

## **Task Order 9 – Debt Collection Services**

SMUD and VCE agree to the following services, terms and conditions described in this Task Order. This Task Order 9 is for Debt Collection Services ("Task Order 9"), the provisions of which are subject to the terms and conditions of the Agreement between the Parties. If any provisions of this Task Order 9 conflict with any provisions in the Agreement, the provisions of this Task Order 9 shall take precedence.

The Effective Date of this Task Order 9 is the date of last signature.

### **1. SCOPE OF WORK**

SMUD will provide debt collection services as required by VCE during the term of this Task Order 9.

- Data Analytics
  - Profile customers based on customer type, past due amount, engagement history, available contact information, and more. If available, use program participation, assessor's data, rate history and other factors to understand debt drivers
  - Construct pre-collection profiles of likely-to-default customers, specifically identifying income-qualified customers eligible for income assistance, to aid in proactive communications
  - Gather or compile data files , for example, assessor's data or psychographic data, to help to build out customer database
- Here to Help Letter
  - Reach out to each customer to let them know that we are available to help
  - Encourage a call with one of our Energy Advisors who can educate about programs available to them to help lower their bills, from energy efficiency opportunities to low-income programs
  - Provide information about payment channels and programs to remove perceived barriers to payment
- Customer Care Calls
  - Encourage a conversation with our Energy Advisors who are adept at "save" techniques to significantly reduce opt-out rates, and explain energy bills, determine high bill root cause, and educate on energy usage management
  - Support 150 different languages through the call center
  - Record and monitor all calls for quality assurance and adherence to customer care protocols
  - Store and make all calls available for two years
  - Keep call center hours of 9am – 5pm Pacific Time
- Validation Notice
  - When initial attempts at communication have been unsuccessful in encouraging customers to pay, initiate a formal collections process
  - Send accounts a validation notice which informs customers of their balance, instructs them how to pay and clearly advises them of their rights as outlined by federal and state laws
- Segmentation
  - Group customers using over 40 data points
  - Employ a unique strategy for each customer segment
  - Re-segment after periodic evaluation

- Written Notifications
  - Distribute additional request letters and emails, with frequency based on segmentation and new available information and.
  - Assess communication strategies and modify as needed
  - Translate content into multiple languages
  - Verify phone number, hours of operations, addresses, formatting of client information and placement of Fair Debt Collection Practices Act (FDCPA) required verbiage
  - Include a settlement letter if authorized
  - As requested, send additional information such as receipt letter, debt validation letter, payment arrangement letter, pre-authorization payment reminder letter, etc.
  - Store letters in customer's account record
- Phone Calls
  - Where a valid phone number is available, initiate collection calls
  - In compliance with Regulation F, limit call attempts and dynamically determine best call times
  - Clearly communicate agent's name and agency
  - Ensure account authorization to speak with customer
  - Request identifying information such as address or birthdate to validate
  - Read a statement of rights to the customer
  - Communicate debt information and instruct customer on ways to exit the collections process
  - Request full payment, discusses potential financial resources and negotiate a payment plan if needed
  - Offer payment options via the IVR, online or through the mail
  - Initiate disputed debt process if applicable
  - Monitor calls for quality assurance
  - Store calls for five years
  - Note customer's account record with call data, follow up date, promise to pay, canceled payment, non sufficient funds, or other activity
  - Assign account manager for high value accounts
- Customer Tracing
  - Access several data providers to identify the best possible mailing address and phone number
  - Check online resources to locate quality customer contact information
  - Standardize addresses to meet USPS guidelines to improve mail delivery
  - Check that an account isn't part of a bankruptcy proceeding
  - Verify that the responsible party isn't deceased through an automated scrub
  - Monitor credit reports looking for changes that may indicate a renewed ability to pay
- Final Steps
  - Provide payment remittance through preferred channel
- Web Portal
  - Provide access to client portal with updated customer data, notes, and provide access to custom reports as well as standard reports such as Statement Report, Close and Return Report, Collection Effectiveness Report, Special Activity Report, and Client Payment and Reversals Report

## 2. APPROVAL PROCESS ACCEPTANCE

Both Parties agree to perform tasks, reviews, and approvals in a timely manner.

## 3. TERM AND TERMINATION

### 3.1. Term of Task Order 9

Task Order 9 is effective on the Effective Date of this Task Order and shall remain in effect until December 31, 2028.

### 3.2. Termination

This Task Order 9 may be terminated pursuant to Section 4 ("Term and Termination") of the Agreement. In the event that VCE chooses to terminate this Task Order 9 prior to December 31, 2028, VCE will pay SMUD for fees incurred to date. Such fees shall be due and payable (30) calendar days after the date of the invoice by SMUD to VCE.

## 4. COMPENSATION FOR SERVICES

### 4.1. Hourly Rates

Services performed under this Task Order 9 are based on a "time and material" compensation structure.

SMUD shall receive compensation at Hourly Rate. Hourly Rates are fixed through December 31, 2023 and are thereafter annually subject to escalation at U.S. Department of Commerce, Bureau of Labor Statistics, "Consumer Price Index-All Urban Consumers less food and energy" Series ID: CUUROOOOSAOLIE for the immediately prior 12-month period.

Resource	Hourly Rate
SMUD CXO	\$350.00
Director	\$190.00
Manager/Analyst	\$170.00
Administration	\$150.00

Costs for marketing and outreach such as postage and vendor fees shall be pass through. Debt collection fees shall be 10% of all payments realized.

**5. PAYMENT TERMS**

Fees incurred under this Task Order 9 will be invoiced monthly. For services under this Task Order 9, VCE shall pay all undisputed invoices within thirty (30) calendar days of date of the invoice.

**6. TASK AMENDMENT**

This Task Order 9 may only be amended or otherwise modified with the written agreement of the Parties and approved by each Party's governing body where required by law or policy. Any changes to the scope defined in Task Order 9 will be addressed through a task amendment process. Material changes that require a formal task amendment, are those which will specifically impact defined scope, schedule, budget, or resources.

**SIGNATURES**

The Parties have executed this Task Order 9 on the dates indicated below.

**Valley Clean Energy**

**By:**  \_\_\_\_\_

**Name:** Mitch Sears

**Title:** Executive Officer

**Date:** May 3, 2023

**Approved as to Form:** N/A

**Sacramento Municipal Utility District**

**By:**  \_\_\_\_\_

**Name:** Brandy Bolden

**Title:** Chief Customer Officer

**Date:** May 15, 2023

**Approved as to Form:** Andrew Meditz