AUSTIN CITY COUNCIL

AGENDA



# Recommendation for Council Action (Purchasing)

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| Austin City Council | **Item ID:** | 50200 | **Agenda Number** | 30. |

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| **Meeting Date:** | October 15, 2015 |
| **Department:** | Purchasing |

## Subject

Authorize negotiation and execution of a 60-month revenue contract with GILA LLC DBA MSB, or another qualified offeror to Request for Proposal EAD0122, to provide collection services for the Emergency Medical Services Department for an estimated revenue of $7,500,000, with two 12-month extension options with an estimated revenue of $1,500,000 for each extension option, for a total estimated revenue amount of $10,500,000.

## Amount and Source of Funding

Estimated revenue of $1,500,000 was included in the Fiscal Year 2015-2016 Operating Budget of the Emergency Medical Services Department based on the current revenue agreement. Estimated revenue for the remaining 48-months of the contract and extension options will be included in upcoming future budgets.

## Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

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| **Purchasing Language:** | Best evaluated proposal of six proposals received. |
| **Prior Council Action:** | |
| **For More Information:** | Erin D'Vincent, Senior Buyer Specialist, 512-974-3070 |
| **Boards and Commission Action:** | |
| **Related Items:** | |
| **MBE / WBE:** | This contract will be awarded in compliance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. No subcontracting opportunities were identified; therefore, no goals were established for this solicitation. |

## Additional Backup Information

The contract will provide for the collection of delinquent and mail return accounts receivable for the Emergency Medical Services Department (EMS). For the past 25 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.

The selected vendor, MSB is a nationally recognized leader in account recovery services and it will handle EMS account collections 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.

The proposals were evaluated by a team comprised of individuals from EMS with expertise in collections, billing, and information technology security. The panel members recommended MSB as the best proposer based on: estimated revenue to the City, prior experience, their customer service, complaint, and dispute process, local business presence, and sustainability in their business practices.

This request allows for the development of a contract with a qualified offeror that Council selects. 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 Council may select another qualified offeror and authorize contract negotiations with this provider.

MBE/WBE solicited: 3/0 MBE/WBE bid: 0/0

**PRICE ANALYSIS**

a. Adequate competition.
b. 263 notices were sent including three MBEs; there are no known WBEs registered for this commodity code. Six proposals were received with no response from the MBEs. Multiple notices may be sent to the same vendor, e.g. one company may have multiple email addresses/fax numbers listed.

**APPROVAL JUSTIFICATION**

a. Best-evaluated proposal of six proposals received.
b. The Purchasing Office recommends contract award consistent with the evaluation committee.
c. Advertised in the Austin American Statesman and on the internet.