



Contract 2864P

Collection Agency Services

1. Introduction

The City of Richmond proposes to engage the services of a Collection Agency.

The objective of this request for proposal is to provide the City with qualified proponents capable of carrying out the work herein defined. The subsequent proponent submissions will form the basis for evaluation, interview and selection.

2. Submission Details

Four (4) copies of proposals marked Collection Agency Services Contract 2864P addressed to the Purchasing Section, will be received at the Information Counter, Main Floor, Richmond City Hall, 6911 No. 3 Road, Richmond BC V6Y 2C1, until **Wednesday, September 19th, 3pm**, local time. Submissions received after this time will be returned to the sender.

The City reserves the right to cancel this Request for Proposal for any reason without any liability to any proponent or to waive irregularities at their own discretion.

Proposals shall be irrevocable until the City awards this Contract or cancels this Request for Proposals, whichever first occurs.

All proposals will remain confidential, subject to the Freedom of Information and Privacy Act.

Any interpretation of, additions to, deletions from, or any other corrections to the Proposal document, will be issued as written addenda by the City of Richmond. It is the sole responsibility of the potential Bidders to check with the City of Richmond's Website and/or BCBid to ensure that all available information has been received prior to submitting a bid.

3. Enquiries

3.1 Clarification of terms and conditions of the proposal process shall be directed to:

Purchasing

Daianna Panni, Acting Buyer II
Purchasing Department
City of Richmond

Telephone: 604-276-4270
E-mail: purchasing@richmond.ca

3.2 Technical clarification shall be directed to:

Technical

Frances Marcal, Parking Assistant
Community Bylaws
City of Richmond

Telephone: 604-276-4112
E-mail: fmarcal@richmond.ca

The City, its agents and employees shall not be responsible for any information given by way of verbal communication.

Any questions that are received by City of Richmond Staff that affect the Proposal Process will be issued as addenda by the City of Richmond.

4. Project Background

The City's requirements for collection are driven by both unpaid parking tickets and accounts receivables activities. Information for the previous years is as follows:

<u>A/R Invoices</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Number of Accounts Referred	16	132	67	29
Number of Accounts	4	41	27	17
\$ Dollars Referred	\$ 9,876.17	\$ 118,728.82	\$ 47,673.50	\$ 26,929.05
\$ Dollars Collected	\$ 2,852.84	\$ 47,890.93	\$ 26,980.13	\$ 17,321.14

<u>Parking Tickets</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Number of Accounts Referred	5,360	4,089	4,046	3,159.00
Number of Accounts Collected	803	1,302	1,218	895
\$ Dollars Referred	\$313,920.00	\$235,165.00	\$232,858.00	\$181,489.00
\$ Dollars Collected	\$44,101.00	\$71,305.75	\$67,438.36	\$49,717.99

5. City Provided Items

The City shall provide the Agency the following information with each referral:

- copy of unpaid fines/invoices, etc.
- Debtor's name
- Debtor's last known address and/or phone numbers
- Description of charges outstanding
- Amount owing

Any additional information that may be required by the Agency shall be requested in writing to the City.

The City will provide telephone numbers, fax numbers, e-mail address and contact names for questions and/or concerns regarding specific claims. Answers to any queries will be handled by the City between the hours of 8:30 am and 4:30 pm, local time, Monday to Friday.

6. Term

The initial contract period shall be for a two-year period with the option to extend for three additional one-year periods upon mutual agreement.

7. General Agency Duties

The Agency is to provide collection services, as well as the following specifics:

- Funds collected to be remitted on a monthly basis (net of fees)
- Provide monthly reports on status of each claim
- Recovery of funds to meet with the satisfaction of the City and within the collectors expected recovery rates as submitted in this proposal call.

The Agency will provide the City with a main contact person name, email and phone number.

The Agency will collect outstanding invoices, fees/licences, parking tickets, MTI infractions, Dog Licenses and other unpaid charges including court (ie: Provincial Court and Municipal Adjudication) judgement payable to the City of Richmond.

The Agency shall assume all expenses including, but not limited to, the pre-collection letter, postage, envelopes, stuffing, paper, pre-printed form, etc.

8. Account Maintenance

Preparation and Maintenance of Database. At its own expense the Agency will establish, input data, and maintain a database for the City of Richmond concerning each account referred, including, interest, payments and transaction details

Documentation of Contacts. All contact by the Agency with the debtor shall be documented.

Recall by City of Richmond. The City of Richmond may recall an account or reduce/amend the amount due on any case at any time. Recalled accounts will not be subject to collection fees. Collection fees for reduced/amended accounts will be based upon the reduced/amended balance.

Uncollectible Accounts. Uncollectible accounts shall be returned to the City of Richmond with a record of efforts to collect and reasons why the account is deemed uncollectible.

Collection Efforts. Unless the City of Richmond determines that recall is required, it will allow the Agency to proceed with legal action already undertaken for non-payment by the debtor after repeated contact by the Agency. The minimum contact shall be either: (1) mail to the last known address or telephone call with the debtor or (2) in person. Representatives of the Agency shall at all times conduct themselves in accordance with the direction of the City of Richmond.

9. Fees and Costs

Collection Fees. Uniform collection fees will be applied to all categories of accounts. The collection fee should be reasonable and provide for an equitable profit margin

Interest. Interest at the statutory rate on judgments shall be charged pursuant to statutory authority on accounts as provided by law. The Agency shall maintain electronic records of all transactions affecting interest and the balance of accrued interest, and shall provide those records to the City of Richmond upon request and upon recall, in addition to required reports. Interest shall be charged on accounts from the date of referral pursuant to statutory authority. The City of Richmond shall receive all interest collected.

10. Payments

Unidentified Cases. If funds are received by the City of Richmond with no case number and a case exists with the City of Richmond that has not been referred to the Agency, the City of Richmond may apply the funds to the non-Agency case.

NSF Checks. The Agency may request reimbursement for the portion of NSF checks received by the Agency in payment of judgment which have been remitted to the City of Richmond. The City of Richmond will refund to the Agency the portion of any unpaid NSF check remitted to the City of Richmond, which is so reported, within thirty (30)

days of receiving a completed request and will correct the City of Richmond records as specified, unless the City of Richmond, upon notice and an opportunity for the Agency to be heard, finds the report erroneous. The Agency will defend and hold harmless the City of Richmond, its agents and employees from any claim, cost or expense, including attorney's fees, incurred as a result of an inaccurate report and certification, or correction of records requested thereby. No request under this paragraph shall be honoured which is not submitted within 30 days after original receipt by the Agency of the NSF check.

11. Remittances

Adjustments. Adjustments, charge backs or corrections authorized by this Agreement will be reported separately, and requests authorized must be in writing and accompanied by supporting documents. Except for amounts earned as provided herein by the Agency for judgments actually collected and paid to the City of Richmond, no payment shall be made nor any sum withheld by the Agency for any reason.

12. Reporting

The Agency shall provide the City of Richmond with management reports on a regularly scheduled basis. The Agency shall develop and amend the format and information contained in reports at the request of the City of Richmond. The City of Richmond may establish a schedule by which requested management reports will be provided on a regularly scheduled basis. Separate accounts and monthly reports should be established for each area of activity. Activity areas are as follows:

- Accounts Receivable
- Community Services
- Business Licence
- Property Rentals
- Community Bylaws
- Two additional accounts for future use

The Agency shall provide the City of Richmond with monthly reports, including but not limited to: (1) aged summary of funds received, (2) outstanding accounts, (3) funds received by case by year, (4) other reports upon mutual agreement. Interest and principal payments must be reported separately.

Specifically in the area of Community Bylaws, the Agency shall provide the City of Richmond on the 1st Monday of each month with the following:

- A monthly electronic folder created for Parking payment, collected (City will provide an Import File Definition) so as to import payment direct from folder.
- A monthly electronic folder created for Parking tickets collected plus commission and GST to include reported payment made at City of Richmond.

- A monthly statement (attached with payment) for Parking Tickets mailed to the City showing the date, debtor's information, amount paid to agency, amount paid direct to the City of Richmond, amount due agency and amount due to the City of Richmond plus total GST charged on commission.
- Acknowledgement report of Parking Tickets, and separate report/letter to be generated for individual infraction for MTI infractions, Dog Licences and other Court (ie: Provincial Court and Municipal Adjudication) judgement forwarded by the City of Richmond.
- A monthly statement mailed to the City showing payment collected for the following:
 - MTI Infractions
 - Dog Licences
 - Provincial Court and Municipal adjudication judgement

13. Actions Upon Termination.

Within twenty days of termination, the Agency shall return to the City of Richmond all outstanding judgments, files, paper and database required to be kept regarding each account referred to the Agency, together with all relevant information concerning the status of such debtor and/or persons obligated thereon, amounts of each type due thereunder and payments made, and locations and information held by the Agency which could help locate such persons, together with all reports required as if all accounts had been recalled. This obligation shall continue notwithstanding any termination of this Agreement at no cost to the City of Richmond.

14. Performance Standards

The Agency shall propose in response to this RFP performance standards in terms of average speed and percentage of amounts referred and interest accruing thereon which will be collected within one year, two years, three years, four years, and five years after referral.

15. Assignment and Subcontracting

No portion of this contract may be assigned or subcontracted to any other individual, firm or entity without the express and prior written approval of the City of Richmond.

16. Proposal Submissions

All proponents are required to provide the following information with their submissions, and in the order that follows:

- .1 Proponents shall provide in their submissions a Corporate profile of their firm outlining its' history, philosophy and target market.
- .2 The names and number of years the firm has been in business under current or previous names or additional assumed business names.
- .3 Identify the staff to be assigned to this project and their relevant experience and qualifications to this project. Attach applicable staff resumes to the proposal submission.
- .4 Provide a pricing structure complete with details of your proposed process detailing the collection of unpaid parking tickets and the collection of accounts receivables.
- .5 Provide complete details of how your company handles a collection, including how contact is made, steps taken, examples of paperwork and detailed explanations.
- .6 Provide information showing expected recoveries of first-placement and secondary accounts. Include revenue percentages for the City.
- .7 Provide information and samples of reports that can be provided to the City. Following contract award, the exact style, type and frequency of report will be determined by the City, in conjunction with the Agency.
- .8 Show what information is required from the City.
- .9 Provide references of current and past contracts.
- .10 Any additional services or procedures of benefit to the City not specifically required herein, which the contractor offers to provide.

17. Working Agreement

The successful proponent will enter into a contract for services with the City based upon the information contained in this request for proposal and the successful proponents submission and any modifications thereto.

Proponents may include their standard terms of engagement.

18. Evaluation Criteria

Proposals shall be evaluated to determine the best value offered to the City against conformance, but not limited, to the following criteria:

- The firm's approach to this work, including compliance with requirements, innovative offerings, services offered and other related matters
- experience of the firm, length of time in business and other matters relating to relevant experience
- past performance with work provided to the City
- experience of individuals assigned to this account
- appropriateness and flexibility of pricing arrangements
- cost of services
- references either submitted with the proposal or known to the City
- interview
- customer service options
- recovery statistics/past performance
- overall ease of recovery process
- additional information which may arise from the proposal submission



Note:

Receipt of this completed form will assist us in calling for future bids. Please complete and submit this form prior to the closing date and time as shown on the Request for Quotation/Proposal/Tender form. Please remember to include Quotation/Proposal/Tender No. at right.

Quotation No **2864P.**

A Quotation/Proposal/Tender is not being submitted for the following reason(s):

- | | |
|--|--|
| <input type="checkbox"/> We do not manufacture/supply the required goods/services | <input type="checkbox"/> Cannot obtain raw materials/goods in time to meet delivery requirements |
| <input type="checkbox"/> We do not manufacture/supply to stated specifications | <input type="checkbox"/> Cannot meet delivery requirements |
| <input type="checkbox"/> Specifications are not sufficiently defined | <input type="checkbox"/> Cannot quote/tender a firm price at this time |
| <input type="checkbox"/> Insufficient information to prepare quote/proposal/tender | <input type="checkbox"/> Insufficient time to prepare quote/tender. |
| <input type="checkbox"/> Quantity too small | <input type="checkbox"/> We are unable to competitively quote/tender at this time. |
| <input type="checkbox"/> Quantity too large | <input type="checkbox"/> We do not have facilities to handle this requirement |
| <input type="checkbox"/> Quantity beyond our production capacity | <input type="checkbox"/> Licensing restrictions (please explain) |
| <input type="checkbox"/> Cannot meet packaging requirements | <input type="checkbox"/> Agreements with distributors/dealers do not permit us to sell directly. |
| <input type="checkbox"/> Cannot handle due to present plant loading | <input type="checkbox"/> Other reasons or additional comments (please explain below) |

I / We wish to quote / tender on similar goods / services in future <input type="checkbox"/> Yes <input type="checkbox"/> No	Authorized Company Official – Signature and Title	Date
This space for City of Richmond Comments	Firm Name	
	Address	
	City	
	Province	Postal Code
	Telephone Number	
	(Empty space for additional comments)	



City of Richmond

6911 No. 3 Road
Richmond, BC V6Y 2C1

Fax Cover Sheet

To: Name: All companies receiving copies
Company: of the Request for Quotation
Document – 2864P – Collection
Agency Services

File: 02-0775-50-2864/Vol 01
Date: September 17, 2007
Fax: Various

From: Department: Business & Financial Services
Department
Name: Daianna Panni
Buyer, Purchasing

Phone: 604-276-4270
Fax: 604-276-4162

If you have any problems with this fax, contact: Daianna Panni at 604-276-4270

Total no. of pages, including cover sheet: 1

Mailed original to follow: No

urgent

in response to your request

Message: 2864P – Collection Agency Services

Addendum Number 1

Questions:

1) *Page 3, 7. General Agency Duties*

What is a pre-collection letter ?

The first letter sent by an agency to announce that they are collecting on behalf of the City.

2) *Page 4, 8. Collection Efforts*

a) What is the current procedure for an agency to pursue legal action?

N/A

b) Does the City expect or encourage personal visits by agencies / agency staff to debtors?

Whatever represents contractor's best commercial efforts

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2280011



3) *Page 4, 9. Fees and Costs*

Does the City pay commissions for interest that is collected?

We currently do not charge interest on our invoices. This may change in the future

4) *Page 6, 15. Assignment and Subcontracting*

Do service providers for tasks such as legal, printing and offsite storage count as subcontractors?

No

5) *Page 7, Proposal Submissions*

It appears that points 4 and 5 are asking for the same information. Please clarify what is required for each response.

Please submit pricing structure and the complete process of your collection process.

6) *Page 7, Proposal Submissions*

Does point 6 mean that one agency will be selected to service both 1st and 2nd assignments?

Yes

7) *Page 7, Proposal Submissions*

a) How many references are requested by the City?

Amount of references as you deem appropriate

b) Is it a requirement to provide a former client as a reference?

Letter preferred, but not necessary

8) *Page 8, 18. Evaluation Criteria*

“the flexibility of pricing arrangements” seems to contradict section 9 Collection Fees which states “Uniform collection fees will be applied to all categories of accounts.” Please clarify.

Uniform indicates that prices will be the same for everyone. Flexibility is referring to variations within the pricing structure.

9) Does the City add agency fees to the original fine / accounts receivable amount?

No

Please change the closing date to read "*on or before 3:00pm, local time, on Friday, September 21th, 2007.*"

We apologise for any inconvenience that this may cause you and look forward to receiving your submission.

Sincerely,

Daianna Panni
Acting Buyer II
Purchasing