



TO: Board of Contracts and Awards
FROM: Andy Cherullo, Finance Director
Michael San Soucie, Treasury Manager
COPY: Public Utility Board, Director of Utilities, Board Clerk, City Council, City Manager,
City Clerk, SBE Coordinator, LEAP Coordinator, and Alex Clark,
Finance/Purchasing
SUBJECT: Citywide Collections; RFP Specification No. F118-0087F – Public Utility Board
July 25, 2018, City Council July 31, 2018
DATE: July 6, 2018

RECOMMENDATION SUMMARY:

Finance Department recommends a contract be awarded to Ray Klein Inc., DBA Professional Credit Service, Tukwila, WA, for citywide collection services, for an initial contract term of three years with the option to renew for three additional one-year terms, for a projected contract value of \$2,718,280. The awarded vendor will receive all compensation from fees collected from the debtor.

STRATEGIC POLICY PRIORITY:

This contract will assist the City in meeting the following policy priority:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

The City released a Request for Proposals (RFP) to acquire citywide collection services for delinquent customer accounts. Ten companies responded to the RFP. A review panel consisting of eight representatives, one from each of the affected departments, reviewed the ten submittals. After this initial review of the ten proposals, interviews were conducted with the top five finalists. During the interview process, one company separated itself from the competition and made a substantial case of why it should be the chosen vendor to provide the required services.

ISSUE: City departments have accounts that become difficult to collect. Without the use of an entity that specializes in the collection of delinquent accounts, the City would otherwise be writing off as uncollectible larger amounts of accounts and dollars.

ALTERNATIVES: The alternative to hiring a collection agency is for the City to spend its resources of time and money trying to attempt to collect on these accounts. This drains resources the City can otherwise use toward more direct customer service type functions on a daily basis. This method of collecting on these accounts is not preferred.

COMPETITIVE SOLICITATION:

Request for Proposals F118-0087F was opened April 3, 2018. Seventeen companies were invited to bid in addition to normal advertising of the project. Ten submittals were received. The submittals were evaluated by Qualifications/Experience, Customer Service, Financial Impact, Departmental Accommodation, and Small Business Enterprises. After the first round of ranking,



the top five were invited for interviews. During interviews, Professional Credit Service excelled by demonstrating a much more friendly approach to contact letters and the website resources. After interviews, the Professional Credit Service was the highest ranked vendor. Professional Credit Service is being recommended for award because they demonstrated a much more customer friendly approach for both the City and the customers that will interact with the company. The final ranking after interviews were as follows:

<u>Respondent</u>	<u>Location</u> <i>(city and state)</i>	<u>Rank</u>
Professional Credit Service	Vancouver, WA	1
Transworld Systems Inc.	Fort Washington, PA	2
Alliance One	Gig Harbor, WA	3
PMT Solutions	Bellevue, WA	4
Exela Technologies	Norcross, GA	5
LJ Ross Associates Inc.	Jackson, MI	6
IC System Inc.	St. Paul, MN	7
Municipal Services Bureau	Austin, TX	8
Lifequest Services	Wautoma, WI	9
Turbo Debt Recovery	Columbus, OH	10

CONTRACT HISTORY: New Contract

SUSTAINABILITY: Sustainability was considered in the evaluation of Qualifications and Experience

SBE/LEAP COMPLIANCE: Firms that were SBE compliant received 5 points as part of the evaluation.

FISCAL IMPACT:

There will be no fiscal impact to the City. The awarded vendor will receive all compensation from fees collected from the debtor.

Supplemental Information
Citywide Credit and Collection Agency Services
Ray Klein Inc., DBA Professional Credit Service
Request for Proposals Specification No. FI18-0087F

Background: The City of Tacoma solicited proposals to acquire citywide collection services for delinquent customer accounts. Ten companies responded to the RFP. After the initial review, a shortlist of the top five were selected for interviews. The shortlist was scored in a separate evaluation. Professional Credit Services was chosen for award.

Evaluation Criteria

Criteria	Percentage
Qualifications and Experience	25%
Customer Service	35%
Financial Impact	15%
Departmental Accommodation	20%
Small Business Enterprise	5%

Scoring

Initial scoring breakdown of written submittals:

	Vendor	Score
1	Alliance One	656
2	Exela Technologies	597
3	PMT Solutions	597
4	Transworld Systems Inc.	591
5	Professional Credit Services	589
6	LJ Ross Associates Inc.	577
7	IC System Inc.	573
8	Municipal Services Bureau	564
9	Lifequest Services	348
10	Turbo Debt Recovery	301

The top five Respondents were invited to interview and scored in a separate evaluation. The results were as follows:

	Vendor	Score
1	Professional Credit Services	540
2	Alliance One	480
3	Transworld Systems Inc.	463
4	PMT Solutions	441
5	Exela Technologies	294

Additional Information

Three Respondents received SBE credit in the initial evaluation: Exela Technologies, PMT Solutions, and LJ Ross Associates, Inc.

Professional Credit Services is headquartered in Vancouver, WA, but has their Legal office in Tukwila, WA.