



SALEM CITY
Staff Report to Mayor & City Council

Agenda Date:	February 3, 2016
Agenda Item #:	Collection Contract
Staff Contacts:	Jeff Nielson

Background Discussion:

We have been using Mountain Land Collections. They have done a good job for us. We recently were approached by Bonneville Collection. They are a lot bigger company than Mountain Land. Their rates were also lower. We would like to switch over to Bonneville Collections. This is for collection on past due Utility Accounts.

Attachments:

Mountain Land agreement
Bonneville Agreement



AMERICAN COLLECTORS
association member

Collection Agreement

This agreement is entered into on the 20 day of January 2016 between **BONNEVILLE BILLING & COLLECTIONS, INC.**, hereafter known as Agency, and

_____, hereafter known as Client.

Agency and Client agree as follows:

Agency will conduct collection activities on all accounts assigned by Client in compliance with **The Fair Debt Collection Practices Act** and other Federal, State, and local laws.

Any monies collected by Agency will be held in a trust account and will be remitted to Client by the 15th of each month following collection.

Client agrees to notify Agency within 72 hours of any payments received by them on any account assigned to Bonneville.

If legal action is initiated, all normally incurred court costs and attorney fees will be advanced by the Agency. However, if Client requires the account to be cancelled after legal action has commenced, and after any court costs or attorney fees have been incurred, Client will be responsible for repayment of said costs.

To the best of Client's knowledge, all accounts assigned are valid, and are duly owed.

If Client cancels an account on which the Agency has initiated collection action, the Client may be charged Agency's commission at the rate described in this agreement.

Agency is hereby authorized, as agent, to endorse for deposit and collections such consumer paper made payable to Client that may be received for payment.

Either party may cancel agreement at any time with written request. Agency will discontinue all collection efforts and return those accounts not in litigation within 45 days.

Accounts will be serviced on the following contingency fees:

18 % Regular Accounts

Pre-Collect: Cost _____

18 % Legal Accounts

#Days/Ltr _____ / _____

50 % Accounts/Checks forwarded to out of state agencies

Client agrees to pay a one-time set up fee of \$ X. Received \$ X. Invoice \$ X.

Client _____

Address _____

City _____ State _____ Zip _____

Contact Name _____ Title _____

E-mail _____

Phone Number _____ Fax _____

Special Instructions _____

FOR VALUABLE CONSIDERATION, the undersigned does hereby assign, transfer, and set over unto **BONNEVILLE BILLING & COLLECTIONS, Inc.**, my/our claim and demand against any assigned debtors together with all rights, title, and interest therein and demand represented thereby and all rights of action accrued, or to accrue thereon. **BONNEVILLE BILLING & COLLECTIONS** may negotiate or keep all interest accrued on the account after assigned for collections. I/we hereby grant **BONNEVILLE BILLING & COLLECTIONS** full power to sue for, collect for, reassign, or in any other manner enforce collections thereof in its own name

Michael Kennedy 1/20/16
Agency Date

Client Date

MOUNTAIN LAND
COLLECTIONS, INC.



COLLECTION

AGREEMENT

This agreement dated on the ___ day of ___, 20__ is entered into between Mountain Land Collections, Inc., hereafter known as Mountain Land and _____, hereafter known as Client.

All money collected for the Client by Mountain land will be deposited to a trust account as soon as received and held there until it is remitted to Client. Money will be remitted no later than 15th of the following month.

Any payments from assigned debtor made directly to Client are covered under this agreement and are subject to the contingency fees listed below. Mountain Land is to be notified within three business days of any such payment received so it can maintain compliance with the Fair Debt Collection Practices Act.

There will be a grace period of 14 days from the date the accounts are submitted to Mountain Land for collections. During the grace period, any payment made and reported to Mountain Land will be taken at 0% commission.

Mountain Land agrees to pay all legal fees including court costs in the collection of accounts with no cost to Client, unless Client request more than what Mountain Land deems necessary to collect an account. Client will be responsible for legal fees after that point. If Mountain Land has judgment on one of Client's accounts, and Client requests the account be canceled and returned, Mountain Land will be entitled to regular commission and fees from client.

This contract can be canceled by either party with a written notice to other party. Mountain Land will be allowed 30 days to close and return accounts

The following Contingency fees apply to accounts collected:

31% ~~33.33%~~ Regular
40% Legal
50% Forward

[Handwritten Signature]
Client Salem City
30 W 100 S

Address

Salem UT 84653
City State Zip

801-423-2770 801-423-2818
Phone Fax

Tammy Beck
Contact Person

See Above - Mayor Jonathan Cook
Signature

[Handwritten Signature]
Mountain Land Collections, Inc.