

8746 Third Party Collection Agency Scope of Work

Summary

The scope of work shall be finalized upon the selection of the Firm. The respondent's submission shall have accurately described your understanding of the objectives and scope of the requested products and services and provided an outline of your process to implement the requirements of the Scope of Work and Services. It is anticipated that the scope of work will include, at a minimum, the following:

The City of Denton (City), is seeking a qualified Collection Company (Vendor), to provide collection services for accounts receivables. Account receivables that are owed to, but not been collected by the City, can include services for utilities, ambulance, code enforcement liens, Municipal Court fines, returned items, and other miscellaneous accounts. It is preferred that collection services are provided for all the services listed above. Most accounts sent to the vendor for collections will consist of utilities and ambulance services. If collection services cannot be provided for the four services, utilities, ambulance services, returned items and code enforcement liens, , please submit a quote for each service that can be performed by your company.

The following information **MUST** be included in a submitted proposal:

Company or Firm Legal Name

Physical Address and Mailing Address (if different from Physical Address) of Proposer

Person Authorized to Sign Proposal

Authorized Person's Title

Phone Number(s) (including area code) of Company or Firm

Company or Firm Fax Number

Federal Tax ID#

Submitting Proposals

This request for sealed proposal is seeking proposals for three (3) distinct projects:

Part A: Collection services for delinquent utility accounts, including active drainage accounts and miscellaneous accounts receivable accounts; Code Enforcement Liens and Returned Items

Part B: Collection services for Emergency Medical Service (EMS) /ambulance billing.

Part C: Combined Parts A and B

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Proposals may be submitted on a single PART or a combination of PARTS.

The contract will be awarded to the vendor whose proposal is determined by the City to be the highest-ranking service provider that meets specifications. The following requirements must be met for full consideration in the decision-making process.

Part A (Utility/Miscellaneous Uncollectable Debt)

- Vendor must obtain a surety bond for \$50,000, guaranteeing payment to the City for monies due the City under the contract period.
- Vendor must be able to accept and transmit information from the City via the mail, fax or electronic file transmission at the City's option.
- Vendor must report all accounts to Experian and/or another national credit bureau, at the time the accounts are received from the City.
- Vendor must actively pursue all receivables, turned over by the City, regardless of the amount owed.
- Vendor will retain all accounts for the life of the account. At the end of the life of the account, inactive uncollected accounts must be promptly returned to the City along with its findings and recommendations. Active accounts (those who have a payment pending or are actively on a payment plan) may be retained by the vendor for an additional 180 days, but will be returned sooner if an account becomes inactive. If the vendor has not succeeded in collection any part of an account during that time period, then the vendor must promptly submit its findings and recommendations to the City.
- Vendor will retain a record of all accounts for the life of the account for credit bureau reporting purposes.
- In processing and handling Code Enforcement Liens, vendor must comply with state law of accrual of interest penalties.
- In processing and handling Utilities, vendor must comply with federal Red Flag Rules.
- In processing and handling Utilities, vendor must comply with FCC TCPA rulings
- Accounts may not be compromised by the vendor; however, vendor may enter into payment arrangements with customer not to exceed 6 months without prior approval of the City of Denton. It is the intent of the City of Denton that the vendor work with cooperative customers who enter and comply with the terms of a payment agreement. Such accounts shall not be referred to the credit bureaus unless the customer fails to make payments in accordance with the agreement.

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- Payments for Utility Collections shall be submitted via ACH and monthly reporting via electronic file.
- Vendor must provide monthly reports on the collection activities. These reports are due to the City by the 15th of each month and should include:
 1. Acknowledgment of accounts received (number of accounts and total revenue)
 2. Itemized monthly activity statements (include for each service: summary of collection activity, each debtor account collection status, and verified fee amount due to collector)
 3. Statement of accounts being returned to the City
- Vendor must provide regular, periodic software or electronic reports to the City to enable account balance review by the City, and vendor comments regarding review of accounts held by the vendor. Vendor must provide technical support to enable electronic placement of accounts.
- The City will pay the agreed upon fee based on the amount collected on a monthly basis. A monthly report will be provided by the City by the 5th working day of payments received from debtors during the previous month for billing purposes.
- It is preferred that the vendor is located within the state of Texas and preferably located within the Dallas/Fort Worth/Denton Metroplex. The vendor must be licensed to conduct business in the state of Texas.
- It is preferred that the vendor employs bilingual collectors who can correspond with Spanish-speaking debtors both orally and in writing.
- Vendor correspondence and collection methods must comply with a format acceptable to the City and be in accordance with all federal, state and local statutes regarding Fair Debt Collections practices.
- Vendor's collection experience and qualifications must be sufficient to provide the most adequate and secure collection services as determined by the City.
- Vendor must provide skip-tracing services.
- Vendor must obtain a surety bond for \$50,000, guaranteeing payment to the City for monies due the City under the contract period.
- Vendor must be able to accept and transmit information from the City via the mail, fax or secure electronic file transmission at the City's option.
- Vendor must report all accounts to Experian, Equifax and/or TransUnion, however at minimum to the national credit bureau, 37 days after the time the accounts are received from the City.

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- Vendor must actively pursue all receivables, turned over by the City, regardless of the amount owed.
- Vendor will retain all accounts for the life of the account. City of Denton EMS Accounts do not have a termed life. The accounts can be closed or written off by notification from the City of Denton and will remain open unless otherwise notified.
- Vendor will retain a record of all accounts for the life of the account for credit bureau reporting purposes.
- Vendor must provide monthly reports on the collection activities. These reports are due to the City by the 15th of each month and should include:
 1. Acknowledgment of accounts received (number of accounts and total revenue)
 2. Itemized monthly activity statements (include for each service: summary of collection activity, each debtor account collection status, and verified fee amount due to collector)
 3. Statement of accounts being returned to the City
- Vendor must provide regular, periodic software or electronic reports to the City to enable account balance review by the City, and vendor comments regarding review of accounts held by the vendor. Vendor must provide technical support to enable electronic placement of accounts.
- The City will pay the agreed upon fee based on the amount collected on a monthly basis. A monthly report will be provided by the City by the 5th working day of payments received from debtors during the previous month for billing purposes.
- It is preferred that the vendor is located within the state of Texas and preferably located within the Dallas/Fort Worth/Denton Metroplex. The vendor must be licensed to conduct business in the state of Texas.
- It is preferred that the vendor employs bilingual collectors who can correspond with Spanish-speaking debtors both orally and in writing.
- It is preferred that the vendor obtain a Corporate Identity Protection Policy, also known as Cyber Insurance in the amount of \$1 million or greater.
- Vendor correspondence and collection methods must comply with a format acceptable to the City and be in accordance with all federal, state and local statutes regarding Fair Debt Collections practices.
- Vendor's collection experience and qualifications must be sufficient to provide the most adequate and secure collection services as determined by the City.
- Vendor must provide skip-tracing services.

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- Vendor must provide credit card, online payment options and accept payments of any amount. The City of Denton is not responsible for any fees associated with electronic payment transactions.
- Upon the completion of the contract term, the incumbent will maintain all accounts previously placed.

ADDITIONAL SPECIFICATIONS (PART B only – EMS / Ambulance Billing)

- In processing and handling EMS accounts, vendor must comply with all Health Insurance Portability and Accountability Act (HIPPA) requirements and must maintain a compliance program or policy in place.

City of Denton’s Estimated Outstanding Account Data

Estimates as of October 2024:

<u>Part</u>	<u>Type of Account</u>	<u>Time Period</u>	<u>No. of Accounts</u>	<u>Average Amount</u>
A	Utility	January 2019 – October 2024	10137	\$301.00 per acct.
	Utility	Avg. Age 90 days	159	\$219.00 per acct.
B	Ambulance	January 2019 to October 2024	18982	\$662.85 per acct.
	Ambulance	Avg. Age 210 days	410	\$731.91 per acct.

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Evaluation Criteria

Delivery/Project Schedule (FACTOR:10 %)

Ability to timely start and complete project. This includes the schedule to complete project and may include ability to meet required milestones of completion. For supplies, the estimated delivery after receipt of order.

Experience (FACTOR: 20%)

Three (3) years' experience providing similar products or services.

Compliance with specifications, quality, reliability, characteristics to meet stated or implied needs (FACTOR: 10%)

Compliance with the stated specification(s) coupled with the quality and reliability of the goods and services such as fitness for use that meets or exceeds Owner's expectations and the characteristics of the product or service that bear on its ability to meet the stated/implied needs.

Indicators of Probable Performance under contract (FACTOR: 10%)

Indicators of probable performance under the contract to include: past vendor performance, financial resources and ability to perform, experience or demonstrated capability and responsibility, references, and the vendor's ability to provide reliable maintenance agreements and support.

Price, Total Cost of Ownership (FACTOR: 50%)

The price of items, to include total cost of ownership, such as installation costs, life cycle costs, and warranty provisions.

The total possible score of the submissions shall be scored and weighted as indicated above. Based on the outcome of the computations performed, each submission will be assigned a raw score. The assigned weight will then be applied to these scores to calculate an overall score for each submission for completion of the final scoring process.