



ORDER ON PROFESSIONAL LEGAL SERVICES CONTRACT
(Pursuant to Section 2254.1036 of the Government Code and Article 103.0031, Code of Criminal Procedure for the collection of outstanding fines, fees and court costs)

WHEREAS, Article 103.0031 of the Code of Criminal Procedure provides that the Commissioners Court of a County may enter into a contract with a private attorney/firm for the collection of unpaid fines, fees and court costs. *See* Art. 103.0031(a)(1) Code of Crim. Pro.; and

WHEREAS, pursuant to Chapter 2254 of the Texas Government Code, the Hidalgo County Commissioners Court may enter into a contingent fee contract with a private attorney/firm for the rendition of professional legal services so long as the requirements of Chapter 2254 have been met; and

WHEREAS, the Commissioners Court of Hidalgo County has selected the law firm of Perdue, Brandon, Fielder, Collins & Mott, L.L.P. (the "Firm") for the collection of unpaid fines, fees and court costs and now seeks to enter into an agreement for said services; and

WHEREAS, the Commissioners Court desires that the Firm will perform all legal services necessary to collect unpaid fines, fees and court costs as authorized by Article 103.0031 of the Texas Code of Criminal Procedure;

NOW, THEREFORE, THE COMMISSIONERS COURT of HIDALGO COUNTY hereby finds the following:

1. The County requires that the unpaid fines, fees and court costs be collected as provided by law. *See* GOVT. CODE § 2254.1036(1)(A).
2. The engagement of the Firm in a professional services contract for the collection of said fines, fees and court costs owed to the County is necessary to assist in obtaining the maximum amount of outstanding fines, fees and court costs owed and in the most cost effective and expeditious manner. *See* GOVT. CODE § 2254.1036(1)(A).
3. The County finds the Firm has the competency, qualifications, and experience necessary to fulfill this contract as required by Government Code § 2254.1036(1)(B). The Firm has collected delinquent government receivables for nearly 50 years, including the collection of delinquent fines/fees. The Firm currently has 12 primary offices and multiple satellite offices throughout Texas. It employs more than 400 individuals, including 52 attorneys. It uses a multi-office, fully integrated team approach allowing the County access to all its

offices and resources. Its collection team consists of long-term Firm employees, including attorneys, call center associates, paralegals, law clerks, legal secretaries, collection support personnel and information technology experts. The Firm utilizes proprietary collection software that can be tailored to meet any special need the County may have. This proprietary software also automates many aspects of the collection process, such as: account/debtor research, mailings and phone calls, return mail and address updates, payment notification and processing and work-flow.

4. The nature of any relationship between the County and the Firm is as follows. *See* GOVT. CODE § 2254.1036(1)(C). The Firm previously represented the County from January 1, 2007 through December 31, 2014 in the collection of delinquent property taxes, and therefore, has an established relationship.
5. The specialized legal services required cannot be performed by the attorneys and supporting personnel of the County due to the respective cost, infrastructure and technology needed to perform these services. *See* GOVT. CODE § 2254.1036(1)(D).
6. These collection services cannot be provided for on an hourly fee basis. *See* GOVT. CODE § 2254.1036(1)(E). The Criminal Code allows the assessment of a percentage-based fee to recover the costs of collecting delinquent fines and fees. This percentage-based fee is assessed only against the debtor and not the County or taxpayers of the County. The collection of delinquent fines and fees is a high volume practice, requiring a significant amount of research, mailing, and handling of outbound/inbound calls. An hourly fee for such work will likely exceed the amount of delinquent fines and fees due. Moreover, the County will bear the cost of these hourly fees and not the debtor, because the Criminal Code does not expressly authorize the County to pay for collection services based on an hourly fee.
7. A contingent fee contract for the collection of outstanding fines, fees and court costs is in the best interest of the County. *See* GOVT. CODE § 2254.1036(1)(F). Under the contingent fee contract, the Firm will be paid the amount of the percentage-based collection fee, regardless the number of hours the Firm spends researching, contacting and mailing to collect the delinquent debt. Additionally, the percentage-based collection penalty is a pass-through expense to the debtor and not an expense to the County or taxpayers in the County.

Passed and Adopted, this _____ day of _____, 2019.

It is so ordered:

RICHARD F. CORTEZ

County Judge

DAVID L. FUENTES

County Commissioner, Pct. 1

EDUARDO "EDDIE" CANTU

County Commissioner, Pct. 2

JOE M. FLORES

County Commissioner, Pct. 3

ELLIE TORRES

County Commissioner, Pct. 4

Attest: ARTURO GUAJARDO, JR.

County Clerk