

TO: James L. App, City Manager
FROM: Jim Throop, Director of Administrative Service
SUBJECT: Collection Agency Services
DATE: July 15, 2008

NEEDS:

For the City Council to consider approval of an agreement with Financial Credit Network to provide collection agency services to the City of Paso Robles.

FACTS:

1. In spite of the fact the City enjoys a satisfactory relationship with its current collection agency, it is the desire of the City to review and evaluate those services at this time. The City has been with the current collection agency for over 20 years.
2. The City desires to not only have the lowest collection fee schedule, but also an agency that offers extensive collection capabilities with the latest in computer technology.
3. The City distributed a Request For Proposal (RFP) and received five responses. The proposals were evaluated by a review committee of three on the basis of contractor capabilities, work plan and staffing, automation and proposed fees. The proposals were scored (100 point max score) and ranged from a low of 20 points to 100 points. The City has selected Financial Credit Network with an average score of 99 and a fee schedule of 30%.
4. The attached score chart references the committee members, the five responses, the scoring and the comparative costs.
5. Financial Credit Network, headquartered in Visalia, California, is the recommended provider. It was established in 1954. They have two locations, the corporate office in Visalia and a satellite office in Santa Barbara.
6. Financial Credit Network continuously develops programs needed to keep up with changing demographics and technology. Their Multi-Language Program is designed to fully service California's diverse population. FCNet a secure, multi-user web based site grants clients access to their accounts.

ANALYSIS &
CONCLUSION:

The proposal before the Council is to authorize a contract with Financial Credit Network for collection agency services.

As stated above, the City desires to have not only the lowest collection fee schedule, but

also an agency with the latest in computer technology and extensive collection capabilities.

Reference checks with the Cities of Sacramento, Fremont, and Grover Beach confirmed exceptional customer experience with Financial Credit Network.

FISCAL
IMPACT:

Potential minor increase to revenues for recovering higher percentage of bad debt accounts.

OPTIONS:

- a. Adopt Resolution No. 08-xxx authorizing the City Manager to Execute contract with Financial Credit Network to provide collection agency services to the City.; or
- b. Amend, modify or reject above option.

COLLECTION AGENCY RESULTS RFP

Name	Proposed Fees	Executive Summary	Contractors Capabilities	Work Plan and Staffing	Automation	Totals
Jody Dauth		10	20	30	40	100
American DebtWorks, Inc.	13%	7	10	15	30	62
Collection Bureau of America	30%	9	20	28	38	95
Collection Bureau of SLO/SB Counties	33.30%	5	6	9	0	20
Financial Credit Network	30%	10	20	30	40	100
Grant Mercantile	23%	8	9	20	10	47

COLLECTION AGENCY RESULTS RFP

Name	Proposed Fees	Executive Summary	Contractors Capabilities	Work Plan and Staffing	Automation	Totals
Jennifer Sorenson		10	20	30	40	100
American DebtWorks, Inc.	13%	5	5	15	15	40
Collection Bureau of America	30%	10	20	25	40	95
Collection Bureau of SLO/SB Counties	33.30%	5	5	15	0	25
Financial Credit Network	30%	10	19	29	40	98
Grant Mercantile	23%	8	10	15	20	53

COLLECTION AGENCY RESULTS RFP

Name	Proposed Fees	Executive Summary	Contractors Capabilities	Work Plan and Staffing	Automation	Totals
Jim Throop		10	20	30	40	100
American DebtWorks, Inc.	13%	6	8	16	20	50
Collection Bureau of America	30%	10	20	26	39	95
Collection Bureau of SLO/SB Counties	33.30%	5	5	12	0	22
Financial Credit Network	30%	10	18	30	40	98
Grant Mercantile	23%	7	9	17	15	48

RESOLUTION NO. 08-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH
FINANCIAL CREDIT NETWORK TO PROVIDE COLLECTION AGENCY SERVICES

WHEREAS, the City desires to review and evaluate collection agency services at this time; and

WHEREAS, the City wants to not only have the lowest collection fee schedule, but also an agency that offers extensive collection capabilities along with the latest in computer technology; and

WHEREAS, Financial Credit Network submitted a proposal for collection agency services and was scored by the committee an average of 99 out of a possible score of 100; and

WHEREAS, Financial Credit Network provided a fees schedule of 30% and continuously develops programs needed to keep up with changing demographics and technology; and

WHEREAS, Financial Credit Network's Multi-Language Program is designed to fully service California's diverse population and bring a higher liquidation rate to a traditionally less collectible segment of the City's portfolio.

THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of El Paso de Robles authorizes the City Manager to execute a contract with Financial Credit Network for collection agency services as provided in their proposal.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 15th day of July 2008 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Deborah Robinson, Deputy City Clerk