



MEETING OF MARCH 21, 2023

TO: Mayor Jordan and City Council
THRU: Paul Becker, Chief Financial Officer
FROM: Cheryl Partain, Utilities Financial Services Mgr
DATE:
SUBJECT: RFP 22-11, Ray Klein, Inc. - Collection Services

RECOMMENDATION:

Staff recommends awarding Request for Proposal (RFP) 22-11 and authorizing a contract for a period of one (1) year with an option for four (4) automatic annual renewals for a total possible contract term of five (5) years to Ray Klein, Inc. DBA Professional Credit Service for collection services for the City of Fayetteville.

BACKGROUND:

The City of Fayetteville contracts for collection services for water/sewer and trash and recycling past due utility account bills and for past due miscellaneous City invoices processed by accounting. Past due utility account bills and miscellaneous City invoices are dropped to bad debt and sent to the collection agency monthly.

DISCUSSION:

The RFP proposals were received for RFP 22-11, Collection Services on November 29, 2022. The RFP selection committee selected three of the seven collection companies that submitted proposals for interviews and demos of their collection software. On January 5, 2023 the interviews and demos of the collection software were done, and the Collection Services RFP selection committee selected Ray Klein, Inc. DBA Professional Credit Service for collection services for the City. Professional Credit Service commission pricing is a flat fee and is not based on the age of the account collected by the agency that has been charged in the past. The pricing for both Primary Collections and Customer Payments Made Directly to the City is 25% of the balance of the account. This fee is lower than what the City is currently paying. Having this flat fee rather than a tiered fee based on the age of the account will be a better value for the City to have a consistent, lower rate than a tiered pricing system.

BUDGET/STAFF IMPACT:

Funds are available within the Water/Sewer Operational Funds and Recycling and Trash Operational Funds for the cost of the bad debt expenditure.

ATTACHMENTS: SRF - Ray Klein, Inc. - Credit Services, RFP 22-11, Contract - Collection Services - Signed, RFP 22-11, Appendix A - Scope of Work, RFP 22-11, Appendix B - City RFP, RFP 22-11, Appendix C - Ray Klein Submittal, RFP 22-11, Appendix D - Certificate of Insurance, RFP 22-11, Appendix E - Bonding Certificate and Licensing

Mailing address:

113 W. Mountain Street
Fayetteville, AR 72701

www.fayetteville-ar.gov