

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: November 15, 2018

Item Number: 030

Purchasing Office

Authorize negotiation and execution of a multi-term contract with Contract Callers, Inc., or one of the other qualified offerors to Request For Proposals 1100 SMB3001, to provide tertiary level collection services on delinquent utility accounts, for up to five years for a total contract amount not to exceed \$2,500,000. (Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department	Purchasing Office.
Fiscal Note	Funding in the amount of \$416,667 is available in the Fiscal Year 2018-2019 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.
Purchasing Language	The Purchasing Office issued a Request for Proposals (RFP) 1100 SMB3001 for these services. The solicitation issued on April 16, 2018 and it closed on May 15, 2018. Of the nine offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: Solicitation Documents .
For More Information	Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov < mailto:AgendaOffice@austintexas.gov > NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Sandy Brandt, at 512-322-6594 or

	Sandy.Brandt@austinenergy.com <mailto:Sandy.Brandt@austinenergy.com>.
Council Committee, Boards and Commission Action	October 15, 2018 - Recommended by the Electric Utility Commission on a 7-0 vote, with Commissioners Hopkins, Weldon, and Wray absent and one vacancy.
Client Department(s)	Austin Energy.

Additional Backup Information:

The contract will provide Austin Energy and other City utilities, including Austin Water, Austin Resource Recovery, Public Works, Watershed Protection Department, and the Austin Code Department, with collection services for delinquent and aged debt at the tertiary level. Tertiary level debt is two years or older and greater than \$25. Currently, there are approximately 175,000 accounts totaling approximately \$113 million in tertiary level debt.

Austin Energy utilizes a tiered approach to allow for specialized collections based on the age of the debt. Austin Energy currently has primary level, secondary level, and low dollar collections contracts in place. Contractors earn a commission based on debt collected, therefore contract expenditures are solely dependent on successful collections. The previous contract for tertiary level collections ended in May 2018. Authorized funding authority on the contract was completely exhausted because the contractor exceeded forecasted collections, which were based on historical figures. The recommended contractor was the previous provider for these services.

An evaluation team with expertise in this area evaluated the offers and scored Contract Callers, Inc. as the best to provide these services based on solution and program, recovery rates, commission, business organization and project management structure, prior experience, solution and program, local business presence, and Service-Disabled Veteran Business Enterprise.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that another qualified offeror may be selected, authorizing new contract negotiations.

Contract Detail:

Contract	Length	Contract
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<u>Term</u>	<u>of Term Authorization</u>	
Initial Term	2 yrs.	\$1,000,000
Optional Extension 1	1 yr.	\$ 500,000
Optional Extension 2	1 yr.	\$ 500,000
Optional Extension 3	1 yr.	\$ 500,000
TOTAL	5 yrs.	\$2,500,000

Note:Contract Authorization amounts are based on the City's estimated annual usage.