

STAFF REPORT

Date: September 11, 2019

To: Mayor and City Council

Thru: Sabra Newby, City Manager

Subject: **B.10. Staff Report (For Possible Action): Approval of Debt Collection Services with Valley Collection Service, LLC to collect for bad debt and past due accounts.**

From: Deborah Lauchner, Director of Finance

Summary: The City of Reno has not contracted debt collection services for over 10 years. The Finance Department conducted an RFP for this service and received five submissions. Upon review of the proposals presented for consideration, staff recommends Valley Collection Service, LLC as the most responsive and responsible bidder.

Discussion: Submitted proposals are evaluated based on conformance to terms and conditions of RFP documentation. The following criteria was considered as part of the review process

1. Understanding of City's requirements and response to scope of services
2. Over all experience with collections
3. Quality and experience in providing collection services for past due accounts for entities similar in size of the City
4. References/ability to perform
5. Reputation and professional standing; and
6. Fees and/or amounts paid by the City

Valley Collection Service, LLC collects from a national client base that assigns a wide variety of accounts. Their portfolio of clients include:

- Private and public utilities (water, refuse, sewer and electric)
- Court collections (municipal, clerk, justice, juvenile, district, superior)
- Restitution and damage against public property
- False alarms
- Miscellaneous accounts receivables for different municipalities
- Parking violations and parking management companies
- Police, ambulance and fire department
- Housing, property liens, code violations

Valley Collection Service, LLC offers the technology and innovation that the City of Reno requires in its vendors. Their custom-made collection software allows them the flexibility to meet the requirements of collecting on any type of account the City wishes to assign to them. Upon request, staff will have online access to all activity performed on city accounts. Another assurance they can make to clients is that despite the large amounts of data transmitted back and forth between clients, there has never been a security breach. This allows clients to feel comfortable that the sensitive personal information provided is safe and will remain confidential.

Financial Implications: The total maximum compensation paid for the satisfactory accomplishment and completion of all services performed hereunder shall not exceed 15 percent of the past due debt amount collected. This fee is based on uncollected revenue that otherwise would have been written off as bad debt. Various departments using this contract will review the total outstanding accounts sent to collections.

Legal Implications: None.

Recommendation: Staff recommends Council approve the Agreement and authorize the Finance Director to sign the Agreement.

Proposed Motion: I move to approve staff recommendation.

Attachments:

- Electronic Agreement_082319 (PDF)