



City of Killeen

Legislation Text

File #: RS-16-062, **Version:** 1

Consider a memorandum/resolution to enter into an agreement with Municipal Services Bureau (MSB) - Gila LLC for collection services on delinquent accounts for Emergency Medical Services (EMS) Billing and Utility Collections.

AGENDA ITEM

Collection Services on Delinquent Accounts

ORIGINATING DEPARTMENT

Finance

BACKGROUND INFORMATION

The current contract for collection services, with NRA Group, LLC, expires in June, 2016. In researching collection services vendors, the Finance Department took a holistic approach to include several collection activities within the City. The City is a member of several purchasing cooperatives that are in compliance with Texas Local Government Code Section 271.102. Purchases made through a cooperative satisfy competitive bid requirements. Four potential vendors were identified in a state contract through the Texas Multiple Award Schedule (TXMAS).

DISCUSSION/CONCLUSION

Staff evaluated a total of four prospective vendors, inclusive of the current vendor, using the following criteria:

- Relevant experience and success in collecting accounts receivable for similar entities;

- Experience, resources, and qualifications of the vendor and individuals to be assigned to the account;

- Delinquent collection philosophy and strategy, to include fee assessment, and demonstrated performance including complaints filed by debtors pursuant to federal collections law;

MSB was identified to be the most advantageous vendor from among the four that were evaluated. Staff contacted municipalities that have used MSB to verify the company's effectiveness. Of the cities that responded, each reported that the vendor met their needs and described their experience positively.

FISCAL IMPACT

Collection services are expected to increase revenues through enhanced collection efforts for delinquent

accounts receivables. The collections for Emergency Medical Services (EMS) Billing and Utility Collections will be paid to the City, and the City will reimburse 23% of the amount collected to MSB.

RECOMMENDATION

Staff recommends that the City Council approve entering into the attached agreement with Municipal Services Bureau - Gila LLC to provide collection services of delinquent accounts and that the City Manager be expressly authorized to execute any and all changes to this contract within the amounts set by state and local law.