



Legislation Details (With Text)

File #: ID 17-281 **Version:** 1 **Name:**
Type: Ordinance
File created: 2/17/2017 **In control:** City Council
On agenda: 3/7/2017 **Final action:**
Title: Consider adoption of an ordinance accepting competitive proposals and awarding a three (3) year agreement for Collection Services for Utilities (Part A), and Fire/EMS and Miscellaneous Receivables (Part B) by and between the City of Denton, Texas and Credit Systems International, Inc.; providing for the expenditure of funds therefor; and providing an effective date (RFP 6133 Parts A and B-awarded to Credit Systems International, Inc. in the not-to-exceed amount of \$243,817). The Public Utilities Board recommends approval (7-0).

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit 1-Evaluation and Ranking, 2. Exhibit 2-PUB Minutes, 3. Exhibit 3-Ordinance, 4. Exhibit 4-Contract Section A, 5. Exhibit 5-Contract Section B

Date	Ver.	Action By	Action	Result
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AGENDA INFORMATION SHEET

DEPARTMENT: Materials Management

ACM: Bryan Langley

AGENDA DATE: March 7, 2017

SUBJECT

Consider adoption of an ordinance accepting competitive proposals and awarding a three (3) year agreement for Collection Services for Utilities (Part A), and Fire/EMS and Miscellaneous Receivables (Part B) by and between the City of Denton, Texas and Credit Systems International, Inc.; providing for the expenditure of funds therefor; and providing an effective date (RFP 6133 Parts A and B-awarded to Credit Systems International, Inc. in the not-to-exceed amount of \$243,817). The Public Utilities Board recommends approval (7-0).

RFP INFORMATION

The City of Denton's Utilities Customer Service, Finance, and Fire departments have utilized the services of Credit Systems International, Inc. for the past 12 years to assist with the collection of unpaid bills. The current contract expires on March 15, 2017. In an effort to obtain the best value for the City of Denton, Utilities Customer Service partnered with the aforementioned departments as well as Municipal Court to issue a Request for Proposal (RFP) to qualified collection agencies.

Because the collection of debt is handled somewhat differently by each department, the receivables were

separated for evaluation purposes into the following three parts: Utilities (Part A), Fire/EMS and miscellaneous receivables (Part B), and Municipal Court fines (Part C).

Requests for Proposals were sent to 72 prospective suppliers. In addition, specifications were placed on the Materials Management website for prospective suppliers to download and advertised in the local newspaper. Eight (8) proposals meeting specification for Parts A and B of the RFP were received. A selection committee comprised of staff from Customer Service, Fire, and Technology Services reviewed the proposals from each vendor. The services evaluated during the review of candidates included the collection of revenue for utility services, ambulance billing, and other miscellaneous services.

Proposals were evaluated based on the following weighted criteria:

- Price of the proposal- 50%
- Compliance with City's specifications and needs- 10%,
- Experience in working with a combination of utilities, ambulance, municipal court, and miscellaneous receivable accounts- 20%
- Probability of performance under contract- 10%

The attached evaluation and ranking sheet (Exhibit 1) indicates the scoring and ranking for each vendor. After reviewing each vendor proposal and checking references, the top four (4) companies were invited to provide a presentation to the selection committee. Credit Systems International, Inc. was ranked the highest and determined to be the best value for the City.

Credit Systems International, Inc. provides a comprehensive approach to the collection of unpaid debts. These efforts include, but are not limited to, skip tracing, telephone and letter notifications, and coordination with major credit reporting agencies. Credit Systems International, Inc. has 36 years of experience in the collection of utility, healthcare, and municipal/governmental debts. In addition to the City of Denton, they currently serve several local municipalities including the City of Azle, Keller, DeSoto, and North Richland Hills. Staff recommends awarding a collection services contract for utility, Fire/EMS, and miscellaneous receivables to Credit Systems International, Inc.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On February 27, 2017, the Public Utilities Board recommended approval to forward this item to the City Council for consideration.

RECOMMENDATION

Award to Credit Systems International, Inc. in the estimated three (3) year amount of \$135,000 for Part A. Award to Credit Systems International, Inc. in the estimated three (3) year amount of \$108,817 for Part B for a total estimated \$243,817. The actual amount to be paid to Credit Systems International, Inc. is contingent upon its monetary recoveries from persons, in accordance with the percentages expressed in Exhibit 1.

PRINCIPAL PLACE OF BUSINESS

Credit Systems International, Inc.
Fort Worth, TX

ESTIMATED SCHEDULE OF PROJECT

This is a one year contract with the option to renew for two additional one year periods if agreed upon by both parties. This award will provide continued partnership with the City of Denton and Credit Systems International, Inc., and will require no implementation time.

FISCAL INFORMATION

The various using departments including Utilities, Fire, and Code Enforcement will provide payment as services are rendered and delinquent payments are received.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area:	Organizational Excellence
Related Goal:	1.1 Manage financial resources in a responsible manner

EXHIBITS

Exhibit 1: Evaluation and Ranking
Exhibit 2: Public Utilities Board Draft Minutes
Exhibit 3: Ordinance
Exhibit 4: Part A Contract
Exhibit 5: Part B Contract

Respectfully submitted:
Ethan Cox, 349-7421
Customer Service Manager

For information concerning this acquisition, contact: Ethan Cox at 349-7421.