

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

	Penn	SW Credit	Rockford	West Asset	Credit Watch			
Self-reported performance on sample basket, assuming 100 accounts valued at \$36,429.71	\$36,429.71	\$36,429.71	\$36,429.71	\$36,429.71	\$36,429.71			
AE will hypothetically recover (net) for every \$1 placed:	\$0.13	\$0.11	\$0.15	\$0.09	\$0.14			
Net Dollar Return to AE	\$4,837.87	\$4,182.13	\$5,464.46	\$3,157.40	\$5,078.30			
Rank for Rate of Return:	3	4	1	5	2			

Estimate of contract for Collection of Delinquent Accounts:

Annually, on average, AE places **\$2,868,480** worth of delinquent accounts for a single primary level third-party collection agency. To calculate cost, AE will use the vendor's cost proposal (commission rate) and a possible collection rate of 40% (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	\$2,868,480	40.00%	25.00%	\$860,544	\$286,848
Credit Watch	\$2,868,480	40.00%	18.00%	\$940,861	\$206,531
Penn	\$2,868,480	40.00%	17.00%	\$952,335	\$195,057
SW Credit	\$2,868,480	40.00%	18.00%	\$940,861	\$206,531
West Asset	\$2,868,480	40.00%	33.33%	\$764,966	\$382,426

Net to AE	\$952,335
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	Gross anticipated rate of return	fee
Penn	16%	17%
SW Credit	14%	18%
Rockford	20%	25%
West Asset	13%	33%
Credit Watch	17%	18%

