts that have been unresponsive to payment, or failed to meet their agreed upon obligations, will be subject to an administrative hearing. The administrative hearing is also the last phase where a penalty will be added to the expected amount.

The administrative hearing held by the Court will be used to pursue violators to the fullest extent of the law. The Contractor shall prepared evidence packages on behalf of the Authority for use in the administrative hearings.

4.4 REGISTERED OWNER

To obtain the required Registered Owner information, the Contractor shall utilize an interface with up to ten (10) Department of Motor Vehicles (DMV) agencies per the Business Rules, or other equivalent registration organization, to send vehicle plate information associated with a transaction. Upon sending such information, the VPC shall obtain the owners name and address for the day and time in which the violation occurred so that a customer account can be set up if one does not already exist. If multiple address and owners are associated with one vehicle each shall be saved and the first listed owner shall be sent the corresponding Initial Toll Notice (ITN). If the first listed owner cannot be reached the second owner shall be sent the ITN.

4.5 TOLL NOTICE

The Contractor shall develop and mail customers an ITN, by U.S. mail, which shall include at a minimum:

- Registered Owner name
- Registered Owner address
- Invoice generation date and time
- Each violation event
 - Offense date
 - Time
 - Amount due
 - Location (lane, plaza)
 - Classification

- Vehicle license plate image and overview image (best available images provided via fully formed transaction from roadside toll collection)
- Vehicle license plate state
- Trespassing language

In the event that that a notice with a balance higher than a configurable monetary threshold is returned because of an incorrect or new address a Contractor provided skip trace shall be used to try and track down a more recent address. Skip tracing functionality shall be configurable such that the Authority can direct whether to utilize the functionality or not. If multiple addresses are found a notice shall be sent to each one with the 30 day period starting over. Notices shall not be sent to an address that has been determined as incorrect.

Each Toll Violation Notice (ITN, TVN, and FTVN) and other such documents issued by the VPC shall have a barcode associated with the document. The barcode shall be used to quickly archive and associate a document with a violation account. These documents and others received by the VPC in relation to a specific violation account shall be saved in an electronic document management system. Once in the system a Customer Service Representative shall be allowed to query a customer and see any document affiliated with that customer.

The layout and design of all notices and other correspondence shall be reviewed and approved by the Authority.

4.6 COLLECTIONS

It is the Authority's intent to assign collections processing to a separate service provider(s). Collections will result in customer contact and penalties assigned to the violation account balance in accordance with established business rules. The Contractor shall establish all necessary electronic interfaces and reporting with the collections service provider(s) to facilitate automated account status updates per the Business Rules.

The Authority reserves the right and option to have the Contractor manage the collections process as an optional service via supplemental agreement.

4.7 COURT PREPARATION

Once a violation account has progressed through the Collections period without formal resolution the Contractor shall be required to organize a court preparation package to submit to the Authority and/or the Court. The court preparation package shall contain relevant information as it pertains to a violation account that shall be electronically transmitted to the Authority for further action. Any account that the Authority has not taken to court shall remain open.

4.8 FEES

The following administrative fees shall be assessed to each TVN at a defined time throughout the violation lifecycle:

- Initial Notice Fee

- Violation Fee
- Final Violation Fee
- Court Fee

In accordance with the Business Rules each fee shall carry a separate dollar amount associated with it. While fees will be assessed based on the violation lifecycle, there shall be the ability to waive certain fees.

The Authority is considering a notice based fee for the toll violation notices in place of charging a fee for each unpaid toll. The fee shall be established based on the cost of preparing, mailing and managing the toll violation notice process. The Initial Toll Notice (ITN) includes all transactions for a given license plate during a specified period of time (default 10 days). Each ITN would be assessed a default Initial Toll Notice fee (default \$2.50). Fees shall increase with subsequent violation notices.

The Contractor shall be capable of supporting transaction based fees and notice based fees subject to the direction of the Authority.

4.9 FLAGRANT VIOLATOR LIST

The Contractor shall be required to create a flagrant violator list. The flagrant violator list shall be transmitted to the roadside tolling system daily and incrementally as needed. The flagrant violator list is comprised of vehicles that owe a configurable value (currently \$1,000) or more in tolls and penalties.

The Authority utilizes Law Enforcement to regulate violators on the road that have in excess of \$1,000 outstanding in tolls and fees, or have been labeled as a prohibited vehicle. Law Enforcement will be notified by the lane system when such a vehicle has used one or more of the tolling segments. If a vehicle has been stopped for using the road Law Enforcement will use a dedicated phone line available from 7 AM to 7 PM Monday through Friday to call a trained supervisor at the VPC to confirm the violation account balance before appropriate action is taken.

4.10 TOLL NOTICE PAYMENT

The Contractor can collect a Toll Notice Payment at any stage throughout the violation lifecycle. While payments shall be applied on a First in First out (FIFO) basis, users are allowed to make partial or complete payments at any time. Acceptable forms of payment shall include:

- Credit Card
- Debit Card
- ACH
- Cash
- Money Order
- Cashier's Check
- Personal Check

For violation customers who send payment in the form of personal check a returned check fee shall be assigned for those checks that are returned. The violation account shall remain open and a subsequent notice shall be sent out.

The VPC shall be Payment Card Industry (PCI) compliant. Annual PCI certification evidence shall be provided to the Authority. The initial certification shall be provided prior to the commencement of operations.

Proposers shall be required to have operations and payment processing centers in the state of Texas. The VPC operator shall be required to provide the following:

- Accept payments over the web, mail, phone
- Establish a process for violators to pay cash within Fort Bend County
- Explain how payment processing will be managed

4.11 PAYMENT PLAN

Payment plans are allowed to those customers whose account balance reaches \$200 or more. Payment plans shall only be offered to those customers who agree to the payment plan terms as defined by the Authority. Once in a payment plan a violation event associated with the account will result in immediate default of agreement. Once in default the account is subject to additional penalties as outlined within the terms of the agreement.

4.12 REVENUE MANAGEMENT

Daily and/or monthly reconciliation at the facility / roadway / toll zone level shall be provided to the Authority by the Contractor. Reconciliation activities at the facility / roadway level shall include but not be limited to the following:

- Transactions received from and processed to the lane system host
- Deposits to bank transactions
- Revenue category to revenue source
- Revenue by reporting entity
- Tolling system to Fort Bend County G/L for applicable accounts

4.13 VPC CALL CENTER

The Contractor shall provide staff, software, hardware, and any other equipment with the functionality needed to support the VPC administrative tasks as well as operational tasks. The call center shall support customer calls in regards to payments, disputes, reversals, inquiries, and questions for a duration no shorter than 9 hours (8:00 am to 5:00 pm Central Time) five (5) days a week. The call center shall have bilingual staff (English and Spanish). The call center shall provide the Authority a dedicated number where law enforcement agents can call a VPC supervisor and check the current account status of violators on the road. This will allow law enforcement agents the ability to get the most current information about an account before more severe action is taken on the road.

The Contractor shall fully equip and staff the VPC to provide the toll services to support:

- IVR & automatic call distribution (ACD) functionality
- Customer communication and correspondence
- Violator accounts

- Payment processing locally or via a lock box (payments shall be mailed to an address within Fort Bend County, Texas)
- Document scanning and uploading (associating documents or files with accounts accessible within VPC software)
- Linking all email (inbound and outbound) correspondence to accounts in an automated fashion
- Notice development and processing
- Transaction processing
- Quality control
- System administration

The Contractor shall be required to operate a single walk-in center storefront in Fort Bend County, Texas where customers can obtain information about the Authority projects and facilities, make payments, resolve violations, and manage their violation accounts in person or by phone. This walk-in center shall be required to have electronic and telephone connectivity to the Authority and the VPC. The walk-in center shall be open from 8:00 a.m. to 5:00 p.m. Monday through Friday. The location of the walk-in center is subject to Authority approval.

4.14 WALK IN CENTER

The Contractor shall be required to operate a single standalone walk-in center storefront in Fort Bend County, Texas where customers can obtain information about the Authority projects and facilities, make payments, resolve violations, and manage their violation accounts in person or by phone. The walk in center is required to be staffed with a minimum of one CSR with counter space for the processing of violation payments. The walk in center shall be sized to meet the performance requirements established in Attachment C. This walk-in center shall be required to have electronic and telephone connectivity to the Authority and the VPC. The walk-in center shall be open from 8:00 a.m. to 5:00 p.m. Monday through Friday. The center should have parking available for at least five vehicles and be signed for easy identification. The location of the walk-in center is subject to Authority approval.

4.15 WEBSITE

The Contractor shall establish a link on the Authority website that directs customers to the VPC operator's site. This site shall contain information about the violation process, contact information, and pertinent information in regards to motorist, violators, and the general public. The website shall have the same look and feel as the Authority website and allow for violators to look up information as it relates to a violation account as well as information regarding TVNs. Additionally, the website shall allow customers to make payments. The website must include both English and Spanish pages.

The customer website shall allow customers to:

- View their notice(s), all photos, total amounts due, status of contested violations, and notifications
- Pay violations in full or partial amounts
- Print payment confirmations
- Appeal or contest violations and provide evidence
- Select multiple violations at once to contest and upload evidence
- Provide an alternative contact name and mailing address for future violation notices

4.16 VPC SYSTEM

The Contractor shall incorporate the Authority model (Business Rules, RFP, and SOP) into their existing system with minimal developmental effort. Development shall be limited to those enhancements that the existing system does not currently offer. The Authority is seeking a Contractor that already has the capabilities to handle the business rules and requirements in the RFP and can provide the following functionality with a proven solution:

- Account management
- Payment processing
- DMV lookup
- Violation processing
- Collections (optional)
- Court package preparation

The Contractor shall ensure the system maintainability, accuracy, reliability, security, and availability over the term of the Contract. The system shall satisfy, at a minimum, the following requirements:

- 1) The VPC System shall provide up-time availability according to the KPIs
- 2) The VPC System shall allow scheduled preventative maintenance activities to be performed while the VPC System is online. Preventative maintenance actions shall be transparent to operations and shall not introduce any degradation in performance.
- 3) The VPC System shall allow for the addition of new facilities and associated reporting by facility.
- 4) The VPC system shall include features to assure the security and integrity of all data collected and processed by the VPC. The system shall accurately and correctly process 100 percent of all data collected. The system shall employ redundancy as needed to meet the required availability and functionality requirements and to protect against data loss and data corruption. Data loss includes the loss of any account data, payment information, transaction, transaction history, any system configuration or operational information, or any other information that would negatively impact operations of the VPC. Communication transmissions shall employ reliable means of confirming sent data is accurately received.
- 5) The system shall be designed to protect against data loss caused by equipment malfunction and failure, inadequate data storage capacity, communication loss, power outage, voltage drop or surges, extreme temperatures, deletion by unqualified and unauthorized users, or software attacks (i.e., rogue users/hackers, virus attacks, etc.).

Storage of data shall meet the following minimum requirements:

- 1) 2 years of violation transactions, images, and account activity stored online and available through the website to customers
- 2) 2 years of files exchanged with any third parties including Contractor subcontractors, DMVs, cash payment networks, or collection agencies
- 3) All CSC reports shall either be stored online or readily accessible to produce during the contract term, including any extensions, or as required by law
- 4) All data shall be readily available to the Authority without having to request a query from the Contractor

- 5) All data mentioned above may be moved to offline electronic storage after the minimum period of online storage has expired and in no case shall personally identifiable information be stored for more than 54 months

4.17 INTERFACES

The Contractor shall be required to operate and manage interfaces required to support the successful operations of the VPC. Interfaces shall include but not be limited to:

- Payment processing
- Data exchange with the toll system host
- DMVs (up to ten per business rules)
- Address validation and skip trace services
- Collection agency(ies)

4.18 VPC TRANSITION

The Contractor shall develop a detailed plan for the process to be used to transition from the existing Violation Processing Operator and system to the new VPC and system including details of the means to be used to ensure continuing provision of the Toll Services throughout the transfer process. Upon submittal this plan will be reviewed, required changes identified and then approved by the Authority.

4.19 OPERATIONS AND MAINTENANCE

The Contractor is responsible for day-to-day system operations and maintenance as well as the operations of the VPC and mail house processing. The Contractor is required to provide monitoring tools to effectively track and manage operations with the goals of optimizing efficiency, performance and customer service. The Authority shall be granted read only access to all system monitoring tools via a secure Contractor maintained interface. The Authority requires the Contractor to provide alerts to identify backlogs and problems on a timely basis.

Dashboard functionality shall be provided facilitating real time monitoring of ongoing operations and system performance. Dashboard is defined as an easy to read, often single page, real-time user interface presented within a web browser, showing a graphical presentation of the current status (snapshot) and historical trends of the Authority's key performance indicators to enable instantaneous and informed decisions to be made at a glance. A report shall not in any way constitute a dashboard. At a minimum the O&M dashboard shall reflect the current status and trending status of all performance requirements subject to the Authority's approval.

The Contractor shall prepare and submit for review and approval an Operations Plan that documents their approach to all aspects of the operations of the VPC. The Operations Plan shall be submitted 90 days prior to commencement of operations.

The Operations Plan shall include but not be limited to the following:

- Identification of each service and activity to be provided
- Details for performing the O&M Work (staffing levels, equipment lists, supplies list, use of Subcontractors, other service contracts, etc.)

- Description of how Key Performance Indicators will be monitored, attained and maintained in accordance with the O&M QMP
- General guidelines and organization of Standard Operating Procedures, and training manuals
- Report structures, schedules, and deliverables
- Coordination with the Authority
- VPC Commencement activities
- VES procedures – e.g., notification and enforcement
- QA/QC and continuous improvement processes

During the O&M Term, the Contractor shall hold monthly meetings with the Authority to discuss the O&M Work. Items to be discussed shall include O&M Work during the previous month, including O&M monthly reports and any other O&M reports for which the Contractor is responsible for pursuant to the contract. The Contractor shall cause its Subcontractors to be present at any O&M meetings as reasonably requested by the Authority.

4.20 CERTIFICATIONS

The Contractor shall at a minimum be Statement on Standards for Attestation Engagements (SSAE) 16 certified. SSAE No. 16 reporting on controls at a service organization was finalized by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA) in January 2010. SSAE 16 effectively replaces Statement on Auditing Standards (SAS) 70 as the authoritative guidance for reporting on service organizations.

4.21 REPORTING

All reports shall support selection of a discrete roadway facility and / or toll zone (e.g. Westpark, Grand Parkway, etc.) prior to report generation.

4.21.1 Financial Reports

The Contractor shall provide a full set of financial reports available upon demand. The reporting system shall be configurable to allow for changes in reporting requirements. Financial reports shall be available as frequently as daily and shall be available upon demand. The reports interface shall be browser based and readily accessed by the Authority via secure virtual private network connection or similar secure connection.

The Contractor shall allow for the running of reports from the current and prior accounting periods.

The Contractor shall report on transactions and revenue daily.

The Contractor shall provide a monthly finance package within 10 calendar days of the end of the month which shall include the following:

- Financial statements
- Reconciliation of all violation transactions
- Aging of violation receivables

- Reconciliation of collection balances and activity to the collection agency
- Violation receivable aging showing resolution and payment by processing stage and number of days aged; age of transactions by processing status

4.21.2 Customer Service Center Reporting

The Contractor shall create and schedule reports to support necessary reporting and operations functions as specified within these requirements to perform the work discussed within these requirements, and to provide measurements for KPIs. These reports shall be run from a dedicated reports environment and shall not inhibit resources available for the Authority to conduct queries as specified above. Some of these reports include:

- 1) Trend reporting
- 2) Financial reconciliation
- 3) Transaction reporting
- 4) Aging reports for violations indicating the stage each violation was resolved or remains open
- 5) Transaction, image, and image rejection rates and reason codes
- 6) Payment processing details
- 7) Violator report lists including egregious and chronic violators as defined in the Business Rules
- 8) Phone system and IVR reports including utilization rates by day and time of day, queue wait times, call duration times, call types and other information by day, user, and other parameters to measure and improve CSR performance, improve system functions, and calculate KPIs
- 9) Customer website reports including utilization, uptime, visitor data, view and hit trends, among other measures and
- 10) Transaction dismissal or write-off by specified date range, reason code, employee identification number, and transaction type

4.21.3 Standard Reporting

The Contractor shall provide standard reporting functions from the production/live environment to support critical notifications and alerts. These shall include:

1. QA/QC
2. Reconciliation Audit, and Internal Control plan
3. Customer communications, including statements, violation notices, and all other correspondence broken down by method (email or mail), etc.
4. Returned mail
5. Violation account opening and closing, net accounts

EXHIBIT B

Fort Bend Grand Parkway Toll Road Authority

Request for Proposals
Fort Bend County Toll Road System
Violation Processing Center Operator
To Process, Handle, Collect, and Maintain Violation Transactions

Issue Date

September 9, 2016

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1 INTRODUCTION

The Fort Bend Grand Parkway Toll Road Authority and the Fort Bend County Toll Road Authority are soliciting the services of a qualified Contractor to manage and service the payment processing associated with toll violations that occur on the Authority's roadways. The Authority will select and contract with the most responsive Contractor who demonstrates capability to leverage a proven solution while constantly improving the delivered system and associated customer service. The Authority is not requiring new development and is receptive to joining an existing collocated operation leveraging ongoing customer service and payment processing services. The Authority has adopted a turnkey approach to service delivery and encourages innovation supported by proven delivery methods. A nimble approach to change implementation while staying in front of industry trends is desired.

1.1 FORT BEND GRAND PARKWAY TOLL ROAD AUTHORITY

In September of 2009, Fort Bend County Commissioner's Court assumed the responsibility of financing, designing, constructing, operating, and tolling Segment D of the Grand Parkway. The Fort Bend Grand Parkway Toll Road Authority (FBGPTRA) was created by the Fort Bend County Commissioner's Court pursuant to the Texas Transportation Code. The FBGPTRA currently operates and maintains Segment D of the Grand Parkway. Segment D is 18.2 miles from US 59 South to I-10 West and consists of nine tolled overpasses and seven toll gantry locations.

1.2 FORT BEND COUNTY TOLL ROAD AUTHORITY

The Fort Bend County Toll Road Authority operates and maintains a portion of the Fort Bend Parkway Toll Road and a portion of the West Park Toll Road.

The Fort Bend Parkway Toll Road connects Sienna Parkway on the south end to US-90A or South Main at the north end. The Fort Bend County Toll Road Authority operates the approximately 6.2 mile section of toll road in Fort Bend County from Beltway 8 to Sienna Parkway. The Harris County Toll Road Authority operates the section in Harris County from Beltway 8 to US-90A. The Fort Bend Parkway is 4 lane facility, two lanes in each direction, with 4 mainline toll gantry locations.

The Westpark Tollway connects SH-99, the Grand Parkway, to Loop 610 in Houston. The Fort Bend County Toll Road Authority operates approximately 6 miles of toll road located in Fort Bend County. This begins at the Fort Bend/Harris County line just east of FM-1464 and continues to the Grand Parkway in the west. The Harris County Toll Road Authority operates the portion of the toll road in Harris County. TxDOT operates and maintains FM-1093 which are the east-west surface roads on either side of the toll lanes.

For the purpose of clarity the term Authority is used herein to represent the interests of both the FBGPTRA and the FBCTRA.

1.3 EXISTING TOLL COLLECTION SYSTEM

The current toll collection system deployed by the Authority is comprised of two distinct subsystems – roadside and violations processing. The roadside system is supplied and maintained by TransCore while the existing violations processing system and related customer service is provided by Xerox.

The roadside system host is responsible for interoperable data exchanges. An interface exists between the roadside system and the statewide interoperability hub. More details regarding the anticipated interfaces and respective system responsibilities are located within the Scope of Services defined herein.

Approximately 110 million annual transactions are processed by the Authority. Approximately 12 million potential toll violation transactions are presented to the existing VPC annually. After filters for image tolling associated with prepaid accounts, image rejects, non-revenue accounts, etc. approximately 3 million transactions are posted to violation accounts.

1.4 PROJECT DESCRIPTION

This solicitation is for services to assist the Authority in providing overall service provision, management and oversight of violation processing services. Violation processing services shall include but not be limited to:

- Reporting
- Violation processing and reconciliation
- Communication planning
- Operating the Authority's Violation Processing Center (VPC) and walk-in center
- Provision of customer website
- Court package preparation

The Contractor shall be required to support 9 hours a day (8:00 a.m. to 5:00 p.m.), 5 days a week customer service center operations and 24/7 web and IVR customer support as designated by the Authority. The primary functions to be provided by the Contractor, directly or through the use of subcontractors, are as follows:

1.4.1 VPC Operations

- Provide customer and violator assistance in response to requests provided via:
 - Call center located in Texas with Automatic Call Distributor (ACD) and Interactive Voice Response (IVR) systems
 - Walk-in storefront located in Fort Bend County, TX; location subject to Authority approval
 - Customer-accessible website, email
 - Mail, fax, payment processing
 - Automated processing of customer provided file attachments via web or email
- Handling customer inquiries and disputes
- Create, administer, and close violation accounts
- Accept and process customer payments

1.4.2 Violation Processing

- Process and manage violation images received from the roadside toll collection system
- Create and track violation notices
- Coordinate interactions with Authority designated and provided collection agencies
- Develop and coordinate interactions with law enforcement agencies and local courts

1.4.3 Interoperability

- Implement policies and procedures
- Handle inquiries
- Operate and manage data exchange interfaces with roadside toll collection system

1.4.4 Violations Processing Center Administration

- Plan for, provide, and manage VPC and operational staffing
- Secure, deposit, track, and manage revenues
- Secure and manage data and documents
- Implement business rules, policies, and procedures
- Develop and coordinate interactions with depository banks, and credit card processors
- Report on staffing, activities, complaints, revenue, violation notices, etc.
- Procure and manage materials and supplies for the operation of the VPC

1.4.5 Supporting Functions

In support of these areas, the Contractor shall be responsible for providing the following services, directly or through a subcontractor:

- Procure and maintain:
 - Specialized equipment
 - Furnishings
 - Operating materials and supplies
- Coordinate with roadside toll system integrator on development and administration of:
 - Network communications
 - Interface Control Documents
 - All necessary exchange of data and reporting
- Print and mail correspondence, violation notices, etc.
- Human Resources
 - Compensation structure/job categories and salaries
 - Staffing, hiring, and management program
 - Training program
 - Employee performance incentive program
 - Human resources records and file (Note: Background checks, drug screening, and personal bonding may be required for specified positions)
- Audit, Accounting and Reconciliation
- Revenue collections and customer refunds

2 REQUIREMENTS

2.1 OVERVIEW

The Authority will evaluate each proposal based on established evaluation factors. Proposers shall not contact members of the selection committee. The Authority will award the contract to the proposer that submits a proposal meeting the standards described in this document and which is determined to be the best value and to be in the best interest of the Authority.

The best value determination will be based on the proposer's ability to meet the requirements set forth by the Authority. The determination of apparent best value proposer shall be based on the highest total proposal score computed. The Authority may conduct interviews of shortlisted proposers. The firm selected to proceed to negotiations will be based upon the proposal and interviews. The Authority has not yet determined the number of firms that will be shortlisted. Upon selection of the apparent best value proposer, the selection committee's recommendation will be forwarded to the Authority's Board of Directors for final approval.

The following is the procurement schedule:

Issue RFP	September 9, 2016
Last Day to Submit Questions	September 20, 2016
Q&A Responses	September 26, 2016
Proposals Due	October 14, 2016
Short List Published	October 21, 2016
Interviews, Site Visits (as required)	October 24-28, 2016
Selection	November 1, 2016

2.2 CONFLICT OF INTEREST DISCLOSURE STATEMENT

The proposer shall notify the Authority in writing promptly after becoming aware of any relationship, whether before or after delivery of the proposal of all relationships that the proposer or any of its key personnel has or has had with the Authority. Disclosure is required to include sufficient information to demonstrate that appropriate measures have been implemented to manage, mitigate, minimize, or eliminate any actual or potential conflict of interest or unfair advantage as appropriate. The Authority may at its discretion; (1) waive any and all potential or actual conflicts, or (2) require the proposer to substitute or eliminate the disclosed conflict, or (3) disqualify the proposer for an actual conflict resulting in an unfair advantage to the proposer.

2.3 LOBBYING PROHIBITION

Except for questions concerning this RFP which may be submitted in writing as described herein, proposers shall not contact, either directly or indirectly, Authority staff, members of the Authority's Board of Directors or any County Commissioner concerning this RFP from the date of issuance until the day after Contract approval by the Board. Any Proposer judged to be in violation of this lobbying prohibition may be disqualified.

2.4 ADDENDA TO THE RFP

If it becomes necessary to revise any part of this RFP prior to the proposal response date, addenda will be posted to the Authority's website under the original RFP document. It is the responsibility of the proposer to periodically check the website for any new information or addenda to the RFP.

2.5 QUESTIONS AND ANSWERS

Written questions may be submitted to clarify any points in the RFP that may not have been clearly understood. Written questions should be submitted to the designated contact person at the address indicated or via email no later than the date indicated in the procurement schedule. All written questions and answers will be issued as an addendum to become part of this RFP.

2.6 CLOSE OUT TRANSITION

At the termination date of the contract, the incumbent VPC operator shall cooperate fully with the succeeding operator to transfer all publications, documents, property, and other material in which the Authority retains ownership rights to. During such transition, the contract may be extended a marginal length of time to ensure that all transition activities have been fully executed.

2.7 CONTRACT

The contract period will be for three (3) years with two (2) one (1) year options.

The Authority will evaluate each proposal using the same criteria. During negotiations of the contract, the Authority will establish the amounts the VPC operator will receive for payment as fixed reimbursable and variable costs of all items. This may include a per violation notice charge, an amount for each court packet prepared, etc.

2.8 QUALIFICATIONS

Respondents to this RFP shall meet the following minimum qualifications:

- Proposer must be authorized to do business in the state of Texas
- Proposer shall have successfully delivered and operated within the past five years at least two back office systems within the United States
- Proposer shall have successfully commissioned a back office system or roadside toll collection system in the state of Texas within the past five years demonstrating knowledge of Texas interoperability and the ability to implement a solution based upon Texas business rules

3 PROPOSALS

3.1 DESIGNATED CONTACT PERSON

Responding firms shall be required to deliver proposals to the designated contact person at the office of Mike Stone Associates. The office and mailing address is:

Mike Stone Associates
Attention: Megan Browne
1950 Lockwood Bypass
Richmond TX 77469
meganbrowne@mikestoneassociates.com

All proposals must be received on October 14, 2016 by 3:00 p.m. Central Time as shown on the Authority's official clock. Proposals received after this time will be deemed unresponsive.

Proposal contents will be held in confidence and will not be revealed or discussed with competitors or the selected firm. If a contract is executed, however, the successful proposal submitted in response to this RFP may be subject to disclosure. The Authority reserves the right to use any or all ideas presented in a proposal without regard to selection or rejection.

No governmental or public entity may submit a proposal in response to this RFP or participate as a member of a proposer team. Proposers that do not comply with this provision will be disqualified.

3.2 CONTENTS OF PROPOSAL

The proposer shall submit one signed and dated original (marked Original) and four (4) copies (marked Copy) of Sections 1, 2, and 3. Section 1 in the submission shall be bound, printed on one-sided, letter-size (8½- by 11-inch) paper, in single-spaced format. The proposal shall be tab-indexed corresponding to the sections listed below. Section 1 is limited to fifty (50) pages (excluding the tabs, project schedule, resumes, and organizational charts) with a font size of 12 or above. Include only the information specified for each section. Section 2 is the Price Proposal submitted in a separate sealed envelope using the provided pricing sheet. Section 3 is Alternative Technical Concepts (ATC) and shall also be submitted in a separate sealed envelope.

Section 1, 2 and 3 shall also be provided in electronic format preferably on a portable memory stick or similar.

Section 1:

1. **Cover Letter** – The cover letter shall be limited to two (2) pages and include the following:
 - I. Proposers (company) name
 - II. Contact name, number, email
 - III. Execution of proposal – signed and dated original

2. Executive Summary – The executive summary shall be limited to five (5) pages and include the following:
 - I. Introduction of Proposers team
 - II. Summary level overview of proposed solution
 3. Statement of Qualification – The statement of qualification shall be limited to five (5) pages and include the following:
 - I. Summary of company background
 - II. Summary of qualifications specifically those that meet or exceed the requirements defined in 2.8 Qualifications.
 - III. Summary of key staff and associated qualifications
 4. Relevant Experience – Relevant work experience shall list and describe at least two (2) similar projects over the last five (5) years. Experience shall include services that were performed in the following areas: Violation Processing, Customer Service, and Call Center. A project contact will be used as a reference (Provide name, address, phone, and email for contact). Relevant experience is limited to five (5) pages and shall include:
 - I. Role on project
 - II. Project Manager/Operations Manager and other pertinent staff
 - III. Project location, scope, cost, start/end date
 - IV. Operational functionality
 - V. Relevant technical systems used
 - VI. Contact information for project references
 5. Financial Information – The proposer shall provide audited financial statement for the past three years. If audited financial statements are unavailable, un-audited financial statements shall be submitted and certified as true, correct, and accurate by the chief financial officer or treasurer of the proposer's company. Additional information demonstrating financial stability and ability to perform the required services may be included.
 6. Project Approach – Project approach at a minimum shall address proposed methodology to handling operations and requirements as constructed in the RFP and Business Rules. Project approach shall include a description of where operations will be handled.
 7. Project Management – Project Management shall be the evaluation of the Project Manager and their ability to successfully manage a project within budget, scope, and on time. The level of authority within the Proposer's organization assigned to the Project Manager shall be detailed. The Proposer shall detail their internal processes associated with change management and ability to respond to change requests in a timely manner. Project management is limited to five (5) pages.
 8. Project Management Plan (PMP) – Project management shall be a condensed version of formal PMP. Project management is limited to ten (10) pages, and shall include the following:
 - I. Key staff
 - II. Project approach
 - a. Innovations
-

- III. Approach to sequencing, milestones, and schedule
- IV. Communication plan
- V. Risk mitigation
- VI. Use of subcontractors (if used)

9. Quality Management – Quality management plan shall include the following:

- I. QA/QC processes
- II. Performance monitoring processes
- III. Internal quality management systems, processes, and procedures
- IV. Cost control/cost saving mechanisms

10. Project Schedule – The Proposer shall include a detailed preliminary project schedule. The schedule shall depict all tasks and milestones leading up to successful transition to the operations and maintenance phase of work. The preliminary project schedule shall be developed using Microsoft Project and shall also be submitted in its native file format electronically.

11. Reports – Reports shall be included as an attachment to the proposal. Reports should include all standard reports generated by the system and a description of what each report is used for. A copy of the first and last page of each report will be provided for review. Reports will not count toward page limit.

12. Resumes – resumes of all key staff; resumes will not count toward page limit.

Section 2:

13. Price Proposal – A price proposal shall be submitted in a separate sealed envelope. The price proposal will not count toward page limit. Should the proposer take any exceptions to the requirements put forth by this RFP the exceptions shall be detailed in a separate letter included with the price proposal submission.

Section 3:

14. Alternative Technical Concepts (ATC) – ATCs, while not required, will be allowed as an attachment to the VPC operator's proposal. ATCs are limited to five (5) pages in length each, and shall be accompanied with a separate price proposal. ATCs shall not diverge from the Business Rules as published. Price proposal will be filled out to show how the implementation of the ATC will affect the overall project cost. Price proposal will not count toward page limit. Once ATCs have been reviewed, individual conference calls may be organized to discuss concept further, and will be set up at the Authority's discretion.

3.3 PROPOSAL EVALUATION

Proposals will be reviewed for conformance to the instructions regarding organizational format and responsiveness to the requirements set forth in the RFP, based on the pass/fail and responsiveness factors set forth below.

The Proposal may be disqualified if the Authority is unable to verify qualification and experience requirements from the proposer's references. The proposal may be disqualified if the Authority receives negative responses. The Authority shall exercise its sole discretion and judgment with respect to the evaluation of references.

The Authority will review the proposer's audited financial statements to evaluate the sufficiency of the proposer's financial resources and ability to perform the contract or provide the service required in the solicitation. Factors to be reviewed include: (a) balance sheets; (b) net working capital; (c) current asset ratio; (d) liquidity ratio; (e) auditor's notes; and (f) any notes to the financial statements. The proposal may be disqualified if the Authority finds the proposer is not in good financial standing. The Authority will be the sole judge in determining the sufficiency of the proposer's financial resources and their ability to perform under the contract.

Each proposal will be evaluated as a best value proposal. Proposals will be evaluated according to the proposer's ability to best satisfy the requirements as set forth in this RFP. Each proposal will be evaluated based on the following factors. (The factors set forth in the numbered subparagraphs below are not listed in order of relative importance).

1. Project Approach: 25 percent

- a. Overall understanding and capability of delivering the system
- b. Detailed and methodical approach to system design and development
- c. Demonstrates high confidence for system to meet and/or exceed requirements
- d. Detailed approach to data migration and preliminary transition plan
- e. Detailed approach to ongoing operations inclusive of customer service, maintenance, and system improvements

2. Project Management: 10 percent

- a. Evaluation of the Project Manager and Operations Manager and his/her experience to successfully manage the project during the term of the Contract

3. Experience: 15 percent

- a. Evaluate the proposer and their relative experience
- b. References
- c. Statement of qualifications

4. Price: 25 percent

- a. Evaluate the Proposers pricing submittal
- b. Pricing should allow the Authority to minimize ongoing operations and maintenance expenditures while limiting capital investment
- c. Ability of pricing model to allow the Authority to maintain a revenue positive operation
- d. Shall be based on RFP and Business Rules

5. Project Management Plan: 15 percent

- a. Overall understanding and ability to manage the project
- b. Comprehensive organizational structure and management hierarchy in line with project needs

- c. Detailed approach to contract administration and the description of proposer's contract administration procedures and systems
- d. Integrated approach to project management and liaison with the Authority, its consultants and other third parties

6. Quality Management Approach: 10 percent

- a. Systematic approach to quality management
- b. Process for auditing and management review of project activities
- c. Internal quality management systems, processes, and procedures

7. Onsite visits (as required)

- a. Tour VPC facility
- b. Monitor VPC representative conversation with customers
- c. Observe VPC standard operating procedures
- d. Quality Assurance (QA)

3.4 SHORTLIST INTERVIEW

Upon completion of evaluation by the Authority of all proposals, shortlist firms will be selected for onsite interviews. The purpose of the interview is to monitor and observe the processes explained in the proposal to see how similar processes are being managed by the shortlisted firm. The Authority requires the proposed Project Manager and Operations Manager to lead the discussion on the Proposer's behalf.

3.5 SELECTION

The selection committee will submit a recommendation to the Authority Board of Directors (Board) regarding approval of the proposal determined to provide the apparent best value to the Authority. The Board may approve or disapprove the recommendation, and if approved, will conditionally award the contract to the apparent best value proposer. Conditional award will be subject to the successful completion of negotiations or any other conditions identified in the RFP or by the Board. If authorized by the Board, the Authority will attempt to negotiate a contract with the apparent best value proposer. If a contract satisfactory to the Authority cannot be negotiated with that proposer, or if in the course of negotiations, it appears that the proposal will not provide the Authority with the overall best value, the Authority will formally end negotiations with the Proposer and, in its sole discretion, may: (1) reject all proposals, (2) modify the RFP and begin again the submission of proposals, or (3) proceed to the next highest ranked proposal and attempt to negotiate a contract with that proposer. Execution of the contract by the Authority and the apparent best value proposer (or the next highest ranked proposer, if applicable) shall be deemed final award of the contract.

This RFP does not commit the Authority to enter into a contract. The Authority assumes no obligations, responsibilities, or liabilities, fiscal or otherwise, to reimburse all or part of the costs incurred or alleged to have been incurred by parties considering a response to and/or responding to this RFP. All of such costs shall be borne solely by each proposer and proposer team. In no event shall the Authority be bound by, or liable for, any obligations with respect to the project until such time (if at all) as a contract, in form and substance satisfactory to the Authority, has been executed and authorized by the Authority and, then, only to the extent set forth therein.

4 SCOPE OF WORK

4.1 GENERAL

The Authority Violation Processing Center (VPC) shall be established to develop and process violation notices to motorists using the facility without a valid interoperable transponder; to provide customers a place and format to communicate with the Authority; to make payments on violation accounts; update account information; and to handle disputes and/or appeals.

The Contractor shall provide and maintain the staff, software, hardware, systems, supplies, and services to operate and maintain a Violation Processing Center for the Authority and perform operations services in accordance with the Contract and current Fort Bend Business Rules for the duration of the operations and maintenance (O&M) Term. The Contractor shall support all of the violation transaction processing, data management, violation account management, customer service, and violation processing activities associated with Authority toll collections.

The Contractor shall test all of the equipment and software that is required to provide the operations and functionality described in these requirements. The Contractor shall be responsible for any software customization, design engineering, hardware and equipment installation, integration and configuration, testing, operations, database management, system administration, and maintenance of the VPC to provide a fully functional and operational VPC that meets or exceeds the requirements that are presented herein.

The Contractor shall provide software to monitor and report on the operations of the VPC Call Center, accuracy of the IVR call center statistics, training of CSR staff, and performance audits on an approved schedule using randomly recorded calls in addition to complying with other requirements of the Contract and Key Performance Indicators (KPIs).

The Contractor shall provide a multifaceted operation with multiple means of customer access with person-to-person interaction to be provided at a walk-in center located in Fort Bend County, TX, a call center located within the state of Texas inclusive of an IVR option, and web inquiry through a responsive web design.

The Contractor shall provide all necessary hardware and software to meet the requirements and service levels detailed herein. The solution shall be hosted and maintained at Contractor facilities as required. The Authority shall be provided access to all systems monitoring, reporting, and customer service applications. This access shall be configured in a read only manner as appropriate.

The following schedule milestones shall be adhered to:

Notice to Proceed	February 1, 2017
Project Schedule Approved	February 15, 2017
Project Management Plan Approval	March 1, 2017
Quality Assurance Plan Approval	March 10, 2017
Detailed Design Approval	April 15, 2017
Transition Plan Approval	May 1, 2017
All Documents Approved	May 30, 2017

CSC and Walk-in center Fully Functional	June 15, 2017
Onsite Full System Integration Testing Complete	June 15, 2017
Data Migration, Transition, and Go Live	July 10, 2017

The actual date of the Notice to Proceed milestone shall establish the remaining milestones.

The contractor is responsible for the Implementation of Fort Bend County's Toll Road Systems Business Rules, Toll Rate Order, policies and procedures as defined in this scope including but not limited to:

- System development work needed to meet the operational and functional requirements established by the Authority
- Procurement of administrative furnishings including specialized equipment, network communications, and operating materials and supplies
- Human resources including compensation structure/job categories and salaries, staffing, hiring, a training program for both new and retained staff, employee performance incentive programs, and human resources records and files
- Minimum PCI Merchant Level 2 Certification

4.2 PROJECT OVERSIGHT AND PROJECT CONTROLS

4.2.1 Project Staffing

The Contractor shall provide a qualified team to deliver the services described herein. The Contractor shall designate a Project Manager that shall serve as the Contractor's primary point of contact for the term of the Contract. The Contractor shall design an Operations Manager shall oversee all operational aspects of the Contractor's service during the O&M period.

The Project Manager shall meet the following minimum qualifications:

- Ten or more years of relevant experience
- Managed at least one project of similar size and complexity within the past five years
- Bachelor's degree in systems engineering, information technology, business administration or similar

The Operations Manager shall meet the following minimum qualifications:

- Five or more years of relevant experience
- Overseen at least one operations project of similar size and complexity within the past five years
- Demonstrated experience leading a toll operations engagement that includes postpaid billing functionality

The Contractor shall designate and provide other key staff as required including but not limited to QA / Test Manager, Business Analyst, and Systems Engineering Manager. These staff members shall be designated on the Contractor's organization chart. Any key staff replacement shall be subject to Authority approval.

4.2.2 Project Controls

The Contractor shall establish all necessary project controls to deliver and maintain the systems and services described herein. All project controls shall be detailed within the Project Management Plan subject to Authority approval.

Project control tools shall include but not be limited to:

- Project Schedule developed and maintained in Microsoft Project
- Risk Tracker; identification of risks, assessment of potential impact, mitigation strategies
- Action item tracking tool
- Monthly project status reports
- Monthly operational reports
- Monthly maintenance reports
- Monthly performance metric tracking reports

4.3 VPC TRANSACTION PROCESSING

The roadside toll system processes all ETC Transactions at a single flat rate (Tag Rate) at each respective toll location. All transactions that require image review are assessed a single flat rate (Non-Tag Rate) at the respective toll locations. Higher rates are charged to vehicles with three (3) or more axles. Image review will be conducted by the roadside toll system provider and a fully formed transaction inclusive of toll due, license plate details, a region of interest (ROI) image and an overview image will be provided to the VPC for processing.

Once in the violation lifecycle the Contractor shall assign varying penalties depending on the duration of time and at what point the violation is finally adjudicated. Transactions with a license plate not previously submitted to the DMV shall be processed to the DMV to obtain the Registered Owner's name and address connected with the vehicle. Subsequently, when the information is received back from the DMV, the transaction shall be filed into a violation account associated with the plate number and Registered Owner's name. Once this account reaches a threshold determined by the Authority the account shall trigger the next stage in the violation lifecycle, Initial Toll Notice (ITN).

An ITN shall be sent to any customer whose account reaches a predetermined threshold set forth by the Authority. From this point forward, the violator will have thirty (30) days to pay the expected amount before the next phase, Toll Violation Notice begins. An additional 30 days unpaid shall initiate the Final Toll Violation Notice (FTVN).

Each FTVN that goes unpaid or handled for a period of thirty (30) days will be subject to collections. Collections, which will be handled by others as designated by the Authority, will result in subsequent penalties to be added on to the previously expected amount. Once an account has been sent to collections, violators shall have ninety (90) days to pay the expected amount, or the account will enter the last phase of the violation lifecycle, the administrative hearing process.

The number of days associated with escalations is subject to change.

From a high level perspective, violation transactions will follow the diagram as seen in Figure 2:

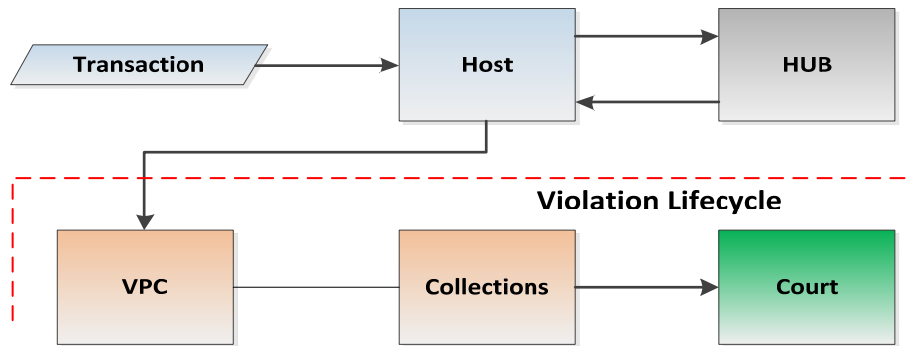


Figure 1: Violation Lifecycle

The administrative hearing conducted by the Court is the last phase of the violation lifecycle. All accounts that have been unresponsive to payment, or failed to meet their agreed upon obligations, will be subject to an administrative hearing. The administrative hearing is also the last phase where a penalty will be added to the expected amount.

The administrative hearing held by the Court will be used to pursue violators to the fullest extent of the law. The Contractor shall prepared evidence packages on behalf of the Authority for use in the administrative hearings.

4.4 REGISTERED OWNER

To obtain the required Registered Owner information, the Contractor shall utilize an interface with up to ten (10) Department of Motor Vehicles (DMV) agencies per the Business Rules, or other equivalent registration organization, to send vehicle plate information associated with a transaction. Upon sending such information, the VPC shall obtain the owners name and address for the day and time in which the violation occurred so that a customer account can be set up if one does not already exist. If multiple address and owners are associated with one vehicle each shall be saved and the first listed owner shall be sent the corresponding Initial Toll Notice (ITN). If the first listed owner cannot be reached the second owner shall be sent the ITN.

4.5 TOLL NOTICE

The Contractor shall develop and mail customers an ITN, by U.S. mail, which shall include at a minimum:

- Registered Owner name
- Registered Owner address
- Invoice generation date and time
- Each violation event
 - Offense date
 - Time
 - Amount due
 - Location (lane, plaza)
 - Classification

- Vehicle license plate image and overview image (best available images provided via fully formed transaction from roadside toll collection)
- Vehicle license plate state
- Trespassing language

In the event that that a notice with a balance higher than a configurable monetary threshold is returned because of an incorrect or new address a Contractor provided skip trace shall be used to try and track down a more recent address. Skip tracing functionality shall be configurable such that the Authority can direct whether to utilize the functionality or not. If multiple addresses are found a notice shall be sent to each one with the 30 day period starting over. Notices shall not be sent to an address that has been determined as incorrect.

Each Toll Violation Notice (ITN, TVN, and FTVN) and other such documents issued by the VPC shall have a barcode associated with the document. The barcode shall be used to quickly archive and associate a document with a violation account. These documents and others received by the VPC in relation to a specific violation account shall be saved in an electronic document management system. Once in the system a Customer Service Representative shall be allowed to query a customer and see any document affiliated with that customer.

The layout and design of all notices and other correspondence shall be reviewed and approved by the Authority.

4.6 COLLECTIONS

It is the Authority's intent to assign collections processing to a separate service provider(s). Collections will result in customer contact and penalties assigned to the violation account balance in accordance with established business rules. The Contractor shall establish all necessary electronic interfaces and reporting with the collections service provider(s) to facilitate automated account status updates per the Business Rules.

The Authority reserves the right and option to have the Contractor manage the collections process as an optional service via supplemental agreement.

4.7 COURT PREPARATION

Once a violation account has progressed through the Collections period without formal resolution the Contractor shall be required to organize a court preparation package to submit to the Authority and/or the Court. The court preparation package shall contain relevant information as it pertains to a violation account that shall be electronically transmitted to the Authority for further action. Any account that the Authority has not taken to court shall remain open.

4.8 FEES

The following administrative fees shall be assessed to each TVN at a defined time throughout the violation lifecycle:

- Initial Notice Fee

- Violation Fee
- Final Violation Fee
- Court Fee

In accordance with the Business Rules each fee shall carry a separate dollar amount associated with it. While fees will be assessed based on the violation lifecycle, there shall be the ability to waive certain fees.

The Authority is considering a notice based fee for the toll violation notices in place of charging a fee for each unpaid toll. The fee shall be established based on the cost of preparing, mailing and managing the toll violation notice process. The Initial Toll Notice (ITN) includes all transactions for a given license plate during a specified period of time (default 10 days). Each ITN would be assessed a default Initial Toll Notice fee (default \$2.50). Fees shall increase with subsequent violation notices.

The Contractor shall be capable of supporting transaction based fees and notice based fees subject to the direction of the Authority.

4.9 FLAGRANT VIOLATOR LIST

The Contractor shall be required to create a flagrant violator list. The flagrant violator list shall be transmitted to the roadside tolling system daily and incrementally as needed. The flagrant violator list is comprised of vehicles that owe a configurable value (currently \$1,000) or more in tolls and penalties.

The Authority utilizes Law Enforcement to regulate violators on the road that have in excess of \$1,000 outstanding in tolls and fees, or have been labeled as a prohibited vehicle. Law Enforcement will be notified by the lane system when such a vehicle has used one or more of the tolling segments. If a vehicle has been stopped for using the road Law Enforcement will use a dedicated phone line available from 7 AM to 7 PM Monday through Friday to call a trained supervisor at the VPC to confirm the violation account balance before appropriate action is taken.

4.10 TOLL NOTICE PAYMENT

The Contractor can collect a Toll Notice Payment at any stage throughout the violation lifecycle. While payments shall be applied on a First in First out (FIFO) basis, users are allowed to make partial or complete payments at any time. Acceptable forms of payment shall include:

- Credit Card
- Debit Card
- ACH
- Cash
- Money Order
- Cashier's Check
- Personal Check

For violation customers who send payment in the form of personal check a returned check fee shall be assigned for those checks that are returned. The violation account shall remain open and a subsequent notice shall be sent out.

The VPC shall be Payment Card Industry (PCI) compliant. Annual PCI certification evidence shall be provided to the Authority. The initial certification shall be provided prior to the commencement of operations.

Proposers shall be required to have operations and payment processing centers in the state of Texas. The VPC operator shall be required to provide the following:

- Accept payments over the web, mail, phone
- Establish a process for violators to pay cash within Fort Bend County
- Explain how payment processing will be managed

4.11 PAYMENT PLAN

Payment plans are allowed to those customers whose account balance reaches \$200 or more. Payment plans shall only be offered to those customers who agree to the payment plan terms as defined by the Authority. Once in a payment plan a violation event associated with the account will result in immediate default of agreement. Once in default the account is subject to additional penalties as outlined within the terms of the agreement.

4.12 REVENUE MANAGEMENT

Daily and/or monthly reconciliation at the facility / roadway / toll zone level shall be provided to the Authority by the Contractor. Reconciliation activities at the facility / roadway level shall include but not be limited to the following:

- Transactions received from and processed to the lane system host
- Deposits to bank transactions
- Revenue category to revenue source
- Revenue by reporting entity
- Tolling system to Fort Bend County G/L for applicable accounts

4.13 VPC CALL CENTER

The Contractor shall provide staff, software, hardware, and any other equipment with the functionality needed to support the VPC administrative tasks as well as operational tasks. The call center shall support customer calls in regards to payments, disputes, reversals, inquiries, and questions for a duration no shorter than 9 hours (8:00 am to 5:00 pm Central Time) five (5) days a week. The call center shall have bilingual staff (English and Spanish). The call center shall provide the Authority a dedicated number where law enforcement agents can call a VPC supervisor and check the current account status of violators on the road. This will allow law enforcement agents the ability to get the most current information about an account before more severe action is taken on the road.

The Contractor shall fully equip and staff the VPC to provide the toll services to support:

- IVR & automatic call distribution (ACD) functionality
- Customer communication and correspondence
- Violator accounts

- Payment processing locally or via a lock box (payments shall be mailed to an address within Fort Bend County, Texas)
- Document scanning and uploading (associating documents or files with accounts accessible within VPC software)
- Linking all email (inbound and outbound) correspondence to accounts in an automated fashion
- Notice development and processing
- Transaction processing
- Quality control
- System administration

The Contractor shall be required to operate a single walk-in center storefront in Fort Bend County, Texas where customers can obtain information about the Authority projects and facilities, make payments, resolve violations, and manage their violation accounts in person or by phone. This walk-in center shall be required to have electronic and telephone connectivity to the Authority and the VPC. The walk-in center shall be open from 8:00 a.m. to 5:00 p.m. Monday through Friday. The location of the walk-in center is subject to Authority approval.

4.14 WALK IN CENTER

The Contractor shall be required to operate a single standalone walk-in center storefront in Fort Bend County, Texas where customers can obtain information about the Authority projects and facilities, make payments, resolve violations, and manage their violation accounts in person or by phone. The walk in center is required to be staffed with a minimum of one CSR with counter space for the processing of violation payments. The walk in center shall be sized to meet the performance requirements established in Attachment C. This walk-in center shall be required to have electronic and telephone connectivity to the Authority and the VPC. The walk-in center shall be open from 8:00 a.m. to 5:00 p.m. Monday through Friday. The center should have parking available for at least five vehicles and be signed for easy identification. The location of the walk-in center is subject to Authority approval.

4.15 WEBSITE

The Contractor shall establish a link on the Authority website that directs customers to the VPC operator's site. This site shall contain information about the violation process, contact information, and pertinent information in regards to motorist, violators, and the general public. The website shall have the same look and feel as the Authority website and allow for violators to look up information as it relates to a violation account as well as information regarding TVNs. Additionally, the website shall allow customers to make payments. The website must include both English and Spanish pages.

The customer website shall allow customers to:

- View their notice(s), all photos, total amounts due, status of contested violations, and notifications
- Pay violations in full or partial amounts
- Print payment confirmations
- Appeal or contest violations and provide evidence
- Select multiple violations at once to contest and upload evidence
- Provide an alternative contact name and mailing address for future violation notices

4.16 VPC SYSTEM

The Contractor shall incorporate the Authority model (Business Rules, RFP, and SOP) into their existing system with minimal developmental effort. Development shall be limited to those enhancements that the existing system does not currently offer. The Authority is seeking a Contractor that already has the capabilities to handle the business rules and requirements in the RFP and can provide the following functionality with a proven solution:

- Account management
- Payment processing
- DMV lookup
- Violation processing
- Collections (optional)
- Court package preparation

The Contractor shall ensure the system maintainability, accuracy, reliability, security, and availability over the term of the Contract. The system shall satisfy, at a minimum, the following requirements:

- 1) The VPC System shall provide up-time availability according to the KPIs
- 2) The VPC System shall allow scheduled preventative maintenance activities to be performed while the VPC System is online. Preventative maintenance actions shall be transparent to operations and shall not introduce any degradation in performance.
- 3) The VPC System shall allow for the addition of new facilities and associated reporting by facility.
- 4) The VPC system shall include features to assure the security and integrity of all data collected and processed by the VPC. The system shall accurately and correctly process 100 percent of all data collected. The system shall employ redundancy as needed to meet the required availability and functionality requirements and to protect against data loss and data corruption. Data loss includes the loss of any account data, payment information, transaction, transaction history, any system configuration or operational information, or any other information that would negatively impact operations of the VPC. Communication transmissions shall employ reliable means of confirming sent data is accurately received.
- 5) The system shall be designed to protect against data loss caused by equipment malfunction and failure, inadequate data storage capacity, communication loss, power outage, voltage drop or surges, extreme temperatures, deletion by unqualified and unauthorized users, or software attacks (i.e., rogue users/hackers, virus attacks, etc.).

Storage of data shall meet the following minimum requirements:

- 1) 2 years of violation transactions, images, and account activity stored online and available through the website to customers
- 2) 2 years of files exchanged with any third parties including Contractor subcontractors, DMVs, cash payment networks, or collection agencies
- 3) All CSC reports shall either be stored online or readily accessible to produce during the contract term, including any extensions, or as required by law
- 4) All data shall be readily available to the Authority without having to request a query from the Contractor

- 5) All data mentioned above may be moved to offline electronic storage after the minimum period of online storage has expired and in no case shall personally identifiable information be stored for more than 54 months

4.17 INTERFACES

The Contractor shall be required to operate and manage interfaces required to support the successful operations of the VPC. Interfaces shall include but not be limited to:

- Payment processing
- Data exchange with the toll system host
- DMVs (up to ten per business rules)
- Address validation and skip trace services
- Collection agency(ies)

4.18 VPC TRANSITION

The Contractor shall develop a detailed plan for the process to be used to transition from the existing Violation Processing Operator and system to the new VPC and system including details of the means to be used to ensure continuing provision of the Toll Services throughout the transfer process. Upon submittal this plan will be reviewed, required changes identified and then approved by the Authority.

4.19 OPERATIONS AND MAINTENANCE

The Contractor is responsible for day-to-day system operations and maintenance as well as the operations of the VPC and mail house processing. The Contractor is required to provide monitoring tools to effectively track and manage operations with the goals of optimizing efficiency, performance and customer service. The Authority shall be granted read only access to all system monitoring tools via a secure Contractor maintained interface. The Authority requires the Contractor to provide alerts to identify backlogs and problems on a timely basis.

Dashboard functionality shall be provided facilitating real time monitoring of ongoing operations and system performance. Dashboard is defined as an easy to read, often single page, real-time user interface presented within a web browser, showing a graphical presentation of the current status (snapshot) and historical trends of the Authority's key performance indicators to enable instantaneous and informed decisions to be made at a glance. A report shall not in any way constitute a dashboard. At a minimum the O&M dashboard shall reflect the current status and trending status of all performance requirements subject to the Authority's approval.

The Contractor shall prepare and submit for review and approval an Operations Plan that documents their approach to all aspects of the operations of the VPC. The Operations Plan shall be submitted 90 days prior to commencement of operations.

The Operations Plan shall include but not be limited to the following:

- Identification of each service and activity to be provided
- Details for performing the O&M Work (staffing levels, equipment lists, supplies list, use of Subcontractors, other service contracts, etc.)

- Description of how Key Performance Indicators will be monitored, attained and maintained in accordance with the O&M QMP
- General guidelines and organization of Standard Operating Procedures, and training manuals
- Report structures, schedules, and deliverables
- Coordination with the Authority
- VPC Commencement activities
- VES procedures – e.g., notification and enforcement
- QA/QC and continuous improvement processes

During the O&M Term, the Contractor shall hold monthly meetings with the Authority to discuss the O&M Work. Items to be discussed shall include O&M Work during the previous month, including O&M monthly reports and any other O&M reports for which the Contractor is responsible for pursuant to the contract. The Contractor shall cause its Subcontractors to be present at any O&M meetings as reasonably requested by the Authority.

4.20 CERTIFICATIONS

The Contractor shall at a minimum be Statement on Standards for Attestation Engagements (SSAE) 16 certified. SSAE No. 16 reporting on controls at a service organization was finalized by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA) in January 2010. SSAE 16 effectively replaces Statement on Auditing Standards (SAS) 70 as the authoritative guidance for reporting on service organizations.

4.21 REPORTING

All reports shall support selection of a discrete roadway facility and / or toll zone (e.g. Westpark, Grand Parkway, etc.) prior to report generation.

4.21.1 Financial Reports

The Contractor shall provide a full set of financial reports available upon demand. The reporting system shall be configurable to allow for changes in reporting requirements. Financial reports shall be available as frequently as daily and shall be available upon demand. The reports interface shall be browser based and readily accessed by the Authority via secure virtual private network connection or similar secure connection.

The Contractor shall allow for the running of reports from the current and prior accounting periods.

The Contractor shall report on transactions and revenue daily.

The Contractor shall provide a monthly finance package within 10 calendar days of the end of the month which shall include the following:

- Financial statements
- Reconciliation of all violation transactions
- Aging of violation receivables

- Reconciliation of collection balances and activity to the collection agency
- Violation receivable aging showing resolution and payment by processing stage and number of days aged; age of transactions by processing status

4.21.2 Customer Service Center Reporting

The Contractor shall create and schedule reports to support necessary reporting and operations functions as specified within these requirements to perform the work discussed within these requirements, and to provide measurements for KPIs. These reports shall be run from a dedicated reports environment and shall not inhibit resources available for the Authority to conduct queries as specified above. Some of these reports include:

- 1) Trend reporting
- 2) Financial reconciliation
- 3) Transaction reporting
- 4) Aging reports for violations indicating the stage each violation was resolved or remains open
- 5) Transaction, image, and image rejection rates and reason codes
- 6) Payment processing details
- 7) Violator report lists including egregious and chronic violators as defined in the Business Rules
- 8) Phone system and IVR reports including utilization rates by day and time of day, queue wait times, call duration times, call types and other information by day, user, and other parameters to measure and improve CSR performance, improve system functions, and calculate KPIs
- 9) Customer website reports including utilization, uptime, visitor data, view and hit trends, among other measures and
- 10) Transaction dismissal or write-off by specified date range, reason code, employee identification number, and transaction type

4.21.3 Standard Reporting

The Contractor shall provide standard reporting functions from the production/live environment to support critical notifications and alerts. These shall include:

1. QA/QC
2. Reconciliation Audit, and Internal Control plan
3. Customer communications, including statements, violation notices, and all other correspondence broken down by method (email or mail), etc.
4. Returned mail
5. Violation account opening and closing, net accounts

5 SYSTEM TESTING

Prior to system commissioning, the VPC system shall be thoroughly tested to validate that all requirements are met and that the system is capable of meeting the business requirements set forth by the Authority. Prior to the start of each test, the Contractor shall submit test procedures to the Authority. Once reviewed and accepted, the Contractor will be allowed to conduct the Authority witnessed testing. Testing shall take place in a phased approach with the first phase being prototype/demonstration testing. Authority approval is required prior to test phase completion and advancement to the subsequent phase of testing.

5.1 PROTOTYPE/DEMONSTRATION TEST

Prototype/Demonstration testing shall be done onsite at the Contractor's facility to validate that the functional and technical elements of the system are capable of meeting the requirements. This test shall be done using simulated or test data as not to affect the current VPC production system. During this demonstration, the Contractor shall be required to provide at a minimum:

- All necessary equipment and resources required for the demonstration
- Test schedule
- Test procedures

Within five (5) days after the Prototype/Demonstration Test has been successfully completed, the Contractor shall submit a report of the results. The report shall include but not be limited to the following:

- A summary of the overall test results highlighting the general conclusions of the testing and any problems found and corrected
- An appendix containing the test results and data used in evaluating the system's operational performance

5.2 INTERFACE TEST

Interface testing shall be done to validate that functional and technical interface elements of the system are capable of meeting the requirements. This test shall be done using simulated or test data as not to affect production systems. Prior to the start of interface testing, the Contractor shall validate conformance to the roadside system integrator's Interface Control Documents (ICD) so that information can flow back and forth between the two systems. During the test the Contractor shall be required to provide at a minimum:

- Conduct functional, technical, and peripheral testing of all interfaces. Testing should include exchanges to/from each interface (Toll System Host, DMV, etc.)
- Test schedule
- Test procedures

Within five (5) days after the interface testing has been successfully completed the Contractor shall submit a report of the results. The report shall include but not be limited to the following:

- A summary of the overall test results highlighting the general conclusions of the testing and any problems found and corrected.
- An appendix containing the test results and data used in evaluating the system's operational performance

5.3 ONSITE FULL SYSTEM INTEGRATION TEST

The Onsite Full System Integration Test shall be done to validate that functional and technical interface elements of the system are fully integrated and capable of meeting the requirements through the use of live data from the lane system. During this test, the Contractor shall be required to provide at a minimum:

- Demonstrate and validate that all internal system interfaces between functional components are fully developed and integrated
- Actual data from the lane is used (simulated data can also be used to supplement traffic if needed)
- Information exchange to include at a minimum (Flagrant Violator List, Plate List, Transactions, V-Toll transactions, Images
- Demonstrate end-to-end data flow between all the systems
- Stress testing
- Test schedule
- Test procedures

Within five (5) days after the Onsite Full System Integration Test has been successfully completed, the Contractor shall submit a report of the results. The report shall include, but not be limited to the following:

- A summary of the overall test results highlighting the general conclusions of the testing and any problems found and corrected
- An appendix containing the test results and data used in evaluating the system's operational performance

5.4 OPERATIONAL TEST

Operational Testing shall last for a period of sixty (60) consecutive days to verify that all functional elements of the system are in conformance with the Authority's technical, functional, and operational requirements. The Operational Test shall commence 30 days after go live. At a minimum, the Contractor shall be required to provide:

- Full functional, technical, and peripheral testing
- Interface testing
- Processing of actual lane data

- Adherence to performance and accuracies, and financial audit and reconciliation
- Test schedule
- Test procedures

Within five (5) days after the Operational Test has been successfully completed the Contractor shall submit a report of the results. The report shall include but not be limited to the following:

- A summary of the overall test results highlighting the general conclusions of the testing and any problems found and corrected
- An appendix containing the test results and data used in evaluating the system's operational performance

5.5 PERFORMANCE AUDIT

The performance audit shall define controlled test procedures for evaluating the system on an annual basis to ensure that system reliability and accuracy has not degraded over time and that the system continues to satisfy the functional and performance requirements. Procedures should be similar to those defined for the operational test. The Contractor shall also incorporate selected Authority defined ad hoc tests into the Performance Audit Test procedures.

The performance audit shall be conducted by the Contractor and take place annually beginning eleven (11) months after the completion of the Operational Test. The audit shall utilize transaction data, reports, and image review data for at least the thirty (30) Days preceding the performance audit for the analysis. The Authority may choose to perform ad hoc operational testing as part of the performance audit. A performance audit will be deemed successful by the Authority if it is determined that the audit shows that the system requirements presented herein are met.

Within ten (10) days after the performance audit has been completed the Contractor shall provide the Authority a report of the results from the test period. The report shall include but not be limited to the following:

- A summary of the overall test results highlighting the general conclusions of the testing and any problems found and corrected
- An appendix containing the test results and data used in evaluating the system's operational performance

5.6 TEST PROCEDURES

The Contractor shall prepare detailed test procedures for all tests with respect to the requirements detailed in this document. The test procedures shall cover the following, at a minimum:

- Test explanation and purpose
- Test set-up
- Entry and exit criteria
- Step-by-step procedures for controlled tests
- Pass/Fail acknowledgement
- Expected results for each step

- Mapping to requirements

Test procedures shall be submitted to the Authority for approval prior the start of the test. No testing shall take place until approval has been granted. Automation in lieu of paper shall be utilized to the greatest extent possible when tracking, executing, approving and reporting on test progress.

5.7 TEST REPORTING

The Contractor shall submit a written report documenting the results for all tests performed and comparing them to the expected results. The test report shall include all applicable test data utilized to verify the outcome of the test in an appendix to the report. A log of modifications to the system, including software and hardware, during each test shall be maintained in the test report. Any revision to a test report or a subsequent test report shall include all applicable software and hardware versions and revision logs from the previous report. Upon the Authority's acceptance of the successful completion of each test report, the Contractor shall be given the authorization to move forward.

6 DOCUMENTATION

The Contractor shall submit project related documents and drawings to the Authority. Each document shall be properly titled, dated, versioned, and shall include signature blocks where needed. Required project documents shall include but are not limited to:

- Project Management Plan (PMP) – Define the approach to management, control, and execution of the project
- Project Schedule – detailed schedule depicting all tasks and milestones
- Quality Assurance and Audit Plan (QAP) – Outlines the quality procedures used for the project and the effort provided by auditors to ensure quality production
- Detail Design Document (DDD) – Detail all aspects of the system design addressing technical and functional requirements for the project
- Master Test Plan (MTP) – Defines the different test phases, procedures, and scripts for each test with traceability to the system requirements
- Transition Plan – Details the transition schedule and activities required to transition from the existing system to the new system
- User/Training Manuals – Documents all processes for users to operate the system and will be used for training purposes
- Standard Operating Procedures (SOP) – Defines Contractor standard operating procedures

6.1 PROJECT MANAGEMENT PLAN

The Contractor shall submit a Project Management Plan (PMP) to the Authority. The PMP shall be used as a guide to both project execution and control capturing the entire project end to end. The PMP shall include but not be limited to the following topics:

- Overview
- Scope (Requirements, deliverables, work breakdown structure)
- Schedule (Activities and project milestones)
- Communication (Communication type and channels for reporting)
- Issue escalation process
- Risk management plan

6.2 PROJECT SCHEDULE

The Contractor shall submit a Project Schedule to the Authority. The schedule shall depict all tasks and milestones leading up to successful transition to the operations and maintenance phase of work. The project schedule shall be developed using Microsoft Project and shall be updated and submitted in its native file format electronically on a biweekly basis. A baseline shall be established upon the initial approval of the project schedule.

6.3 REQUIREMENTS TRACEABILITY VERIFICATION MATRIX

The Contractor shall develop and maintain a Requirements Traceability Verification Matrix (RTVM). The RTVM shall be updated and submitted to the Authority no less frequently than biweekly. The RTVM shall track all requirements, derived requirements, and business rules throughout the design, development, testing, and integration phases of work. Derived requirements are defined as detailed requirements derived from functional requirements to meet the collective project requirements. Derived requirements shall also be identified and documented as required during detailed design.

The RTVM shall validate that discrete requirements, derived requirements, and business rules are addressed within the design and test plans. The RTVM shall verify that all requirements, derived requirements, and business rules are successfully tested and implemented.

The format of the RTVM shall be subject to Authority review and approval.

6.4 DETAIL DESIGN DOCUMENT

The Contractor shall submit a Detail Design Document (DDD) to the Authority. It shall include such detail as block diagrams, screen layouts, report formats, software design, operational procedures, and other pertinent design documentation.

The topics to be addressed in the DDD shall include at a minimum the following:

- System architecture including diagrams
- Detailed server design
- Detailed storage system design
- System transaction processing and processing / storage sizing and calculation details
- Reports environment
- Developed/provided software
- Technical specifications
- Detailed database scheme
- System data dictionaries
- Database design and entity relationship modeling
- Self-service website site map

Within ten (10) days of submittal of the DDD the Contractor shall conduct a Critical Design Review (CDR). The CDR shall be a formal presentation to the Authority addressing how the design and development of the software and hardware meet all project delivery, functional, and performance requirements. The CDR shall also include information on identified risks and the associated mitigation, and review the quality assurance methods that will verify and screen the implementation of the designed System. The CDR presentation shall last no more than one business day.

6.5 QUALITY ASSURANCE PLAN

The Contractor shall submit a Quality Assurance Plan (QAP) to the Authority. The QAP shall be used as a guide to the planned and systematic activities implemented by the Contractor and used to verify

requirements that shall be fulfilled for the length of the project. The QAP shall include but not be limited to the following topics:

- Quality management organizational structure
- Approach to software quality assurance
- Approach to hardware quality assurance
- Approach to installation quality assurance
- Approach to resource quality assurance
- Approach to operations and staffing quality assurance
- Reporting (how and when)

The contractor shall assign a QA reviewer who shall be responsive to the Authority's performance issues and the contractor's timely response to issue resolution.

6.6 TRANSITION PLAN

The Contractor shall submit a Transition Plan to the Authority. The Plan shall be used as a guide to evaluate the integration of the VPC with that of the lane system and the transition from the existing VPC system. The Transition Plan shall include, but not limited to the following topics:

- Integration outline
- Integration schedule
- Integration tasks
- Key decision points (to assess project progress)
- Data integrity
- Customer outreach
- Notice transfer

6.7 USER/TRAINING MANUALS

The Contractor shall submit a User/Training Manual to the Authority. The Training Manual shall be used as a guide for new users on the system and shall be used when training new or existing staff. The Training Manual shall include but not be limited to the following topics:

- Description of the training program
- Qualification for training leader/participant
- Training activities and lessons

6.8 MASTER TEST PLAN

The Contractor shall submit a Master Test Plan (MTP) to the Authority. The MTP shall describe each of the testing phases in detail and how each of the phases shall be used to validate the system against requirements. The MTP shall include but not be limited to the following topics:

- List and description of each testing phase

- Detailed test procedures
- Sample test report
- Testing schedule

6.9 STANDARD OPERATING PROCEDURES

The Contractor shall submit Standard Operating Procedures (SOP) to the Authority. The SOP shall describe the Contractor's standard processes and procedures by providing step-by-step instructions that enable the Authority to understand how the VPC operates on a daily basis. The SOPs shall serve as a framework for organizational policy and written documentation of best practices. The SOPs shall be used as the primary foundation for job descriptions, employee training, corrective action and discipline, and performance review.

6.10 BUSINESS CONTINUITY PLAN

Prior to the start of the O&M Term the Contractor shall submit a Business Continuity Plan for the Authority review and approval. The plan shall document the Contractor's day-to-day policies, guidelines, and procedures for ensuring that the functionality and operations shall be fully available and meet the Key Performance Indicators. The plan shall address at a minimum management, staffing, communications with the Authority staff, facilities, software applications, computer hardware, network communications, operations, maintenance, and issue identification, escalation, and remedies.

The Contractor shall maintain, validate, test, and resubmit the Business Continuity Plan for review and approval by the Authority annually and after any material changes to the VPC, its architecture, location(s), or operations (including contracted services).

As a component of the Business Continuity Plan the Contractor shall develop and submit a Disaster Recovery Plan for Authority review and approval. This plan shall document how the Contractor will maintain or recover its operations in the event of a business interruption.

This plan shall include, at a minimum, the following:

- 1) Description of processes for backup of all software and configuration following each release of, or change to, the VPC software, including the disaster recovery site;
- 2) Implementation of a back-up VPC site with full database replication at a location in a different geographic region of the United States from where the VPC's primary operations environment is located;
- 3) Storage of one (1) year of data back-ups in a secure offsite location.

6.11 MAINTENANCE PLAN

Prior to the start of the O&M Term the Contractor shall submit a Maintenance Plan for the Authority review and approval. The Maintenance Plan shall describe and detail all Contractor activities associated with maintaining the VPC systems and operational elements to ensure compliance with all performance standards and key performance indicators.

6.12 DOCUMENT REVIEW AND APPROVAL

All documents shall be submitted to the Authority for review and approval. Unless otherwise agreed by the Authority ten (10) business days shall be allocated for document review. No more than two submittals shall be under Authority review at any given time. Should the Contractor not address all comments to the Authority's satisfaction subsequent review and approval iterations shall be required.

7 OPTIONAL SERVICES

The Contractor shall have the capability of providing the optional services defined herein.

7.1 TRANSPONDER DISTRIBUTION AND ACCOUNT MANAGEMENT

The contractor shall be responsible for transponder distribution and account management including:

- Asset management; procure, manage, and distribute toll tags
- Manage conversion to tag accounts
- Take applications for and distribute home agency transponders
- Establish and maintain interface(s) to the statewide interoperability hub as required

7.2 IMAGE REVIEW

The contractor shall be responsible for image review services supporting human image review of all images not automatically processed by optical character recognition / license plate recognition services.

The Contractor shall conduct a double blind image review on all violation transactions received from the roadside toll collection system with an OCR combined confidence value that is less than a value defined by the Authority. Any transaction that is reviewed on three (3) separate occasions that returns a dissimilar value each time will be removed from the image review queue and flagged for follow up by a supervisor. All image review shall be performed within the performance standard. A number of code off values shall also be used during the image review process. Code off values shall be configurable by authorized personnel. The final categories for image code off values shall be identified during the design process.

The Contractor shall provide the Authority reports that show an image reviewer's speed and accuracy by both position and shift. If a configurable number of code offs have been performed within a specified period of time, an alert shall be sent to the Authority alerting of a potential problem. Once images have been reviewed and assigned to a violation account, they shall be searchable by violation number as it pertains to the TVN, as well as by violation account number.

7.3 COLLECTIONS

The Authority reserves the right and option to have the Contractor manage the collections process as an optional service.

8 ADDENDA

- Attachment A – Business Rules
- Attachment B – Toll Rate Order
- Attachment C – Performance Requirements Matrix
- Attachment D – Pricing Sheets
- Attachment E – Draft Contract Agreement

EXHIBIT C

Connect.
Resolve.
Deliver.



COPY

Proposal for Fort Bend Grand Parkway Toll Road Authority
for Violation Processing Center Operator

October 14, 2016

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Attachment A - Resumes

Attachment B - Audited Financial Reports

Attachment C - Project Schedule

Attachment D - Sample Reports

SECTION TWO

Price Proposal Included in a separately sealed envelope

SECTION THREE (NOT APPLICABLE)

No Alternative Technical Concepts or separate price proposal included



Mike Stone Associates
October 12, 2016
Attention: Megan Browne
1950 Lockwood Bypass

RE: RFP for Violation Processing Center Operator

The Fort Bend Grand Parkway Toll Road Authority and Fort Bend County Toll Road Authority are soliciting the services of a qualified contractor to manage and service the payment processing associated with toll violations that occur on the Authority's roadways. SWC Group, a national leader with 40 years of experience providing accounts receivable management and consumer services solutions, including more than 10 years of toll and government collections, has provided a statement of qualifications to develop a program to meet the Authority's needs. We seek to provide value to the Authority, and by selecting us as your agency, we can offer the following benefits, which have been expanded upon within the proposal:

- Leveraging proven software specifically designed for accounts receivable management
- Enhanced financial reconciliation
- Extensive experience servicing the Fort Bend project area
- Customer-experience focused service approach
- Expanded convenience for customers to pay invoices at their local grocery, convenience or pharmacy retail locations
- Complete transparency of all customer interactions (access to all information at all times)
- Multilingual consumer service specialists to meet the diversity needs of the authorities service area
- Sophisticated technological resources and a seasoned team of information technology professionals to create or adapt as industry changes as exemplified through being PCI-DSS certified, SSAE16 Type II certified, and ISO 27001 compliant.

We partner with our clients to develop custom tailored solutions and have a proven history of exceeding expectations resulting in renewed contracts and expanded services offerings. We certainly understand the delicate balance that government agencies have in pursuing payment for services rendered.

Regarding the optional services, SWC has an existing agreement with a company providing image review services in Texas, California and Florida and can support all growth of system both expected and unexpected. The account management/tag distribution section of the pricing sheet was not completed as this process has multiple options that would materially impact pricing. SWC's solution is fully capable of account management and integration with either the current interoperability HUB or to an existing tolling entity, whichever the authority chooses as most beneficial after full review. Additionally SWC is prepared to deliver retail distribution throughout the service area using the InComm network.



I will be your primary point of contact during the selection process. I am an authorized officer of the company and have the authority to negotiate and commit on SWC's behalf. Thank you for the opportunity and consideration. Please feel free to contact me directly for additional information.

Sincerely,

Clayton Howe,
Vice President of Business Development
Phone: 972-300-1740; Email: chowe@swcgroup.com

Executive Summary

As the Authority identifies and engages with an account receivable management firm of its own, it is imperative to consider the unique opportunity available. There are many firms with the expertise and understanding of best practices within the tolling industry and “what” to do to increase levels of effective consumer support, but that should not be enough for your organization. It is the approach or “how” your potential resource achieves its success rate that will be the key. Consider the value of lessons learned from other industries performing exactly these same type of services. There are five differentiators SWC feels we offer in this area: successful track record and broad experience, customer-focused approach, transparency of actions, technical excellence, and creative problem solving.

SUCCESSFUL TRACK RECORD WITH BROAD EXPERIENCE. As you review the organizations your proposers have served, it will give you a clear indication of how their processes were formed. As an example, SWC has provided accounts receivable management services in the tolling industry for nearly 10 years. Originally engaged by the NTTA to perform services focused on identifying and contacting users of the road using the ORT lanes without the prerequisite prepaid toll transponder account, the relationship and subsequent services provided shifted dramatically as the tolling industry transformed to an all-electronic toll collection scheme in 2009. This change in business practice was not as quick and easy as a single sentence would indicate, SWC truly partnered with the NTTA to provide services outside of the original scope of work. In 2012 when the Texas Legislature changed the governing statute shifting the fee structure and approach, it was SWC that worked closely with the NTTA leadership to solve these operational challenges which included staff augmentation in the customer service center and renegotiation of contracted services. In fact, when other “leaders” in the toll account receivable management industry walked away from the NTTA, due to profitability shortfalls, it was SWC that stayed the course and made the necessary changes to overcome these unanticipated challenges. NTTA leadership identified SWC’s flexibility and commitment as one of the keys to their successful conversion to an all-electronic toll collection methodology.

By providing services for major leaders in more mature industries, such as AT&T, T-Mobile, and Verizon in the telecom industry; and Time Warner and Comcast in the cable industry, SWC had/has the experience to work with clients to develop tailored solutions to truly partner with a client to solve challenges and support continuous improvement of process and deliver results. The telecom and cable experience adds value to all work SWC delivers to the public sector clients. Although the company requires payment for services offered, they are focused on retaining these customers, so the process must be respectful and educational instead of aggressive and punitive.

CUSTOMER FOCUSED. An often used term in the industry; however, for SWC it is at the core of our corporate culture. One of the advantages a private sector firm has is that we can compensate our agents for great performance. The result is consistency beyond good intention. As an example, our agents can earn bonuses monthly for great compliance, customer experience management scores, as

well as productivity. SWC records every call received and uses voice analytics as well as traditional quality monitoring to provide a score on every interaction. Our process includes calibration sessions with the client to make certain the desired tone and approach is established and understood. The training and compensation structures are designed to support the desired outcome.

COMPLETE TRANSPARENCY. The customers we serve are the Authority's customers, and we understand that. Your staff will have access to log into our system at any time to review and monitor any activities. The account file will include PDF's of all written communications, playable recordings of all calls and access to any notes, payment plans, and actions taken by our firm to support your goals. Our goal/ mandate is to deliver respectful and informational support to the Authority's customers in assisting them to resolve unpaid transactions. Another key to transparency is providing the reporting in a manner that delivers the information in a medium that supports your needs. During implementation, SWC staff will work closely with the Authority's team to identify, define and develop custom reports that deliver the data in a useful format. Our experience tells us that needs will change during this contract, and SWC has a flexible and proven platform to support changes in reporting and data mining using Tableau.

TECHNICAL EXCELLENCE. In today's world, the last thing the Authority needs is to make the media, adding to the growing number of organizations being hacked and their customers' information being breached. SWC uses encryption technology for file transport (SSH/SFTP) and encryption at rest for non-public information or personally identifiable information in order to protect sensitive data. SWC is PCI-DSS compliant, SSAE16 certified, and is compliant with ISO 27001.

CREATIVE PROBLEM SOLVERS. SWC works directly with our clients to identify pain points and deliver solutions as alternatives. Whether this is within the scope of the work we are contracted for, or as a consultant to develop an unanticipated solution. A couple of examples resulting from our work with NTTA include the following: (1) TollMaxx (TollMaxx.com) was developed to address a request to eliminate the challenges of financial reporting of earned but unrealized revenue. In simple terms the tolling agency forwards a transaction with ownership information (not necessarily current) and SWC pays the tolling agency for the toll. This solution was developed to eliminate the collection risk for the tolling agency as they are paid within 30 days of submitting the information to SWC, and it simplifies the accounting process. (2) The other recent example is one of our customers identified their account process for smaller regional fleets was increasing their costs and the fleet customers were not pleased with the options. SWC developed Elite Toll Account which offers the fleet customers a post transaction account where SWC maintains the collection risk. We met with several potential fleet customers and developed business rules to support their specific needs or requirements to reduce their operation pain and to promote a successful relationship with the tolling agency.

As you review and consider our response, it is important to understand that for SWC the "how" we deliver our service is just as important as the defined "what" we are contracted to deliver.

Statement of Qualifications

Summary of Company Background

OVERVIEW

Founded in 1974, SWC is one of the nation's leading accounts receivable management and consumer services provider. We are the go-to firm for full service account receivable management services throughout the entire account cycle, from the initial consumer support contact reminding them to pay their recently delinquent accounts, to collecting on accounts that are severely past due. Additionally, we can provide outsourced/supplemental customer service solutions and guaranteed toll solutions.

CUSTOMER-EXPERIENCE ORIENTED PHILOSOPHY

As a public agency, the Authority has a responsibility to maintain a positive reputation and goodwill with consumers. As an agency acting on your behalf, it is critical that our actions maintain your commitments.

We take a customer-experience focused approach enabling us to connect with consumers to resolve accounts, while helping them to maintain positive relationships with the Authority. We handle all consumers with the utmost respect and care. Our goal is to help consumers resolve their account with integrity and in a timely manner. SWC knows that a good customer experience is critical. We have built our systems and procedures to ensure that this happens. SWC records all calls and then we process them through CallMiner, our speech analytics platform, to measure the effective quality assurance score for each call. All agent incentive plans are tied to monthly quality assurance score cards. The Authority's business rules will be built into the Latitude software platform such that consumer service specialists cannot deviate from standard processes without management knowledge and approval. We provide them with convenient payment options and can set up scheduled payment plans to help them stay on track with payments. While our ultimate objective is to improve receivables for the Authority, we understand the importance of maintaining goodwill with your consumer.

As an added benefit to consumers, SWC has a consumer care site (www.swcconsumer.com) which features a consumer login portal. Consumers will have the ability to access and make payments on their accounts or invoices online at their convenience.



SWC's management team with the North Dallas Chamber of Commerce 2015 Business of the Year Award. From left to right: Vamsi Bogullu, Systems Engineering Manager; Jeff Hazzard, Project Manager; Ken Peck, Client Solutions Manager; Jeff Hurt, CEO, Kwan Butler, Operations Manager, Lori Monk, VP of Finance, Clayton Howe, Principal-In-Charge

REPUTATION

SWC's mission is to provide our chosen partners with professional accounts receivable management and consumer service solutions based on value, integrity and performance. We provide value-added services to our clients by becoming an advisor that provides a consultative approach. Integrity and compliance are the bedrock of everything that we do at SWC. We implement winning consumer support strategies to deliver consistent top performance to each client.

SWC has a reputation for consistently providing high-level performance to our clients, which we believe is one of the primary contributors to our company's success and growth over the years. We have a reputation for long-term partnerships with our clients proven by the fact that we provide services for several different verticals and divisions for multiple clients. AT&T has been a client of our since inception – for more than 40 years. SWC has a reputation of handling consumers professionally and ethically. This is evidenced by the fact that we have not been found guilty or in violation of any federal, state or local rules or regulations. We have a reputation of being completely transparent with our clients. The Authority's staff will be given access to log on to our system to review and monitor activities at any time. Additionally, we provide regularly scheduled reports so that the Authority will always be aware of current performance. SWC has a reputation for technical excellence and a solid security infrastructure.



CEO Jeff Hurt has more than 20 Years of Experience and is the President of ACA of Texas.

Summary of Qualifications Meeting or Exceeding Requirements Defined in Section 2.8

SWC Group meets the minimum qualifications as stated below:

Proposer must be authorized to do business in the state of Texas

SWC is a Texas-based Limited Partnership. We have a Certificate of Fact designated to us which authorizes us to conduct business in the state of Texas. Additionally, we are licensed, registered and bonded to perform consumer support and collection services in the state of Texas and throughout all 50 states, including Puerto Rico, as required.

Proposer shall have successfully delivered and operated within the past five years at least two back office systems within the United States

SWC's key personnel have successfully delivered and operated two back office systems within the past five years. SWC managed the back office system for the North Texas Tollway Authority for nearly nine

years. We supported both their first party and third party collection systems. Detailed information regarding this relationship has been included in the Relevant Experience section that follows.

Additionally, SWC's key staff: Jeff Hazzard, Project Manager; Kwan Butler, Operations Manager; and Ken Peck, Client Solutions Manager for the project, all worked together and provided account receivable management and back office services for the Illinois Tollway Authority.

Proposer shall have successfully commissioned a back office system or roadside toll collection system in the state of Texas within the past five years demonstrating knowledge of Texas interoperability and the ability to implement a solution based upon Texas business rules

The tolling industry has evolved over the last eight years, with a shift from paying cash in the lane, to an accounts receivable process to support video transactions and violations. SWC is an expert in accounts receivable management, providing a full range of services for many of our clients: including invoicing, call center, walk up options and financial reconciliation as well as custom developments to address specific revenue "pain points". During the past five years SWC represented NTTA and Conns as the initial consumer contact for account management. Account receivable management in the tolling industry is the activities associated with taking a transaction, locating the party, communicating, and reconciling the account or invoice. There are many nuances specific to tolling, however the foundation and tools to deliver these services successfully have been developed, implemented, adjusted and re-implemented for decades in other industries. Last year SWC processed over \$2.5 billion in accounts with an average balance of about \$600.

Tolling agencies are developing expensive custom applications to address this process. SWC has determined that this does not have to be the case. Our approach is to support these activities with software solutions that are flexible and completely configurable to most of the special needs of our clients. As a result of our excellent track record, we continue to provide services and solutions to several Fortune 100 firms, detailed in our staff experiences.

SWC provided technical and back office solutions within the past five years to the North Texas Toll Authority, the largest toll authority managing and operating toll roads, bridges and tunnels in the North Texas area. We were NTTA's sole provider of third-party collections services and provided invoicing and back office services. In addition, we partnered with them to have a team of 40 agents on-site at their location to provide customer service inbound call center services. NTTA has found our exceptional services to be beyond satisfactory and also awarded us several condensed time-frame projects and amnesty programs.

Our proposed Principal-in-Charge is very knowledgeable of the interoperability challenges, having served as Chairman of Interoperability task force for eight years through agreement development and technical implementation. He also has national toll interoperable experience serving on the Board of

ATI and Omni-air. Our intention is to support your authority as needed in the development and implementation of regional and national initiatives, protecting the interests of authority.

Summary of Key Staff and Associated Qualifications

Below, please find a summary of key staff qualifications. Complete resumes are included as **Attachment A**.

Key Personnel	Role on Project	Years of Experience
Clayton Howe	Principal-in-Charge responsible for direct communications with the Authority.	28 years of experience
Jeff Hazzard	Project Manager/Business Analyst responsible for successful implementation and ongoing performance of overall project.	16 years of experience
Kwan Butler	Operations Manager responsible for ongoing performance of all customer contacts	19 years of experience
Melody Sasser	Consumer Support Manager responsible for day-to-day supervision of consumer specialists	12 years of experience
Vamsi Bogullu	Systems Engineering Manager responsible for implementation of information technology activities to support the project.	11 years of experience
Shantae Williams	QA/Test Manager responsible for ensuring quality assurance and control for the project.	5 years of experience
Kenneth Peck	Client Solutions Manager responsible for ongoing client communications and ensuring all reporting requirements are met.	17 years of experience

Relevant Experience

SWC has more than 40 years of experience in accounts receivable management, with more than 10 years of direct experience providing tolling solutions for public sector clients. Our executive management team has more than 70 years of combined experience in accounts receivable management, with more than 30 years of previous experience providing consumer support to public sector clients. The effective management of Government accounts receivable is the top focus for SWC and we are continually looking to expand our training, technology, and service offerings to benefit our clients in these market sectors.

100 Percent of Business Dedicated to Administering Account receivable Programs

- More than 40 Years in Business
- Nearly 10 Years of Government Account Receivable Management
- Customer-Experience Focused Approach Ensuring Positive Reputation for Client
- Government Account Receivable Management is Our Top Focus, Not Just a Subset of What We Do

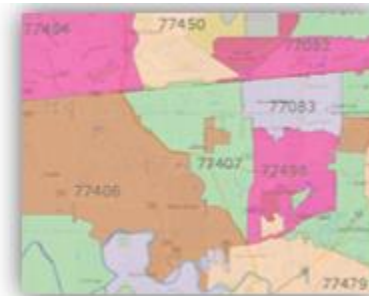
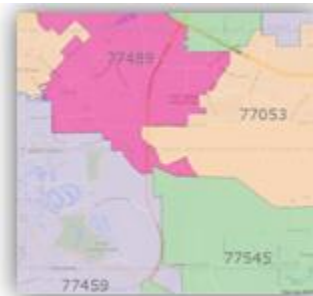
SWC began providing consumer support and back office solutions in the tolling industry more than 10 years ago when we began working with the North Texas Toll Authority, the largest toll authority managing and operating toll roads, bridges and tunnels in the North Texas area. We were NTTA's sole provider of third-party collections services and provided invoicing and back office services. In addition, we partnered with them to have a team of 40 agents on-site at their location to provide customer service inbound call center services. NTTA has found our exceptional services to be beyond satisfactory and also awarded us several condensed time-frame projects and amnesty programs.

Our executive management team has more than 70 years of combined accounts receivable management experience, with more than 30 years of previous experience providing collections to public sector clients. Government collections is the top focus for SWC and we are continually looking to expand our training, technology, and service offerings to benefit our clients in these market sectors. Please see a partial list of major tolling and public section client experience below:

SWC Tolling and Public Sector Experience	Services Provided
North Texas Tollway Authority (NTTA)	Video Transaction/Violation Support, Toll Debt Collections, Skip Tracing, Payment Processing
Philadelphia Gas Works (PGW)	Utility Debt Recovery, Skip Tracing, Payment Processing
University of Texas at El Paso	Accounts Receivables and Loan Collections, Skip Tracing, Payment Processing
Houston Community College System	Accounts Receivables and Loan Collections, Skip Tracing, Payment Processing
Georgia State University	Accounts Receivables and Loan Collections, Skip Tracing, Payment Processing

Key Personnel Tolling and Public Sector Experience	Services Provided
North Texas Toll Authority	Video Transaction/Violation Servicing, Toll Debt Collections, Skip Tracing, Payment Processing
Illinois Tollway Authority	Video Transaction/Violation Servicing, Toll Debt Collections, Skip Tracing, Payment Processing
Winnebago County	Municipal Court Fines Collections, Skip Tracing, Payment Processing
City of North Las Vegas	Municipal Court Fines Collections, Skip Tracing, Payment Processing
City of Bloomington	Municipal Court Fines Collections, Skip Tracing, Payment Processing
City of Tempe	Municipal Court Fines Collections, Skip Tracing, Payment Processing
City of Minneapolis	Municipal Court Fines Collections, Skip Tracing, Payment Processing
City of Milwaukee	Municipal Court Fines Collections, Skip Tracing, Payment Processing
DuPage County	Municipal Court Fines Collections, Skip Tracing, Payment Processing
State of Illinois	Tax Collections, Skip Tracing, Payment Processing
City of Chicago	City Parking Ticket Accounts Receivable and Collections, Skip Tracing, Payment Processing
City of Philadelphia	City Parking Ticket Accounts Receivable and Collections, Skip Tracing, Payment Processing
City of New Orleans	City Parking Ticket Accounts Receivable and Collections, Skip Tracing, Payment Processing
City of Baltimore	City Parking Ticket Accounts Receivable and Collections, Skip Tracing, Payment Processing
City of Richmond	City Parking Ticket Accounts Receivable and Collections, Skip Tracing, Payment Processing

Over the past five years, SWC has worked upwards of \$31 million in low balance, high volume accounts receivable placements throughout the twelve zip codes that immediately surround the Fort Bend Parkway and Grand Parkway Toll Roads. Given our



considerable experience, familiarity and success in this region, SWC knows and understands the area, as well as the most important factor— your customers. SWC believes that this advantage, paired with our team’s extensive experience in assisting the startup of multiple toll-based businesses, will produce effective fulfillment of the Authority’s portfolio.

Please see reference information listed below:

Organization	North Texas Tollway Authority (NTTA)
Role on Project	SWC provided consumer support, while managing toll based receivables, as well as administrative and collection fees derived from unpaid toll road usage. We created/programmed a process in which we were able to link consumers by name, address, and license plate. This allowed all violations to be viewable as one account in our system and strengthened the likely-hood we were able to resolve all of the consumers outstanding receivables in one call versus multiple calls and letter attempts. In addition, we provided skip tracing services to the NTTA that allowed them to locate a more up to date address for the consumer than the DMV generally had on file. We used this same strategy when the account was assigned to our office to ensure we had the most up to date contact information for the consumers. In addition to the third-party collection services described above, we provided first-party services that enabled NTTA to meet its service level requirements with regard to inbound customer service calls. Our consumer service specialists were onsite at the NTTA performing at or better than their internal teams. This was a service we provided to aide NTTA in its challenges to gain board approval for additional head count within their internal customer service department
Project Manager/Operations Manager and Other Pertinent Staff	Much like the current proposed project team, Jeff Hazzard has served as the Project Manager for the NTTA Portfolio, with Kwan Butler handling the duties of operations manager. At this time, our current Client Solutions manager, Kenneth Peck, handled Consumer Support and Collection Management. Melody Sasser acted as assistant manager over the call center floor at this time.
Project Location, Scope, Cost, Start and End Date	Services were provided out of our headquarters office located at 4120 International Parkway, Suite 1100, Carrollton, TX 75007. Hours of operation for our consumer service specialists are Monday - Friday 7:00 a.m. to 10:00 p.m. and Saturday from 8:00 a.m. to 12:00 p.m. CST.

	The business relationship between SWC and NTTA spanned for over ten years, and concluded the fall of 2014. Our contract value averaged approximately \$4.5 million per year.
Operational Functionality	We have implemented a technology architecture that encompasses flexibility, redundancy, recoverability, and scalability. The SWC architecture leverages best in class Cisco networking equipment as well as Dell blade servers running VM instances, allowing for scalability and quick provisioning of servers. The SWC infrastructure is designed to maintain the highest levels of data security and is routinely tested by outside security consultants.
Relevant Technical Systems	SWC has utilized Latitude as our internal collections system, LiveVox as our automated dialer system, and Call Miner for call monitoring. We use a combination of owned and hosted infrastructure in support of business needs.
Contact Information	John Bannerman, Director of Customer Service; 214-461-2077; jbannerman@ntta.org

Organization	Comcast
Role on Project	<p>SWC has provided pre-collection, primary, and warehouse collection services across all three divisions of Comcast. These delinquent account receivable violations often come in the form of high-volume, low-balance accounts. Considering the large scope of accounts placed, a higher probability of legal escalation for these account violations is present. Through the use of our sophisticated account auditing and consistent in-house defusing of escalations, SWC continues to excel in the violation processing of Comcast's portfolio.</p> <p>We have not only built outbound collection campaigns to maintain our competitive ranking, we also take the inbound collection calls on those delinquent consumers that need assistance in resolving their balance. We augment those dialing efforts with our letters specifically created for this portfolio as well as use our own internal analytics built to identify those consumers most likely to pay. This ensures our efforts are strategic and efficient. We also report to all major credit reporting agencies ensuring we leverage all means to connect with the consumer and encourage them to resolve their account.</p>
Project Manager/Operations Manager and Other Pertinent	Much like the current proposed project team, Jeff Hazzard has served as the Project Manager for the Comcast Portfolio, with Kwan

Staff	Butler handling the duties of operations manager. Kenneth peck is assigned to all Client Solutions based correspondence and deliverables, with Melody Sasser heading up the Managerial duties associated with choreographing the call center floor.
Project Location, Scope, Cost, Start and End Date	<p>Services are provided out of our headquarters office located at 4120 International Parkway, Suite 1100, Carrollton, TX 75007. Hours of operation for our consumer service specialists are Monday - Friday 7:00 a.m. to 10:00 p.m. and Saturday from 8:00 a.m. to 12:00 p.m. CST.</p> <p>Our initial partnership with Comcast began with the handling of their pre-collect placements in December of 2013. Since this time, Comcast and SWC have maintained their business relationship through the present, as placements have grown and diversified. Our contract value averages approximately \$5 million per year.</p>
Operational Functionality	We have implemented a technology architecture that encompasses flexibility, redundancy, recoverability, and scalability. The SWC architecture leverages best in class Cisco networking equipment as well as Dell blade servers running VM instances, allowing for scalability and quick provisioning of servers. The SWC infrastructure is designed to maintain the highest levels of data security and is routinely tested by outside security consultants.
Relevant Technical Systems	SWC has utilized Latitude as our software interface and internal collections system, LiveVox as our automated dialer system, and Call Miner for call monitoring. We use a combination of owned and hosted infrastructure in support of business needs.
Contact Information	Sir Guy Epps; 215-286-5543; sir_guy_epps@comcast.com

Financial Information

Please see **Attachment B** for a copy of our Audited Financial Statements for the last three years.

SWC is financially stable and is listed on Dunn & Bradstreet (D&B) with a D&B rating of IR3. SWC has a Better Business Bureau (BBB) rating of A+ in the Dallas and Northeast Texas region. Currently the BBB segments organizations by regions, and not states. In addition, we are also a BBB Accredited Business since 1976. This has great significance for SWC as it means we meet their stringent qualifications and demonstrate consistent adherence to their Code of Business Practices.

Banking references are available upon request.

Project Approach

SWC uses a combination of tolling industry experience, sophisticated technology, and collection industry best practices, and to ensure success in the implementation of client back office systems. This includes well established policies and procedures, instant access to skip-tracing service providers, predictive dialers, as well as several integrated security mechanisms in place for secure data handling. SWC currently maintains a 200 person call center in Carrollton, Texas which is operational Monday through Friday from 7 a.m. to 9 p.m. and Saturday from 8 a.m. to 3 p.m. SWC will be able to meet the operational hours needed to support the Authority.

Technology

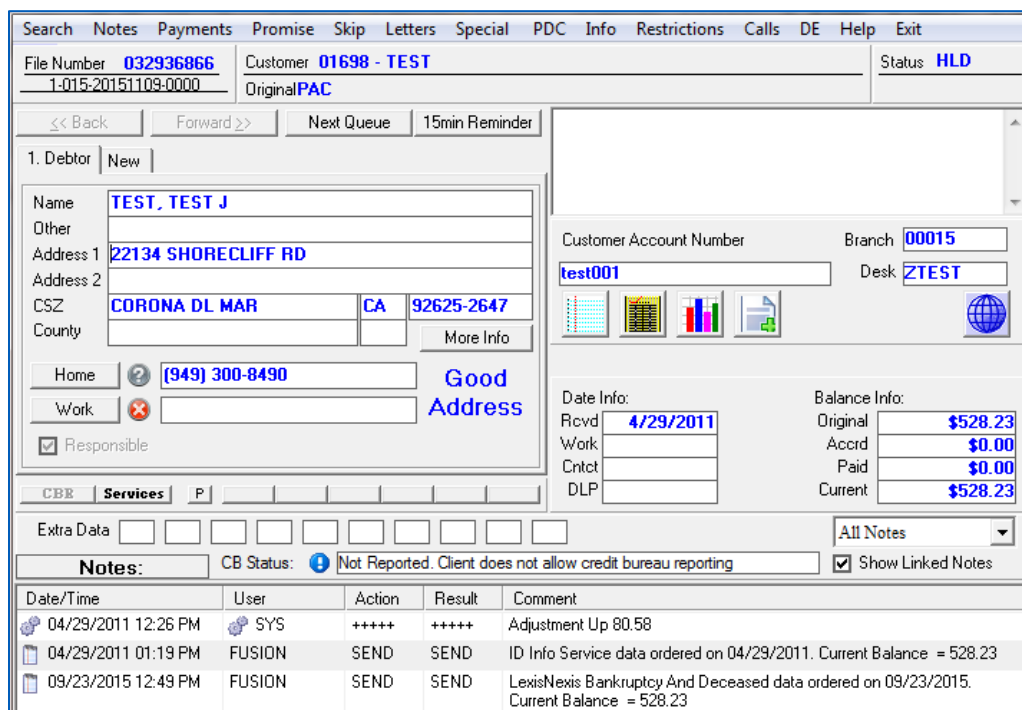
SWC has implemented a technology architecture that encompasses flexibility, redundancy, and recoverability. The SWC architecture leverages best in class Cisco networking equipment as well as Dell blade servers running VM instances, allowing for scalability and quick provisioning of servers. The SWC infrastructure is designed to maintain the highest levels of data security and is routinely tested by outside security consultants. **SWC is PCI-DSS certified, SSAE16 Type II certified, and ISO 27001 compliant.**

SWC uses Latitude as the system of record for all violation management activities. Latitude's open architecture offers complete access to critical data and enables seamless communications and data flow between internal and external systems, while pre-built customer interfaces and vendor plug-ins help streamline new client implementations. Latitude utilizes highly sophisticated rules-based strategy management, workflow engine and work queues to enhance violation recoveries. Data exchanges are handled by the Latitude Exchange product, which is a full-service import/export tool designed to handle complex jobs to/from disparate systems and sources. Latitude Exchange's intuitive design and GUI interface allows for the rapid development and execution of data import and export jobs. The Authority will have transparent access to Latitude and will be able to quickly review call notes, customer correspondence, and call recordings to ensure a quality customer experience.

SWC uses Latitude as the system of record for all violation processing, communication and payment activities. Latitude is a leading industry account receivables platform which leverages encrypted web calls to payment gateways to authorize and transmit payment information. All activity on accounts is logged and tracked within Latitude. The Authority will have access to these core technologies through a secure VPN allowing 24x7 review of accounts, calls, and analytics.

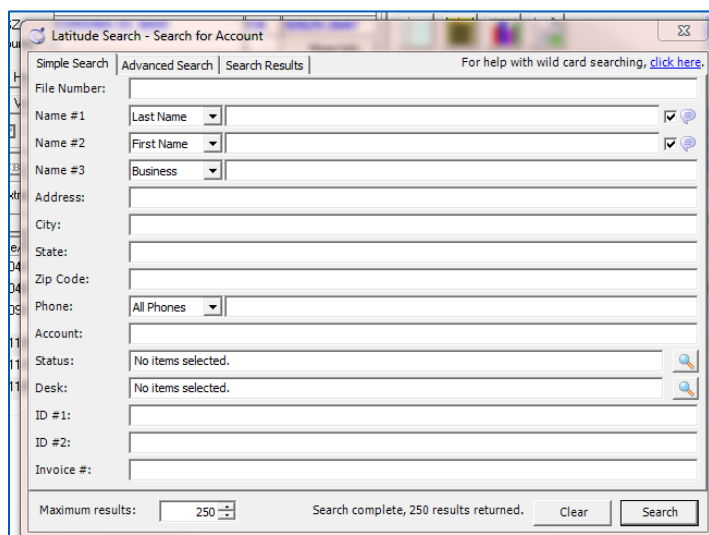
Latitude is highly customizable and will meet the requirements as outlined in the Authority's business requirements. Latitude has a built in document management application that will be able to track all images, invoicing and consumer correspondence which can be easily accessed from the violation. The

CSRs can easily access all details related to the violation and all activities are logged for the Authority to review. The Latitude platform has a user friendly GUI for account management.



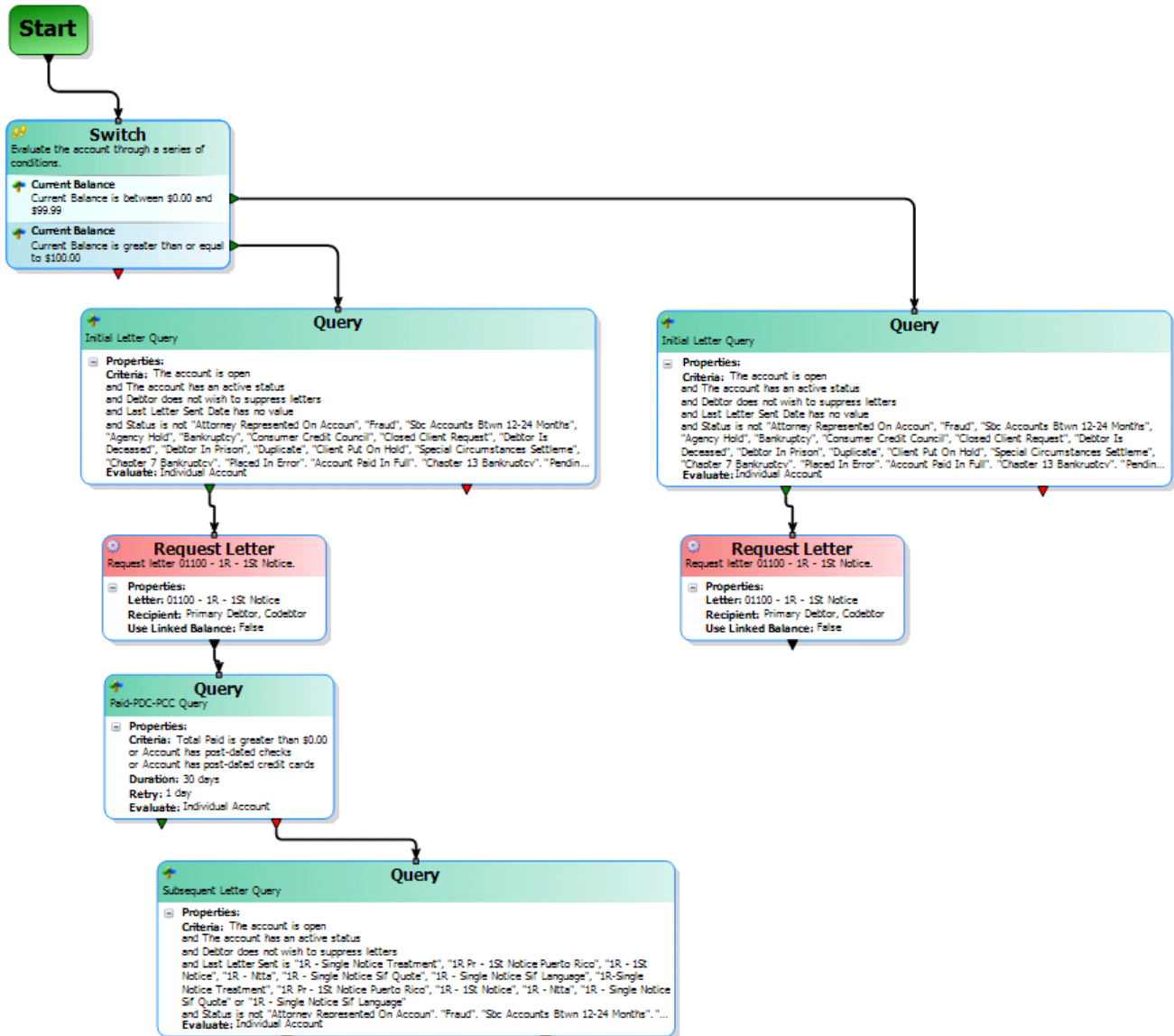
The screenshot shows the Latitude platform's account management interface. At the top, there is a menu bar with options: Search, Notes, Payments, Promise, Skip, Letters, Special, PDC, Info, Restrictions, Calls, DE, Help, and Exit. Below the menu bar, there is a header section with fields for File Number (032936866), Customer (01698 - TEST), and Status (HLD). The File Number field also contains a sub-field with the value 1-015-20151109-0000. Below the header, there is a section for Customer Account Number (test001) and Branch (00015). The Desk field is set to ZTEST. The interface also displays a list of notes, including a note from 04/29/2011 12:26 PM by SYS, and a table of activities with columns for Date/Time, User, Action, Result, and Comment. The table shows three entries: an adjustment up of 80.58, and two service data orders from FUSION on 04/29/2011 and 09/23/2015, both resulting in a current balance of 528.23.

The platform includes custom search functionality to locate consumers quickly. Consumer service specialists will be able to search on the customer name, license plate, violation number, etc.

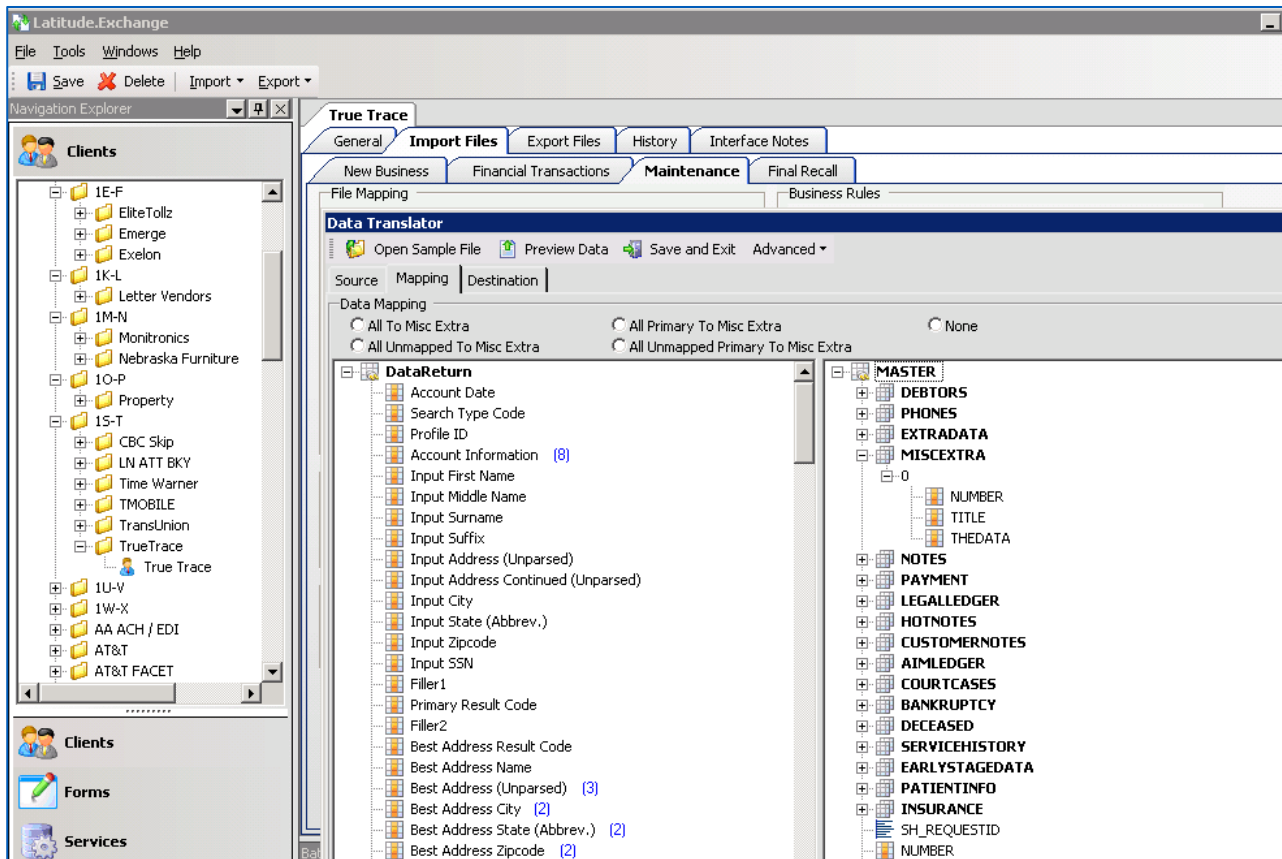


The screenshot shows the Latitude Search - Search for Account interface. It features a search bar at the top with options for Simple Search, Advanced Search, and Search Results. Below the search bar, there are several input fields for searching: Name #1 (Last Name), Name #2 (First Name), Name #3 (Business), Address, City, State, Zip Code, Phone (All Phones), Account, Status (No items selected), Desk (No items selected), ID #1, ID #2, and Invoice #. At the bottom, there is a section for Maximum results (250) and a Search complete, 250 results returned. The interface also includes a Clear button and a Search button.

The Latitude platform utilizes a complex workflow engine to move violations through the Authority's violation process. The workflow engine can be set to utilize balances, time periods, number of violations, etc. to send violations down different workflow processes.



Standard skip processing modules integrated with national data providers to find customers to allow SWC to provide timely delivery of payment requests. The Latitude platform utilizes a EDI tool to map all data interfaces for easy integration with outside vendors, DMVs, or other data sources.



Telephony Technology

The core telephony component of the SWC architecture is centered on a hosted telephony platform that can be scaled quickly and can be accessed from multiple locations via the web. The service allows SWC to scale the number of available lines from 2,000 to 7,000 within 24 hours, allowing for quick on demand changes. The hosted telephony platform utilizes multiple carriers and is tied into two widely dispersed datacenters allowing for redundancy. SWC also utilizes a colocation facility that hosts redundant equipment to compliment recovery planning. SWC will procure 800 numbers and local Fort Bend county numbers for all inbound and outbound dialing to ensure customer satisfaction. SWC has been using IVR and predictive dialing technology for more than 10 years. We have a dedicated dialer management staff and a dedicated support team to handle all campaign generation, IVR, voice recording, data exchanges and telephony reporting. During the implementation process, the implementation team will document all of the telephony requirements with the client. Those requirements will be translated into the telephony setup and tested by the vendor and dialer management staff before moving into production.

SWC utilizes the CallMiner Eureka Call Analytics Platform which scores all calls handled. Our auditing team utilizes CallMiner to monitor consumer service representatives (CSR) adherence with speech

analytics as a guide to train CSRs and develop our representatives on resolving accounts within a set time designation within the client specifics. CSRs are required to maintain a minimum 95% quality assurance score on an ongoing basis.

SWC also utilizes a colocation facility that hosts redundant equipment to compliment recovery planning.

Consumer Communication

SWC has developed a comprehensive system that allows for timely and confirmed communication with consumers which include the following channels:

- Call center
- Website
- Fax (Secure)
- IVR
- E-mail (Secure encrypted)
- Standard mail
- Text (Consented)

SWC uses two nationally recognized print vendors that meet SOC II, PCI, and ISO 27001 standards. These print vendors currently handle approximately 600,000 pieces of mail for SWC on a monthly basis. SWC utilizes secure FTP to receive/transmit data to these vendors.

Invoicing

All invoicing notices are pre-scrubbed via National Change of Address (NCOA48) for any new or updated change of address prior to being mailed. Any change of address is noted on the account. Return mail starts an automated skip-trace process to refresh address data.

- All assigned accounts will receive automatically generated invoicing notices based on the Authority's business rules
- CSRs will manually request additional letters as needed and/or requested

Skip Tracing

Accounts without good contact phone numbers or with addresses that result in returned mail, will receive skip tracing efforts via Experian, Lexis Nexis, and CBC Innovis. Agents will attempt to locate good contact information using their desktop skip tracing tools, as needed. Large balance accounts may be run through more comprehensive searches with management approval

Bankruptcy/Deceased

Once accounts are assigned, SWC does a bankruptcy, deceased and litigious consumer scrub to isolate any uncollectible accounts. SWC then utilizes a variety of skip vendors in a water-fall skip process to yield the highest accurate phone volume. The entire scrub, score and skip process takes less than 24 hours and Consumer support calls begin upon completion.

SWC utilizes a custom notification process with LexisNexis to receive daily updated Bankruptcy and Deceased information on accounts monitored by LexisNexis to ensure accurate consumer data.

Payment Options

We are very flexible in how account holders may make payments on accounts. Consumers can choose to pay via credit card, check/ACH, web and or mail in payments. SWC also allows the customer to establish future dated checks and or credit cards to run on the specific dates acknowledged and agreed upon by the CSR and consumer.

We can accept payments via the following means:

- Credit Cards (Visa, Master Card, American Express, Discover)
- ACH
- Checks
- Pin-Less Debit Cards (Visa, Master Card)
- Web-based payment
- Interactive Voice Response (IVR) system
- Mail-in
- Western Union Quick Collect/Money Orders/Cashier's Checks

Additionally, we can also work with the Authority to develop marketing materials to advertise the payment options for un-/under-banked populations in the Fort Bend area. There are more than 25 retail partner locations in the Fort Bend County area which will process cash payments for resolution of the Authority's accounts.

SWC has partnered with a national payment processor to accept cash payments in local Fort Bend County stores including Dollar General, CVS, Wal-Mart, and Office Depot. SWC strives to make account resolution easy for the un-/under-banked community. The consumer receives a payment code on their statement, it is then scanned at the store register, and the payment is made in under a minute. Consumers can also call a dedicated 800 number and a SWC CSR will gather their payment details including the Authority account number and amount of payment before sending out an email or text message to the consumer with an associated barcode. This allows the consumer to utilize their

smart phone to make a payment at any location by showing the barcode presented in the email of txt. Consumers will receive a confirmation code with each payment that can be used for tracking purposes.

Payment Plans

SWC actively provides the consumer with the ability to set up a payment arrangement on their account. SWC will follow the business rules provided by the Authority in setting up allowed payment plans.

SWC honors payment arrangements, which follow set parameters from clients. As an example: "Account balance < \$500 then allow for 6 or less payments with a max range of 30 days between payments."

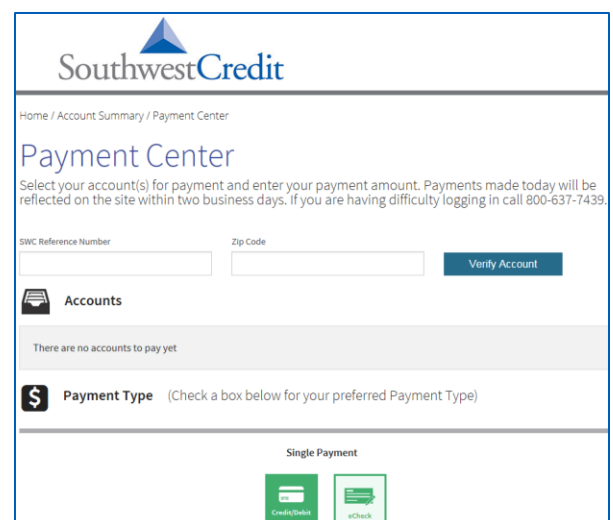
SWC's systems, processes and CSRs do allow for customers to set up installment plans and ensure the following:

1. Installment plans must fall within applicable and appropriate timelines/payment balances
2. Customers on active installment plans have payments deducted on time as agreed upon
3. Customers are reminded of upcoming payment deductions as set by the consumers agreed upon payment plan

Online Payment Processing Database

SWC Offers the ability for consumers to make a payment 24 hours per day:

- Online payment portal is accessible via the SWC website
- Information regarding the payment portal is communicated on all SWC initial letters and subsequent letters as accounts age
- SWC's utilization of its online payment portal has proved as a valuable resource for our clients. SWC leverages technology as a convenience for customers to satisfy their accounts while at the same time ensuring SWC takes advantage of every opportunity to receive payment on those accounts that would have normally not paid a CSR or called into the contact center.
- SWC's various dialing and messaging campaigns used daily and on weekend's drive callbacks into our IVR, which provides customers options of paying an CSR on the phone, via IVR or via the online payment portal option as well.



The screenshot shows the Southwest Credit website's Payment Center. At the top is the Southwest Credit logo. Below it, a navigation bar includes links for Home, Account Summary, and Payment Center. The main heading is "Payment Center". A sub-header instructs users to "Select your account(s) for payment and enter your payment amount. Payments made today will be reflected on the site within two business days. If you are having difficulty logging in call 800-637-7439." Below this, there are input fields for "SWC Reference Number" and "Zip Code", followed by a "Verify Account" button. A section titled "Accounts" with a credit card icon shows "There are no accounts to pay yet". Below that, a "Payment Type" section with a dollar sign icon asks users to "Check a box below for your preferred Payment Type". Under "Single Payment", there are two buttons: "Credit/Debit" and "eCheck".

Automated Correspondence

Once a payment is made via on line portal the consumer account is updated with a standard note and the account is removed from any future dialing campaigns (if paid in full).

SWC automates lettering and invoicing notifications, thus ensuring proper notices are mailed to consumers within set guidelines as per state/federal laws and client's requirements. Automated lettering processes includes settled in full accounts, paid in full accounts, dispute notifications so customers can be assured their accounts have been updated correctly and or are made aware of status.

Flexible Payment Processing

SWC payment processing engine allows the Authority to set the business rules for how payments are applied including First In, First Out (FIFO), custom posting orders as mandated by Adjudication Settlement or other special processes, and the standard processing order as defined by the Authority.

The Latitude platform has the capability to add return check fees as prescribed under the Authority's business rules.

In the case where SWC receives payments on closed accounts the payments are forwarded to the client or returned to the consumer. In the case where SWC receives payments and the account cannot be found in the system of record, SWC will contact the client to determine if the account exists in their system of record. If the account is not found in either system, the payment is returned to the consumer.

Handling of Complaints

We take consumer complaints very seriously, and have a strong system in place to ensure that they receive the time and attention they deserve. Below is a description of our complaint-handling process:

First, as soon as an associate from our administrative support department receives a complaint in the mail, the complaint is immediately date-stamped with that day's date. The complaint is then given to our in-house Corporate Counsel, who immediately locates the relevant account, and places restrictions on the account, to ensure that all telephone consumer contact and any possible collection efforts cease while we investigate the matter. Better Business Bureau complaints are received via email, and are likewise forwarded to the corporate counsel. Consumer Financial Protection Bureau (CFPB) complaints are not sent to us, so our compliance manager checks the CFPB's complaint portal daily for these. If one is located, we immediately follow the steps outlined below.

The Corporate Counsel or compliance manager will carefully analyze the details of the complaint, then gather and evaluate any relevant agent notes, letters to the consumer, and/or call recordings.

If remedial action is needed, a request is sent to the director of compliance, copying both directors of consumer support, and the chief operating officer, attaching the related call recordings. The disciplinary action is then documented and sent to our human resources administrator for filing in the employee's record.

Next, the information regarding the complaint is entered into a complaint log. This information includes the response due date, the response date, whether any disciplinary action was needed, and if so, the name of the agent, the agent's manager, and the site at which the agent worked.

Finally, the response is sent to the appropriate agency, and copies of the complaint and response are saved to our compliance drive on the corporate network.

Bilingual Consumer Support Representatives

SWC has a team of bilingual (Spanish and English) professionals who can communicate the complexities of consumer support processes accurately to resolve your customer's debt and maintain positive client relationships. Our letters are English/Spanish duplex so Spanish speaking customers receive proper communication.

Hearing Impaired

SWC works with Relay Texas so ensure hearing impaired customers are serviced correctly.

Compliance with Reporting Requirements

SWC leverages enterprise platforms to deliver reports to clients based on the needs dictated during implementation. SWC will provide electronic, monthly reports in the format as defined during implementation to the distribution list provided by the Authority. All transaction data can be included in reporting and the Authority would have access to download reports to an electronic file (excel, CSV, delimited)

Reports will include but will not be limited to:

- Performance
- Daily/Monthly reconciliations
- SLA performance
- Payment
- Letter/Notice (Account correspondence)
- Delinquent Collections (If applicable)

- Reporting requirements to be defined during implementation:
- Report detail
- Delivery schedule (Daily, Weekly, Monthly, Quarterly, Annually)
- Delivery Method (Email, SFTP, Mail)

SWC has the technical capabilities to create adhoc and custom reports to ensure project success.

The Authority will also have access to reporting capabilities via our online Client Portal. This portal provides all account specific information, including consumer demographics provided by utility, consumer demographic information provided by skip tracing efforts, balance history, payment history, call and letter efforts, account status, consumer account numbers, and date specifics. See sample screenshots below:

Southwest Credit Systems Client Web Access

[LogOut](#)
[Account Info](#)
[Client Performance Report](#)

Search By: SWCS Number

Debtor Information:
Name:
Other:
Address 1:
Address 2:
City:
State:
Zip:
Country:
Home:
Work:

Date/Balance Info:
Recd:
Work:
Cmts:
DUP:
Original:
Acctd:
Paid:
Current:

Account Details:
File Number:
Customer Account Number:
Branch:
Desk:
Status:

Customer:
Client Name:
Payment History:
Letter History:

Date/Time	User	Action	Result	Comment
3/27/2015 3:43:33 PM	FUSION	REC	REC	Innovis RPC Service returned.
3/27/2015 2:19:51 PM	IT	SCRUB	SEND	Account sent to CBCCG
3/16/2015 4:00:02 PM	FUSION	REC	REC	Innovis RPC Service returned.
3/16/2015 2:31:05 PM	IT	SCRUB	SEND	Account sent to CBCCG
3/14/2015 11:39:40 AM	WORKFLOW	*****	*****	Status Changed ACT SKP
3/14/2015 11:36:39 AM	WORKFLOW	DESK	CHNG	Desk Changed from 5300 to 6000
3/13/2015 4:14:00 PM	LV	TR	OI	# 17901#-01-01-Operator Intercept MO-2015-03-13 16:14:00:1_REC0_HS-M5_MO_CellOnly_55288.csv
3/13/2015 4:14:00 PM	LV	XP	OI	Removed bad phone number # 1017901#; Master.Homephone.OldValue# 117901; Debtors (C).Homephone.OldValue# 117901; Phones (Cell.39804637).Phone# 017901;
3/11/2015 9:15:00 AM	LV	TR	OI	# 017901#-01-01-Operator Intercept MO-2015-03-11 09:15:00:1_REC0_HS-M5_MO_CellOnly_55288.csv
3/9/2015 9:19:00 AM	LV	TR	OI	# 017901#-01-01-Operator Intercept MO-2015-03-09 09:19:00:1_REC0_HS-M5_MO_CellOnly_55288.csv

[First Page](#)
[Next Page](#)
[Last Page](#)

Payment History:

NO PAYMENT AVAILABLE FOR FILE NUMBER: 54203684

Account: 1052487010
Status: SKP

Original Amount: \$1,267.32
Description: SKIP ACCOUNT

Balance: \$1,267.32
Type: 0 - Active

Payment History:

NO PAYMENT AVAILABLE FOR FILE NUMBER: 54203684

Account: 1052487010
Status: SKP

Original Amount: \$1,267.32
Description: SKIP ACCOUNT

Balance: \$1,267.32
Type: 0 - Active

Data Retention

SWC will meet all standards put forth by the Authority for data retention. SWC maintains a disaster recovery plan that incorporates tape backups for backup and restoration of data. Backups are completed daily utilizing McAfee BackupExec per the SWC Data Backup Policy. Tape backups are encrypted and transported via secure courier to our storage provider, OneSafePlace. Data retention periods will meet the needs of the Authority.

Project Management

Jeff Hazzard will be the Project Manager for the implementation of the Violation Processing Center and Walk-in center for the Fort Bend County Toll Road System. Jeff is the current COO and CIO of SWC and has the authority to prioritize all resources and capital cost expenditures within the company. He has 18 years of project experience in operations and technology, leading back office software installations, integrations with large public entities, process improvements and redesigns of existing systems. Listed below are a few projects he has coordinated.

Organization	Responsibility/Project Description	Company Title/Role	Type
Illinois Tollway Authority	IT Lead in process improvement for Illinois Tollway Authority collection processes and data integration improvement.	Director of Technology overseeing daily file processing, auditing, reporting	Tolling
City of Chicago	Project Lead for technology integration design and project management integrating with Department of Revenue on parking tickets, EMS, Tax, and Water. Setup of tax intercept program with state of Illinois.	Director of Technology overseeing daily file processing, auditing, reporting	Tickets
City of Philadelphia	Project Lead for technology integration design and project management integrating with Department of Revenue on parking tickets.	Director of Technology overseeing implementation, daily file processing, auditing, reporting	Tickets
City of New Orleans	Project Lead for technology integration design and project management integrating with Department of Revenue on parking tickets.	Director of Technology overseeing implementation, daily file processing, auditing, reporting	Tickets
City of Baltimore	Project Lead for technology integration design and project management integrating with Department of Revenue on parking tickets. Managed setup of payment center in City of Baltimore.	Director of Technology overseeing implementation, daily file processing, auditing, reporting	Tickets
Wisconsin Public Works	Project Lead for technology integration design and project management integrating with Department of Revenue on utility billing.	Director of Technology overseeing implementation, daily file processing, auditing, reporting	Utility

PGW- (Philadelphia Gas Works)	Project Lead for technology integration design and project management integrating with PGW on utility collections.	Director of Technology overseeing implementation, daily file processing, auditing, reporting	Utility
Capital One bank	CIO managing project implementation for balance transfer project and IT security project to meet Capital One standards	CIO overseeing implementation, daily file processing, auditing, reporting.	Banking
City of Richmond	Project Lead for technology integration design and project management integrating with Department of Revenue on parking tickets.	Director of Technology overseeing implementation, daily file processing, auditing, reporting	Tickets
Dupage County	Project Lead for technology integration design and project management integrating with Dupage County Court System.	Director of Technology overseeing implementation, daily file processing, auditing, reporting	Court
Carle Hospital	Project Lead for technology integration design and project management integrating with Carle Hospital for recovery of patient receivables.	Director of Technology overseeing implementation, daily file processing, auditing, reporting	Healthcare
Winnebago County	Project Lead for technology integration design and project management integrating with Winnebago County Court System.	Director of Technology overseeing implementation, daily file processing, auditing, reporting	Court
City of North Las Vegas	Project Lead for technology integration design and project management integrating with City of North Las Vegas Court System.	Director of Technology overseeing implementation, daily file processing, auditing, reporting	Court
City of Bloomington	Project Lead for technology integration design and project management integrating with City of Bloomington Court System.	Director of Technology overseeing implementation, daily file processing, auditing, reporting	Court
Mercy Hospital	Project Lead for technology integration design and project management integrating with Mercy Hospital for recovery of patient receivables.	Director of Technology overseeing implementation, daily file processing, auditing, reporting	Healthcare

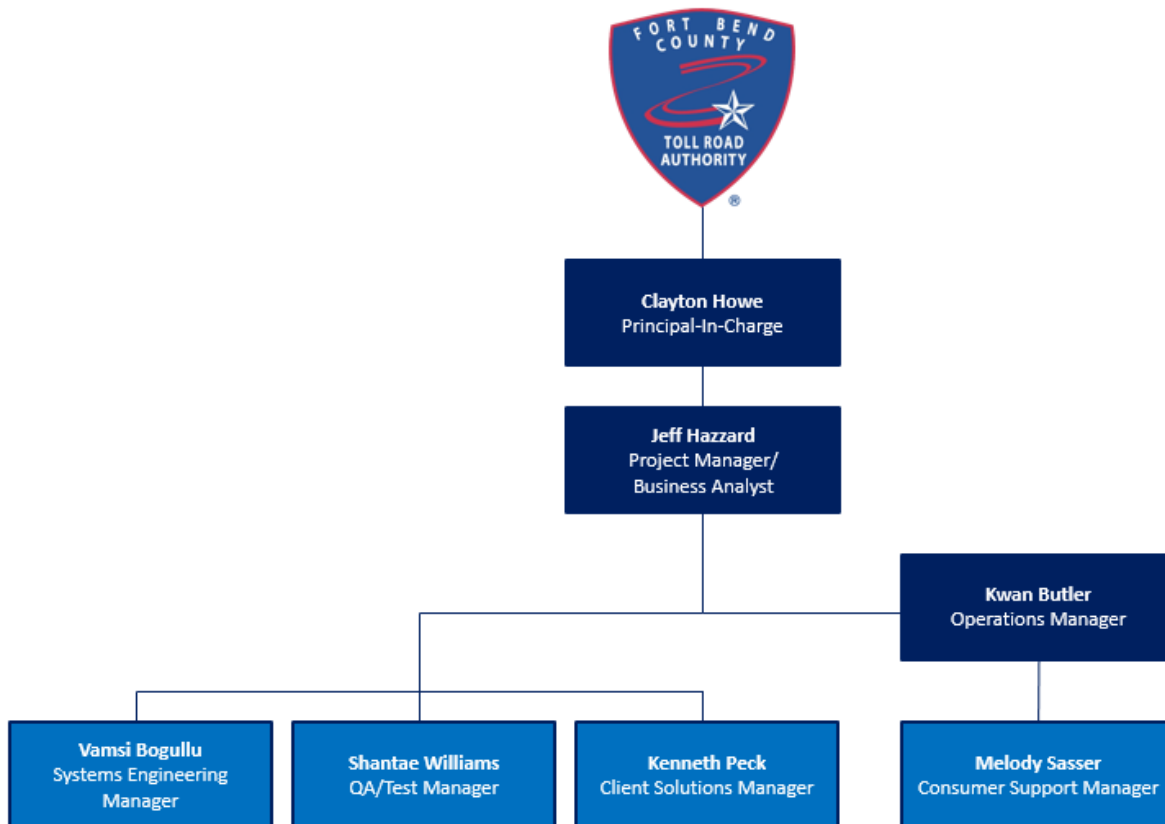
City of Tempe	Project Lead for technology integration design and project management integrating with City of Tempe Court System.	Director of Technology overseeing implementation, daily file processing, auditing, reporting	Court
City of Minneapolis	Project Lead for technology integration design and project management integrating with Department of Revenue on utility billing.	Director of Technology overseeing implementation, daily file processing, auditing, reporting	Court
IU Health	Project Lead for technology integration design and project management integrating with IU Health Systems for recovery of patient receivables.	Director of Technology overseeing implementation, daily file processing, auditing, reporting	Healthcare
City of Milwaukee	Project Lead for technology integration design and project management integrating with Department of Revenue on utility billing.	Director of Technology overseeing implementation, daily file processing, auditing, reporting	Court

SWC will leverage existing technology platforms to manage the project and document changes needed for the successful implementation of the Violation Processing Center for the Authority. SWC leverages the VerseSolutions QMS platform for document change management which allows any change progress through workflow approval and notification processes. All change requests will be logged and responded to in an appropriate agreed upon timeframe. Each change request will go through an iterative process including the identification of the scope of the change, the scope of incorporating the change, approval or rejection of the change, and the communication and implementation of the change. SWCGroup currently utilizes an internal Change Approval Board (CAB) to review and approve all technical and resource changes for projects within the company.

Project Management Plan (PMP)

Key Staff

Please see our organization chart below. As stated above, resumes have been provided in **Attachment A**.



Project Approach

Please see Project Approach section starting on page 13.

Approach to Sequencing/Milestones/Schedule

SWC will develop a project plan to encompass all activities and will include the following:

- Project Schedule
- Requirements Traceability Verification Matrix
- Detail Design Document
- Quality Assurance Plan
- Transition Plan

- User/Training manuals
- Master Test Plan

Communications Planning

A critical part of this project is the communication between SWC, the Authority, and external subcontractors. SWC will work with the Authority staff to develop a comprehensive communications plan to include the timing, content and audience for delivery of project information and updates. The effective communication plan will include identifying the Authority stakeholders; gathering stakeholder requirements and determining the level of impact; accurately reporting to stakeholders on project status, performance and changes; and managing the flow of communications.

SWC will assign an Account Executive to manage the relationship with the Authority during the implementation process. The account executive is responsible for delivery of special reporting requests that the Authority may have from time to time. The account executive will schedule and manage monthly performance calls and will be the main point of communications upon successful implementation.

SWC will work with the Authority to develop a robust plan for issue identification, resolution and/or escalation such that all stakeholders have visibility to issues affecting the project. If an escalation is necessary, the project team lead will provide a summary of the issue as well as determining the correct party to handle the escalation and communicating the resolution of the problem to all parties once resolved.

SWC mainly utilizes Precedence Diagramming Method (PDM) in the construction of project schedules where the activity dependencies are shown. A Finish-To-Start is generally used throughout.

Risk Management

SWC will develop a risk management plan to track foreseeable risks, estimate impacts and define responses to issues. The plan will include a risk assessment matrix to assess the frequency and estimate the severity of the risk. SWCGroup will work with the Authority to examine all applicable options and develop a risk mitigation plan.

7.1 FAT Testing

The purpose of test phases is to validate that each sub-system, and aggregate of these sub-systems, progressively meets the functional and performance requirements of the project contract. The testing efforts will be organized in the following phases and articulated in the Master Test Plan:

- Factory Acceptance Test (FAT)
- System Integration Test (SIT)
- Systems Acceptance Test (SAT)

The test phases will be performed in conjunction with and witnessed by the Authority staff and representatives, unless otherwise determined by the Authority. The approach used to confirm that each component and/or subsystem is functioning and performing as expected is to execute vendor-directed end-to-end acceptance tests to verify specific system functions. The high level test strategy comprises of two main phases: Internal Testing and Acceptance Testing. SWC will perform internal testing that comprise of unit tests to ensure that components of the systems or sub-systems meet the client's functional and/or performance requirements, and are of a suitable level of function and performance. The acceptance test phase comprises the verification and validation activities performed by the Testing Team and testing due to corrections and/or improvements made to the system during such acceptance test phases, commissioning and defects liability period.

The Factory Acceptance Test is a testing phase to be conducted in a factory environment and the purpose is to ensure that all equipment and systems supplied meet the System Requirements prior to leaving the place of manufacture. It will demonstrate system functionality, accuracy, capacity, modules, interfaces, and ease of use with simulated data to provide sufficient confidence to CRMA that the system is ready to be installed on-site.

This test (or series of tests) is to be conducted at a facility that is representative of the Authority back office system. Its primary objectives are for the development team to demonstrate that their equipment or sub-system meets the functional and performance requirements of the Authority back office system, and for the Test Team to validate aggregate compliance with the System Requirements. Simulators or instrumentation will be used to represent the expected real-world load on a system as well as a proxy for those functions performed or supplied via external interfaces. Test platforms, both hardware and software, will be configured as close as possible to match the final production system. However, due to the nature of a test environment it may be that the following attributes are not identical: performance, disk storage, archiving, etc. SWC will work with the Authority to use data previously processed in the Authority systems to generate test data for FAT.

Prior to commencing FAT, SWC will review and update the RTM and SDD to ensure that they continue to identify each requirement and prove compliance. Test cases associated with FAT will be incorporated into the RTM to show association to the stated requirements. SWC Group will ensure that the RTM and SDD are accurate and provide current versions to the Authority for review, comment, and approval. This will warrant that each requirement is tested and certified compliant by the Authority. Upon approval of the updated RTM and SDD, SWC will perform a dry run of all FAT procedures and document the results. The client will have the option to review the results prior to start of FAT testing.

Software FAT procedures will test system components and functions such as the following:

- The Authority BOS
- Image Review System (IPS)
- Payment Processing

- Toll Bills and Notice of Toll Violation
- CSC Website
- Account Management
- Transaction Posting and Adjustments
- Owner Address Lookup
- Collections (if applicable)
- Courts
- Reporting

Not only will the tests demonstrate system functionality to meet the stated requirements, but it will include a variety of negative testing as well. Any FAT test cases not completed or approved during the test period will be documented and re-demonstrated at a later date as agreed upon by both parties and before commencement of System Integration Testing (SIT). As with any test conducted by SWCGroup, throughout the testing period, the client and SWCGroup will conduct status meeting(s) in which progress and any issues/defects will be reported and documented.

Upon FAT completion, a completed test report will be submitted to the Authority for review and approval. It will include detailed test results, output files, screenshots, reports and any other test evidence associated with FAT. Along with the test report, SWCGroup will provide a comprehensive punch list of all defects and their severity found during testing. The client has the decision to determine whether or not there were an outstanding number of unsuccessful items, and may choose to have SWCGroup resolve the unsuccessful items or rerun the applicable portion of FAT and resubmit the test results prior to approval. In order to continue on to the next phase, the client will provide a signed completion notice to show approval of FAT testing.

7.2 System Integration Test (SIT)

The System Integration Test (SIT) shall demonstrate the BOS meets all requirements of the Project and produces standalone functionality, accuracy, performance, reliability, capacity, interfaces, and ease of use with sufficient confidence to the Authority that the Authority BOS is ready for commissioning and on-line operations testing.

The SIT shall be held on-site in the system's final operational location. SIT shall only occur if the results of the FAT were submitted and approved. SIT shall include a test of the complete system functionality and overall system performance including components previously verified within the FAT.

Prior to SIT, the Contractor shall conduct a dry run of all SIT procedures and record the results. The Authority will have the option to review all results from the Contractor dry run testing prior to the start of SIT testing.

SIT test cases shall include a subset of functionality demonstrated at FAT as well as:

- Tests on each item of the CSC equipment
- Power up and shutting down operations

- Operation of the CSC processes
- Operation of the required interfaces
- Tests on the interoperation between subsystems within the CSC including MOMS
- Interface with Toll System Host (TSH)
- Interface with other interoperable toll agencies
- Interface with DMV
- Interface with Payment Processor

Any SIT test cases not completed or approved during the SIT shall be performed again at a later date as agreed to by both parties and before System Acceptance Testing (SAT) begins.

SIT Report and Approval

Upon SIT completion, the Contractor shall submit a complete SIT report with the results and details of the SIT including the severity level of any defects found to the Authority. The SIT report shall include test output files, screenshots, and reports for review and approval.

If the Authority deems the number or effect on the items that were unsuccessful to be too large, the Contractor may be instructed to resolve the unsuccessful items, rerun the applicable portion of the SIT, or SIT entirely and re-submit the test results before the SIT is approved.

SIT completion shall be noted with signed SIT test cases by the Authority to show approval to move on to the next stage of testing.

Proposed:

SIT test cases will include a subset of functionality demonstrated at FAT as well as:

- Tests on each item of the CSC equipment
- Power up and shutting down operations
- Operation of the CSC processes
- Operation of the required interfaces
- Tests on the interoperation between subsystems within the CSC including MOMS
- Interface with TSH Host
- Interface with DMV
- Interface with Payment Processor

7.3 Systems Acceptance Testing

The objective of the Operations Test is to ensure the Authority BOS software and hardware functions over a period of at least sixty (60) consecutive days with intended and required availability, accuracy and performance.

The objective of the Operations Test is to ensure the Authority BOS software and hardware functions over a defined period of time that is not required to be consecutive. The duration period of the test should not be based merely on length of time but should entail a time frame long enough to capture all variances of traffic seen in the toll system. This time allotted would allow the client to fully test all aspects of the toll system as well as open the lanes in a timely manner for patrons to utilize. Early utilization of the toll roads would increase the confidence in patrons, and public opinion would be more receptive to the Authority and support future road improvements. In addition to a new proposed test duration, testing metrics should be assessed on meeting requirements for the specified number of days as opposed to testing done consecutively. If a portion of the system does not meet the entry criteria of the Operational Test or the Authority availability is negatively impacted for any reason, the Operational Test may be suspended for that portion of the system affected by the event(s). Once the condition has been corrected, SWC Group and the Authority will meet to decide whether the testing should be resumed or re-started. If a critical system failure affects the performance, either accuracy or availability, to the extent that it cannot meet the Success Criteria, SWC will restart the Operational Test. At the conclusion of the Operational Test, SWC and the Authority will analyze the results of the tests to determine if the tests achieved the test objectives. If any part of the Operational Test is not successfully demonstrated, any critical software anomalies discovered, or hardware changes needed, SWC will make such repairs or corrections necessary and re-perform the Operational Test to verify that the toll system meets contractual, functional and performance requirements. SWC and the Authority will arrive at an agreement for the resolution of any discrepancies, shortages, and punch list items.

SWC proposes to perform the SAT Test during 45 days which are not necessarily consecutive. If the BOS has a critical system failure that affects the performance, either accuracy or availability, to the extent that the SAT needs to be stopped, once the condition has been corrected, the test will be resumed after agreement between SWC and the Authority representatives.

Subcontractors

SWC routinely reviews processes, procedures, and work product for subcontractors to ensure compliance with SWC standards. SWC employs a dedicated auditor to review work product and track non-conformity issues to resolution. SWC requires all vendors to be PCI compliant and reviews PCI AOC documentation from subcontractors on an annual basis to ensure compliance.

Business Ink

Marla Davis

mdavis@businessink.com

512-735-3155

Certifying Agency: Women's Business Enterprise National Council

Business Status: WBE

Services: Lettering

Qualifications: Business Ink has been providing lettering services to the Accounts Receivable and Tolling industry for over 10 years.

CBC Innovis

Jason Prudlow

Jason.Prudlow@cbcinnovis.com

847-874-3105

Services: Skip processing

Qualifications: CBC Innovis has been providing skip services to the Accounts Receivable and Tolling industry for over 15 years.

Experian

Chris Ohde

Chris.Ohde@experian.com

720-287-0740

Services: Skip processing

Qualifications: Experian has been providing skip services to the Accounts Receivable and Tolling industry for over 15 years.

LiveVox

David D-Antonio

ddantonio@livevox.com

317-727-8063

Services: Telephony Systems

Qualifications: Experian has been providing contact services to the Accounts Receivable and Tolling industry for over 5 years. LiveVox currently handles over 200mm contact minutes per month through their network.

Quality Management

SWC has implemented an industry leading quality assurance and compliance program to mitigate and manage risks. Our quality assurance department uses speech analytics software to monitor both compliance regulations as well as performance metrics to ensure the customer service representatives are not only high performers but doing so with integrity. Some of the items we monitor for include: proper verification of consumer, delivery of required disclosures, the existence or lack of false/misleading or risky language, balance in full request, settlement language happening too soon, etc. The speech analytics software automates these components into a scorecard that generates to the customer service representatives and team manager weekly and monthly to ensure they are performing at the required levels.

In addition to automating the scorecard, our speech analytics software allows us to monitor for escalation language and our quality assurance team reviews these calls for coaching opportunities as well as follow-up opportunities. If there is a follow-up necessary with the customer then our customer care team within our compliance department takes on researching, logging/documenting, and responding to the customer. This department is also responsible for any remediation items to be carried out to ensure we have visibility to any systemic or individual based issues.

Agent ID	Compliance Risk Assessment	Call Recording Disclosure	Right Party Verification	Mini-Miranda Disclosure	Telephone Consent Request	3rd Party Disclosure	Risk Language Score	False & Misleading Language Score
Agent ID avg	96.85(862)	97.9(857)	96.2(658)	95.74(658)	70.13(231)	92.47(93)	100(662)	99.88(862)
AMUNUO	97.44(69)	94.2(69)	97.87(47)	95.74(47)	91.3(23)	100(10)	100(69)	100(69)
BWHITE	96.81(47)	100(47)	97.44(39)	94.87(39)	45.45(11)	100(6)	100(47)	100(47)
JSCHULT	95.73(59)	100(56)	93.48(46)	100(46)	41.18(17)	85.71(7)	100(59)	100(59)
LBENNETT	97.83(63)	100(63)	100(47)	91.49(47)	76.92(13)	100(4)	100(63)	98.41(63)
MTHORNTON	97.75(80)	98.75(80)	95.31(64)	96.88(64)	82.35(17)	100(7)	100(80)	100(80)
MWHALEY	97.82(84)	98.8(83)	98.46(65)	93.85(65)	80(20)	100(6)	100(84)	100(84)
RMARLOW	95.18(64)	100(64)	90.74(54)	100(54)	61.9(21)	57.14(7)	100(64)	100(64)
RPETERSON	97.82(72)	98.61(72)	98.39(62)	95.16(62)	83.33(12)	88.89(9)	100(72)	100(72)
RWILSON	96.67(84)	90.36(83)	96.55(58)	100(58)	70.59(17)	100(12)	100(84)	100(84)
SEVERETT	96.71(78)	97.44(78)	100(55)	92.73(55)	73.53(34)	100(7)	100(78)	100(78)

In addition, floor managers monitor the customer service representatives using call metrics such as average handle time, average hold time, conversion rate, percent of goal attained, and overall # of calls taken daily, weekly, and monthly. These stats are looked at from an individual standpoint as well as monitored across team, portfolio, center, and segment to ensure we are measuring to the right benchmarks for success.

Project Schedule

Please see our project scheduled, created using Microsoft Project, as **Attachment C**. The native file has been included on the electronic submittal.

Reports

SWC leverages enterprise platforms to deliver reports to clients based on the needs dictated during implementation. We will provide electronic, daily, weekly and monthly reports in the format and details as defined during implementation to the distribution list provided by the Authority. Reports will include but will not be limited to:

- Operational
- Financial
- Performance
- Payment activities
- Letter/Notice (account correspondence)
- Detailed customer disputes
- Delinquent collections (If applicable)
- Reporting requirements to be defined during implementation:
- Report detail
- Format (Excel, PDF, CSV, TXT, other)
- Delivery schedule (daily, weekly, monthly, quarterly, annually)
- Delivery method (email, SFTP, mail)

Please see **Attachment D** for sample reports.

Resumes

Resumes of all key staff have been provided in **Attachment A**.

ATTACHMENT A - RESUMES

Clayton Howe | Principal-In-Charge

Degree(s): Associate of Applied Science in Plant Engineering, Texas State Technical College

Association(s): Team Texas; Alliance for Toll Interoperability Board of Trustees; Omni Air

Total Years of Experience: 28

Responsibility on Project: Responsible for direct communications with the Authority

Clayton Howe has more than 28 years of experience serving many roles in operational service delivery and in developing new departments/products for implementation. He previously served as the Assistant Executive Director of Operations at the North Texas Tollway Authority (NTTA) where he led a workforce of approximately 700 employees in the areas of maintenance, customer service, revenue collections, traffic management, information technology, emergency response/ preparedness, risk management, loss prevention and safety. This role included administrative responsibility for operating a system with multiple facilities, 2 million daily transactions, more than 2.5 million active account holders, with an annual collection of over \$500 million in revenues annually. Given Clayton's in-depth tolling experience, he will serve as the Principal-In-Charge ensuring the project team stays on task and within deadlines. Representative experience includes:

- **Vice President of Business Development, SWC Group (1.5 Years)** – Clayton leads SWC's product development and opportunity acquisition department. He is tasked with developing solutions that leverage our organizational strengths with market needs. He identifies win-win opportunities in SWC's target market areas that match SWC's value driven services to organizational needs. Given his strong background in the toll industry, Clayton focuses the majority of his energy partnering with toll agencies to understand their business challenges, and developing problems to address those needs.
- **Assistant Director of Operations, North Texas Tollway Authority (11 Years)** – Initially, Clayton joined NTTA in 2002 as the assistant director of the Maintenance department, focusing on the initial implementation of the asset management program. In 2003, Clayton moved to the Toll Programs and Services department as the assistant director charged with the implementation of the customer service center initiative. In 2004, he was named director of toll programs and services, responsible for the operational activities and the strategic planning in the areas of NTTA's command center, vault collection and processing, Department of Public Safety Support, loss prevention and the customer service center. In 2006, Clayton moved into the role as the director of customer programs and services, tasked with the development of service offerings to include customer experience management and fiscal accountability. In 2007, He was promoted to the assistant executive director of operations with oversight of the Customer Service, Maintenance, System and Incident Management, Toll Collection and Information Technology departments.

Jeff Hazzard | Project Manager/Business Analyst

Degree(s): Bachelor of Art in Government, University of Texas at Austin

Total Years of Experience: 16

Responsibility on Project: Responsible for successful implementation and ongoing performance of the overall program

Jeff Hazzard has more than 16 years of operations and technology experience and provides leadership and hands-on direction for all aspects of call center operations including strategic planning, development, staffing, management and financial performance. He will provide high-level management of all operational aspects of this contract with the Authority, from implementation to ongoing collection efforts. Jeff is actively involved in the day-to-day operations and provides oversight while allowing his management team to effectively perform the collection strategy set forth upon analyzing the portfolio. He has previous tolling collections and back office experience with the Illinois Tollway Authority and the North Texas Tollway Authority. Representative experience includes:

- **Chief Operations Officer, SWC Group (4 Years)** – Jeff provides strategic leadership and hands on direction for all aspects of operations, human resources and training. He establishes work priorities and ensures client performance needs are met while meeting cost, productivity, and quality goals. Jeff Joined SWC in 2012 as the Chief Information Officer. He provided direction for all aspects of IT planning, implementation and support for more than 200 employees spread over multiple contact centers. He oversaw the 24x7 helpdesk, data center operations and administration of servers, workstations, firewalls, email and databases. He led the improvement of IT processes, IT governances and security, and ensured SWC passed SSAE 16 and PCI security audits. His combined technological and operations experience make him the ideal leader to manage the Authority's project.
- **Director of Technology, Harris & Harris (2 Years)** – Jeff provided leadership and hands on direction for all aspects of IT planning, implementation and support for 350+ employees in multiple locations. He was responsible for 24x7 helpdesk, data center operations, and administration of servers, mainframes, workstations, firewalls, email, and databases.
- **Director of Technology, Barre Supervisory Union (2 Years)** – Jeff was responsible for all aspects of strategic IT planning, implementation and support across multiple locations with overall decision making authority. He supported 700+ client machines, multiple database platforms and ERP systems. He was responsible for vendor negotiation and selection. Jeff prepared and oversaw four independent budgets, managed capital expenditures, and procurement. He hired, managed, and evaluated a team of five network administrators and help desk staff supporting 600+employees and 3,000 students.
- **Chief Information Officer, Collings Financial Services (10 Years)** – Jeff directed all aspects of IT and telecommunications operations for a \$40 million sales and collection company with

multiple locations. He hired, managed, and evaluated a team of IT professionals including database administrators, network administrators, programmers, and help desk staff. He was responsible for technical infrastructure including 350 client machines, 30 servers, and three predictive dialers. Jeff developed and administered a \$2.2 million annual budget to cover the cost of salaries, software and hardware vendor maintenance contracts, upgrades, telecommunication carriers, and outsourced support. He worked closely with a network monitoring company to ensure efficient server operations, and prepare on-call schedules. Jeff planned and coordinated the implementation of security systems in multiple facilities.

Kwan Butler | Operations Manager

Degree(s): Bachelor of Art in Marketing, Ferris State University

Total Years of Experience: 19 Years

Responsibility on Project: Responsible for successful implementation and ongoing performance for all customer contacts

Kwan has more than 19 years of collection experience holding several managerial positions within the industry. His leadership style is one of coaching, mentoring and developing staff to foster organizational growth. He has exhibited a competitive edge by guiding organizations into a strategic advantage within the industry. Kwan has been successful in increasing retention throughout his career in management while maintaining a profitable collection department. Kwan's direct experience with government engagements include two years of experience with the North Texas Tollway Authority, two years of experience with Philadelphia Gas Works, one year of experience with the Illinois Tollway Authority, as well as the City of Chicago, City of Philadelphia, City of New Orleans, City of Baltimore and the City of Detroit. Kwan will ensure that we exceed the Authority's performance standards. Representative experience includes:

- **Consumer Contact Director, SWC Group (3 Years)** – Kwan manages the daily call center operations including management of call center management and team leaders. He provides strategic development of client work strategies to increase competitive positioning and receivables. He developed department policies to ensure call quality standards are achieved to meet or exceed client objectives. Kwan has increased retention within the call center by coaching and mentoring associates to improve call quality and performance, leading to them obtaining performance based compensation.
- **Director of Government and Utility Collections, Harris & Harris (6 Years)** – Kwan managed the day-to-day call center operations and developed collection strategies to ensure client revenue objectives were met. He managed 12 utility client portfolios which all secured first place competitive rankings in each portfolio. He managed 38 municipal client portfolios of which all were ranked highly, with four portfolios ranked first place. Kwan had an excellent track record

of coaching and leadership development resulting in nine of his team members to be promoted to leadership positions. Prior to being promoted to this position, he was promoted from Utility Collection Manager to Senior Operations Manager.

- **Collection Supervisor, West Asset Management (3 Years)** – Kwan supervised a team of 15 collection representatives for a telecommunications client portfolio. He trained new and existing employees on collection techniques. He monitored calls for compliance with FDCPA and other applicable laws. Kwan managed production workloads. He conducted monthly training, call quality and team building meetings.

Melody Sasser | Collection Manager

Degree(s): Bachelor of Art in Marketing, Ferris State University

Total Years of Experience: 12 Years

Responsibility on Project: Responsible for day-to-day supervision of consumer specialists

Melody Sasser provides vital leadership and on the floor support to our collection teams. She brings more 12 years of experience in collections and customer service to the Authority. Melody completes a perilous role as a senior manager and motivator working in conjunction with her teams to ensure all client goals are achieved. Reporting directly to Kwan Butler, Melody maintains consistent communication throughout the day with Kwan, providing progress updates and recommending minor process modifications to improve performance across the contact center. Representative experience includes:

- **Collection Manager, SWC Group (6 Years)** – Melody supervises and coaches collection floor managers on a daily basis and sets challenging cross-functional goals that support meeting each client's expectations. She researches and develop new strategies to continually maximize collections for each client.
- **Collections and Dialer Manager, First Revenue Assurance (5 Years)** – Supervised, trained and motivated employees. Conducted performance evaluations and monitored telephone calls and emails from all clients. She also managed the dialer system.
- **Collection Supervisor, Nation Wide Recovery (1 Year)** – Assisted manager with training and motivating collections. Conducted outbound and inbound calls on past due receivables. Skip traced accounts to locate consumers.

Vamsi Bogullu | Systems Engineering Manager

Degree(s): Master of Science in Engineering Management, University of Missouri-Rolla; Bachelor of Engineering in Production Engineering, Madras University, India

Total Years of Experience: 11 Years

Responsibility on Project: Responsible for all administrative and information technology activities to support the project

Vamsi Bogullu leads the implementation of new client collection programs from the time the contract is signed until the final client sign-off of satisfaction. During implementation, he functions as the bridge between the client and all internal departments, coordinating all technological aspects of addressing client needs. His scrupulous attention to detail and drive to succeed makes him a valuable team member, as he is able to balance the needs of each individual client's program with grace and skill. Representative experience includes:

- **Vice President of Information Technology, SWC Group (3 Years)** – Vamsi also is responsible for developing and implementing updated technology to help drive recoveries. He ensures the continued management and maintenance of all internal technology, whether software or hardware, supporting substantial users. He also leads the information technology teams, ensuring the availability, integrity and security of all IT systems whether internal or external are resolved immediately and effectively.
- **Data Warehouse Manager, Emetric LLC (2 Years)** – Vamsi designed and developed data marts and unified dimension models for various data domains.
- **Lead Database Architect, Collins Financial Services/Precision Recovery Analytics International (5 Years)** – Vamsi managed more than 10 production systems with multiple data warehouse databases. He designed and developed enterprise level data warehouse for analytical reporting based on Kimball methodology. He developed models that efficiently store historical data for score modeling and point in time data for audits. Vamsi spearheaded system migration of a large mission critical database with no unplanned downtime and data loss. He designed and implemented disaster recovery plans. He lead and mentored a team of database administrators and application developers.
- **SQL Server Database Administrator/Developer, Eclipsys Corporation (4 Years)** – Vamsi developed complex business logic in SQL server 2000 using stored procedures, views, triggers and user defined functions. He developed complex reports with SQL Reporting Services. Vamsi organized and maintained enterprise wide reporting with SQL Reporting Services.

Shantae Williams | QA/Test Manager

Degrees/Certifications: Pursuing Digital Forensics Degree, Richland College

Years of Experience: 5 Years

Shantae Williams is an information technology and quality assurance professional with more than five years of experience. Her experience includes working in Quality Assurance for One Technologies, and as a Technical Support Team Lead for Integrity Security Call Center.

Kenneth Peck | Client Solutions Manager

Total Years of Experience: 17 Years

Responsibility on Project: Responsible for ongoing communications and ensuring reporting requirements are met

Kenneth Peck has more than 17 years of collection experience with creative leadership strategies and solutions with a particular focus on public-sector collections. He has a strong background in collection operations and client relations, which gives him a comprehensive understanding of requirements presented in government collections programs.

Kenneth actively participates in local government associations by attending conferences and trade shows. He ensures contract compliance with clients and establishes and maintains relationships with service providers. He partners with prospective clients to ensure we are providing the very best solution for their needs. He has previous municipal and toll industry experience with PECO Energy an Exelon Company, ComEd an Exelon Company, Philadelphia Gas Works, City of Chicago, Illinois Tollway Authority, the North Texas Tollway Authority and a variety of other municipalities. Representative projects include:

- **Director of Business Solutions, SWC Group (2 Years)** – Ken partners with clients to ensure we are providing the best solutions that meet their needs. He ensures SWC is always in compliance with contract requirements and that all reporting and communications requirements are met.
- **Senior Collections Manager, Asset Recovery Solutions (3 Years)** – Ken supervised, trained, developed and motivated more than 50 employees. He conducted performance evaluations, FDCPA and disciplinary procedures. Ken monitored all communications with consumers.
- **Collections Manager, Arnold S. Harris (3 Years)** – Ken supervised, trained, developed and motivated more than 30 employees. He conducted performance evaluations and disciplinary procedures. He reviewed, prepared and analyzed accounts receivable aging reports. He applied predictive analytics to staff and collection forecasts to develop and implement strategies to increase liquidation rates.

SWC GROUP, L.P.

CONSOLIDATED FINANCIAL REPORT

DECEMBER 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Partners of
SWC Group, L.P.
Carrollton, Texas

We have audited the accompanying consolidated financial statements of SWC Group, L.P. (the Partnership), which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of income, partners' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

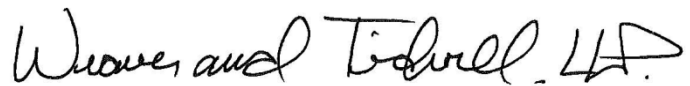
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

SWC Group, L.P.

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of SWC Group, L.P. as of December 31, 2015 and 2014, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Weaver and Tidwell, L.L.P." with a stylized flourish at the end.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 23, 2016

SWC GROUP, L.P.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 4,011	\$ 4,011
Funds held in escrow	15,513	14,201
Accounts receivable, net	2,312,682	2,631,239
Prepaid expenses and other	<u>399,856</u>	<u>347,590</u>
Total current assets	2,732,062	2,997,041
Property and equipment, net	654,505	677,776
Deposits	82,335	53,407
Goodwill	<u>1,393,484</u>	<u>1,393,484</u>
TOTAL ASSETS	<u><u>\$ 4,862,386</u></u>	<u><u>\$ 5,121,708</u></u>
LIABILITIES AND PARTNERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 632,254	\$ 540,434
Accrued expenses	682,163	936,438
Escrow payable	15,513	14,201
Current maturities of capital lease	9,546	56,004
Current maturities of notes payable	<u>11,185</u>	<u>22,140</u>
Total current liabilities	1,350,661	1,569,217
Deferred rent, noncurrent	108,914	159,810
Capital lease obligation, less current maturities	-	9,530
Lines of credit	1,153,943	447,270
Notes payable, less current maturities	<u>-</u>	<u>11,185</u>
Total liabilities	<u>2,613,518</u>	<u>2,197,012</u>
PARTNERS' EQUITY		
Partners' Equity	<u>2,248,868</u>	<u>2,924,696</u>
Total partners' equity	<u>2,248,868</u>	<u>2,924,696</u>
TOTAL LIABILITIES AND PARTNERS' EQUITY	<u><u>\$ 4,862,386</u></u>	<u><u>\$ 5,121,708</u></u>

The Notes to Consolidated Financial Statements
are an integral part of these statements.

SWC GROUP, L.P.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
COMMISSION REVENUES	\$ 17,834,775	\$ 21,136,512
OPERATING COSTS AND EXPENSES		
Cost of collections	11,893,452	14,559,670
Selling, general, and administrative	5,018,288	4,477,208
Depreciation and amortization	<u>238,732</u>	<u>242,856</u>
Total operating costs and expenses	<u>17,150,472</u>	<u>19,279,734</u>
INCOME FROM OPERATIONS	684,303	1,856,778
OTHER INCOME (EXPENSE)		
Interest expense	(40,580)	(40,506)
Other	<u>5,449</u>	<u>17,068</u>
Total other expense	<u>(35,131)</u>	<u>(23,438)</u>
NET INCOME	<u><u>\$ 649,172</u></u>	<u><u>\$ 1,833,340</u></u>

The Notes to Consolidated Financial Statements
are an integral part of these statements.

SWC GROUP, L.P.
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	Partners' Equity
BALANCE, December 31, 2013	<u>2,059,088</u>
Distributions	(967,732)
Net income	<u>1,833,340</u>
BALANCE, December 31, 2014	<u><u>\$ 2,924,696</u></u>
Distributions	(1,325,000)
Net income	<u>649,172</u>
BALANCE, December 31, 2015	<u><u>\$ 2,248,868</u></u>

The Notes to Consolidated Financial Statements
are an integral part of these statements.

SWC GROUP, L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 649,172	\$ 1,833,340
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	238,732	242,856
Loss (Gain) on sale of property and equipment	436	(16,500)
Changes in operating assets and liabilities:		
Funds held in escrow	(1,312)	51,857
Accounts receivable	318,557	(14,185)
Prepaid expenses and other	(81,194)	13,454
Accounts payable and accrued expenses	(162,455)	372,877
Deferred rent	(50,896)	(36,364)
Escrow payable	1,312	(51,857)
Net cash provided by operating activities	<u>912,352</u>	<u>2,395,478</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	1,977	17,214
Purchases of property and equipment	(217,874)	(248,069)
Net cash used in investing activities	<u>(215,897)</u>	<u>(230,855)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from lines of credit	13,590,415	11,596,599
Payments on lines of credit	(12,883,742)	(12,704,370)
Proceeds from issuances of long-term debt	-	44,246
Payments on long-term debt	(78,128)	(133,366)
Distributions to owners	(1,325,000)	(967,732)
Net cash used in financing activities	<u>(696,455)</u>	<u>(2,164,623)</u>
NET INCREASE (DECREASE) IN CASH	-	-
CASH AND CASH EQUIVALENTS, beginning of year	<u>4,011</u>	<u>4,011</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 4,011</u>	<u>\$ 4,011</u>
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest	<u>\$ 40,580</u>	<u>\$ 40,506</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

SWC GROUP, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Description

SWC Solutions, L.P., a Texas limited liability partnership, was formed on July 10, 2013. On May 1, 2015 an amendment was executed to effectively change the name of SWC Solutions, L.P. to SWC Group, L.P. (the Partnership). The Partnership's general partner is SWC GP, LLC and the limited partner is Trigon Capital, L.P. The Partnership, through its subsidiaries, offers creative, customized collection services to help its clients' accounts receivable management.

Basis of Presentation

The Partnership was established in an organizational restructuring. As a result, the Partnership acquired all limited partnership interests in Southwest Credit Systems, L.P. from Trigon Capital, L.P., in exchange for all of the limited partnership interests in the Partnership. In addition, a new entity titled SWC Services, L.P. was established, in which all of the limited partnership interests are owned by the Partnership. On May 1, 2015, an amendment was executed to effectively change the name of SWC Services, L.P. to SWC Solutions, L.P.

The consolidated financial statements of the Partnership include the accounts of Southwest Credit Systems, L.P. and SWC Solutions, L.P. All significant intercompany amounts have been eliminated in consolidation. The general partnership interests in both Southwest Credit Systems, L.P. and SWC Solutions, L.P. of .22% have been deemed immaterial to the financial statements and as such, no non-controlling interests have been presented.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The Partnership considers all highly liquid investments purchased with a remaining maturity of three months or less when purchased to be cash equivalents. The financial instruments potentially subject the Partnership to concentrations of credit risk. There were no cash equivalents at December 31, 2015 and 2014.

Periodically, the Partnership maintains cash in financial institutions in excess of amounts insured by the Federal government. The Partnership attempts to place such deposits on account with financial institutions believed to be of high credit standing.

SWC GROUP, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation is expensed over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the shorter of the lease term or the estimated life of the related assets. Expenditures for maintenance and repairs are charged to expense as incurred. Renewals and betterments are capitalized. When property is sold or retired, the cost and related accumulated depreciation are removed from the balance sheet, and any gains or losses on the transactions are included in the statement of income.

The Partnership reviews long-lived assets for impairment, in conformity with accounting principles generally accepted in the United States of America, based on estimated future cash flows whenever events or changes in circumstance indicate that the carrying amount of the asset may not be recoverable.

Income Taxes

The Partners include their share of partnership income or loss on their respective individual tax returns and, accordingly, no federal income tax provisions have been provided in the accompanying consolidated financial statements. However, the Partnership is subject to state income/margin tax.

The Partnership follows the provisions of Accounting Standards Codification 740, "Income Taxes" (ASC 740). ASC 740 clarifies the accounting for uncertainty in income taxes. It prescribes that a company should use a more-likely-than-not recognition threshold based on the technical merits of the tax position taken. Tax positions that meet the more-likely-than-not recognition threshold should be measured as the largest amount of the tax benefits, determined on a cumulative probability basis, which is more likely than not to be realized upon ultimate settlement in the consolidated financial statements. The Partnership recognizes interest and penalties related to income tax matters in income tax expense. Management of the Partnership is not aware of any uncertain tax positions that have an impact on the Partnership's results of operations, cash flows or financial position. As of December 31, 2015, the Partnership's tax years 2012 and thereafter remain subject to examination for state tax purposes. As of December 31, 2015, the Partnership's tax years 2013 and thereafter remain subject to examination for federal tax purposes.

Revenue Recognition

The Partnership generates revenues from contingency fees and contractual services. Contingency fee revenue is recognized upon collection of funds from debtors on behalf of clients. Contractual service revenue is recognized as services are performed. Revenue is recognized net of sales tax or other similar taxes assessed by governmental authorities.

SWC GROUP, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Goodwill

Goodwill is the difference between the cost of an acquired enterprise and the sum of the fair values of assets purchased less liabilities assumed. The Partnership's goodwill has an indefinite life and is not being amortized but, instead, is tested annually for impairment. Should an analysis indicate that goodwill is not recoverable, its carrying amount would be reduced by the amount in excess of the present value of future cash flows. Management does not believe there to be any impairment losses for the years ended December 31, 2015 and 2014.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Partnership's accrual for state franchise taxes is a significant estimate.

Credit Policy

The Partnership has three principal types of arrangements under which it collects contingency fee revenues. For certain clients, the Partnership remits funds collected from debtors on behalf of the client net of the related contingency fees, while, for other clients, the Partnership remits gross funds collected from debtors on behalf of clients and bills the clients separately for its contingency fees. In the event of collection delays from clients, management may at its discretion change from the gross remittance method to the net remittance method. In addition, debtors whose accounts have been assigned to the Partnership for collection sometimes pay the Partnership's clients directly, and the Partnership bills its clients for fees due on these debtor payments. Management carefully monitors client relationships in order to minimize its credit risk and generally does not require collateral.

Concentration of Credit Risk

Financial instruments that potentially expose the Partnership to concentrations of credit risk consist primarily of accounts receivable, which are uncollateralized. The Partnership's customer base consists primarily of various telecommunication, cable and financial service companies.

SWC GROUP, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Concentration of Credit Risk – Continued

Receivables are carried at the original invoice amount less an allowance made for possible losses based upon a review of all outstanding balances performed on a regular basis. Invoices are considered past due as determined by contractual terms which vary by customer. An allowance for doubtful accounts is provided for known and anticipated losses as determined by management. Accounts receivable are written-off when deemed uncollectible. Recovery of accounts receivable previously expensed are recorded when received as an addition to the allowance.

The net write-off of bad debts was \$0 for the years ended December 31, 2015 and 2014. The allowance for doubtful accounts was \$14,033 at December 31, 2015 and 2014.

Significant Customers

For the year ended December 31, 2015, the Partnership generated revenues from five customers individually that represented approximately 85% of total revenues. At December 31, 2015, the Partnership maintained accounts receivable from these customers which represented approximately 89% of total accounts receivable.

For the year ended December 31, 2014, the Partnership generated revenues from five customers individually that represented approximately 83% of total revenues. At December 31, 2014, the Partnership maintained accounts receivable from these customers which represented approximately 80% of the total accounts receivable.

A summary of the sales to, and accounts receivable from, significant customers is summarized as follows, as of and for the years ended December 31, 2015 and 2014:

	<u>2015</u>		<u>2014</u>	
	<u>Net Sales</u>	<u>Accounts Receivable</u>	<u>Net Sales</u>	<u>Accounts Receivable</u>
Customer A			13%	2%
Customer B	20%	20%	17%	18%
Customer C	31%	44%	19%	26%
Customer D	21%	0%	34%	34%
Customer E	6%	13%		
Customer F	7%	12%		

SWC GROUP, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Advertising Costs

The Company expenses advertising costs as incurred. The amount of advertising costs charged to operations totaled \$43,673 and \$14,598 for the years ended December 31, 2015 and 2014, respectively.

Subsequent Events

The date to which events occurring after December 31, 2015, the date of the most recent balance sheet, have been evaluated for possible adjustment to the consolidated financial statements or disclosure is March 23, 2016, the date these consolidated financial statements were available to be issued. No events requiring recognition or disclosure were noted.

NOTE 3. FUNDS HELD IN ESCROW OR TRUST FOR CLIENTS

In the course of the Partnership's regular business activities as an accounts receivable management service provider, the Partnership receives clients' funds arising from the collection of accounts placed with the Partnership. These funds are placed in segregated cash accounts and are generally remitted to the clients within thirty days.

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2015	2014
Leasehold improvements	\$ 59,700	\$ 59,700
Furniture, fixtures, and equipment	349,044	342,468
Computer equipment and software	2,369,838	2,161,815
Automobiles	70,747	70,747
	2,849,329	2,634,730
Less accumulated depreciation and amortization	2,194,824	1,956,954
	<u>\$ 654,505</u>	<u>\$ 677,776</u>

SWC GROUP, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5. LINE OF CREDIT

On December 31, 2013, Southwest Credit Systems, L.P. amended its revolving line of credit agreement to transfer the liability to the Partnership. In addition, the note was amended to increase the total line of credit from \$1,800,000 to \$2,300,000.

On January 16, 2016, the term of the line was amended and is due to mature on January 14, 2018. Borrowings against the line totaled \$1,153,943 and \$447,270 at December 31, 2015 and 2014, respectively.

The line of credit bears interest at the Prime Referenced Rate (3.50% at December 31, 2015) plus applicable margin (0.75% per annum). The Prime Referenced Rate is a per annum interest rate that is equal to the Prime Rate in effect on such day, but in no event shall be less than the sum of the Daily Adjusting LIBOR Rate for such day plus 2.50% per year. Accrued unpaid interest on the unpaid principal balance outstanding shall be payable monthly commencing on January 27, 2011, until maturity. The line is collateralized by the assets of Southwest Credit Systems, L.P. and SWC Solutions, L.P. and guaranteed by the partners.

NOTE 6. NOTES PAYABLE

Notes payable consisted of the following at December 31:

	2015	2014
Note payable to a lender secured by an automobile and personal guarantees from ownership, bearing interest at 1.4% annually. The note requires monthly principal and interest payments of \$1,872 and matures on June 4, 2016.	\$ 11,185	\$ 33,325
	11,185	33,325
Less current maturities	11,185	22,140
	<u>\$ -</u>	<u>\$ 11,185</u>

NOTE 7. EMPLOYEE BENEFIT PLAN

The Partnership provides a 401(k) savings plan for eligible employees (the Plan). The Partnership's matching contributions are equal to 25 percent of eligible employees' contributions, subject to plan and legal limitations. Effective August 1, 2014, the Partnership's matching contribution increased to 50 percent of eligible employees' contributions, subject to plan and legal limitations. Contributions and expenses related to the Plan for the years ended December 31, 2015 and 2014 were \$75,680 and \$47,049, respectively.

SWC GROUP, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8. OPERATING LEASES

The Partnership is obligated under non-cancelable operating lease agreements for office facilities. The lease agreements expire in 2017. Future minimum lease commitments under the non-cancelable operating lease agreements at December 31, 2015 are as follows:

<u>Year ending December 31,</u>	
2016	\$ 516,591
2017	290,318
	<u>\$ 806,909</u>

Total rent expense under operating leases included in selling, general, and administrative expense was \$450,861 for the years ended December 31, 2015 and 2014.

NOTE 9. CAPITAL LEASES

The Partnership has entered into a capital lease agreement for computer equipment. The amortization of the capital lease assets is included in depreciation expense. The following is a summary of the leased assets included in computer equipment and software at December 31, 2015:

Computer equipment and software	\$ 163,000
Less: accumulated depreciation	<u>81,500</u>
Net book value	<u>\$ 81,500</u>

Future minimum lease payments under the capital leases are as follows:

2016	\$ 9,577
Total minimum lease payments	9,577
Amount representing interest	<u>(31)</u>
Present Value of future minimum capital lease payments	9,546
Less current maturities	<u>9,546</u>
	<u>\$ -</u>

SWC GROUP, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10. COMMITMENTS AND CONTINGENCIES

The Partnership is involved in legal proceedings arising in the normal course of business relating to the Fair Debt Collection Practices Act. Management maintains liability insurance that limits the Partnership's liability for such claims to \$75,000 per occurrence. In addition, additional extended reporting period insurance coverage, will limit the Partnership's liability for applicable claims to \$25,000 per occurrence. While the ultimate outcome of these matters is not presently determinable, management believes that the ultimate resolution of these matters will not have a material adverse effect on the Partnership's consolidated financial statements.

SWC SOLUTIONS, L.P.

CONSOLIDATED FINANCIAL REPORT

DECEMBER 31, 2014

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INDEPENDENT AUDITORS' REPORT

To the Partners of
SWC Solutions, L.P.
Carrollton, Texas

We have audited the accompanying consolidated financial statements of SWC Solutions, L.P. (the Partnership), which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of income, partners' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

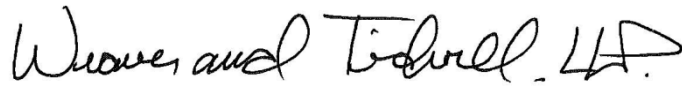
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

SWC Solutions, L.P.

Page 2

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of SWC Solutions, L.P. as of December 31, 2014 and 2013, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Weaver and Tidwell, L.L.P." with a stylized flourish at the end.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 23, 2015

SWC SOLUTIONS, L.P.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 4,011	\$ 4,011
Funds held in escrow	14,201	66,058
Accounts receivable, net	2,631,239	2,617,054
Prepaid expenses and other	<u>347,590</u>	<u>361,044</u>
Total current assets	2,997,041	3,048,167
Property and equipment, net	677,776	673,277
Deposits	53,407	53,407
Goodwill	<u>1,393,484</u>	<u>1,393,484</u>
TOTAL ASSETS	<u><u>\$ 5,121,708</u></u>	<u><u>\$ 5,168,335</u></u>
LIABILITIES AND PARTNERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 540,434	\$ 429,366
Accrued expenses	936,438	674,629
Escrow payable	14,201	66,058
Current maturities of capital lease	56,004	53,843
Current maturities of notes payable	<u>22,140</u>	<u>68,601</u>
Total current liabilities	1,569,217	1,292,497
Deferred rent, noncurrent	159,810	196,174
Capital lease obligation, less current maturities	9,530	65,535
Lines of credit	447,270	1,555,041
Notes payable, less current maturities	<u>11,185</u>	<u>-</u>
Total liabilities	<u>2,197,012</u>	<u>3,109,247</u>
PARTNERS' EQUITY		
Partners' Equity	<u>2,924,696</u>	<u>2,059,088</u>
Total partners' equity	<u>2,924,696</u>	<u>2,059,088</u>
TOTAL LIABILITIES AND PARTNERS' EQUITY	<u><u>\$ 5,121,708</u></u>	<u><u>\$ 5,168,335</u></u>

The Notes to Financial Statements are
an integral part of these statements.

SWC SOLUTIONS, L.P.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
COMMISSION REVENUES	\$ 21,136,512	\$ 17,673,814
OPERATING COSTS AND EXPENSES		
Cost of collections	14,558,800	12,878,897
Selling, general, and administrative	4,478,078	3,993,297
Depreciation and amortization	<u>242,856</u>	<u>197,544</u>
Total operating costs and expenses	<u>19,279,734</u>	<u>17,069,738</u>
INCOME FROM OPERATIONS	1,856,778	604,076
OTHER INCOME (EXPENSE)		
Interest expense	(40,506)	(60,026)
Other	<u>17,068</u>	<u>13,688</u>
Total other expense	<u>(23,438)</u>	<u>(46,338)</u>
NET INCOME	<u><u>\$ 1,833,340</u></u>	<u><u>\$ 557,738</u></u>

The Notes to Financial Statements are
an integral part of these statements.

SWC SOLUTIONS, L.P.
CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Class A Common Units</u>		<u>Accumulated</u>	<u>Partners'</u>
	<u>Units</u>	<u>Dollars</u>	<u>Deficit</u>	<u>Equity</u>
BALANCE, December 31, 2012	<u>1,575,000</u>	<u>\$ 1,575,000</u>	<u>\$ 577,288</u>	<u>\$ 2,152,288</u>
Reclassification	(1,575,000)	(1,575,000)	(577,288)	2,152,288
Distributions				(650,938)
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>557,738</u>
BALANCE, December 31, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,059,088</u>
Distributions				(967,732)
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,833,340</u>
BALANCE, December 31, 2014	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,924,696</u>

The Notes to Financial Statements are an integral part of these statements.

SWC SOLUTIONS, L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 1,833,340	\$ 557,738
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	242,856	197,544
Gain on sale of property and equipment	(16,500)	
Changes in operating assets and liabilities:		
Funds held in escrow	51,857	6,839
Accounts receivable	(14,185)	(475,432)
Prepaid expenses and other	13,454	(107,638)
Accounts payable and accrued expenses	372,877	189,599
Deferred rent	(36,364)	(21,833)
Escrow payable	(51,857)	(6,839)
Net cash provided by operating activities	<u>2,395,478</u>	<u>339,978</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	17,214	-
Purchases of property and equipment	(248,069)	(197,089)
Net cash used in investing activities	<u>(230,855)</u>	<u>(197,089)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from lines of credit	11,596,599	14,756,907
Payments on lines of credit	(12,704,370)	(13,830,053)
Proceeds from issuances of long-term debt	44,246	-
Payments on long-term debt	(133,366)	(418,855)
Distributions to owners	(967,732)	(650,938)
Net cash used in financing activities	<u>(2,164,623)</u>	<u>(142,939)</u>
NET INCREASE (DECREASE) IN CASH	-	(50)
CASH AND CASH EQUIVALENTS, beginning of year	<u>4,011</u>	<u>4,061</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 4,011</u></u>	<u><u>\$ 4,011</u></u>
SUPPLEMENTAL DISCLOSURE		
Cash paid for interest	<u><u>\$ 40,506</u></u>	<u><u>\$ 60,026</u></u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Equipment acquired through capital lease	<u><u>\$ -</u></u>	<u><u>\$ 162,667</u></u>

The Notes to Financial Statements are an integral part of these statements.

SWC SOLUTIONS, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Description

SWC Solutions, L.P., a Texas limited partnership (the Partnership), was formed during July 2013. The Partnership's general partner is SWC GP, LLC, and the limited partner is Trigon Capital, L.P. The Partnership offers creative, customized collection services to help its clients' accounts receivable management.

Basis of Presentation

SWC Solutions, L.P. was established on July 10, 2013 in an organizational restructuring. As a result, SWC Solutions, L.P. acquired all limited partnership interests in Southwest Credit Systems, L.P. from Trigon Capital, L.P. in exchange for all of the limited partnership interests in SWC Solutions, L.P. In addition, a new entity titled SWC Services, L.P. was established, in which all the limited partnership interests are owned by SWC Solutions, L.P.

The consolidated financial statements of SWC Solutions, L.P. include the accounts of Southwest Credit Systems, L.P. and SWC Services, L.P. All significant intercompany amounts have been eliminated in consolidation. The general partnership interests in both Southwest Credit Systems, L.P. and SWC Services, L.P. of .22% have been deemed immaterial to the financial statements and as such, no non-controlling interests have been presented.

As the restructuring resulted in a parent (Trigon Capital, L.P.) transferring its controlling interest to a newly established subsidiary with the same ownership interest, there was no change of control. As a result, the assets and liabilities transferred into SWC Solutions, L.P. from Southwest Credit Systems, L.P. were recognized at their carrying value as of the date of the restructuring. For financial reporting purposes, the results of operations of SWC Solutions, L.P. are presented as of the beginning of the period in which the transfer occurred, or January 1, 2013. Thus, the result of operations consists of the operations of Southwest Credit Systems, L.P. from January 1, 2013 through the date of the restructuring and of the consolidated operations of SWC Solutions L.P. from the date of the restructuring through December 31, 2014.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The Partnership considers all highly liquid investments purchased with a remaining maturity of three months or less when purchased to be cash equivalents. The financial instruments potentially subject the Partnership to concentrations of credit risk. There were no cash equivalents at December 31, 2014 and 2013.

SWC SOLUTIONS, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash and Cash Equivalents – Continued

Periodically, the Partnership maintains cash in financial institutions in excess of amounts insured by the Federal government. The Partnership attempts to place such deposits on account with financial institutions believed to be of high credit standing.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation is expensed over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the shorter of the lease term or the estimated life of the related assets. Expenditures for maintenance and repairs are charged to expense as incurred. Renewals and betterments are capitalized. When property is sold or retired, the cost and related accumulated depreciation are removed from the balance sheet, and any gains or losses on the transactions are included in the statement of income.

The Partnership reviews long-lived assets for impairment, in conformity with accounting principles generally accepted in the United States of America, based on estimated future cash flows whenever events or changes in circumstance indicate that the carrying amount of the asset may not be recoverable.

Income Taxes

The Partners include their share of partnership income or loss on their respective individual tax returns and, accordingly, no federal or state income tax provisions have been provided in the accompanying consolidated financial statements. However, the Partnership is subject to state income/margin tax.

The Partnership follows the provisions of Accounting Standards Codification 740, "Income Taxes" (ASC 740). ASC 740 clarifies the accounting for uncertainty in income taxes. It prescribes that a company should use a more-likely-than-not recognition threshold based on the technical merits of the tax position taken. Tax positions that meet the more-likely-than-not recognition threshold should be measured as the largest amount of the tax benefits, determined on a cumulative probability basis, which is more likely than not to be realized upon ultimate settlement in the consolidated financial statements. The Partnership recognizes interest and penalties related to income tax matters in income tax expense. Management of the Partnership is not aware of any uncertain tax positions that have an impact on the Partnership's results of operations, cash flows or financial position. As of December 31, 2014, the Partnership's tax years 2011 and thereafter remain subject to examination for state tax purposes. As of December 31, 2014, the Partnership's tax years 2012 and thereafter remain subject to examination for federal tax purposes.

SWC SOLUTIONS, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue Recognition

The Partnership generates revenues from contingency fees and contractual services. Contingency fee revenue is recognized upon collection of funds from debtors on behalf of clients. Contractual service revenue is recognized as services are performed. Revenue is recognized net of sales tax or other similar taxes assessed by governmental authorities.

Goodwill

Goodwill is the difference between the cost of an acquired enterprise and the sum of the fair values of assets purchased less liabilities assumed. The Partnership's goodwill has an indefinite life and is not being amortized but, instead, is tested annually for impairment. Should an analysis indicate that goodwill is not recoverable, its carrying amount would be reduced by the amount in excess of the present value of future cash flows. Management does not believe there to be any impairment losses for the years ended December 31, 2014 and 2013.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Partnership's accrual for state franchise taxes is a significant estimate.

Credit Policy

The Partnership has three principal types of arrangements under which it collects contingency fee revenues. For certain clients, the Partnership remits funds collected from debtors on behalf of the client net of the related contingency fees, while, for other clients, the Partnership remits gross funds collected from debtors on behalf of clients and bills the clients separately for its contingency fees. In the event of collection delays from clients, management may at its discretion change from the gross remittance method to the net remittance method. In addition, debtors whose accounts have been assigned to the Partnership for collection sometimes pay the Partnership's clients directly, and the Partnership bills its clients for fees due on these debtor payments. Management carefully monitors client relationships in order to minimize its credit risk and generally does not require collateral.

SWC SOLUTIONS, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Concentration of Credit Risk

Financial instruments that potentially expose the Partnership to concentrations of credit risk consist primarily of accounts receivable, which are uncollateralized. The Partnership's customer base consists primarily of various telecommunication and financial service companies.

Receivables are carried at the original invoice amount less an allowance made for possible losses based upon a review of all outstanding balances performed on a regular basis. Invoices are considered past due as determined by contractual terms which vary by customer. An allowance for doubtful accounts is provided for known and anticipated losses as determined by management. Accounts receivable are written-off when deemed uncollectible. Recovery of accounts receivable previously expensed are recorded when received as an addition to the allowance.

The net write-off of bad debts was \$0 and \$13,667 for the years ended December 31, 2014 and 2013, respectively. The allowance for doubtful accounts was \$14,033 and \$14,033 at December 31, 2014 and 2013, respectively.

Significant Customers

For the year ended December 31, 2014, the Partnership generated revenues from four customers individually that represented approximately 83% of total revenues. At December 31, 2014, the Partnership maintained accounts receivable from these customers which represented approximately 80% of total accounts receivable.

For the year ended December 31, 2013, the Partnership generated revenues from four customers individually that represented approximately 80% of total revenues. At December 31, 2013, the Partnership maintained accounts receivable from these customers which represented approximately 83% of the total accounts receivable.

A summary of the sales to significant customers is summarized as follows, for the years ended December 31, 2014 and 2013:

	2014		2013	
	Net Sales	Accounts Receivable	Net Sales	Accounts Receivable
Customer A	13%	2%	22%	25%
Customer B	17%	18%	30%	29%
Customer C	19%	26%	12%	24%
Customer D	34%	34%	16%	5%

SWC SOLUTIONS, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Advertising Costs

The Company expenses advertising costs as incurred. The amount of advertising costs charged to operations totaled \$14,598 and \$9,235 for the years ended December 31, 2014 and 2013, respectively.

Subsequent Events

The date to which events occurring after December 31, 2014, the date of the most recent balance sheet, have been evaluated for possible adjustment to the consolidated financial statements or disclosure is March 23, 2015, the date these consolidated financial statements were available to be issued. No events requiring recognition or disclosure were noted.

NOTE 3. FUNDS HELD IN ESCROW OR TRUST FOR CLIENTS

In the course of the Partnership's regular business activities as an accounts receivable management service provider, the Partnership receives clients' funds arising from the collection of accounts placed with the Partnership. These funds are placed in segregated cash accounts and are generally remitted to the clients within thirty days.

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2014	2013
Leasehold improvements	\$ 59,700	\$ 57,722
Furniture, fixtures, and equipment	342,468	331,556
Computer equipment and software	2,161,815	1,998,097
Automobiles	70,747	40,302
	<u>2,634,730</u>	<u>2,427,677</u>
Less accumulated depreciation and amortization	<u>1,956,954</u>	<u>1,754,400</u>
	<u>\$ 677,776</u>	<u>\$ 673,277</u>

SWC SOLUTIONS, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5. LINE OF CREDIT

On December 31, 2013, Southwest Credit Systems, L.P. amended its revolving line of credit agreement to transfer the liability to the Partnership. In addition, the note was amended to increase the total line of credit from \$1,800,000 to \$2,300,000.

The term of the line was also amended and is due to mature on January 14, 2016. Borrowings against the line totaled \$447,270 and \$1,555,041 at December 31, 2014 and 2013, respectively.

The line of credit bears interest at the Prime Referenced Rate (3.25% at December 31, 2014) plus applicable margin (0.75% per annum). The Prime Referenced Rate is a per annum interest rate that is equal to the Prime Rate in effect on such day, but in no event shall be less than the sum of the Daily Adjusting LIBOR Rate for such day plus 2.50% per year. Accrued unpaid interest on the unpaid principal balance outstanding shall be payable monthly commencing on January 27, 2011, until maturity. The line is collateralized by the assets of Southwest Credit Systems, L.P. and SWC Services, L.P. and guaranteed by the partners.

NOTE 6. NOTES PAYABLE

Notes payable consisted of the following at December 31:

	<u>2014</u>	<u>2013</u>
Note payable to a bank secured by substantially all Partnership assets, bearing interest at the Prime referenced rate (3.25% at December 31, 2013) and applicable margin (0.75% per annum). Principal and accrued interest on this note were payable in installments of \$35,057. The note matured and was paid in full on January 15, 2014.	\$ -	\$ 68,601
Note payable to a lender secured by an automobile and personal guarantees from ownership, bearing interest at 1.4% annually. The note requires monthly principal and interest payments of \$1,872 and matures on June 4, 2016.	<u>33,325</u>	<u>-</u>
	33,325	68,601
Less current maturities	<u>22,140</u>	<u>68,601</u>
	<u>\$ 11,185</u>	<u>\$ -</u>

SWC SOLUTIONS, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFIT PLAN

The Partnership provides a 401(k) savings plan for eligible employees (the Plan). The Partnership's matching contributions are equal to 25 percent of eligible employees' contributions, subject to plan and legal limitations. Effective August 1, 2014, the Partnership's matching contribution increased to 50 percent of eligible employees' contributions, subject to plan and legal limitations. Contributions and expenses related to the Plan for the years ended December 31, 2014 and 2013 were \$47,049 and \$20,343, respectively.

NOTE 8. OPERATING LEASES

The Partnership is obligated under non-cancelable operating lease agreements for office facilities. The lease agreements expire in 2017. Future minimum lease commitments under the non-cancelable operating lease agreements at December 31, 2014 are as follows:

<u>Year ending</u> <u>December 31,</u>	
2015	\$ 502,059
2016	516,591
2017	<u>290,318</u>
	<u><u>\$ 1,308,968</u></u>

Total rent expense under operating leases included in selling, general, and administrative expense was \$450,861 and \$450,861 for the years ended December 31, 2014 and 2013, respectively.

NOTE 9. CAPITAL LEASES

The Partnership has entered into a capital lease agreement for computer equipment. The amortization of the capital lease assets is included in depreciation expense. The following is a summary of the leased assets included in computer equipment and software at December 31, 2014:

Computer equipment and software	\$ 163,000
Less: accumulated depreciation	<u>48,900</u>
Net book value	<u><u>\$ 114,100</u></u>

SWC SOLUTIONS, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9. CAPITAL LEASES – CONTINUED

Future minimum lease payments under the capital leases are as follows:

2015	\$ 57,556
2016	<u>9,594</u>
Total minimum lease payments	67,150
Amount representing interest	<u>(1,616)</u>
Present Value of future minimum capital lease payments	65,534
Less current maturities	<u>56,004</u>
	<u><u>\$ 9,530</u></u>

NOTE 10. COMMITMENTS AND CONTINGENCIES

The Partnership is involved in legal proceedings arising in the normal course of business relating to the Fair Debt Collection Practices Act. Management maintains liability insurance that limits the Partnership's liability for such claims to \$75,000 per occurrence. In addition, additional extended reporting period insurance coverage, will limit the Partnership's liability for applicable claims to \$25,000 per occurrence. While the ultimate outcome of these matters is not presently determinable, management believes that the ultimate resolution of these matters will not have a material adverse effect on the Partnership's consolidated financial statements.

Task	Task Name	Duration	Start	Finish	Predecessors	Resource Names	Milestone
1	Notice to Proceed	1 day	Wed 2/1/17	Wed 2/1/17		Ft Bend Team	
2	Project Initialization	9 days	Thu 2/2/17	Tue 2/14/17	1	SWC Team/Ft Bend Team	
3	Project Kickoff Meeting					SWC Team/Ft Bend Team	
4	Requirements Review Workshop					SWC Team/Ft Bend Team	
5	Project Schedule Development					SWC Team	
6	Project Schedule Approval	1 day	Wed 2/15/17	Wed 2/15/17	2	Ft Bend Team	Yes
7	Mobilization and Requirements Documentation	8 days	Fri 2/17/17	Tue 2/28/17	6	SWC Team	
8	Project Management Plan Development						
9	Consumer Communication Design						
10	Transition Plan Development						
11	Succession Plan Design						
12	Project Management Plan Approval	1 day	Wed 3/1/17	Wed 3/1/17	7	Ft Bend Team	Yes
13	QA Plan Development	6 days	Thu 3/2/17	Thu 3/9/17	12		
14	Quality Assurance Plan Approval	1 day	Fri 3/10/17	Fri 3/10/17	13	Ft Bend Team	Yes
15	Design Development	26 days	Fri 3/10/17	Fri 4/14/17	14	SWC Team	
16	Communications Design Development						
17	Reporting Development						
18	Interface Design						
19	Detailed Design Approval	0 days	Mon 4/17/17	Mon 4/17/17	15	Ft Bend Team	Yes
20	Approved Design and Configuration	30 days	Fri 4/14/17	Thu 5/25/17		SWC Team	
21	Equipment Procurement and Install						
22	Consumer Communication Setup						
23	Authority Communication Channel Setup						
24	Business Rule Configuration						
25	Transition Plan Approval	1 day	Mon 5/1/17	Mon 5/1/17		Ft Bend Team	Yes
26	All Documents Approved	1 day	Tue 5/30/17	Tue 5/30/17		Ft Bend Team	Yes
27	Factory Acceptance Testing	3 days	Fri 5/26/17	Tue 5/30/17	20	SWC Team/Ft Bend Team	
28	Interface Testing	3 days	Wed 5/31/17	Fri 6/2/17	27	SWC Team	
29	CSC and Walk-in Center Fully Functional	1 day	Mon 6/5/17	Mon 6/5/17	28	SWC Team	Yes
30	Production Readiness Testing	7 days	Tue 6/6/17	Wed 6/14/17	29	SWC Team	
31	Onsite Full System integration Testing complete	1 day	Thu 6/15/17	Thu 6/15/17	30	SWC Team	Yes
32	Go- Live	1 day	Mon 7/10/17	Mon 7/10/17		SWC Team/Ft Bend Team	Yes
33	Data Migration						
34	Communication Transition						
35	Servicing						
36	Operational Auditing/SAT Testing	60 days	Mon 7/10/17	Fri 9/29/17		SWC Team	
37	Consumer Communications review						
38	Reporting review						
39	Data review						

Client Reports

Below are sample management reports generated and submitted to similar government clients at regularly scheduled intervals (daily, weekly, monthly, and yearly).

ACCOUNT STATUS REPORT

This report is used to demonstrate the status of an account and includes original balance and current balance.

Debtor Status Report								
Placement Type	SWC Acct #	Client Acct #	Name	Received Date	Account Status	Amount Assignend	Current Balance	Amount Paid
Federal Loan	24363396	1000298680	Name	9/30/08	ACT	\$1,966.13	\$1,966.13	\$0.00
Federal Loan	24363397	1000143772	Name	9/30/08	HDS	\$2,903.12	\$2,903.12	\$0.00
Federal Loan	24363400	1000080695	Name	9/30/08	ACT	\$1,499.96	\$1,499.96	\$0.00
Federal Loan	24363835	1000055661	Name	9/30/08	HOT	\$3,948.07	\$1,948.07	\$2,000.00
Federal Loan	24363836	1000080699	Name	9/30/08	ACT	\$1,846.97	\$1,846.97	\$0.00
Federal Loan	24363838	1000437375	Name	9/30/08	ACT	\$1,804.81	\$1,804.81	\$0.00
Federal Loan	24366578	1000179164	Name	9/30/08	HLD	\$1,096.33	\$1,096.33	\$0.00
Federal Loan	24366579	1000433207	Name	9/30/08	ACT	\$4,584.00	\$4,584.00	\$0.00
Federal Loan	24366580	1000351439	Name	9/30/08	BKY	\$1,540.33	\$1,540.33	\$0.00
Federal Loan	24366582	1000500413	Name	9/30/08	ACT	\$1,806.13	\$1,806.13	\$0.00
Student Account	24366583	1000023816	Name	9/30/08	ACT	\$1,038.83	\$1,038.83	\$0.00
Student Account	24366584	1000457369	Name	9/30/08	ACT	\$610.87	\$160.87	\$450.00
						\$24,645.55	\$22,195.55	\$2,450.00

STAIR STEP REPORT

The report provides a summary of performance.

StairStep Report												
Month Placed	Number Placed	Net Amt Placed	Total Collected	This Month	Percentage Collected per Month							Overall
				Collected	Mo 1	Mo 2	Mo 3	Mo 4	Mo 5	Mo 6	Mo 7	
Jun-07	1,083	\$1,453,280.00	\$628,841.00	\$7,721.00	2.83	14.74	20.05	2.17	1.5	1.46	0.81	43.28
Jul-07	227	\$55,808.00	\$9,590.00	\$836.00	2.6	8.84	0.84	2.09	1.3	1.8		17.19
Aug-07	319	\$262,785.00	\$48,624.00	\$452.00	12.96	2.42	1.73	1.94	0.28			19.24
Sep-07	110	\$153,919.00	\$26,650.00	\$3,690.00	1.83	8.35	4.74	2.94				17.32
Oct-07	308	\$97,664.00	\$7,302.00	\$1,358.00	1.41	4.68	1.84					7.48
Nov-07	272	\$75,701.00	\$2,858.00	\$968.00	2.5	2.3						3.78
Dec-07	20	\$6,354.00	\$0.00	\$0.00	0							0.01
Summary	2,339	\$2,095,511.00	\$723,865.00	\$15,024.00								

PAYMENT HISTORY BY YEAR REPORT

This report is a summary of payments for the entire year.

Payment History Fiscal Year 2010								
Placement Type	SWC Acct #	Client Acct #	Name	Dat Paid	Batch Type	Total Paid	Gross	Fee
Federal Loan	24363396	1000298680	Name	1/5/10	PU	\$1,966.13	\$1,966.13	\$22.00
Federal Loan	24363397	1000143772	Name	1/5/10	PUR	\$2,903.12	\$2,903.12	\$25.00
Federal Loan	24363400	1000080695	Name	1/6/10	PU	\$1,499.96	\$1,499.96	\$10.00
Federal Loan	24363835	1000055661	Name	1/7/10	PU	\$3,948.07	\$3,948.07	\$40.00
Federal Loan	24363836	1000080699	Name	1/8/10	PU	\$1,846.97	\$1,846.97	\$15.00
Federal Loan	24363838	1000437375	Name	1/9/10	PUR	\$1,804.81	\$1,804.81	\$15.00
Federal Loan	24366578	1000179164	Name	1/10/10	PC	\$1,096.33	\$1,096.33	\$10.00
Federal Loan	24366579	1000433207	Name	1/11/10	PC	\$4,584.00	\$4,584.00	\$50.00
Federal Loan	24366580	1000351439	Name	1/12/10	PU	\$1,540.33	\$1,540.33	\$30.00
Federal Loan	24366582	1000500413	Name	1/13/10	PU	\$1,806.13	\$1,806.13	\$14.00
Student Account	24366583	1000023816	Name	1/14/10	PU	\$1,038.83	\$1,038.83	\$10.00
Student Account	24366584	1000457369	Name	1/15/10	PU	\$610.87	\$610.87	\$5.00
						\$24,645.55	\$24,645.55	\$246.00

CONTACT HISTORY REPORT

Summary of dates and types of contact for a specific account.

Contact History							
SWC Acct #	Client Acct #	Name	Date	User	Action	Result	Comment
24363396	1000298680	Name	6/22/10	KCREEL	SEND	SEND	1R-FIRST LETTER SENT
24363396	1000298680	Name	6/23/10	KCREEL	MNUAL	DIAL	MANUALLY DIALED HOME NUMBER
24363396	1000298680	Name	7/1/10	KCREEL	SEND	SEND	2R-SECOND LETTER SENT

NEW ADDRESS REPORT

This report provides updated address information for consumers.

Change of Address Report

SWC Acct #	Client Acct #	Name	Address Changed Date	Received Date	New Street 1	New Street 2	New City	New State	New Zip Code
25541901	1105500600	NAME	9/24/08	1/15/09	xxx COLLECTIONS BLVD.		WCHESTER	PA	19390
25799866	5236601204	NAME	9/3/08	3/11/08	xxx COLLECTIONS BLVD.		CHESTER	PA	19013
26640648	8962915017	NAME	9/10/08	9/10/08	xxx COLLECTIONS BLVD.	3RD FL	DARBY	PA	19023
26654960	0674904019	NAME	9/22/08	9/16/08	xxx COLLECTIONS BLVD.	APT 102	EAST STROUDSBURG	PA	16801
26654872	0758001501	NAME	9/16/08	9/16/08	xxx COLLECTIONS BLVD.	APT 104	CAMDEN	NJ	08105
26667224	1610000906	NAME	9/19/08	9/18/08	xxx COLLECTIONS BLVD.	APT A	PHILADELPHIA	PA	19122
26667225	1644928013	NAME	9/19/08	9/18/08	xxx COLLECTIONS BLVD.	APT A1	PHILADELPHIA	PA	19120
26667240	2271301706	NAME	9/18/08	9/18/08	xxx COLLECTIONS BLVD.	APT B	PHILADELPHIA	PA	19144

RETURNED ACCOUNTS REPORT

Provides a listed of returned accounts with account status and current balance.

Closure Report

SWC Acct #	Client Acct #	Name	Received Date	Status	Original Balance	Current Balance	Amount Paid
26605880	0075856003	Name	9/3/08	PIF	\$ 49.73	\$ -	\$ 49.73
26605920	0601959004	Name	9/3/08	CCA	\$ 141.56	\$ 4.18	\$ 139.47
26605921	0612679026	Name	9/3/08	CCR	\$ 3,507.23	\$ -	\$ -
26606311	6130801509	Name	9/3/08	DEC	\$ 724.82	\$ 724.82	\$ -
				4 Items	\$ 4,423.34	\$ 729.00	\$ 189.20

Exhibit D – Performance Requirements

Performance Objective	Required Service	Performance Standard	Method of Measurement	Damages*
1) Initiation of Violation Processing Center and operations services in accordance with negotiated contract	Contractor shall begin VPC operations in accordance with the negotiated schedule	Violation processing for all Authority toll facilities	System Reports	\$10,000 initial Liquidated Damage and \$1,000 per day for each subsequent day of delay
2) Within 5 days of receipt of an address from DMV and reaching the predetermined threshold issue initial violation notice	Issue Initial Toll Violation Notice	>99.9%	Monthly system report	\$500 per day out of compliance
3) Customer service	Average score of all calls	Based on the agreed upon average call score to be determined during implementation within 10 average points	Monthly system report	\$500 per day out of compliance
4) Email / Mail Response	All email / mail correspondence must be responded to and resolved within 2 full business days of receipt. 98% resolved within one business day and 100% within 2 business days	100% in 2 Business Days	Monthly summary report which must show a daily email correspondence aging report	\$50 per email per day late, or portion thereof
5) VPC System availability	The system needs to operate continuously throughout the year and a single incident cannot cause the system to be down for more than 12 hours at a given time	99.7%	System Report	\$2,500 per day

6) PCI certification	Maintain payment card industry certification	100%	Evidence of certification	\$2,500 per calendar day out of compliance
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*** Damages to be assessed during monthly invoice processing**

Exhibit E

Pricing and Payment Schedule

Implementation Milestone Payments

Criteria	Percentage	Milestone Amount	Expected Completion Date
Project Schedule and PMP Approved	10%	\$53,500	2/15/2017
Detail Design Approval	15%	\$80,250	4/17/2017
All Documents Approved	10%	\$53,500	5/30/2017
Onsite Full System Integration Testing	25%	\$133,750	6/6/2017
CSC and Walk-in Center Functional	15%	\$80,250	6/5/2017
System Operations Commence-Go Live	15%	\$80,250	7/10/2017
Acceptance of Operational Test	10%	\$53,500	8/9/2017
Total	100%	\$535,000	

Operational Payments – begins upon commencement of operations

FIXED FEES

Monthly Fixed Fee for Violations Processing \$17,000

VARIABLE FEES

Monthly charges also include per item costs for the following items processed by SWC in a given month.

1. Toll Violation notice \$0.73 per violation notice mailed
2. Court Package \$10.00 per court package delivered
3. Skip Tracing \$0.09 per skip trace