



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3939

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To: Greg Veliz, City Manager  
From: Keith Hernandez, Division Chief of EMS,  
John Wilkins, Parking Director

Date: April 13<sup>th</sup>, 2020

Reference: City of Key West Collection Services Agreement Renewal

Action Statement:

This resolution will approve renewing the agreement between the City of Key West (City) and Penn Credit for an additional year, as per the original agreement, beginning May 16, 2016. Penn Credit (Penn) currently provides billing and collection services of delinquent accounts for the City's parking and emergency medical services (EMS).

Background:

The City has a need for collection services for parking and EMS accounts that remain unpaid for a certain time. Penn Credit has fulfilled this need by taking additional steps to collect the past due accounts for the previous four years. Resolution 16-099 authorized the City Manager or designee to negotiate a contract with the highest ranked proposer, Penn Credit. During their time of service, Penn has provided service at an acceptable level. The current term of the contract expires May 16, 2020 and per 14.1 of the agreement, provides for two additional one-year renewals upon the same terms and conditions contained in the agreement. If approved, this will be the final of two one-year renewal options exercised.

Purpose and Justification:

Penn has provided billing and collection services at an acceptable level, we believe that their percentage of gross that they are paid is still fair and reasonable and consistent with industry standards. Penn continuously works toward providing the City with the best opportunity to collect for services provided on delinquent accounts.

Financial Impact:

The City will continue to pay Penn a contingency fee of 19% for parking and EMS monies collected or a contingency fee of 29% on monies collected requiring legal action.



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Recommendations:

Approve the contract renewal between the City of Key West and Penn Credit as the Collection Agency for parking and EMS services delivered by the City of Key West, pursuant to terms and conditions outlined in the agreement for one additional year beginning May 16, 2020.

Respectfully,

Keith Hernandez  
Division Chief of EMS  
Key West Fire Department  
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