



REQUEST FOR PROPOSALS

<p><u>RFP NUMBER:</u> 6135-24</p> <p><u>RFP TITLE:</u> Collection Agency Services</p> <p><u>RFP COORDINATOR:</u> Connie Wahl, City of Spokane Purchasing Department</p> <p><u>PRE-SUBMITTAL MEETING:</u> None</p> <p><u>QUESTION DEADLINE:</u> TUESDAY, MAY 28, 2024 <u>TIME:</u> 1:00 p.m.</p>	<p><u>PROPOSAL DUE DATE:</u> MONDAY, JUNE 3, 2024 <u>TIME:</u> 1:00 p.m.</p> <p><u>PROPOSAL SUBMITTAL:</u> All Proposals shall be submitted electronically through the ProcureWare online procurement system portal: https://spokane.procureware.com by the due date and time.</p>
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TABLE OF CONTENTS

- 1. GENERAL INFORMATION.....2
 - 1.1 COMMUNICATION..... 2
 - 1.2 BACKGROUND AND PURPOSE..... 2
 - 1.3 MINIMUM QUALIFICATIONS 2
 - 1.4 CONTRACT PERIOD 2
 - 1.5 ADDENDA..... 2
 - 1.6 TERMS AND CONDITIONS..... 2
 - 1.7 ESTIMATED SCHEDULE OF PROCUREMENT ACTIVITIES 2
 - 1.8 DEFINITIONS 2
- 2. SCOPE OF SERVICES.....3
 - 2.1 SCOPE OF SERVICES SUMMARY..... 3
 - 2.2 SCOPE OF SERVICES 3
- 3. PROPOSAL CONTENTS.....7
 - 3.1 PREPARATION OF PROPOSAL 7
 - 3.2 LETTER OF SUBMITTAL 7
 - 3.3 TECHNICAL PROPOSAL..... 7
 - 3.4 MANAGEMENT PROPOSAL..... 8
 - 3.5 COST PROPOSAL 8
- 4. PROPOSAL SUBMISSION AND EVALUATION8
 - 4.1 SUBMISSION OF PROPOSALS..... 8
 - 4.2 EVALUATION PROCEDURE 9
 - 4.3 EVALUATION SCORING 9
 - 4.4 AWARD/REJECTION OF PROPOSAL/CONTRACT 9
- 5. RFP ATTACHMENTS.....10

1. GENERAL INFORMATION

1.1 COMMUNICATION

All communication between the Proposer and the City shall be with the Request for Proposals Coordinator and submitted through the 'Clarifications' tab in the City of Spokane's online procurement system portal: <https://spokane.procureware.com>. Any communication directed to other parties is prohibited.

1.2 BACKGROUND AND PURPOSE

The City of Spokane, through its Public Works and Utilities - Utility Billing Department (hereinafter "City") is initiating this Request for Proposals (hereinafter "RFP") to solicit Proposals from Firms interested in providing Collection Agency Services. The City utilizes collection agencies for assistance in the collection of certain overdue account receivables.

1.3 MINIMUM QUALIFICATIONS

The Firm must be licensed to do business in the State of Washington. The Firm must have five (5) years of experience in the area of collecting on accounts receivable, specifically including experience with past due utility accounts such as water, sewer and refuse services, tax and license, local improvement districts, returned checks, unpaid judgments, liens or damages.

1.4 CONTRACT PERIOD

Any contract resulting from this RFP will be for three (3) years. Contract is renewable upon mutual agreement for two additional one-year periods.

1.5 ADDENDA

It is the responsibility of Proposers to check the City of Spokane's online procurement system <https://spokane.procureware.com> for Addenda or other additional information that may be posted regarding this Request for Proposals.

1.6 TERMS AND CONDITIONS

Terms and Conditions applicable to this RFP are included herein by reference and attached to this RFP as Attachment 1.

1.7 ESTIMATED SCHEDULE OF PROCUREMENT ACTIVITIES

Deadline for Questions	5/28/2024 - 1:00 p.m.
Proposals Due	6/3/2024 – 1:00 p.m.
Evaluation, Negotiation and Contract Award	June - July, 2024
Begin Contract Work	August 1, 2024

The City reserves the right to revise the above schedule.

1.8 DEFINITIONS

Definitions for the purposes of this RFP include:

City – The City of Spokane, a Washington State municipal corporation, that is issuing this RFP.

Firm or Agency – Individual or company whose Proposal has been accepted by the City and is awarded a fully executed, written contract.

Proposal – A formal offer submitted in response to this solicitation.

Proposer - Individual or Firm submitting a Proposal in order to attain a contract with the City.

Request for Proposals (RFP) – Formal procurement document in which a service or need is identified but no specific method to achieve it has been chosen. The purpose of an RFP is to permit the consultant community to suggest various approaches to meet the City’s needs at a given price.

2. SCOPE OF SERVICES

2.1 SCOPE OF SERVICES SUMMARY

The City of Spokane utilizes collection agencies for assistance in the collection of certain overdue account receivables. The City is seeking a Firm to provide these services to assist the City in recapturing lost revenues including, but not limited to, past due utility accounts such as water, sewer and refuse services, tax and license, local improvement districts, returned checks, unpaid judgments, and liens or damages.

2.2 SCOPE OF SERVICES

The scope of services to be performed under contract by the Firm (Agency) include, but are not limited to, the following:

A. AUTOMATION

The Agency must provide real time account information via on-line access. Support for on-line access and account questions must be provided via a toll free phone number.

The Firm must have the ability to confirm identification of the debtor(s) by use of only first and last name accompanied by the last known address.

B. REPORTS AND DOCUMENTATION

The Agency shall, upon request, but no more than quarterly, provide the City with an analysis of all accounts assigned. The analysis shall show the recovery history in numbers of accounts, percentages of accounts collected, and percentage of dollars collected.

The Agency will be required to submit monthly reports by the 10th of each month, as described herein.

The following information is required for all active accounts:

- Both City department and collection agency account number
- Debtor name
- Date of assignment
- Warrant/Account/Reference number
- Amount of assignment
- Last payment date
- Balance
- Current Status (i.e. Dispute, Collecting, Unable to collect, etc.)

The following information is required for all accounts that have been cancelled:

- Account numbers
- Account name
- Date of assignment
- Balance
- Warrant/Account/Reference number
- Reason for cancellation or return

The following information is required for all monies collected for the previous month:

- Payment date
- Account numbers
- Account name
- Warrant/Account/Reference number
- Amount collected
- Commission due
- Account balance
- Applicable remarks

Additional reports will be provided as requested by the City.

C. RETENTION OF RECORDS

The Agency shall retain all records relating to this contract for a period of seven (7) years following the date of final payment or completion of any required audit, whichever is earlier. Any authorized representative of the City or federal government (where federal funds are involved) shall have access to and the right to examine, audit, excerpt, and transcribe all said records within a reasonable time.

D. USE

This contract shall not be used by any government agency in the collection of fees owed against another.

E. FEES

All accounts assigned for collection shall be on a contingency basis. That is, there will not be any charge to the City if the Agency is unable to recover the monies on these accounts so assigned. The sole consideration to be paid to the Agency for its services shall be the agreed upon commission percentage of any monies recovered.

F. REMITTANCE

- The Agency will be required to remit all required funds by check no later than the closest working day to the 10th of the month following collection.
- All funds collected will be remitted to the City along with a statement of the commissions due.
- Only the percentage of the collections to which the City is entitled will be remitted along with any required reports.
- In the event the Agency is paid directly by check and subsequently the check is returned to the Agency, the returned check amount will become a debt of the Agency. The Agency will not be entitled to a reversal of the percentage paid the City.

- Any payments not received by the closest working date to the 10th may be subject to a late payment fee of 3% of the commissions due.

G. EVALUATION

The Agency(s) will be evaluated periodically during the contract period to measure collection performance against collection rate bid.

H. ACKNOWLEDGEMENT

The Agency shall provide the City a written acknowledgement of every debt assigned, including date assigned, debtors name, city department account number and the amount assigned. Acknowledgement will be mailed within 10 working days of receipt.

I. MINIMUM DEBT

The Agency will accept assigned debts in any amount stated as due and unpaid. The amount may be based on actual billings or on estimates.

J. ADDITIONAL CHARGES

The Agency shall add a collection fee of up to fifty percent (50%) of the originally assigned amount to be collected.

K. RETURNING ACCOUNTS

In the event an account is deemed uncollectible by the Agency, it shall be returned to the City together with an explanation of why it is uncollectible within sixty (60) days. In any case, where an account has become subject of a bankruptcy, insolvency, receivership, or probate, the Agency shall immediately on discovery, refer the account back to the City with the name and address of the court and the identifying court docket number. In any of the foregoing situations, no additional fees or charges shall be billed to or paid by the City to the Agency after return of such accounts.

As requested by the City, all accounts that have no activity shall be returned to the City department within six (6) months after being assigned to the Agency. With the consent of the City, an account may remain with the Agency after six (6) months. An account for which a repayment schedule has been established and payments are being received regularly shall remain with the Agency until the account is paid in full or until a default in the payment schedule occurs. The collection period may be extended if legal action has commenced or for other reasons mutually agreed upon in writing by the Agency and the City.

L. SETTLEMENTS

The Agency shall not have authority to accept a compromise on any account. All such offers of settlements will be forwarded to the City to be negotiated and approved by the City. The Agency's fee will be based upon the settled amount.

M. PROFESSIONAL STANDARDS

The Agency shall not engage in any illegal, harassing behavior, unfair, unprofessional or unethical collection practices. The Agency shall not violate any provision of Federal or State laws relating to collection agency and debt collection practices, including Federal Debt Collection Practices Act (FDCPA) rules. Further, the Agency and employees of the Agency will comply with the City's confidentiality requirements regarding assigned account information.

N. PAYMENTS DIRECTLY TO CITY

Any payment received directly by the City within ten (10) days after referral to Agency will not be subject to the collection fee. All other payments received directly by the City for accounts assigned to the Agency shall be subject to the collection fee and the City shall notify the Agency within thirty (30) days of receipt of such payment to be credited to the assigned account.

O. WITHDRAWAL OF ACCOUNTS

Any or all of the accounts assigned to the Agency may be withdrawn by the City at any time upon written or telephone notification. However, for accounts withdrawn that have been with the Agency less than six (6) months, any payment received by either the Agency or the City for such accounts, within thirty (30) days after the date of notification of withdrawal, shall be subject to the collection fee.

P. ACCOUNT SUSPENSION

The Agency agrees to suspend action, either temporarily or permanently, on any account upon notification of a request from the City to suspend action. Accounts suspended over one (1) month will be returned to the City.

Q. INTEREST

The Agency shall monitor all accounts and at least monthly, calculate interest owed to the date of recalculation. The Agency shall charge interest on accounts in compliance with the City governing laws and regulations. All interest will be added to original amount assigned, and the fee will be calculated per terms of the contract on the total amount.

R. ACCOUNT REDUCTION

In cases where accounts assigned to the Agency are based upon estimated amounts or subject to an offset and the City adjusts those accounts to a lesser amount, the fee will be based upon the lesser amount. Further, if an account is reduced to zero (0) or cancelled by the adjustment, no fee will be due to the Agency.

S. NEGOTIATED PAYMENTS

Payment agreements may be negotiated by the Agency based on parameters established by the City. The Agency will monitor and collect all negotiated payment agreements.

T. CONTRACT TERMINATION

If the contract is terminated for any reason, the Agency will be required to return all accounts, which do not have an existing payment plan in place. All debts collected will be posted no later than one (1) working day after date of collection.

U. CONFIDENTIALITY

The City's data files are of confidential nature. Employees assigned to these accounts shall be allowed access to these files as needed for their duties related to the contract. These files shall not be commingled with other collection files. The Agency shall maintain policies and procedures for safeguarding the confidentiality of such data. The Agency may be liable civilly or criminally under privacy legislation for release of such information.

3. PROPOSAL CONTENTS

3.1 PREPARATION OF PROPOSAL

Proposals shall be clear, concise, in order and titled as: Letter of Submittal, Technical Proposal, Management Proposal and Cost Proposal.

3.2 LETTER OF SUBMITTAL

The Letter of Submittal shall be signed and dated by a person authorized to legally bind the Firm to a contractual relationship. Include the following information about the Firm and any proposed sub-consultants:

- A. Name, address, principal place of business, telephone number, and e-mail address of legal entity or individual with whom contract would be written.
- B. Legal status of the Firm (sole proprietorship, partnership, corporation, etc.) and location of the facility from which the Firm would operate.
- C. Identification of any current or former employees from the participating Agencies employed by or on the Firm's governing board as of the date of the Proposal or during the previous twelve (12) months.
- D. Confirmation that Firm meets minimum qualifications as identified in Paragraph 1.3 "Minimum Qualifications".
- E. Acknowledgement that the Firm will comply with all terms and conditions set forth in the Request for Proposals, unless otherwise agreed by the Agencies.

3.3 TECHNICAL PROPOSAL

Proposal content for this section shall include an understanding of the City's requirements with a comprehensive proposed approach, methodology and work plan.

- A. Demonstrate a clear and concise understanding of the project requirements along with a proposed approach, methodology for management, and successful fulfillment of the scope of services.
- B. Provide a detailed description of the work plan with all proposed tasks, services, activities, and other items necessary to accomplish the scope of the project as described in the Scope of Services section. This should include, but not be limited to:
 - Procedural collection process to be used on City collection accounts and steps to be taken to protect the City from negative public relation situations.
 - Steps that will be taken to ensure collection activities remain within the Statute of Limitations to collect for each type of account.
 - Steps that will be taken to identify what is required and lawful collection practices for each type of account.
 - How the Agency will identify what recourse for each type of obligation is lawful. Describe how Firm will respond proactively to issues and scope changes.

The Firm may also present any creative approaches that may be appropriate and may provide any pertinent supporting documentation. If applicable, provide name and address of any sub-consultant and what services they may provide. Include the Firm's expectations about any City staff involvement in the tasks, services, and activities necessary to execute the work plan.

3.4 MANAGEMENT PROPOSAL

Proposal content for this section shall include experience, capabilities, qualifications, and application of resources to convey the ability to perform the scope of services.

A. Indicate the experience the Firm, staff and any sub-consultants have relevant to the scope of services specifically including collecting on unpaid utility accounts, tax and license, local improvement districts, returned checks, unpaid judgments or damages. Describe and document how Firm meets the minimum qualifications in Paragraph 1.3 “Minimum Qualifications”. Provide name, title, brief description of duties, responsibilities, qualifications, and years of pertinent experience. Provide details describing project team, team assignments, allocation of resources, lines of authority, and responsibility. Identify person within the Firm that will have prime responsibility and authority for the work. Indicate availability for each staff member assigned to the project and include percentage of time each will be assigned to the project. Describe how Firm will respond proactively to issues and project scope changes. Resumes may be included limited to 2 pages per person. The Firm shall commit that staff identified in its Proposal will actually perform the assigned work. Any staff substitution must have the prior approval of the City.

B. Include a list of contracts the Firm has had during the last three (3) years up to a maximum of ten (10) contracts that relate to the Firm’s ability to perform the services needed under this RFP. Provide contract period, contact names, phone numbers and e-mail addresses. Identify three (3) specific references from this list and briefly describe the work accomplished. Do not include City staff as references. The Firm grants permission to the City to contact the list provided.

C. If the Firm has had a contract terminated for default in the last five (5) years, describe the incident. Termination for default is defined as notice to stop performance due to the Firm’s non-performance or poor performance and if the issue of performance was either (a) not litigated due to inaction on the part of the Proposer, or (b) litigated and such litigation determined that the Proposer was in default. Provide other party’s name, address, phone number and email address. If no such termination for default has been experienced by the Firm in the past five (5) years, so indicate.

3.5 COST PROPOSAL

The Cost Proposal shall identify a fee as a percentage that includes all costs and any expenses necessary to accomplish the tasks and to produce the deliverables under the contract. No other charges will be allowed. Collection fees are paid by the debtor and the City is not responsible for the obligation.

4. PROPOSAL SUBMISSION AND EVALUATION

4.1 SUBMISSION OF PROPOSALS

Proposals shall be submitted with most favorable terms that can be proposed. There will be no best and final offer procedure. Proposals shall be submitted electronically through the City of Spokane’s online procurement system portal: <https://spokane.procuware.com> before the due date and time. **Hard paper, e-mailed, or faxed copies will not be accepted. Late Proposals shall not be accepted.** Proposers must register if they have not done so previously and follow the steps below to enter and submit the electronic Proposal:

1. Click on “Bids” located on the left hand column.
2. Find the applicable project and click the “Project Number”.
3. Click on the “Response” tab.

4. In the “Questions” tab, **answer questions and upload required documents** into the bid portal by clicking on “Browse” for each item. Note that only one document can be uploaded per question line item so combine if necessary.
5. Click on the “Pricing” tab and enter pricing as requested. A “Comment” field is available if needed. Skip “Pricing” Tab if it has no line items. Cost shall be included in Proposal document submitted.
6. Once the Questions have been entered, the yellow “Question Response” information message will change from incomplete to complete. Then the “Submit” button will become available.
7. Click the “Submit Bid” button and review the terms and conditions, pop-up window that appears. If you agree to the terms and conditions, click the “I Accept and Submit this Bid” button.
8. If you want to remove your Proposal, click the red “Withdraw Bid” button in the “Response” tab for the applicable Proposal.

4.2 EVALUATION PROCEDURE

Responsive Proposals will be evaluated in accordance with the requirements stated in this solicitation and any addenda issued. The City, at its sole discretion, may elect to select the top-scoring Firms as finalists for an oral presentation and evaluation. The RFP Coordinator may contact the Firm for clarification of any portion of the Firm’s Proposal.

4.3 EVALUATION SCORING

The Proposal will be evaluated as follows:

TECHNICAL PROPOSAL – 35% Project Approach/Methodology/Understanding Work Plan/Schedule/Deliverables	35 Points (Maximum) 35 Points (Maximum)	70 points
MANAGEMENT PROPOSAL – 30% Firm and Staff Experience/Capabilities/Qualifications	60 Points (Maximum)	60 points
COST PROPOSAL – 35% Fees proposed for services to be performed. Recovery factor for similar collections	70 Points (Maximum)	70 points
GRAND TOTAL FOR WRITTEN PROPOSAL		200 POINTS

4.4 AWARD/REJECTION OF PROPOSAL/CONTRACT

This RFP does not obligate the City to award a contract. Any contract awarded as a result of this procurement is contingent upon the availability of funding.

The City of Spokane reserves the option of awarding this contract in any manner most advantageous for the City and without further discussion of submitted Proposal. Failure to comply with any part of the RFP may result in rejection of Proposal as non-responsive. The City also reserves the right, at its sole discretion, to waive minor irregularities, reject any and all Proposals received without penalty and to not issue a contract from this RFP. More than one contract may be awarded. Contract negotiations may incorporate some or all of the Proposal. Contract is optional (non-exclusive) use.

Award of contract, when and if made, will be to the proposer whose Proposal is the most favorable to the City including consideration the evaluation criteria. Interlocal agreements accessing other agency contracts where applicable may be considered as a Proposal.

5. RFP ATTACHMENTS

Attached to this RFP and incorporated herein by reference are the following background documents:

Attachment 1 – Terms and Conditions