

Memorandum



CITY OF DALLAS

DATE October 10, 2014

TO Honorable Members of the Public Safety Committee:
Sheffie Kadane (Chair), Adam Medrano (Vice-Chair), Dwaine Caraway, Jennifer S. Gates,
Sandy Greyson, Scott Griggs

SUBJECT **Dallas Municipal Court 3rd Party Collections Contract**

Attached is briefing material on the "**Dallas Municipal Court 3rd Party Collections Contract**" to be presented to the Members of the Public Safety Committee on Monday, October 13, 2014.

A handwritten signature in cursive script that reads "Eric D. Campbell".

Eric D. Campbell
Assistant City Manager

Attachment

c: Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Dallas Municipal Court 3rd Party Collections Contract

Public Safety Committee
October 13, 2014



Purpose

- Reviewing the recommended proposal for the 3rd party collections contract that council will consider on Oct. 22nd, 2014
 - Court Collections Background
 - Procurement Process
 - Recommendation and Next Steps

Court Collections Background

- In December of 2006 Council authorized a five-year service contract with two, twelve-month renewal options with Linebarger, Goggan, Blair & Sampson for the collection of delinquent fines and fees for traffic, City ordinance and state law violations excluding parking violations.
- Supplemental Agreements to authorize one year renewal options August 2012 and August 2013
- Current contract ends December 31, 2014

Court Collections Background

- Profile of the Dallas Municipal Court
 - Handle Primarily Traffic citations
 - Resolved over 150,000 cases in FY14
 - Offer resolution in person, through mail or internet
 - Pursue unresolved cases through multiple means
 - Internal Collections
 - Driver License Holds (*Omnibase*)
 - Vehicle Registration Renewal Holds (*Scofflaw*)
 - Third Party Collection Agency

Court Collections Background

- **Details of Collection Agency Terms**
 - Article 103.0031 of Texas Code of Criminal Procedure
 - Sent 60 days past delinquency, compensated by 30% add-on fee
- **Details of the City's Portfolio**
 - In FY14 the vendor worked nearly 1.6m outstanding cases

Procurement Process

- Business Development and Procurement Services (BDPS) advertised the Request For Competitive Sealed Proposal (RFCSP) for Court & Detention Collections on December 19th and 26th, 2013
- As part of our vendor notification process, 308 electronic notices were sent by the City's web-based procurement system
- Additionally, notifications were sent by BDPS ResourceLINK Team (RLT) to 25 chambers of commerce, and 2 advocacy groups (i.e. DFW Minority Business Council and Women's Business Council-Southwest)

Procurement Process

- Pre-proposal conference was held on January 6, 2014
- Five companies were represented:
 - GC Services Limited Partnership
 - Gila LLC dba Municipal Services Bureau (M.S.B)
 - Linebarger Goggan Blair & Sampson, LLP
 - Penn Credit Corporation
 - Pioneer Credit Recovery, Inc.

Procurement Process

- Due to the complexity of the project, significant energy was expended to provide vendors with detailed information, such as:
 - Detailed report of the entire default portfolio
 - Numerous teleconferences with vendors
 - Multiple Q&A addendums
- All questions asked during the pre-proposal meeting were posted on the City's bid web site per standard procedure

Procurement Process

- Evaluation process:
 - Seven proposals were received on February 5, 2014, which were distributed to the evaluation committee for review of the minimum requirements.
 - All proposers were provided historical data and information relating to court collection history and access to the data base portfolio
 - The evaluation committee consisted of members from various departments within the City:
 - Court & Detention Services (2)
 - Dallas Water Utilities (1)
 - Business Development & Procurement Services (1)*

**Business Development and Procurement Services only evaluated the revenue value.*

Procurement Process

- Evaluation Criteria:

- Revenue Value 40%
- Plan to Resolve Challenging Cases in Portfolio 25%
- Relevant Experience 25%
- Client References 10%
- **Total Value 100%**

Procurement Process

- Results of Committee Evaluation:
 - All seven proposals were reviewed by the evaluation committee to determine responsiveness to the minimum requirements in accordance with the Scope of Work
 - All seven were invited to present to the evaluation committee on written material submitted in their proposals
 - Vendors were then scored based on the written proposals and information delivered during presentations
 - These scores were used to determine a recommended vendor for award

Procurement Process

Scoring Tabulation:

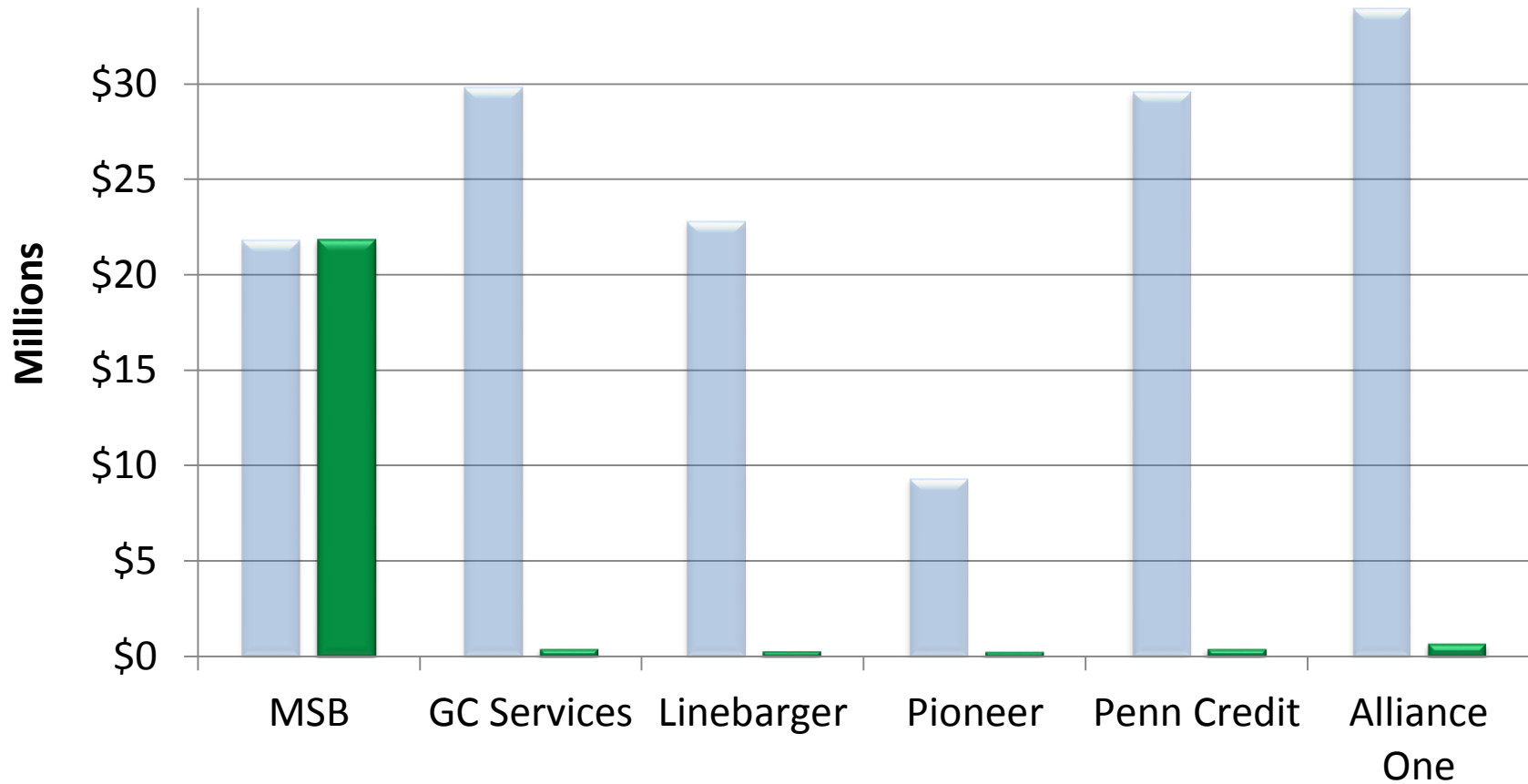
Weight: (%)	40%	25%	25%	10%	100%
Vendor	Revenue Value	Plan to Resolve Challenging Cases in Portfolio	Relevant Experience	Client References	Total
M.S.B.	38.2	20.0	22.0	7.7	87.9
GC Services Limited Partnership	5.1	24.0	20.7	7.7	57.5
Linebarger Goggan Blair & Sampson	3.8	20.3	23.7	9.0	56.8
Penn Credit	5.1	21.0	17.7	6.3	50.1
Pioneer Credit	1.9	17.7	18.3	6.7	44.5
Alliance One Receivables	6.2	15.7	16.0	6.0	43.8

*Ability Recovery Services LLC was deemed non-responsive for not meeting bid specification

Revenue Value Detail

40 Total Points

Guaranteed Revenue (35 Points) **Projected Collections (5 Points)**



Summary

- **Most Advantageous Proposal:**
 - Municipal Services Bureau (M.S.B) proposed the following:
 - Performance thresholds that compensate the City if the following are not met:
 - 1) New Placements: fixed collection rate on all new placements
 - 2) Existing Portfolio: Guaranteed \$15 million in total collections *(over 3yrs)*
 - Incentivized transition plan worth approximately \$50k
 - Compensates the City with a 3% “bonus” on all collections during the first 100 days

Summary

- Highlights of Contract & Vendor:
 - Shorter term contract with options
 - Percentage based collections
 - Performance bond secures contract guarantees
 - 3rd party collections of civil cases
 - Continued partnership during Warrant Round Up
 - Experience working with large cities
 - Houston, Austin, San Antonio

Next Steps

- Seek recommendation from the Public Safety Committee
 - Recommendation to the City Council to authorize a 36 month contract with three one year renewal options with M.S.B. for the collection of delinquent fines and fees on class C misdemeanor and civil violations

Questions?