

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**99-504**

**SYNOPSIS -**

**AGENDA:**

NOVEMBER 15, 1999

**SUBJECT:**

REQUEST FOR  
PROPOSALS FOR  
COLLECTION  
SERVICES

As part of the Finance Department's ongoing procurement of financial services, a fresh competition for a Citywide collection agency now needs to be conducted. The City's contract with the current provider expires in January 2000. A Request for Proposals (RFP) has been prepared. In the RFP for collection services that the City distributed five years ago, one requirement was that responding firms have an office within the City limits. Given the dramatic increase in Web-enabled and other on-line features of financial services, this year staff has excluded this "corporate residency" requirement from the attached RFP. (Of course, a one percentage point price preference will still be given to respondents whose corporate headquarters are inside the City.) The term of the contract would again be three years, with two one-year renewal options.

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**FISCAL IMPACT -**

None directly. Collection agencies usually work on a contingency fee basis, collecting revenue that is not collectible by the client.

**SUBMITTED BY:**

KEVIN RIPER  
FINANCE  
DIRECTOR

**RECOMMENDATION -**

**Approval of an RFP for collection services and authorization to proceed with a competitive procurement process.**

**BACKGROUND -**

Like most large organizations in both the private and public sectors, the City uses a collection agency to collect revenue it is unable to collect itself. Areas of major emphasis include ambulance billing, on behalf of the Fire Department, and public

housing rent, on behalf of the Housing Services Department. With the City's contract with the current provider set to expire in two months, the Finance Department has prepared an RFP for collection services. The RFP makes clear that for the successful collection agency: "The Agency shall collect accounts without disturbing customer relationships. The Agency agrees to preserve both the self-respect of the debtor and the valuable public image of the City."

Evaluation criteria for the RFP include: financial capability and business management (10 points), information technology capability and management reports (20 points), overall ability to perform the services required (30 points), and compensation plan/cost (40 points), for a total of 100 points.

An evaluation committee consisting of front-line operating department representative(s) and support department representatives (Finance and Legal) will review the proposals received and make a recommendation to the City Manager, based on the evaluation criteria outlined above.

The current timeline for completing the process is:

Council review of RFP	Monday, November 15, 1999
Issuance and advertising of RFP	Tuesday, November 16, 1999
Proposals due	Tuesday, December 14, 1999
City Council approval	Monday, January 3 or 24, 2000

Attachment