

## AGENDA



Thursday, July 24, 2008

**Purchasing Office  
RECOMMENDATION FOR COUNCIL ACTION**
**Item No. 55**

**Subject:** Authorize award, negotiation, and execution of a 24-month requirements service contract with CREDIT SYSTEMS INTERNATIONAL, INC., Fort Worth, TX for the tertiary collection of delinquent utility accounts in an estimated amount not to exceed \$1,013,200, with three 12-month extension options in an estimated amount not to exceed \$506,600 per extension option, for a total estimated contract amount not to exceed \$2,533,000.

**Amount and Source of Funding:** Funding in the amount of \$84,433 is available in the Fiscal Year 2007-2008 Operating Budget of Austin Energy. Funding for the remaining 22 months of the original contract period and extension options is contingent upon available funding in future budgets.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**For More Information:** Sandy Calles, Buyer Sr., 322-6487.

**Purchasing Language:** Best evaluated proposal of three proposals received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority – Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract is for tertiary collection services for Austin Energy on inactive, unpaid utility accounts. Austin Energy will refer any utility accounts that have been inactive for over 36 months (1080 days). After an initial placement of approximately 45,139 accounts, representing approximately \$50,600,000, the average monthly placements will vary dependent on placement totals and success rates of secondary collection vendors. The average unpaid balance per account is estimated at \$1,122. Contractors are projected to collect approximately 2% of annual placements.

Proposals were evaluated by a panel of five employees from areas representing quality management, fiscal, research analysis, and customer care and collections. Proposers were required to explain their understanding of the requirements of the scope of work, experience with collection activities and processes as well as their commission and recovery rates. In addition, the criteria required the proposers to describe payment handling procedures and the handling of non-English speaking customers and handling of customers' questions and problems.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

**PRICE ANALYSIS**

- a. Adequate competition.
- b. Seventy-eight notices were sent. There are no known MBE/WBEs available for this service. Four proposals were received.

**APPROVAL JUSTIFICATION**

- a. Best evaluated proposal received.
- b. The Purchasing Office concurs with Austin Energy's recommended award.

c. Advertised on the Internet.