

**Request for Proposal (RFP) for:**

# **Collection Agency Services**



## **Job No. 04-12-FA**

**City of Kirkland  
Department of Finance and Administration  
123 Fifth Avenue  
Kirkland, WA 98033**



# City of Kirkland REQUEST FOR PROPOSAL

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## I PURPOSE OF REQUEST

The City of Kirkland ("City") is requesting proposals from professional collection agencies ("Contractors") to provide collection enforcement services to facilitate payments on delinquent accounts owed to the City. The City's needs are outlined in the following Request for Proposal ("RFP").

## II BID PROCESS

The City will attempt to follow this timetable, which should result in the implementation of a collection agency services agreement by April 2, 2012.

|   |                   |
|---|-------------------|
| Issue RFP                                       | February 13, 2012 |
| Deadline for questions – 4:00 pm                | February 24, 2012 |
| Deadline for submittal of proposals – 4:00 pm   | March 1, 2012     |
| Selection of successful bidder                  | March 16, 2012    |
| Agreement for Collection Agency Services signed | March 27, 2012    |
| Implementation of Collection Agency Services    | April 2, 2012     |

These dates are estimates and subject to change by the City

## III SUBMITTAL INSTRUCTIONS

Proposals must be submitted no later than **4:00 pm on Thursday, March 1, 2012**. All proposals should be directed to:

City of Kirkland  
Attn: Barry Scott – Collection Agency Services  
123 5<sup>th</sup> Avenue  
Kirkland, WA 98033

Emailed proposals should include "Collection Agency Services RFP" in the subject line and be addressed to: [purchasing@kirklandwa.gov](mailto:purchasing@kirklandwa.gov). (Emailed proposals must be in MS Word or PDF format and cannot exceed 10MB).

### Questions:

Questions regarding the RFP process should be addressed to Barry Scott, Purchasing Agent, at [bscott@kirklandwa.gov](mailto:bscott@kirklandwa.gov) or by phone to 425-587-3123.

Questions regarding the scope of work or evaluation process should be addressed to Michael Olson, Deputy Director of Finance & Administration, at [molson@kirklandwa.gov](mailto:molson@kirklandwa.gov) or by phone to 425-587-3146.

**Contract:** The contract shall consist of the following documents: The Request for Proposals (RFP), the accepted proposal, a Professional Service Agreement (sample attached) and any agreed upon written changes to any of the foregoing documents. The contract documents are complimentary and what is called for in any one document shall be binding as if called for by all.

**Cooperative Purchasing:** RCW 39.34 allows cooperative purchasing between public agencies (political subdivisions) in the State of Washington. Public agencies which have filed an Intergovernmental Cooperative Purchasing Agreement with the City of Kirkland may purchase from City of Kirkland contracts, provided that the supplier agrees to participate. The City of Kirkland does not accept any responsibility for purchase orders issued by other public agencies.

**Compliance with Laws** The supplier shall comply with all applicable federal, state and local laws, rules, and regulations, affecting its performance and hold the Purchaser harmless against any claims arising from the violation thereof. Contractor must obtain a City of Kirkland business license or otherwise comply with Kirkland Municipal Code Chapter 7.02.

## **IV SCOPE OF SERVICES**

### **GENERAL INFORMATION**

The City provides professional services and billing for garbage, water/sewer, planning, public works, court fines and other city services. The purpose of this RFP is to solicit prospective agencies that are interested in providing their collection services. While attempting to maximize the City's collections, it is critical that this objective be achieved without negative exposure to the City and with careful consideration of consumer's rights. The City firmly believes in a positive approach in dealing with debtors. The Contractor shall conduct its collection business in a professional manner, which will preserve the dignity of the City and its relationship with its citizens. Furthermore, the City's commitment to a consumers-focused process must be honored throughout the collection cycle.

#### Current Process

The City generates weekly (or monthly) files for bad debt assignment. Two separate files are created; one for balances to be collected under RCW 19.16.500 and the second for accounts to be collected by regular collection means. Files are created in a text or encrypted format and then electronically transmitted through a secure web site or portal. Collection activity reports are provided back to the City at least monthly through an electronic format.

### **REQUIREMENTS**

For consideration, agencies are required to submit the following:

- A. Company overview
- B. Agency contract for services
- C. Sample monthly reports
- D. Narrative outlining the agency's general collection process, including:
  - How the agency will successfully achieve reasonable collection targets,

- while balancing a heightened sensitivity of public and elected officials
- Specify the dollar threshold where various levels of follow-up occur (e.g. small balance accounts)
- E. List of available services for handling bankruptcies
- F. Overview of customer service training and complaint resolution process
- G. Overview of client relations with department/staff
  - How will the City communicate requests or issues?
  - What is the expected turn-around time for responses?
  - What types of back-up resources are available if the City's main contact person is away?
- H. Information system requirements to send and receive account information
- I. Overview of security processes to ensure protection of any confidential information
- J. Ability to split, manage and accurately report accounts as RCW or non-RCW classifications
- K. Proposed collection fee structure, to include:
  - Collection rates for RCW and non-RCW accounts
  - NSF Check Collection
  - Interest
- L. Remittance Schedule
- M. List of three current references

## **V TERMS AND CONDITIONS**

- A. The City reserves the right to reject any and all proposals, and to waive minor irregularities in any proposal.
- B. The City reserves the right to request clarification of information submitted, and to request additional information on any proposal.
- C. The City reserves the right to award any contract to the next most qualified agency, if the successful agency does not execute a contract within 30 days of being notified of selection.
- D. Any proposal may be withdrawn up until the date and time set above for opening of the proposals. Any proposal not so timely withdrawn shall constitute an irrevocable offer, for a period of one hundred and twenty (120) days to sell to the City the services described in the attached specifications, or until one or more of the proposals have been approved by the City administration, whichever occurs first.
- E. The contract resulting from acceptance of a proposal by the City shall be in a form supplied or approved by the City, and shall reflect the specifications in this RFP. A copy of the City's standard Professional Services Agreement is available for review (see attachment A). The City reserves the right to reject any proposed agreement or contract that does not conform to the specifications contained in this RFP and which is not approved by the City Attorney's office.
- F. The City shall not be responsible for any costs incurred by the agency in preparing, submitting or presenting its response to the RFP.

- G. The initial contract period will be for one (1) year from the start of the contract. The term of the contract may be extended in one (1) year increments for six (6) additional one-year periods for a total contract duration of seven (7) years, in accordance with the City's best interest and at the sole option of the City.

## **VI EVALUATION PROCESS**

Proposals will be evaluated by a committee of City staff. Evaluations will be based on criteria outlined herein which may be weighted by the City in a manner it deems appropriate. All proposals will be evaluated using the same criteria. The criteria used will be:

- A. Ability to Perform Required Services

The City will consider all the relevant material submitted by each agency, and other relevant material it may otherwise obtain, to determine whether the agency is capable of providing services of the type and scope specific to the RFP. The following elements may be given consideration by the City in determining whether an agency is capable:

1. Experience, integrity and reputation of the agency and other information that has a direct bearing on the decision to award a contract.
2. Quality, ability, capacity and skill of the agency to perform the scope of services, and responsiveness of the proposed program/methods.

- B. Fees

Fees proposed for services to be performed and recovery factor for similar collections.

- C. References

As described in Section IV – L.

- D. Interviews and Site Visits

The City may conduct interviews and site visits as part of the final selection process.

- E. Other Factors

Any other factors that the City believes would be in the City's best interest to consider which were not previously described.



## PROFESSIONAL SERVICES AGREEMENT

Job Name and Number

The City of Kirkland, Washington, a municipal corporation (hereinafter the "City") and \_\_\_\_\_, whose address is \_\_\_\_\_ (hereinafter the "consultant"), agree and contract as follows:

### I. SERVICES BY CONSULTANT

- A. The Consultant agrees to perform the services described in Attachment \_\_\_\_ to this Agreement, which attachment is incorporated herein by reference.
- B. All services, and all duties incidental or necessary thereto, shall be conducted and performed diligently and completely and in accordance with professional standards of conduct and performance.

### II. COMPENSATION

- A. The total compensation to be paid to Consultant for these services shall not exceed \$\_\_\_\_\_, as detailed in Attachment \_\_\_\_\_.
- B. Payment to Consultant by the City in accordance with the payment ceiling specified above shall be the total compensation for all work performed under this Agreement and supporting documents hereto as well as all subcontractors' fees and expenses, supervision, labor, supplies, materials, equipment or the use thereof, reimbursable expenses, and other necessary incidentals.
- C. The Consultant shall be paid monthly on the basis of invoices submitted. Invoicing will be on the basis of percentage complete or on the basis of time, whichever is applicable in accordance with the terms of this Agreement.
- D. The City shall have the right to withhold payment to Consultant for any work not completed in a satisfactory manner until such time as consultant modifies such work to the satisfaction of the City.
- E. Unless otherwise specified in this Agreement, any payment shall be considered timely if a warrant is mailed or is available within 45 days of the date of actual receipt by the City of an invoice conforming in all respects to the terms of this Agreement.

### III. TERMINATION OF AGREEMENT

The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, by giving ten (10) days notice to Consultant in writing. In the event of termination, all finished or unfinished reports, or other material prepared by the Consultant pursuant to this Agreement, shall be provided to the City. In the event the City terminates prior to completion without cause, consultant may complete such analyses and records as may be necessary to place its files in order. Consultant shall be entitled to receive just and equitable compensation for any satisfactory work completed on the project prior to the date of suspension or termination, not to exceed the payment ceiling set forth above.

#### **IV. OWNERSHIP OF WORK PRODUCT**

- A. Ownership of the originals of any reports, data, studies, surveys, charts, maps, drawings, specifications, figures, photographs, memoranda, and any other documents which are developed, compiled or produced as a result of this Agreement, whether or not completed, shall be vested in the City. Any reuse of these materials by the City for projects or purposes other than those which fall within the scope of this contract or the project to which it relates, without written concurrence by the Consultant will be at the sole risk of the City.

The City acknowledges the Consultant's plans and specifications as instruments of professional service. Nevertheless, the plans and specifications prepared under this Agreement shall become the property of the City upon completion of the work. The City agrees to hold harmless and indemnify consultant against all claims made against Consultant for damage or injury, including defense costs, arising out of any reuse of such plans and specifications by any third party without the written authorization of the Consultant.

- B. Methodology, materials, software, logic, and systems developed under this contract are the property of the consultant and the City, and may be used as either the consultant or the City sees fit, including the right to revise or publish the same without limitation.

#### **V. GENERAL ADMINISTRATION AND MANAGEMENT**

The \_\_\_\_\_ for the City of Kirkland shall review and approve the Consultant's invoices to the City under this Agreement, shall have primary responsibility for overseeing and approving services to be performed by the Consultant, and shall coordinate all communications with the Consultant from the City.

#### **VI. COMPLETION DATE**

The estimated completion date for the consultant's performance of the services specified in Section I is \_\_\_\_\_.

Consultant will diligently proceed with the work contracted for, but consultant shall not be held responsible for delays occasioned by factors beyond its control which could not reasonably have been foreseen at the time of the execution of this Agreement. If such a delay arises, Consultant shall forthwith notify the City.

#### **VII. SUCCESSORS AND ASSIGNS**

The Consultant shall not assign, transfer, convey, pledge, or otherwise dispose of this Agreement or any part of this Agreement without prior written consent of the City.

#### **VIII. NONDISCRIMINATION**

Contractor shall, in employment made possible or resulting from this Agreement, ensure that there shall be no unlawful discrimination against any employee or applicant for employment in violation of RCW 49.60.180, as currently written or hereafter amended, or other applicable law prohibiting discrimination, unless based upon a bona fide occupational qualification as provided in RCW 49.60.180 or as otherwise permitted by other applicable law. Further, no person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement in violation of RCW 49.60.215 or other applicable law prohibiting discrimination.

**IX. HOLD HARMLESS/INDEMNIFICATION**

Consultant shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from its negligence or breach of any of its obligations in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

**X. LIABILITY INSURANCE COVERAGE**

The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees. A failure to obtain and maintain such insurance or to file required certificates and endorsements shall be a material breach of this Agreement.

**A. Minimum Scope of Insurance**

Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the Consultant's profession.

**B. Minimum Amounts of Insurance**

Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit

**C. Other Insurance Provisions**

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability and Commercial General Liability insurance:

1. The Consultant's insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.
2. The Consultant's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

**D. Acceptability of Insurers**

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

**E. Verification of Coverage**

Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work.

**F. Claims-made Coverage**

Any policy of required insurance written on a claims-made basis shall provide coverage as to all claims arising out of the services performed under the contract and filed within three (3) years following completion of the services so to be performed.

**XI. COMPLIANCE WITH LAWS/BUSINESS LICENSE**

The Consultant shall comply with all applicable State, Federal, and City laws, ordinances, regulations, and codes. Contractor must obtain a City of Kirkland business license or otherwise comply with Kirkland Municipal Code Chapter 7.02.

**XII. FUTURE SUPPORT**

The City makes no commitment and assumes no obligations for the support of Consultant activities except as set forth in this Agreement.

**XIII. INDEPENDENT CONTRACTOR**

Consultant is and shall be at all times during the term of this Agreement an independent contractor and not an employee of the City. Consultant agrees that he is solely responsible for the payment of taxes applicable to the services performed under this Agreement and agrees to comply with all federal, state, and local laws regarding the reporting of taxes, maintenance of insurance and records, and all other requirements and obligations imposed on him as a result of his status as an independent contractor. The Consultant is responsible for providing the office space and clerical support necessary for the performance of services under this Agreement. The City shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the state industrial

insurance of unemployment compensation programs or otherwise assuming the duties of an employer with respect to the Consultant, or any employee of consultant.

**XIV. EXTENT OF AGREEMENT/MODIFICATION**

This Agreement, together with all attachments and addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified, or added to only by written instrument properly signed by both parties hereto.

**XV. ADDITIONAL WORK**

The City may desire to have the Consultant perform work or render services in connection with the project other than provided for by the express intent of this contract. Any such work or services shall be considered as additional work, supplemental to this contract. Such work may include, but shall not be limited to,

\_\_\_\_\_  
Additional work shall not proceed unless so authorized in writing by the City.

Authorized additional work will be compensated for in accordance with a written supplemental contract between the Consultant and the City.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates written below:

CONSULTANT:

CITY OF KIRKLAND:

By: \_\_\_\_\_

By: \_\_\_\_\_  
Marilynne Beard, Assistant City Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_