

AGREEMENT BY AND BETWEEN

(State Association)

and

NACo Financial Services Corporation

COST RECOVERY/COST CONTAINMENT SERVICES

PROGRAM OVERVIEW

In August 2005 Dallas County, Texas completed a request for proposals process and awarded contracts to six firms to provide various cost containment and cost recovery services. The awarded companies and the services provided are listed under "List of Services by Supplier". In general terms, the services include contingency-based energy and telecommunications auditing and collection programs, revenue maximization, insurance recovery, jail inmate health care, debt collection, justice solutions, indigent screening and employment practices risk management services. The contracts were awarded by Dallas County for three years, and each supplier has the opportunity to extend the contract for an additional two renewal years. Because this is a publicly solicited and awarded program, most public agencies are allowed to piggyback on the contract through an interlocal government agreement with Dallas County. NACo FSC has signed an agreement with Dallas County to act as marketing agent for the contracts nationally.

SCOPE OF WORK

The state association will provide endorsement and/or promotional services to the program. Promotional services may include use of dedicated state association staff, publications, access to state association conferences, meetings, and training seminars, direct mail, telephone contact and personal meetings with appropriate county officials. The extent of involvement by the state association will be determined by the type of sponsorship selected by the state association and by the jointly-developed marketing plan that will be developed prior to the launch of the program by the state association.

LEVELS OF SPONSORSHIP

Endorsement — allows the program to use the association name and logo to market the program, provides the FSC with membership mailing lists and access to association meetings, and assumes that the association will do little direct marketing and promotion. The payment to the association for this level of sponsorship is considered a royalty payment for use of name and mark.

Sponsorship — the state association sponsors the program, provides endorsement and support to the marketing effort that includes direct mail, access to association publications, meetings and training, and allows FSC access to exhibit halls during conferences. The state association provides a key staff contact to coordinate the marketing plan and assists with direct contact with appropriate county officials.

Partnership — the state association will provide assistance from its staff to work closely with the NACo FSC to help develop and implement a statewide marketing plan. This dedicated staff resource will assist in introducing county officials and personnel, coordinating local conferences, and providing general promotional services support, which includes direct mail, access to state association publications, meetings and training. Additional considerations will include limited access to the state association's web site.

FEE SHARING

The NACo FSC will share revenues with each supplier on this program based upon a percent of total gross sales. The NACo FSC will share gross revenue based on the association's level of marketing activity, which will include some level of endorsement and promotional services to the program. The extent of involvement by the state association will be determined by the type of sponsorship selected and by the jointly-developed marketing plan that will be developed prior to the launch of the program within the state.

- Endorsement category - 5% of NACo FSC gross fees from county activity in the state
- Sponsorship category - 15% of NACo FSC gross fees from county activity in the state
- Partnership category - 25 – 40% of NACo FSC gross fees from county activity in the state

LIST OF SERVICES BY SUPPLIER (select suppliers to sponsor)

____ EMPLOYEE RELATIONS, INC.

- Employment background checks
- Drug testing
- Employee hotlines for workplace issues

✓____ CORRECTIONAL RISK SERVICES, INC.

- Stop loss coverage for Jail Inmate Health Care
- Claims management for jail inmate health care services

____ D-MED

- Automated, internet-based screening for indigent defense and health care

____ COST CONTROL ASSOCIATES, INC.

- Cost recovery and reduction services for existing telecom and energy suppliers
- Comprehensive comparative analysis of rate plans and/or providers for telecom and energy services

____ DICKSTEIN SHAPIRO

- Assessment of potential environmental liabilities and determination of the feasibility of recovering insurance assets to pay for those liabilities
- Development and implementation of settlement and litigation strategies designed to maximize recovery from responsible insurance companies.

POST TERMINATION CONSIDERATIONS

Either party may cancel this addendum without cause with thirty (30) day written notice. If either party cancels this agreement, all fees owing at the time will be paid by the NACo FSC within 45 days of the collection of the fees owed to the state association.

Fee-sharing category 3

Date 3-8-09


Authorized State Association Officer


NACo Financial Services Corporation