

The City of Mount Pleasant is taking bids for collection services. Bid packages are available on our website at www.mountpleasanttn.org or in person at City Hall. Sealed bids must be received in the Finance Office no later than Thursday, February 19, 2019 at 10:00 am. If you have questions, please contact Loretta Garner, CPA at (931) 379-7717 or email lgarner@mountpleasanttn.org. The City reserves the right to reject any and all bids and to waive informalities. The City does not discriminate on the basis of race, creed, color, national origin, sex, religion, age or disability status in employment or the provision of services.

REQUEST FOR PROPOSAL 2019-03

BAD DEBT COLLECTION SERVICES

The City of Mount Pleasant will accept sealed proposals for bad debt collection services. Sealed proposals will be received by Loretta Garner, Director of Finance, Mount Pleasant City Hall, 100 Public Square, Mount Pleasant, TN 38474 February 19, 2019 at 10:30 am CST, at which time all proposals will be opened and publicly read. The City of Mount Pleasant reserves the right to reject any or all bids and to waive technicalities therein and to award the bid in the City's best interest.

If you are an individual with a disability and require a reasonable accommodation or have additional questions regarding this invitation, please notify Mrs. Garner at (931)379-7717 ext. 104.

Bid Instructions:

To be considered, you must submit the following:

1. Evidence of liability insurance
2. Evidence that the company is bonded.
3. At least three client references.
4. Proposal summary sheet
5. Narrative of company experience.
6. Evidence of business license with the City of Mount Pleasant and/or vendor's local City.

All forms must be signed by someone with the authority to bind the bidder. All bid documents shall be returned to:

- Finance Director, City Hall, 100 Public Square, Mount Pleasant, TN 38474
- Mark outside envelope with **Invitation to Submit Proposal City of Mount Pleasant Bad Debt Collection Services, RFP 2019-03.**

Time is of the essence and any bid received after the announced time and date for submittal, whether by mail or otherwise, will be rejected. The time of receipt shall be determined by the City Finance Office. Bidders are responsible for ensuring that their bids are stamped by City Finance Office personnel before the deadline indicated. Late bids received will be noted in the bid file and the bid will be held unopened.

Nothing herein is intended to exclude any responsible vendor, his product or service or in any way restrain or restrict competition. On the contrary, all responsible vendors are encouraged to bid and their bids are solicited. All costs associated with the preparation or delivery of a response to this invitation shall be borne solely by the bidder.

The City of Mount Pleasant is an equal opportunity entity and does not discriminate on the basis of age, race, sex, national origin, religion or disability in admission to, access to, or operations of its programs, services, activities, or in its awarding of such bids in Pursuant to Title VI of the Civil Rights Act of 1964

Specifications:
Bad debt collection Services

Bad debts shall be submitted on a monthly basis to the Collection Agency in the form of bad debt reports generated from Local Government Data Software (Zortec or Nextgen).

The City of Mount Pleasant will make every effort to ensure that accounts that are in bankruptcy are not included in this report, however, it is the Collection Agency's responsibility to verify that this information is correct before collection efforts are initiated.

All collections on accounts are to be paid to the City of Mount Pleasant in gross amount. The Collection Agency shall bill the City of Mount Pleasant for the fee charged for collections separately. Receipts on accounts shall NOT be sent to the City net of the collection fee.

Invoice for collection fees are to be sent to the City of Mount Pleasant, Attention: Accounts Payable, PO Box 426, Mount Pleasant, TN 38474. Invoices are to be sent on a monthly basis along with a report on the accounts collected and related fees charged.

The proposal shall be good for six months.

The term of the contract will be for one year with the option to renew for two additional years at the same rate. The City Manager shall decide if the contract is to be renewed and shall notify vendor at least one month in advance. The original contract shall commence on March 1, 2019 and run through February 28, 2020.

City of Mount Pleasant
Bad debt collection Proposal Summary Sheet
10:30 am, February 14, 2019

Collection Fee Charged _____ % of gross account, including all late fees.

Checklist of Items to include with Proposal

1. Evidence of liability insurance
2. Evidence that the company is bonded
3. At least three client references _____
4. Narrative of company experience.
5. Evidence of business license. _____

1. What is the estimated size of the existing portfolio (the backlog) in terms of both the number of accounts and the dollar amount outstanding? The average balance owed per account? Per debtor?

Answer: Average dollar: \$5,575.11, Average number of accts: 27, Amounts start at \$50 and go up.

2. What is the age of the oldest accounts in the portfolio?

Answer: 180 days is the oldest – 90 days is the soonest

3. What is the estimated size, in terms of both the number of accounts and dollars outstanding, of annual referrals going forward (i.e. new/future placements)?

Answer: Collections are steadying and should stay around the average stated above.

4. If applicable, who is your current collection provider? If applicable, how long has your current collection provider been under contract?

Answer: Fox Collections – last 4 years.

5. If applicable, what is your current collection provider's annual recovery rate (i.e. on accounts placed for one year)?

Answer: 20% - which is why we are bidding out

6. If applicable, what is the fee percentage (e.g. 33% of all monies collected on all referred accounts) charged by your current collection provider?

Answer: 40%

7. If applicable, how much collection fees were paid to/earned by your current collection provider this past calendar year? The year prior to that?

Answer: 2018 – \$88.00, In 2017 commission was taken out of payments before we received.

8. If applicable, how many dollars and what number of accounts were collected by your current collection provider this past calendar year? The year prior to that?

Answer: Unknown

9. Will accounts referred to your current collection provider be recalled and re-referred to the collection provider chosen pursuant to this procurement process? And if so, can bidders propose a higher fee percentage for these previously worked accounts (i.e. second placements)?

Answer: No accounts will be recalled – Collections will be first timers.

10. Are litigation services required/desired? If so, can bidders propose a higher fee percentage for accounts requiring litigation services?

Answer: No – those will be paid by the customer.

11. We assume that you do not/will not allow your collection providers to add convenience and/or payment processing fees in addition to their contingency fees? If such fees are allowed, can you clarify that you will require bidders to fully disclose the amounts to be charged so the same can take the same into consideration when evaluating pricing?

Answer: Not Allowed

12. What is the anticipated award date for this contract?

Answer: February 20, 2019

13. What are your in-house collection methods (e.g. number of mailings, calls, etc.) used on the referred accounts prior to referral to your collection provider?

Answer: We have sent letters.

14. How will account/collection information or data be communicated to the successful bidder (i.e. electronic via an FTP site)?

Answer: Electronic by Email