



# CITY OF TOPEKA

Division of Contracts & Procurement  
215 SE 7<sup>th</sup> Street, Room 60  
Topeka, KS 66603

P: (785) 368-3749  
procurement@topeka.org

## DELINQUENT ACCOUNT COLLECTION Request for Proposals (RFP)

### I. BACKGROUND AND SCOPE

The City of Topeka is soliciting proposals from qualified contractors to assist in the collection of a variety of delinquent accounts. These accounts consist of utility bills, parking tickets and accounts, bad checks, rental payments, damage claims, as well as Municipal Court costs, fees, fines, and restitution. The selected contractor will work with the various departments and divisions of the City individually to provide services.

A combination of fee structure, past governmental collection experience, recovery rates, and information from the proposer's current and past governmental account experience will be used to evaluate responses and select the most qualified contractor. Proposals shall cover all aspects of this scope of work. Proposers shall include any other information and documentation that will benefit the selection process and allow for the City's sufficient evaluation.

### II. CITY RIGHTS AND OBLIGATIONS

- A. Assigning Accounts. The City may assign bad debt/delinquent accounts (the "Account" or "Accounts") to the Contractor for collection on accounts that become delinquent while the agreement between City and Agency is in effect. The City is under no obligation to assign any accounts to the Contractor and reserves the right to collect accounts in any manner the City deems appropriate. Such accounts fall into one of the following categories: (i) utility bills; or (ii) service bills that cover the provision of City services, recoupment of damages to City property and other issues involving unreimbursed costs; or (iii) delinquent parking obligations; or (iv) fees, charges or assessments; or (v) Municipal Court costs, fees, fines and restitution.
- B. Providing Information. The City will assist the Contractor in its endeavor to collect the monies owed on the accounts referenced in Section A above by:
1. Providing accurate and up-to-date information regarding the balance due and delinquency date of the accounts;
  2. Providing all information regarding the accounts as may be necessary for the Contractor to perform its services, including, but not limited to: debtor name, address, telephone number, social security number, date of birth, and employment information;
  3. Retaining and providing, within thirty (30) days of the Contractor's request, all supporting documentation regarding an account, including itemized statements, consents, contracts, and assignments;

4. Endeavoring to notify the Contractor the same day of any (i) payments from any source received by the City on an account; (ii) bankruptcy notice or filing received by the City as to any debtor; (iii) information that the debtor is represented by counsel; (iv) notice that the debtor disputes an account; and (v) claim or threat of claim related to an account;
  5. Providing information regarding accounts on a regular basis for purposes of reconciling accounts and identifying any disparities;
  6. Promptly referring all communications, telephone calls, and correspondence received from the debtor pertaining to an account; and
- C. Recall. The City shall have the right to recall any account assigned to the Contractor; in accordance with Section 5 B. However, accounts subject to a current payment arrangement established by the Contractor may only be recalled for good cause shown.
- D. Kansas Debt Recovery System. The Kansas Debt Recovery System (KDRS) provides municipalities with the ability to capture unclaimed property or income refunds for debts owed. This is done simultaneously with the Contractor's collection efforts and the Contractor is not paid a commission for the amounts collected on behalf of the City through KDRS, given that the Contractor does not qualify as a "municipality" as defined in KSA 75-1117.

### III. CONTRACTOR SERVICES

- A. Generally. The Contractor shall assume responsibility for collecting and receiving all sums of money due or payable to the City on all accounts assigned to it by the City (the "Services") using ordinary and reasonable collection efforts and complying with the Fair Debt Collections Practices Act (FDCPA) and all applicable federal, state, and local laws and regulations in the performance of such services.
- B. Exchange of Information. The Contractor will possess the following capabilities and apply the same in the performance of its services:
1. Ability to provide a Secured File Transport Protocol (SFTP) site for the exchange of electronic data.
  2. Ability to accept customer account files, and any information related to such files, from the City in electronic format; and verify the receipt of such files in electronic format.
  3. Ability to provide customer account files, and any information related to such files (i.e., relevant customer information, overdue amounts, any payment(s) received through collection efforts, etc.) to the City in electronic format;
  4. Ability to provide multiple data files and merging such files into a single transaction or document for purposes of consolidating information.
  5. Ability to provide data in an Excel file format.
  6. Ability to provide the City with access to a live portal for purposes of allowing the City to check on debt status of a particular customer or account.
- C. Security and Disaster Recovery. The Contractor shall have a disaster recovery plan in place, which ensures that the City will experience no disruption in service and no loss of functionality.

- D. Accepting Payments. The Contractor shall have authority to receive payment in cash, check, money order, ACH/eCheck, and credit card; and shall have authority to endorse checks, drafts, money orders, and other negotiable instruments, which may be received in payment.
- E. Settlements. The Contractor shall have the authority to engage in a negotiated settlement for less than the amount owed in certain unique situations; provided, however, that prior written approval has been obtained from the Department Director with the particular past-due Account and amount.
- F. Initiating Legal Action. As part of the initial assignment of each particular account, the City authorizes the Contractor to pursue legal action with respect to that account and to retain the services of any attorney selected by the Contractor in connection with such legal action. The Contractor will only initiate legal action where: (i) the Contractor has reason to believe there is a likelihood of recovery; (ii) the assets or other non-exempt resources of the debtor appear to demonstrate the potential for payment; and (iii) the debtor fails or refuses to cooperate in good faith with the Contractor. All lawsuits filed by the Contractor on behalf of the City must list the plaintiff as: "The City of Topeka, Kansas." The City will furnish witnesses capable of testifying regarding the account, when requested by the Contractor. The Contractor shall inform the City Attorney when the initiated action involves a novel area of law.
- G. Notification; Permission from City Required. Notwithstanding Section G above the Contractor shall not initiate a lawsuit with respect to any particular account unless and until the City has approved initiation of litigation. The City must be provided with timely notice prior to any litigation related work being performed and no such work may proceed unless and until the City has provided its express written approval that an account may be pursued through litigation.
- H. Continuation of Legal Action. The Contractor shall handle all counter claims filed in response to, and/or relating directly to, the collection action (i.e., those that cannot be bifurcated).
- I. Legal Fees and Costs. Subject to the reimbursements identified in Section 5, in the event of legal action, all legal costs and attorney fees will be advanced by the Contractor and paid by the Contractor. The Contractor will retain 100% of all legal costs and attorney fees collected by the Contractor; provided, that any work performed on bankruptcy appeals or counterclaims shall be billed on an hourly basis.

#### **IV. FEES AND PAYMENT**

- A. Fee and Commission Rates. Following the date of assignment of an account, the City will pay the Contractor a collection fee on all monies collected from any source (including insurance payments), whether paid directly to the City or to the Contractor, in accordance with the agreed to commission rates.
- B. Municipal Court Administrative Fee, Payments and Order
  - 1. See Attachment A: 2023 Kansas Statute 12-4119
  - 2. Order of Restitutions
  - 3. Cases with a License Suspension
  - 4. To the principal balance of the account;

C. Application of Payments and Order. Collections on each account will be applied in the following order:

1. To any legal costs and attorney fees incurred;
2. To the principal balance of the account; and
3. To any interest accrued on the account after the date of the judgment.

If an account is placed in error by the City for reasons such as the account was previously paid, the account is to be written off.

- D. Statutory Interest. The City does not authorize the Contractor to assess statutory interest on the principal balance of the accounts beginning from the date of assignment. However, interest accruals will be allowed starting on the date of judgment after which the Contractor may retain One Hundred Percent (100%) of all statutory interest collected and shall have full settlement authority with respect to any interest accrued.
- E. Remittances; Payments to City. The Contractor shall electronically deposit remittances into the City's designated bank account on a gross remit basis by no later than the 10<sup>th</sup> day of each month for all monies collected between the first and the last day of the previous month. Bidders may offer alternative methods of remittance for consideration by the City.
- F. Invoices; Payment to Contractor. The Contractor shall email remittance statements to the City for reconciliation and appropriately detailed invoices to the City for payment.
- G. Cash Basis Law. The contract with the awarded Contractor and City will comply with the applicable provision of the Kansas Cash Basis Law, K.S.A. 10-1101 et seq. The City is only obligated to make payments under the agreement as may be lawfully made from funds budgeted and appropriated for the purposes as set forth in the agreement during the City's current budget year. In the event the City does not budget and appropriate the funds, the parties acknowledge and agree that they shall be relieved from all obligations, without penalty, under the agreement. To the extent that the City does budget and appropriate funds for the purposes set forth in agreement, the obligations of the parties shall remain as provided within the established agreement.

## V. **CONTRACTOR REIMBURSEMENTS**

- A. Bankruptcy. The City will reimburse any funds the Contractor has remitted to the City if the Contractor is later required to return the funds to the debtor or bankruptcy trustee pursuant to any applicable law related to debtor's bankruptcy.
- B. Specified City Actions. The City will reimburse the Contractor for only the court costs that the Contractor has incurred (if any) under the following circumstances following the City's execution of a Confirmation of Assignment with respect to any account: (i) the City fails to provide necessary supporting documentation or a witness for trial; (ii) the City recalls or instructs the Contractor to discontinue legal action; or (iii) an error made by the City requires that the Contractor discontinue legal action and the Contractor has incurred costs up to the point of discontinuation.

## VI. REPORTING

- A. Monthly Collections Report. The Contractor shall provide the City with a report on or before the 15<sup>th</sup> day of each month, which shall set out (i) the name of the individual(s) who is indebted to the City, (ii) the amount(s) he/she/they owe to the City, (iii) the amount(s) collected by the Contractor on behalf of the City and (iv) the corresponding amount paid to the Contractor by the City (as agreed upon in Section 3 above) for the particular account(s) involved. This monthly report shall be submitted to the individuals noted in Section 9 R below. A copy of the report shall also be submitted to the Department Director of the Municipal Court.
- B. Quarterly Reconciliation Report. The Contractor shall also provide a reconciliation report to the City on a quarterly basis. This quarterly report shall be submitted to the Department Director of the Municipal Court.
- C. Ad Hoc Reports. The City may request the Contractor to submit other reports on an as-needed basis.
- D. Audit. The City and the Contractor agree that all of the Contractor's books, records, documents, contracts, and agreements, as may be reasonably necessary for an effective audit, shall, upon reasonable notice being given by the City, be opened to the City; including its duly authorized agents, auditors, and employees, for the purpose of verifying the Contractor's accounting. The City shall bear the cost of any such audit, unless the audit discloses that the Contractor owes the City money and has failed to use reasonable efforts in rendering its accounting. In that case, the Contractor shall be responsible to the City for any reasonable fees associated with the audit.

## VII. PROPOSAL FORMAT

Reference the ePro Sourcing Event Term and Condition: RFP Special Provisions for transmittal letter and general requirements for technical proposal submissions. The submittal shall not exceed 20 pages excluding the title page, transmittal letter, section dividers, and the fee schedule. The proposal shall include the following:

- A. Technical Proposal. Respondents shall upload the following minimum documentation with their RFP response:
  - 1. Transmittal Letter;
  - 2. Qualifications and experience including collection methodology, past experience including governmental experience, and recovery rates for clients;
- B. Pricing Proposal. Respondents shall upload their completed pricing proposal and reference information on the form provided for sufficient evaluation. Respondents shall include additional information if necessary for evaluation.
- C. References. Respondents shall provide references from at least three (3) current clients. References must include the name of the client, contact person, address, telephone number and if available the contacts e-mail address. This information must be completed on the form provided for sufficient evaluation.

## **VIII. EVALUATIONS AND SELECTION**

The City will review all submittals and select the firm deemed most qualified to begin the contract scope and fee negotiation process. If the City and the selected firm cannot agree on scope and/or fee, the City may terminate negotiations and select another firm. Proposal evaluation scoring will be based primarily on the following considerations:

- A. 30% Similar experience for past governmental collection experience.
- B. 30% Qualifications, availability, and recovery rates.
- C. 15% Information demonstrating a clear understanding of the work to be performed.
- D. 15 % References from three (3) current clients.
- E. 10% Pricing proposal.

## **IX. TERMS OF AGREEMENT**

The selected contractor is expected to enter into a written contract with the City of Topeka. The duration of the initial contract will be for one (1) year with the option to renew up to four (4) additional one (1) year periods by written mutual agreement of the parties.