

Request for Proposal (RFP) for:

Collection Agency Services



City of Arlington, WA

**Finance Department
238 N Olympic Ave
Arlington, WA 98223**

I. INTRODUCTION

The City of Arlington is located in Snohomish County Washington. The city bills for a broad scope of services encompassing several City departments including water, sewer, storm water, planning, airport leases, emergency medical services, and other miscellaneous services. The City uses BIAS accounting software for most of its billing purposes. iWorQ Systems is used for the planning department and System Design is used for billing emergency medical services.

The City of Arlington is issuing this RFP to invite prospective collection agencies that are interested in providing their services. While attempting to maximize the City's collections, it is critical this objective be achieved without negative exposure to the City, with careful consideration of consumer's rights and a high level of customer service.

II. TIME SCHEDULE

The City of Arlington will follow the timetable below, which should result in a selection of a firm by approximately December 2016.

Event	Time	Date
Issue RFP		November 4, 2016
Last day for questions	3:00 PM	November 10, 2016
Proposal responses due	3:00 PM	November 23, 2016
Selection of finalist(s)		November 30, 2016
Panel interviews (if necessary)		December 1-9, 2016
Selection of successful candidate		December 9, 2016
Signing of contract		December 23, 2016
Effective date for contract to start		January 1, 2017

These dates are estimates and subject to change by the City.

III. SUBMISSION REQUIREMENTS

Proposals can be mailed or delivered to 238 N Olympic Ave, Arlington WA 98223 or emailed to kgarcia@arlingtonwa.gov by 3:00 PM on November 23, 2016. Proposals shall be addressed to Kristin Garcia, Finance Director.

IV. QUESTIONS

All questions regarding the RFP process or the scope of work or evaluation process should be addressed to Kristin Garcia, Finance Director at kgarcia@arlingtonwa.gov.

All answers and the questions will be sent via email to all respondents.

V. SCOPE OF WORK

The successful bidder may be involved in the collection of the following accounts:

1. Accounts receivables and returned check payments for various city services such as:
 - a. Utility Billing (water, sewer and storm water)
 - b. Airport leases
 - c. Miscellaneous Receivables
 - d. NSF Checks
 - e. Emergency Medical Services billing

VI. COLLECTION STANDARDS

The collection agency shall employ best practices in a prudent and lawful manner to secure collections of all accounts referred. All collection activity shall be in compliance with Washington State and Federal laws as enacted or hereafter enacted. Use of professional collection agency services by the City is authorized by various provisions of state law, including, but not limited to, RCW 3.02.045, RCW 19.16.500, and RCW 62A.3-515.

The City expects that action shall be taken on each referred account at least monthly. The collection agency shall maintain a complete, separate, and detailed record of each City account received for collection including all relating transactions. The City retains the right to inspect the collection agency's facilities and records relating to referred accounts during normal business hours, during the term of the contract, and for a period of up to seven (7) years following the end of the contract.

The collection agency shall not engage in any illegal, unfair, unprofessional or unethical collection practices and shall be in compliance at all times with state licensing requirements. The collection agency shall additionally comply with American Collectors Association Standards.

VII. BIDDER'S OBJECTIVES

Bidders shall submit a detailed operational plan which demonstrates understanding of, and capability to assume responsibility for, collecting delinquent revenue for the city.

The plan shall provide all details of the methods to be used to maximize successful collections, including initiating and continuing collection attempts within the guidelines set forth by Federal and State regulations regarding fair debt collection practices.

Please respond to each question outlined in Sections VIII, IX and X.

VIII. REQUIREMENTS

For consideration, agencies are required to submit the following:

A. Company overview

1. How long has your company been in business?
2. Provide the history of your agency, key members of management/collection team, including the makeup of the agency and experience with municipal accounts.
3. In what geographic territories do you collect?
4. Where is the nearest physical location of your office in relationship to our jurisdiction?
5. Where would the account representative be located?

B. Work Plan and Staffing

6. How many collectors do you currently employ? Please describe your requirements and procedures for hiring new collectors.
7. Describe training for collectors including initial training program and any ongoing training/monitoring.
8. Specify your office/collection hours. Are you available for customer inquiries on Saturdays or evenings?
9. Describe if our accounts will be assigned to one or multiple collectors and/or will the City be assigned one account representative?
10. Do you have a toll free number for collection customers to call?
11. Describe the normal method used to collect accounts, including specific work standards. Include the number of both written and telephone attempts.
12. Describe your company's skip tracing procedures for skip accounts, include dollar thresholds for different levels of efforts.
13. Describe the procedures for accounts that will be pursued through legal action and any parameters for these accounts, such as minimum balance for suit, etc. If fees differ for legal accounts, detail when the increase takes place (at in-house legal, when sent to attorney, when suit filed, etc).
14. Describe your policy or procedure on complaint handling.
15. Describe your policy for negotiating settlement on account.
16. Provide samples of all forms/correspondence to be used for collection.

C. Reporting / Processing

17. How often do you provide a collection status report?
18. In what format do you provide the report?
19. Please provide a complete sample of all reports.
20. What online information/reporting is available?
21. What would be the process for the City to forward an account to you?
22. How are collected funds transmitted?
23. What is the process for canceling an account submitted for collection?
24. What payment options are provided for customers?

D. Narrative outlining the agency's general collection process, including:

25. How the agency will successfully achieve reasonable collection targets, while balancing

- a heightened sensitivity of public and elected officials.
- 26. Specify the dollar threshold where various levels of follow-up occur (e.g. small balance accounts).
- E. List of available services for handling bankruptcies
- F. Overview of customer service training and compliant resolution process
- G. Overview of client relations with department/staff
 - 27. How will the City communicate requests or issues?
 - 28. What is the expected turn-around time for responses?
 - 29. What (if any) back-up resources are available if the City's main contact person is away?
- H. Provide information system requirements to send and receive account information electronically
- I. Overview of security processes to ensure protection of any confidential information
- J. Ability to split, manage and accurately report accounts submitted under RCW 19.16.500 or non-RCW accounts
- K. Proposed collection fee structure, to include:
 - 30. Collection rates for RCW and non-RCW accounts
 - 31. NSF Check Collection
 - 32. Interest
- L. Schedule for remitting payments to the City

IX. PROPOSED FEES

The City of Arlington intends to award this contract to the Agency that it deems most responsive and will provide the most comprehensive and high quality service to the City. The City reserves the right to accept other than the lowest price offer and to reject all proposals that are not responsive to this request. Fee information is to include the following:

1. The basis of the fee (such as flat fee per account assigned, percentage of revenue collected and so forth).
2. The fee for each of the major categories listed in Scope of Work.
3. The fee or manner in which a fee would be negotiated for any other accounts for indebtedness not specifically listed in this RFP the City may assign for collection.
4. The fee for any accounts referred by the Agency for legal action to their in-house or to an attorney the Agency contracts with for legal services.

X. ADDITIONAL SERVICES

Please list any additional services available through your company that supplements the collection process. For example, details regarding any time payment services or pre-collection management processes managed by your company.

XI. TERMS AND CONDITIONS

1. The City reserves the right to reject any and all proposals, and to waive minor irregularities in any proposal.
2. The City reserves the right to request clarification of information submitted, and to request additional information on any proposal.
3. The City reserves the right to award any contract to the next most qualified agency, if the successful agency does not execute a contract within 30 days of being notified of selection.
4. Any proposal may be withdrawn up until the date and time set above for selection of successful candidate.
5. The contract resulting from acceptance of a proposal by the City shall be in a form supplied or approved by the City, and shall reflect the specifications in this RFP. A sample of the City's standard Professional Services Agreement is available for review (see attachment A). The City reserves the right to reject any proposed agreement or contract that does not conform to the specifications contained in this RFP and which is not approved by the City Attorney's office.
6. The City shall not be responsible for any costs incurred by the agency in preparing, submitting or presenting its response to the RFP.
7. Respondents should be aware that any records they submit to the City or that are used by the City even if the respondents possess the records may be public records under the Washington Public Records Act (RCW 42.56). The City must promptly disclose public records upon request unless a statute exempts them from disclosure. Respondents should also be aware that if even a portion of a record is exempt from disclosure, generally, the rest of the record must be disclosed. Exemptions, including those for trade secrets and "valuable formula," are narrow and specific.

Attachment A

Professional Services Agreement

PROFESSIONAL SERVICES AGREEMENT PROVISIONS FOR THE CITY OF ARLINGTON

The City of Arlington, Washington, a municipal corporation (hereinafter the "City") and _____, whose address is _____, (hereinafter the "Collection Agency", agree and contract as follows:

1. SERVICES BY COLLECTION AGENCY

- A. The Collection Agency agrees to perform the services described in this proposal, as Attachment A which is incorporated herein by reference.
- B. All services, and all duties incidental or necessary thereto, shall be conducted and performed diligently and completely and in accordance with professional standards of conduct and performance.

2. COMPENSATION

- A. The total compensation to be paid to the Collection Agency shall be detailed in Attachment B (to be attached).

The above fees include all labor, materials and expenses required for the completion of these services.

- B. Payment to Collection Agency by the City in accordance with the above shall be the total compensation for all work performed under this agreement and supporting documents hereto as well as all subcontractors' fees and expenses, supervision, labor supplies, materials, equipment or the use thereof, reimbursable expenses, and other necessary incidentals.
- C. The Collection Agency shall be paid based on the acceptance of the proposed compensation.
- D. The City shall have the right to withhold payment to the Collection Agency for any service not completed in a satisfactory manner until such time as the Collection Agency modifies such service to the satisfaction of the City.
- E. Unless otherwise specified in this Agreement, any payment shall be considered timely if a check is mailed or is available within 45 days of the date of actual receipt

by the City of an invoice conforming in all respects to the terms of this Agreement.

3. TERMINATION OF AGREEMENT

The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, by giving a forty-five (45) day notice to the Collection Agency in writing. In the event of termination, all finished or unfinished reports, or other material prepared by the Collection Agency pursuant to the Agreement shall be provided to the City. In the event the City terminates this agreement prior to completion without cause, the Collection Agency may complete such analyses and records as may be necessary to place its records in order. The Collection Agency shall be entitled to receive just and equitable compensation of any satisfactory services completed prior to the date of suspension or termination, not to exceed the compensation set forth above. Should the Collection Agency desire to terminate this agreement, written notice of 120 days is required.

4. OWNERSHIP OF WORK PRODUCT

Ownership of the originals of any reports, data, studies, surveys, charts, maps, drawings, specifications, figures, photographs, memoranda, and any other documents which are developed, compiled or produced as a result of this agreement, whether or not completed, shall be vested in the City. Any reuse of these materials by the City for projects or purposes other than those which fall within the scope of this agreement or the project to which it relates, without written concurrence by the Collection Agency will be at the sole risk of the City.

5. GENERAL ADMINISTRATION AND MANAGEMENT

The Finance Director for the City of Arlington shall review and approve the Collection Agency's charges to the City under this Agreement, shall have the primary responsibility for overseeing and approving services to be performed by the Collection Agency, and shall coordinate all communications with the Collection Agency from the City.

6. CONTRACT PERIOD

The Collection Agency Services Agreement is to extend for a period of two (2) years beginning January 1, 2017 with two (2) two-year options to renew the Agreement. The contract will automatically renew unless written notice is given at least sixty (60) days prior to the end of the initial period or any extension period. At the end of this agreement, the City may choose to negotiate a renewal option or to request additional proposals.

7. SUCCESSORS AND ASSIGNS

The Collection Agency shall not assign, transfer, convey, pledge, or otherwise dispose of this agreement or any part of this agreement without prior written consent of the City.

8. NONDISCRIMINATION

The Collection Agency shall, in all hiring or employment made possible or resulting from this agreement, take affirmative action to ensure that there shall be no unlawful discrimination against any employee or applicant for employment because of sex, race, age, color, creed, national origin, marital status or the presence of any sensory, mental or physical handicap, unless based upon a bona fide occupational qualification, and this requirement shall apply to but not be limited to the following: employment, advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.

No person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement on the grounds of sex, race, color, creed, national origin, age except minimum age and retirement provisions, marital status, or the presence of any sensory, mental or physical handicap.

9. HOLD HARMLESS/INDEMNIFICATION

The Collection Agency shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Collection Agency in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Collection Agency and the City, its officers, officials, employees, and volunteers, the Collection Agency's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Collection Agency's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Collection Agency's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

10. LIABILITY INSURANCE COVERAGE

The Collection Agency will, at the Collection Agency's sole expense, obtain and maintain during the life of this Agreement, policies of comprehensive general liability insurance,

each with combined single limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the annual aggregate. Any policy of required insurance on a claims made basis shall provide coverage as to all claims arising out of the services performed under the contract and filed within three (3) years following completion of the services to be performed. A failure to obtain and maintain such insurance or to file said certificates shall be a material breach of this Agreement.

11. COMPLIANCE WITH LAWS

The Collection Agency shall comply with all applicable State, Federal and City laws, ordinances, regulations, and codes.

12. FUTURE SUPPORT

The City makes no commitment and assumes no obligations for the support of Collection Agency activities except as set forth in this Agreement.

13. INDEPENDENT CONTRACTOR

The Collection Agency is and shall be at all times during the term of this agreement an independent contractor and must obtain a City of Arlington business license and otherwise comply with Arlington Municipal Code.

The Collection Agency agrees that it is solely responsible for the payment of taxes applicable to the services performed under this Agreement and agrees to comply with all federal, state, and local laws regarding the reporting of taxes, maintenance of insurance and records, and all other requirements and obligations imposed on it as a result of its status as an independent contractor.

14. EXTENT OF AGREEMENT/MODIFICATION

This Agreement, together with all attachments and addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties hereto.

15. ADDITIONAL WORK

The City may desire to have the Collection Agency perform other services in connection with the collection agency relationship other than provided for by the express intent of this contract. Any such services shall be considered as additional work, supplemental to this Agreement. Additional work shall not proceed unless so authorized in writing by the City. Authorized additional work will be compensated in accordance with a written

supplemental Agreement between the City and the Collection Agency.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates written below:

COLLECTION AGENCY:

CITY OF ARLINGTON:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Print Name: _____

Print Name: _____

APPROVED AS TO FORM:

Arlington City Attorney

Date: _____