

CONTRACT FOR THE COLLECTION OF DELINQUENT UTILITY ACCOUNTS

THE STATE OF TEXAS

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COUNTY OF BRAZORIA

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THIS CONTRACT is made and entered into by and between the **CITY OF RICHWOOD, TEXAS, acting by and through its governing body**, (hereinafter the “Client”), and **PERDUE BRANDON FIELDER COLLINS & MOTT, L.L.P.**, (hereinafter the “Law Firm”). The terms and conditions of the contract are as follows:

1. **Nature of Services.** Client agrees to employ the Law Firm to collect utility accounts that are at least 60 days past due, as determined by Client, including, but not limited to, amounts due for utilities provided, services rendered, late fees, disconnect and reconnect fees, and all applicable statutory interest, attorney fees and court costs for the utility accounts that Client turns over to the Law Firm (“Delinquent Utility Accounts”).

2. **Compensation.** As compensation for services required hereunder, Law Firm shall receive a thirty percent (30%) collection fee of the total amount on the Delinquent Utility Accounts turned over to the Law Firm. It is expressly understood that the Law Firm is not entitled to receive payment on any delinquent utility account subsequently paid but that was not turned over to the Law Firm.

The thirty percent (30%) collection fee shall be added to the total amount owed on a Delinquent Utility Account turned over to the Law Firm, pursuant to Section 552.001(b) of the Texas Local Government Code.

3. **Term of Contract.** The initial term of this contract shall commence on _____, 2025, and end on _____, 2026, except that either party to this agreement may terminate this agreement by giving the other party thirty (30) days written notice of their desire and intention to terminate the agreement.

This contract will automatically be renewed on its identical terms for four (4) one-year terms commencing on the anniversary date of this contract unless written notice of intent not to automatically renew is delivered by the Client to the Law Firm not less than sixty (60) days prior to the expiration date of the initial term or any renewal term.

At the conclusion of the initial term and all renewals, this contract shall continue on a month-to-month basis until terminated.

If the contract is terminated, the Law Firm is entitled to continue its collection activities, and receive compensation in accordance with paragraph 2, on accounts referred by Client prior to termination for a period of three (3) months.

4. **Credit Reporting.** Client understands and agrees that the Law Firm will not report information on Client’s Delinquent Utility Accounts to credit reporting agencies. If it is desired, the Client shall, in its sole discretion, report Delinquent Utility Accounts information to any such agency.

5. **Interest Accrual.** Absent an express agreement to the contrary, the Law Firm will not accrue interest on Client’s Delinquent Utility Accounts.

6. **Litigation.** The Law Firm will not file suit, accept any compromise settlement, or incur any litigation expenses chargeable to Client without Client's approval. By agreeing to the filing of a lawsuit, Client understands that it must reimburse Law Firm for all costs and fees chargeable as court costs (e.g., filing fees, citation issuance, process service fees, etc.).

7. **Account Information.** Client agrees to submit for collection only Delinquent Utility Accounts that are validly due and owing by the utility customer or guarantor. Client will provide Law Firm with all information and documentation necessary for the collection of all submitted Delinquent Utility Accounts. Client will provide accurate information on each Delinquent Utility Account and will promptly report any payments it receives or adjustments it makes on Delinquent Utility Accounts turned over to the Law Firm. Client and Law Firm shall work together to expeditiously respond to any debtor correspondence regarding a disputed debt and requests for verification of debt received by Law Firm. Client agrees to provide Law Firm with all copies of records necessary to verify a debt within 10 days of Law Firm's request.

The Client shall refer all Delinquent Utility Accounts by electronic medium, or in any other way that is most favorable to the Client.

8. **Return of Accounts.** Client and Law Firm agree that Law Firm has no obligation to perform collection services for Delinquent Utility Accounts that are determined by Law Firm to be time-barred from collections by an applicable statute of limitation or other similar limitation. Following the return of such accounts from Law Firm to Client, Law Firm shall have no further obligations on these accounts.

9. **Receipt of Payments.** Client gives the Law Firm exclusive authority to collect amounts due on Delinquent Utility Accounts turned over to the Law Firm. It is understood and agreed that the Law Firm will instruct debtors to make all payments payable to Client, and the Law Firm will forward the payment to Client. In the event the Law Firm is identified as the payee, the Law Firm will endorse the payment over to Client.

10. **Billing.** The Law Firm will submit billing invoices to the Client monthly and Client agrees to remit payment to Law firm within thirty (30) days of receipt of said invoice.

11. **Reporting.** Upon request, Law Firm will provide reports to the Client setting forth the status of Delinquent Utility Accounts turned over to Law Firm by Client.

12. **Notices.** All notices permitted or required under this contract shall be in writing and sent by certified United States mail or delivered by hand or courier to the appropriate party at the address specified below. Notice shall be deemed received five (5) business days after mailing if sent by certified United States mail or upon receipt if delivered by hand or courier.

Law Firm:

Perdue, Brandon, Fielder, Collins & Mott, LLP

Attn: Michael Darlow

BY U.S. MAIL OR BY COURIER DELIVERY:

1235 North Loop West, Suite 600

Houston, TX 77008

Telephone Number: 713-862-1860

Client:
City of Richwood
Attn: City Manager
1800 Brazosport Blvd N
Richwood, TX 77531
Telephone Number: 979-265-2082

13. **Compliance Verification.** Pursuant to Chapter 2271 of the Texas Government Code, Law Firm verifies that it does not and will not for the term of this contract boycott Israel. Law Firm will comply with all applicable Texas, Federal, and other laws in the performance of this contract.

14. **Entire Agreement.** This contract constitutes the entire agreement and understanding between Law Firm and Client with respect to the subject matter of this contract and supersedes all previous written or oral representations, agreements, and understandings. All modifications to this contract must be made in writing and signed by both parties. Furthermore, this Contract cannot be transferred or assigned by either party without the consent of both parties.

15. **Severability.** If any portion of this contract is found to be illegal, invalid, or otherwise incapable of being enforced, such portion shall be excluded to the minimum extent necessary to remedy such illegality, invalidity, or unenforceability. The remainder of the contract shall remain in full force and effect.

16. **Choice of Law.** This contract, and all claims or causes of action arising out of or related to this contract, shall be interpreted under and governed by the internal laws of the State of Texas. Client and Law Firm agree that exclusive venue lies with the courts located in Brazoria County, Texas.

WITNESS the signatures of all parties hereto this the ____ day of _____, _____.

CITY OF RICHWOOD

**PERDUE BRANDON FIELDER COLLINS &
MOTT, LLP**

BY: _____

Michael Durham Mayor

BY: _____

Michael J. Darlow, Partner