

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: November 18, 2024

Topic:

Approve a two-year Service Agreement with RGS for consumer debt collection services for utility accounts (RFP 2024-09R), approve the expenditure of funds therefor, and authorize the City Manager to execute any and all documents related to the purchases. These expenditures are included in the fiscal year 2024-2025 adopted budget.

Background:

To obtain the most favorable pricing and in accordance with the City’s Procurement Policy, sealed proposals (RFP 2024-09) were solicited for the services, which allowed interested parties to submit their qualifications and proposals to act as the primary vendor for consumer debt collection services for utility accounts with unpaid balances greater than 90 days. Following the RFP process the City received no submitted proposal and readvertised the services (RFP 2024-09R). The City received one (1) proposal, and after a thorough review and interview, it was determined that RGS could provide the services requested.

The agreement will include providing services of a collection agency to provide consumer debt collection services by locating, contacting, and securing payment from past due utility customers or accountholders of the City.

Vendors were required to submit their fee percentage based on the delinquency of the accounts being sent to collections. RGS is compensated through their proposed fee, which is applied to the collections secured that are redirected to the City. Below is a breakdown demonstrating the estimated fees that could be paid to RGS based on our current accounts pending collection as of June 1, 2024.

Description	Collection Amount*	Fee Percentage	Total Fee
91 days – 180 days (3/10/2024 – 6/8/2024)	\$53,843.58	18%	\$9,691.84
181 days – 1 year (9/3/2023 – 3/9/2024)	\$131,402.36	20%	\$26,280.47
Over 1 year (beginning 9/5/2023)	\$672,363.50	25%	\$168,090.88
Estimated Total Fee: \$204,063.19			

*Estimate only as of 6/1/2024

The proposed services agreement will be for a two-year term beginning December 3, 2024, and expiring December 2, 2026.

Origination: Project Management

Recommendation:

Staff recommends approving a Service Agreement with RGS for consumer debt collection services.

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Manager

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: _____

If no, funds will be transferred from account # _____ To account # _____

Signed Meagan Mageo Approved by _____
Staff Member Date City Manager Date