

**CITY COUNCIL
COMMUNICATION:**

03-605

AGENDA:

DECEMBER 22, 2003

SUBJECT:

CONTRACT WITH
PROFESSIONAL
ACCOUNT
MANAGEMENT, LLC
FOR COLLECTION
SERVICES

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

MERRILL R. STANLEY
FINANCE DIRECTOR

DIANE RAUH
CITY CLERK

ITEM _____

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

SYNOPSIS —

Approval of contract with Professional Account Management, LLC for collection services of delinquent accounts.

FISCAL IMPACT —

The City of Des Moines should expect greater collections of account types that we now send to a collection services agency, such as delinquent ambulance accounts and Municipal Housing Services' delinquent rent accounts. Additionally, the City should see improvements in revenue collections for new types of accounts that have never before been sent to a collection services agency, such as unpaid parking tickets and delinquent customer invoices issued by the Finance Department.

RECOMMENDATION —

Approval.

BACKGROUND —

On October 2, 2003, the City of Des Moines issued a Request for Proposals (RFP) to vendors that provide delinquent account collection services. The Evaluation Committee reviewed the six proposals received, and has recommended that a contract of such services be awarded to Professional Account Management, LLC.

The City of Des Moines currently has a contract with The CBE Group, Inc. for collection services. The contract expires as of March 1, 2004. With the required 30 days' written notice to The CBE Group, Inc., the City of Des Moines will terminate the contract effective January 31, 2004.

The City of Des Moines is interested in contracting with Professional Account Management, LLC to increase revenue on delinquent accounts.

An RFP was issued in October 2003 to 14 potential bidders. Six proposals were received, one being eliminated immediately due to not submitting a required performance bond. The remaining five proposals were evaluated by a four-person committee representing four departments. The proposals were evaluated on financial capability; business management; overall ability to perform the services required; information technology capability; management reporting; and compensation plan/cost. The Evaluation Committee recommended that a contract be awarded to Professional

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Account Management, LLC based on its evaluation. The contract term will begin February 1, 2004 for three years with two one-year renewal options.

The Evaluation Committee was especially impressed with the experience of Professional Account Management, LLC in the collection of unpaid parking tickets and their close relationships with rental car/leasing companies. Their wide base of municipal and other governmental clients should be beneficial in the collection of the City's accounts.

