



## THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

M  
E  
M  
O  
R  
A  
N  
D  
U  
M

### EXECUTIVE SUMMARY

**TO:** Jim Scholl, City Manager  
**FROM:** Michael Turner, Collections Manager  
**CC:** Sarah Spurlock, Asst. City Manager – Administration  
**DATE:** February 29, 2016  
**RE:** **Approval of Staff Ranking for Collection Services**

#### **ACTION STATEMENT:**

Purpose of this resolution is to request approval by the City Commission for the following:

- Authorizing the City Manager or designee to negotiate a contract with the highest ranked proposer for parking and emergency medical service collection services, Penn Credit. In the event the City Manager or designee is unsuccessful in negotiating a contract with the highest ranked proposer, authorizing the City Manager or designee to negotiate a contract with the second highest ranked proposer Creditech Collection Services. In the event the City Manager or designee is unsuccessful in negotiating a contract with the second highest ranked proposer, authorizing the City Manager or designee to negotiate a contract with Valley Collection Service, LLC.
- If the City Manager or designee is unsuccessful in negotiating an acceptable contract with any of the three (3) highest ranked proposers the City Manager or designee will cease discussions with all proposers and report back to the City Commission.
- Authorizing the City Manager to execute said proposed contract / agreement, subject to review and approval by the City Attorney.

#### **BACKGROUND:**

The City has a need for collection services for parking and emergency medical services (EMS). After accounts are unpaid for a certain time, the City needs a

*Key to the Caribbean – Average yearly temperature 77° F.*

collection agency to take additional steps to collect the past due accounts

**PURPOSE AND JUSTIFICATION:**

City staff advertised a request for proposals that had a bid opening on January 20. Proposals were received pursuant to RFP 16-005 from the following firms:

- Creditech Collection Solutions
- Valley Collection Services, LLC
- Penn Credit
- Duncan Solutions

The ranking committee consisted of the following city staff: Sarah Spurlock, John Wilkins, Edward Perez, and an ambassador graduate, citizen volunteer, Fritz Zivic. The committee convened on February 18<sup>th</sup> in public advertised meeting at the City Clerk’s conference room. The final rankings are as follows:

**Company Rankings for RFP #16-005 Collection Services**

Ranking of Proposers

<b>1) Penn Credit:</b>	<b>356</b>
2) Creditech Collection Services	339
3) Valley Collection Service, LLC	323
4) Duncan Solutions	307

City staff ranked the agency’s proposals on a 100 point scale utilizing the following evaluation criteria: Specialized experience in the type of work to be performed, specifically including work in a city of similar size and geographic location (20); Compatibility of transferring account information (10); Collection rate of same/similar delinquent accounts (25); Technical expertise, including methods available for collection of accounts (25); Fee rate (10).

City staff is requesting City Commission approval of the evaluation ranking and authorization for the City Manager to negotiate and enter into a contract with the highest ranked agency.

The agency contract will be based on a percentage of the money collected by the agency.

**OPTIONS / ADVANTAGES / DISADVANTAGES:**

1. The City Commission can approve city staff ranking and authorize the City Manager to negotiate and execute a contract with the highest ranked agency, Penn Credit.
2. The City Commission could disapprove staff ranking for the collection services RFP. This would leave the City without a collection agency on contract. This would leave past due accounts with no collection agency to attempt to recover the outstanding funds.

## **FINANCIAL IMPACT:**

The fees of each proposal are as follows:

**Creditech-** Parking Rate- Add On Fee: 25% or Contingency Fee: 20%

EMS Rate- Add On Fee: 16.29% or Contingency Fee: 14%

**Duncan Solutions-** Parking Rate- Contingency Fee: 21.5%

**Penn Credit-** EMS and Parking Rate- Contingency Fee: 19%

EMS and Parking Rate- Contingency Requiring Legal Action: 29%

**Valley Collection Service, LLC-** Contingency Fee: 17%

## **RECOMMENDATION:**

Staff recommends the City Commission choose option 1, approving the evaluation team ranking from city staff and allowing the City Manager to negotiate and execute contracts for collection services with Penn Credit. This agency ranked far higher than the other firms responding to the RFP.