



REQUEST FOR PROPOSAL
FOR
COLLECTION AGENCY SERVICES

City of Lynwood
Department of Finance & Administration
11330 Bullis Road
Lynwood, California 90262

Due Date for Proposals: April 4, 2013 by 5:00 PM

CITY OF LYNWOOD
Notice Requesting Proposals for
Collection of Delinquent Accounts

The City of Lynwood is requesting sealed proposals for the collection of delinquent accounts. All proposals must be received by the City Clerk's Office, 11330 Bullis Road, Lynwood, California 90262, no later than 5:00 p.m. on April 4, 2013.

Proposals received after said time will not be considered. To guard against premature opening, each proposal shall be submitted to the City Clerk's Office in a sealed envelope plainly marked with the proposal title, bidder name, and time and date of the proposal opening.

BACKGROUND

Currently, the City has approximately 1,093 uncollected accounts over 60 days totaling \$264,393. Of these accounts, approximately half have been returned by the post office because customers moved with no forwarding address. In the future, we estimate that there will be an average of 20 additional accounts per month assigned to the Collection Agency, totaling about \$3,500 per month. Accounts which will be sent to the Collection Agency include, but are not limited to water, sewer, trash services, damage to City property, and miscellaneous accounts receivable over 45 days old.

PURPOSE

The City of Lynwood ("the City") is seeking proposals from interested licensed Collection Agencies to provide collection services for the City of Lynwood - Department of Finance and Administration.

The request for proposal does not obligate the City to award a contract or complete the project, and the City reserves the right to cancel the solicitation if it is considered to be in its best interest.

GENERAL SCOPE OF SERVICE REQUIRED

- A. The Collection Agency shall agree to comply with all State and Federal consumer and collection practice laws.
- B. The Collection Agency shall adhere to the highest professional standards and ethics in providing the City with a complete collection service, make concerted collection efforts on behalf of the City for all past due accounts assigned to the Agency and report unpaid debt to the credit bureaus.

- C. The Collection Agency will retain a current business license(s) required by the City of Lynwood.
- D. The Collection Agency shall designate a manager for the City's account, who will be the City's primary contact at the Collection Agency.
- E. The Collection Agency will receive delinquent accounts for collection from the City and provide an immediate written acknowledgment of the receipt of those accounts to the City. The method of data transfer to the Agency will be an electronic listing of referred accounts.
- F. The Collection Agency shall provide a minimum of two types of status reports on a monthly basis, which must be received by the City by the 15th of the month following each month end. These reports are as follows:
 - 1. Debtor Status Report – Include turnover date, account name and number (assigned by City), type of account, beginning balance, collections, current balance, and collection status. It should also include the commission amount and upon request by the City, within a reasonable time, other information or report relating to its activities.
 - 2. Collection Analysis Report – Include placements in number and dollar volumes, gross collections in dollars and percentages matched against the month the account was placed, and collection fees in dollars and percentages.
- D. The Collection Agency shall remit at least monthly to the City all monies collected, less collection fees, with a report including account name, account number, amount collected, and collection fees.
- E. The Collection Agency must obtain the City's approval for any payment plan extending beyond one year from the date of initiation of the payment plan.
- F. The City will provide documentation to the Collection Agency for each account, including name, last known address, account number, telephone number, balance due, and the type of account.
- G. The City reserves the right to recall any account at its discretion without charge.
- H. The Collection Agency shall report annually on June 30th to the City all accounts deemed by it to be uncollectible by July 15th, along with reasons for uncollection and actions taken to attempt the collection.
- I. All information provided to the Collection Agency shall be used solely for the purpose of collection and may not be provided to any outside Agency, business, or person without the written consent of the City.
- J. If the contract is terminated, or in the event the Collection Agency is filing bankruptcy, all accounts and documentation will be returned to the City, regardless of payment arrangements made with the debtors.

- K. The term of the contract will be one year from the date a contract is signed, and may be extended in one year increments for a maximum of three years from the effective date of the contract at the option of the City.
- L. The contract shall provide that the City reserves the right to cancel the contract at any time upon thirty days prior written notice.
- M. At any time, during normal business hours and as often as the City may deem necessary, Collection Agency shall make available for examination, by the City, all of its records with respect to all matters covered by this contract.
- N. The Collection Agency will be solely liable for any costs whatsoever incurred by it in the collection of sums referred to it for collection including but not necessarily limited to all costs, fees and charges for litigation involved with collection activities.
- O. The Collection Agency shall have an initial meeting with the City to discuss the Agency's collection procedures. Thereafter, the Collection Agency shall hold annual follow-up meetings to review these procedures or to amend the agreement as necessary.

PROPOSAL SUBMISSION REQUIREMENTS

The Collection Agency shall be responsible for preparing an effective, clear, and concise proposal. It is recommended that proposals contain the following information:

- A. A cover letter introducing the company and the individual who will be the primary contact person.
- B. On no more than one printed page state your firm's understanding of the service to be performed and make a positive commitment to provide the service as indicated in this RFP.
- C. Mandatory insurance requirements: The City requires Commercial General Liability insurance of not less than \$1,000,000, Professional Liability Insurance of not less than \$1,000,000, Surety Bond in the amount of \$50,000 and Workers Compensation Insurance as required by the State of California. The City reserves the right to establish that these insurance requirements be met and complied with prior to any contractual agreement is entered into. Failure to comply could result in non-award of the contract.
- D. Specific qualifications regarding experience in outstanding collections, including the names of clients similar to the City. A reference list should be attached to the proposal with client names, contact persons, and phone numbers. Provide an outline of the Agency's collection procedures and include what your percentage of recovery has been with those Agencies.
- E. A discussion of any methodologies used or approaches taken to collections, including legal actions that the Collection Agency would undertake on the City's behalf. Specify technology that you have available to facilitate collections and

- payment options your Agency offers the debtor along with debtor charges for using these options. Provide copies of sample reports to clients, which Agency normally provides and which Agency proposes to provide to the City of Lynwood.
- F. A description of the Collection Agency's organization and staff's qualifications.
 - G. A proposed fee schedule.
 - H. The signature of an authorized individual to bind the firm. The proposal must be a firm offer for a sixty-day period.
 - I. Submit one original and 5 (five) copies of proposals and one copy in Microsoft Word on a CD-ROM.

SELECTION PROCESS

All proposals received will be evaluated and determined if it meets the proposal requirements. Failure to meet these requirements will be cause for eliminating the agency from further consideration.

The City shall not be liable in any way for any cost incurred by any offer or in the preparation of its proposal in response to this RFP nor for obtaining any insurance Certificate and/or Surety Bond.

The City reserves the right to reject any and all proposals, to waive any technicalities, informalities and irregularities, to accept or reject all or part of the proposals, and to be the sole judge of the suitability of the proposals offered.

Evaluation of the proposals will be made by a committee of staff members selected by the Finance Director. In addition to evaluating written proposals, oral interviews may be requested.

Proposals will be evaluated generally on the following criteria, which is neither weighted nor prioritized:

- A. Demonstrated understanding of the service requested
- B. Prior experience in performing similar work
- C. Qualifications of the firm and assigned individuals
- D. Acceptability and scope of collection approach and work plan
- E. Fees charged and cost effectiveness of the proposed service
- F. Reference check

PROPOSAL REVIEW AND AWARD SCHEDULE

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| 1. RFP Published and Distributed | |
| a. Publish Notice on Website | March 21, 2013 |
| b. Publish Notice in Newspaper | March 21, 2013 |
| 2. Proposals Due | April 4, 2013 |
| 3. Proposals Reviewed and Evaluated by Staff | April 8 – 11, 2013 |
| 4. Finalist Interviews | April 25, 2013 |
| 5. City Manager Submits Recommendations to City Council | May 21, 2013 |
| 6. Council Approval of Contract | May 21, 2013 |
| 7. Contract Executed | June 3, 2013 |
| 8. Work Begins | June 3, 2013 |

SUPPLEMENTAL INFORMATION

The City reserves the right to reject any or all proposals. The City will not be liable for nor pay any costs incurred by responding firms relating to the preparation of proposals or the making of presentations.

Questions concerning this request for proposals should be in writing (e-mail preferred) and directed to:

Amanda Roberson
Finance Director
11330 Bullis Road
Lynwood, California 90262
(310) 603-0220, ext 281
(310) 886-0402(fax)
Monday through Thursday
aroberson@lynwood.ca.us

Proposals must be received by the City Clerk by 5:00 p.m., April 4, 2013. The proposing firm must submit one original and five copies of its proposal and one copy in Microsoft Word on a CD-ROM in a sealed envelope to:

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