

**Cost evaluation for City of Austin (Austin Energy) Solicitation SLC0023: Collection of Delinquent Accounts: Secondary**

	Penn	SW Credit	Rockford	West Asset				
Self-reported performance on sample basket, assuming 100 accounts valued at \$30,517.52	\$30,517.52	\$30,517.52	\$30,517.52	\$30,517.52				
AE will hypothetically recover (net) for every \$1 placed:	\$0.04	\$0.04	\$0.03	\$0.07				
Net Dollar Return to AE	\$1,190.18	\$1,141.36	\$915.53	\$2,197.26				
<b>Rank for Rate of Return:</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>1</b>				

**Estimate of contract for Collection of Delinquent Accounts:**

AE has approximately \$7,400,000 total worth of delinquent accounts ready to be placed with two secondary level third-party collection agencies. In a two-vendor program, using their cost proposal (commission rate) and the maximum possible collection rate of 25% (vendor's actual collection rate can vary between 2% to 40%):

MAXIMUM ESTIMATES	Dollars Placed	Anticipated Rate of Return	Commission Rate	Estimated AE Revenue	Estimated Company Revenue
Rockford	\$0	0.00%	40.00%	\$0	\$0
Penn	\$0	0.00%	22.00%	\$0	\$0
SW Credit	\$3,700,000	25.00%	32.00%	\$629,000	\$296,000
West Asset	\$3,700,000	25.00%	40.00%	\$555,000	\$370,000
<b>Total</b>	<b>\$7,400,000</b>			<b>\$1,184,000</b>	<b>\$666,000</b>
				<b>Net to AE</b>	<b>\$1,184,000</b>

	Gross anticipated rate of return	fee
<b>Rockford</b>	5%	40%
<b>Penn</b>	5%	22%
<b>SW Credit</b>	5.5%	32%
<b>West Asset</b>	12%	40%