



City of San Antonio

Agenda Memorandum

File Number: 14-1229

Agenda Item Number: 30.

Agenda Date: 6/19/2014

In Control: City Council A Session

DEPARTMENT: Municipal Courts

DEPARTMENT HEAD: John Bull, Presiding Judge

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Professional Services Contract for Delinquent Account Collection Services for Municipal Court

SUMMARY:

An Ordinance approving a professional services agreement with Gila LLC, *dba* Municipal Services Bureau, for delinquent account collection services for Municipal Court for an initial term of three years, with two additional two-year terms at the City's option, upon City Council approval.

BACKGROUND INFORMATION:

The Municipal Court is responsible for the adjudication of a variety of Class C misdemeanor and civil City Code offenses occurring within the corporate limits of the City of San Antonio. Included within these categories are traffic, non-traffic, civil parking and administrative offenses as provided by state law and City ordinances. The Court's current in-house collection program includes, but is not limited to, the following:

- mailing defendants a delinquent notice for adjudicated capias cases;
- delinquent notices for civil administrative and parking cases;
- impoundment or immobilization of vehicles for owners found to have three or more outstanding parking violations;
- Office of Court Administration collection and compliance unit payment plan agreements;
- enforcement and arrest by the City Marshal Unit;
- referrals pursuant to the Non-Resident Violator Compact Agreement with the Texas Department of Public Safety;
- participation in annual statewide warrant round-up; and

- denial of driver's license renewal through the Texas Department of Public Safety Failure to Appear Program.

On December 15, 2013, the City released a Request for Proposals (RFP) in order to select a vendor who will perform all necessary services to successfully collect delinquent fines, fees and costs in compliance with all federal, state and local laws and other court requirements. Services which will be performed by the vendor include, but are not limited to: production and mailing of collection letters, delinquency statements, electronic and manual skip-tracing for cases with bad addresses, bankruptcy and death records searches, placing telephone calls and handling inquiries from customers.

The RFP was published in the San Antonio Express-News and posted on the City's website. A Pre-Submittal Conference was held on January 10, 2014. Six (6) firms responded and submitted proposals.

The selection committee consisted of representatives from Municipal Court, Finance and the San Antonio Police Department. The Selection Committee evaluated and scored the proposals based on the published evaluation criteria, which included: (1) experience, background and qualifications; (2) the proposed plan; (3) compensation; (4) the Small Business Prime Contract Program, and (5) the Local Preference Program. After review of the proposals, the Selection Committee interviewed four (4) firms and has selected Gila LLC *dba* Municipal Services Bureau as the recommended vendor. The Local Preference Program was applied in the evaluation of responses received for this contract; however, the highest ranked firm is not a local business. This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority and women-owned business participation on the contract. The Goal Setting Committee applied the Small and Minority/Women-Owned Business Enterprise Prime Contract Program with twenty (20) evaluation preference points. No evaluation preference points were awarded to Gila LLC *dba* Municipal Services Bureau as they are not a certified SBE and/or M/WBE firm located within the San Antonio Metropolitan Statistical Area. The Goal Setting Committee also set a thirteen percent (13%) Small Business Enterprise (SBE) subcontracting goal and an eight percent (8%) Minority/Women Business Enterprise (M/WBE) subcontracting goal. Gila LLC *dba* Municipal Services Bureau has committed to meeting 21% SBE and M/WBE subcontractor participation on this contract.

ISSUE:

The Municipal Court requires a vendor to provide all necessary services to successfully collect delinquent account fines, fees and costs in compliance with all federal, state and local laws, and seeks City Council approval of an Ordinance authorizing execution of a professional services agreement with Gila LLC, *dba* Municipal Services Bureau, for an initial term of three years, with two additional two-year terms at the City's option.

ALTERNATIVES:

City Council could choose to solely continue in-house collection efforts and deny approval of the professional services agreement. Should this agreement not be approved, this would potentially reduce the collection of outstanding delinquent fines, fees and costs for the City.

FISCAL IMPACT:

There is no cost to the City for collections of outstanding fines, fees and costs because the collection fee is added to the amount owed and recovered from the non-compliant violator. Texas Code of Criminal Procedure Art. 103.0031 authorizes the addition of a collection fee in the amount of 30 percent of the outstanding balance for accounts that are more than 60 days past due and which have been referred to a collections services vendor. The collection fee does not apply to a case that has been dismissed by the court or to any amount that has been satisfied through time-served credit, community service or where the violator has been found indigent by the court.

The collections services vendor will rebate ten percent (10%) of its fees earned within the first one hundred (100) days after the Effective Date of the Agreement (the "Initial Rebate"). In addition to the "Initial Rebate", the collections services vendor will rebate eight percent (8%) of its fees earned within the first twelve (12) months after the Effective Date of the Agreement (the "Subsequent Rebate"). The Subsequent Rebate will be in addition to any Initial Rebate previously made to the City during the first one hundred (100) days. The collections services vendor will rebate four percent (4%) of its fees earned during years two and three of the initial Term of this Agreement. If this Agreement is renewed for additional term(s), the City and collections services vendor will re-negotiate the rebate of fees. The rebate shall be deposited into the General Fund.

RECOMMENDATION:

Staff recommends approval of an Ordinance approving a professional services contract with Gila *dba* Municipal Services Bureau for the collection of delinquent accounts for Municipal Court.