

AGENDA



Thursday, October 15, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 17**

Subject: Authorize award and execution of a 36-month requirements service contract with GILA CORPORATION dba MUNICIPAL SERVICES BUREAU, Austin, TX to collect delinquent accounts receivable for the Emergency Medical Services Department in an estimated amount not to exceed \$1,085,313, with three 12-month extension options in an estimated amount not to exceed \$361,771 per extension option, for a total estimated contract amount not to exceed \$2,170,626.

Amount and Source of Funding: Funding in the amount of \$361,771 is available in the Fiscal Year 2009-2010 Operating Budget of the Emergency Medical Services Department. Funding for the remaining 24 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: Sydney Ceder, Sr. Buyer/974 2035

Purchasing Language: Best evaluated bid of nine bids 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 will provide for the collection of delinquent and mail return accounts receivable for the Emergency Medical Services Department (EMS). For the past 20 years, EMS has contracted with private collection agencies for the collection of outstanding accounts receivable. Delinquent accounts are sent to the collection agency at approximately 90 days from the date of initial invoice mailing. Prior to being referred to the collection agency, EMS will have sent an original billing statement to the patient or guardian, a 30-day past due notice, and a 60-day past due notice. Mail return accounts will be researched by EMS to attempt to locate the patient or guardian until all resources are exhausted; at this point, the accounts will be sent to the collection agency.

Based on historical data with the current collection agency being used, it is estimated that EMS will place \$21,533,981 in receivables annually. From that amount, it is estimated that Municipal Services Bureau (MSB) will collect 8%, or \$1,722,718, resulting in an annual commission to MSB of \$361,771 (21%). The net annual revenue to the City is estimated to be \$1,360,947.

MSB is a nationally recognized leader in account recovery services and it will be handling the EMS accounts through its Austin office. MSB will provide comprehensive collection services for the City and ensure that every citizen will be dealt with in a professional, courteous manner.

An evaluation panel made up of EMS management, accounting, and collection personnel scored the bids based on the experience and demonstrated understanding of the City's needs.

MBE/WBE Solicited: 0/0

MBE/WBE Bid: 0/0

PRICE ANALYSIS

- a. Adequate competition.
- b. One hundred-eighteen notices were sent. There are no known MBE/WBEs available for this service. Nine bids were received.
- c. The pricing offered represents a 1.5% decrease from the last contract award in November 2005.

APPROVAL JUSTIFICATION

- a. Best evaluated bid received. MSB is not the current provider of these services.
- b. The Purchasing Office concurs with the Emergency Medical Services Department's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.