



Legislation Details (With Text)

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Title:	Resolution Authorizing Contract # 2016-10454 With First Point Collection Resources, Inc. for Collection of Delinquent Parking and Utility Fines and Fees Services				
Sponsors:					
Indexes:	CCD Award 2016				
Code sections:					
Attachments:	1. Collection Service MWBE Memo.pdf, 2. Historical Progression of Parking Ticket Collections.pdf, 3. NC Debt Set-Off Parking \$ Collected.pdf, 4. SOS.pdf, 5. Visual1_ParkingFines_2016Parking.pdf, 6. Background Information Memo1.pdf, 7. 16-0522 Resolution.pdf				

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council	adopt	Pass

Resolution Authorizing Contract # 2016-10454 With First Point Collection Resources, Inc. for Collection of Delinquent Parking and Utility Fines and Fees Services

Department: Financial & Administrative Services
Council District: All

Public Hearing: N/A
Advertising Date/By: N/A

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PURPOSE:

The Collections Division of the Financial & Administrative Services Department is responsible for collecting a variety of delinquent fees including parking tickets and non-lienable utility balances. This contract will require Council approval because over the proposed term, it exceeds the \$100,000 approval threshold.

BACKGROUND:

The Collections Division has outsourced the collections for delinquent parking ticket and utility balances since February 2012 while maintaining various other collection services in-house. The City's outstanding delinquent parking ticket and utility balances is estimated at \$2.6 million (11 years of tickets) and \$300,000, respectively. The current average collection rate for parking ticket revenue per year is 76% (87% of tickets issued). The rate for overall water utilities is 99%. Graphs representing parking dollars collected versus outstanding balances, historical progression of parking ticket collections, and parking fines collected from the NC Debt Set-Off program are attached for additional information.

At the request of the Collections Division, the Centralized Contracting Division conducted an on-line

competitive Request for Proposals for Parking Ticket and Utility Collections Services through the Greensboro Electronic Procurement System (GePs). Twenty-two companies referred by the Collections Division received an outreach email and one hundred and twenty-one contacts registered in GePs under the event commodity code were automatically notified of the solicitation. The M/WBE Office searched for potential M/WBE firms but found none were available in the Greensboro 10 County region.

Four firms submitted responses, which were reviewed by a Selection Committee, who recommended FirstPoint Collection Resources, Inc. based on the best value standard of award. FirstPoint's estimated collection rate is 40% for parking and 30% for utility debts. The collection agency's fee is 20% of the collected balances. For example, if \$1,000 parking debt is outstanding, FirstPoint estimates collecting \$400, on which the City would pay \$80 in collection fees, for a net \$320 returned to the City. The Collections Division and Centralized Contracting Division concur in their recommendation to award the contract to First Point Collection Resources, Inc., with offices located in Greensboro, NC.

BUDGET IMPACT:

The estimated annual contract cost is \$75,000. The cost for the three-year term is estimated at \$225,000. The estimated total cost including two potential additional one-year renewals is \$375,000. The overall proposed net revenue from the collections service on the current outstanding debt is estimated at \$904,000 (after contracted service costs) over the three year contract term.

RECOMMENDATION / ACTION REQUESTED:

City Council is requested to approve a resolution authorizing Contract # 2016-10454 for collection of delinquent parking and utility fines and fees services.