

# **COLLECTION SERVICES**

## **REQUEST FOR PROPOSALS**



**RESPONSE DUE:**

**MAY 22, 2014 AT 4 P.M. PST**

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# 1. INTRODUCTION

## 1.1 Introduction

The City of West Hollywood, hereinafter referred to as "City," is soliciting proposals from qualified agencies to provide comprehensive collection services to the City. The required services and performance requirements are described in the Scope of Services.

Responses must conform to the requirements of this Request for Proposals (RFP). The City reserves the right to waive any irregularity in any proposal or to reject any proposal, which does not comply with this RFP. The selection of the proposal will be made solely by the City on criteria determined by the City.

The successful proposer will be required to enter into an agreement, which will include the requirements of this RFP as well as other requirements. The initial term of the agreement will be the duration of the project with the option to extend the agreement for a mutually agreed upon term.

The City expects, but does not guarantee, that the decision on selection of a Agency will be made on the date indicated in the Proposal Schedule. The City assumes no obligation for any costs incurred by any proposer in preparing the response to this RFP, attending an interview, or any other activity prior to the award of the contract to the selected proposer.

After the deadline for receipt of proposals, no oral, telephonic or telegraphic proposal or modification of proposal will be considered. Individuals serving in the capacity of spokesperson or representative for the party submitting a proposal **shall not communicate, meet or discuss any aspect of the evaluation, consideration and decision-making process of this RFP with any City employee, City Council Member, or City appointed official. Failure to comply with this provision will result in automatic disqualification from the RFP process.**

All proposals submitted to the City of West Hollywood shall become the exclusive property of the City. **Once City staff has negotiated a contract for presentation to the City Council, all proposals shall become a matter of public record subject to disclosure, with the exception of those elements of each proposal that are identified by the Contractor as business or trade secrets and plainly marked as "Trade Secret", "Confidential" or "Proprietary" and determined by the City to be exempt from disclosure under the Public Records Act.** Each element of a proposal that the Contractor desires not to be considered a public record must be clearly marked as set forth above. If disclosure is required under the California Public Records Act or otherwise by law, the City will make an independent determination and retain the confidentiality to the extent permitted by the Public Records Act.

The City of West Hollywood retains the right to reject any and all proposals without cause, regardless of the number of responses received. Under no circumstances is the City responsible for the costs expended by the proposers in preparing and submitting proposals.

The City reserves the right to amend the Request For Proposals by addendum prior to the final submittal date.

Any Proposals received prior to the date and time specified for receipt of proposals may be withdrawn or modified by written request of the Proposer. To be considered, however, the modified Proposal must be received by the time and date specified.

The City's principal contact for this proposal will be **Hernan Molina, Sr. Management Analyst**, 8300 Santa Monica Boulevard, West Hollywood, CA 90069. The telephone number is (323) 848-6400, and the fax is (323) 848-6575.

## ***1.2 West Hollywood Background***

The City of West Hollywood is a General Law City with five Council Members elected at large to four year terms on a staggered basis. The City is also a contract city, which contracts out many of its public services. Police service is contracted with the Los Angeles County Sheriff's Department and Fire protection through the Los Angeles County and Consolidated Fire Protection District. The City has approximately 210 full-time and about 30 part-time employees. Its operating budget is approximately \$90 million. The City fiscal year begins on July 1 and ends on June 30.

With a population of over 35,000 and approximately 25,000 residential units in a land area of only 1.9 square miles, West Hollywood is a dense, urban community surrounded by the cities of Los Angeles and Beverly Hills. West Hollywood is home to a large immigrant Russian population, as well as one of the nation's best-known gay and lesbian communities. Relatively few children live in West Hollywood, as many of its residents are either adults with no children or senior citizens.

The City is home to the world famous Sunset Strip and hosts the Halloween Carnival in October, and the Christopher Street West Gay, Lesbian and Transgender Pride Parade and Festival in June, as well as dozens of visitor attractions that include a wide variety of restaurants and entertainment venues that cater to local residents, visitors, and tourists.

## ***1.3 Mission Statement and Core Values***

### ***Mission Statement***

As a premiere city, we are proactive in responding to the unique needs of our diverse community, creative in finding solutions to managing our urban environment, and

dedicated to preserving and enhancing its well-being. We strive for quality in all our actions, setting the highest goals and standards.

### ***Core Values***

#### 1. Respect and Support for People

We recognize and celebrate the diversity of our community by treating all individuals with respect for their personal dignity and providing a wide array of specialized services. We promote mutual respect, courtesy, and thoughtfulness in all interactions.

#### 2. Responsiveness to the Public

We hold ourselves accountable to the members of our community and are committed to actively seeking public participation. We promote a public process whereby we can respond to the community's needs while balancing competing interests and diverse opinions.

#### 3. Idealism, Creativity and Innovation

We value our artistic richness and support idealism and creativity. We are dedicated to consistently finding innovative and better solutions to provide the best public service possible.

#### 4. Quality of Residential Life

We maintain a balanced sense of community by protecting quality of life, conserving our historic neighborhoods, safeguarding housing affordability, and proactively governing growth with care and thought.

#### 5. Promote Economic Development

We recognize that economic development is essential to maintaining quality of life for the total community. We support an environment where our diverse and eclectic businesses can flourish, and seek mutually beneficial relationships with the business community.

#### 6. Public Safety

We protect the personal safety of our constituents and safeguard the community from the threats of natural, technological and other man-made hazards. Through preparation and planning, we minimize the effects of these disasters.

#### 7. Responsibility for the Environment

We make it our responsibility to protect and improve our natural and built environments, pursuing opportunities to preserve and create open and green space in our urban

setting. We initiate partnerships with other cities and agencies to address regional and global environmental challenges.

#### **1.4 Customer Service Expectations**

The City of West Hollywood prides itself with providing the highest level of customer service to residents, business owners and visitors. This level of customer service is expected from everyone involved in the delivery of services from West Hollywood City Hall to the community at-large.

As such, Agency shall exercise its best ethical, prudent, lawful and professional efforts to secure collections on all accounts referred by the City. Collections activities shall comply with all federal, state and local laws, including but not limited to the Federal Fair Debt Collection Practices Act.

#### **1.5 Definitions**

The following meanings are attached to the following defined words when used in this RFP:

The word "*City*" or "*CITY*" shall mean the City of West Hollywood municipality.

The word "*Proposer*" means the Agency or corporation submitting a proposal on these specifications, or any part thereof.

The word "*Services*", "*Contract Services*" or "*Scope*" means the work to be delivered by the Agency or corporation as set forth in "Form B" attached hereto and incorporated herein by reference.

The words "*contract*", "*agreement*", or "*AGREEMENT*" shall mean the document executed between the Proposer and the CITY to carry out the scope of services of the RFP.

## **2. PROJECT INFORMATION**

### **2.1 *Scope of Services***

The purpose of this Request for Proposal (RFP) is to select a qualified Agency to provide full-service revenue collection efforts for unpaid and delinquent accounts receivable to including, but not limited to:

1. Non-sufficient funds (NSF) checks
2. Administrative (civil) citations due to a code violation within the City limits
3. Business Improvement District (BID) assessments
4. Amounts that are part of settlement agreements negotiated in good faith by the City and another party, or entered via a Court judgment
5. Financial benefits that were negotiated as part of development agreements and that extend beyond the construction phase of the development and the issuance of a certificate of occupancy
6. Various City revenues, such as business taxes, regulatory licenses, rent stabilization fees, encroachment permits and parking fees
7. Court-ordered payments or mutually agreed upon settlements that are the result of litigation and/or arbitration between the City and real persons and/or legal entities
8. Amounts that are owed to the City by legal entities such as Limited Liability Corporations (LLC), Limited Liability Partnerships (LLP), etc.

### **2.2 *Required Deliverables and Basic Programmatic Expectations***

The exact range and extent of services is subject to negotiation, but at a minimum it must include professional services and dedicated personnel to perform the following scope of services:

1. Agency shall provide comprehensive collection services for debts owed to the City for delinquent billing.
2. Agency shall designate a manager for the City's account who will be the City's primary contact with Agency. City shall have the option to submit delinquent accounts for collection via hard copy, e-mail, electronic file or in writing. Agency shall provide acknowledgement within 10 days of account placement via the same method that the account was submitted.
3. City shall provide documentation to Agency for each account, including name, any available customer information, last known address, account number, and balance due.
4. Agency shall make a minimum of two written or telephone contacts for each account (unless the account clears sooner) within forty-five (45) days of receipt of account.

5. Agency shall discuss their recommended use of skip tracing on delinquent accounts. Agency to provide specific tools used to conduct skip tracing.
6. Agency shall be set up with a web-based portal so that City staff can upload accounts that are being referred for comprehensive collection services. In addition, City staff shall be able to read and print notes entered by Agency representatives, and make notations in the same system.
7. Agency shall maintain complete records of each account referred by the City, including all correspondence, documents, account records, transactions and a detailed log of all collection efforts of actions. These records shall be retained for a minimum of three years after termination of collection actions on each account.
8. Agency shall provide to the City a monthly report on the status of each account including; account number, customer name, the amount received, the charges waived, the balance due and date of last payment, and the actions taken on the account. Agency shall immediately advise the City of any account that is paid in full or deemed uncollectible. If an account is deemed uncollectible, information regarding this determination must be provided to the City.
9. Agency shall provide to the City quarterly financial summary reports including totals for receipts, net accounts receivable, total accounts receivable and collection percentage.
10. Agency shall provide to the City an annual financial summary report as of June 30 (City's fiscal year end) including totals for receipts, net accounts receivable, total accounts receivable and collection percentage. This report should be submitted to the City no later than July 30th of each year.
11. At any time, all records of the Agency pertaining to the City shall be subject to inspection, review, or audit by City, state, or federal officials, during the contract period and in compliance with local, state and federal regulations after the termination of the contract.
12. Agency shall guarantee the confidentiality, security and safety of all files, documents and information provided by the City, except as to disclosure required by federal and state laws and regulations.
13. Agency shall process all customer payments in accordance with applicable Payment Card Industry (PCI) security requirements.
14. Agency shall be HIPPA (Health Insurance and Portability and Accountability Act of 1996) compliant and maintain compliance throughout the term of the contract.
15. In accordance with the Fair and Accurate Credit Transaction (FACT) Act, Agency must have an identity theft prevention program in place.



16. Agency shall report all uncollectible accounts to all three major credit bureaus. Reporting must be done in accordance with all federal, state and locals laws, including but not limited to, the Fair Debt Collections Practices Act, the Federal Equal Credit Opportunity act, and the Consumer Credit Protection Act.
17. Agency shall not report accounts to the credit bureaus until the Agency has worked the account for 45 days. At the request of the City, the Agency shall remove an account notification from all the affected bureaus and provide a copy of that notification to the City.
18. Agency shall not assign or subcontract any portion of this agreement or transfer or assign any claim, pursuant to this contract, without the written consent of the City.
19. Agency shall make contacts with delinquent accounts under the name of the Agency and not the City of West Hollywood.
20. Agency shall instruct consumers to submit payments to the Agency and not to the City of West Hollywood. The Agency shall be notified of any payments made to the City of West Hollywood for accounts under collection with the Agency.
21. Agency shall collect and deposit payments from customers and on no less than a monthly basis submit a check to the City for all monies collected, less collection fees, along with a report including the account name and number, amount collected, and collection fees.
22. Any compromise settlement of principal or charges shall be agreed upon in writing between the Agency and the City prior to acceptance.
23. Agency may allow for time payment agreements (payment plans) and may enter into time payment agreements with consumers for any period less than one year without the consent of the City. Any time payment agreement extending beyond one year from the date of initiation of plan must be agreed upon in writing between the Agency and the City prior to acceptance.
24. In some cases, the City may deem necessary the filing of a civil action to recover debts. Agency shall possess the necessary expertise and resources to file such actions in a court of law. No legal actions shall be taken by the Agency without express written consent of the City.
25. Agency shall demonstrate familiarity with the claim filing process with the California Franchise Tax Board against real persons and legal entities such as Limited Liability Partnerships (LLP), Limited Liability Corporations (LLC), and the like, as permitted by law.

26. Agency shall be solely responsible for any and all costs incurred in and associated with the collection of debts referred to it by the City.
27. Compensation shall be contingent upon actual collections of debts owed to the City. Agency may subtract a reasonable fee from the amount of the debt collected and paid to the City, as a percentage of the debt collected with a specified maximum. Agency must identify the fee, how it is determined and the fee must be consistent across all debts collected.
28. The City may withdraw any accounts without any charge or penalty.
29. The City reserves the right to terminate the contract at any time by providing thirty (30) days written notice for convenience or cause.
30. In the event of contract termination or the bankruptcy/dissolution of the Agency, all accounts and documentation relating to City accounts shall be returned to the City, regardless of status or payment arrangements made with consumers.
31. Agency shall demonstrate methods that will be used while conducting business that encourages recycling of materials and implementation of environmentally friendly practices and procedures.
32. Agency shall meet with City staff upon execution of contract to discuss all the goals of the relationship, the services to be provided and other topics relevant to performing collections on behalf of the City. Furthermore, Agency shall meet with City staff on an bi-annual basis (and additionally as-needed if issues arise) to discuss all services and how the Agency and City can work together to further reduce debt owed. The City will provide overall guidance on the conduct of collection services, as it reflects upon the City's policies and reputation. Agency shall also provide updates to the City on changes in federal and state laws related to credit and collections.

### **3. INSTRUCTIONS**

#### **3.1 *Proposal Schedule:***

- |                                    |                 |
|------------------------------------|-----------------|
| 1. Release of RFP document         | April 23, 2014. |
| 2. Last day for all inquiries      | May 6, 2014     |
| 3. City responses to all inquiries | May 12, 2014    |
| 4. Deadline to submit proposals    | May 22, 2014    |
| 5. Proposal evaluation             | May 29, 2014    |

- |                                      |               |
|--------------------------------------|---------------|
| 6. Interviews with final candidates  | June 4, 2014  |
| 7. Negotiation with final candidate  | June 10, 2014 |
| 8. City Council approval of contract | June 23, 2014 |
| 9. Contract start date               | July 1, 2014  |

### **3.2 Proposal Submission**

1. Proposals must be signed in ink by the president, chief executive officer, or individual authorized to act on behalf of the Agency, with current Power of Attorney if applicable. The name and mailing address of the individual submitting the proposal must be provided.
2. Proposals shall address all requirements and expectations specified in this document.
3. Five bound copies and one unbound copy of each proposal shall be submitted to the Office of the City Clerk no later than **Thursday, May 22, 2014 at 4 P.M. PST.**
4. Late proposals received after the deadline shall be returned unopened.
5. Proposals shall be addressed and delivered as follows:

Office the City Clerk  
City of West Hollywood  
8300 Santa Monica Boulevard  
West Hollywood, CA 90069  
**Attn: Collection Services RFP**

### **3.3 General Terms and Conditions**

The selected Agency will be required to comply with the City's standard contract requirements set forth in the following section:

1. **LIVING WAGE ORDINANCE.** The CONTRACTOR shall abide by the provisions of the West Hollywood Living Wage Ordinance. During the term of this Agreement, the CONTRACTOR shall keep on file sufficient evidence of its employee compensation to enable verification of compliance with the West Hollywood Living Wage Ordinance.
2. **EQUAL BENEFITS ORDINANCE, No. 03-662.** The CONTRACTOR shall abide by the provisions of the West Hollywood Equal Benefits Ordinance. During the term of this Agreement, the CONTRACTOR shall keep on file sufficient evidence of its employee compensation and any applicable benefits

packages, as those benefits relate to the coverage of the domestic partners of contractor's employees, which shall include; bereavement leave; family medical leave, and health insurance benefits, to enable verification of compliance with the West Hollywood Equal Benefits Ordinance.

3. **RESTRICTIONS: Arab League Boycott of Israel.** The CONTRACTOR hereby affirms it does not honor the Arab League Boycott of Israel.

### **3.4 Inquiries**

Any inquiries related to this RFP shall be addressed, in writing via email to **Hernan Molina, Sr. Management Analyst** at [hmolina@weho.org](mailto:hmolina@weho.org). The last day for inquiries to be submitted to the City will be **May 6, 2014 at 4 P.M. PST. Responses will be provided by May 12, 2014.**

### **3.5 Evaluation Criteria and Selection Process**

All proposals must contain all information requested in this RFP and be submitted by **Thursday, May 22, 2014 at 4 P.M. PST** to be considered.

The Agency that most clearly meets the RFP requirements may be invited to an interview panel to be arranged by the City. Interviews will be held at City Hall with selected Agencies after initial review of proposals. The interview panel will include key staff members of West Hollywood City Hall. No single criterion, including price, will dictate the City's ultimate selection. The relative importance of these factors involves judgment on the part of the City staff and will include both objective and subjective analysis. Specific evaluation criteria will include the following:

1. Qualifications and experience of Agency with comprehensive collection services;
2. Completeness, presentation and clarity of proposal;
3. Ability of Agency's team to dedicate personnel resources needed to manage City accounts;
4. Competitiveness of cost/overall service proposal

### **3.6 Data to Be Submitted with Proposal**

The Proposer must respond in writing to all the items listed below point by point:

1. Proposers shall complete **APPENDIX A – “EXECUTIVE SUMMARY”**. This section shall include Agency experience and years in the industry, qualifications of personnel assigned to the servicing of this contract, and customer service policies and procedures addressing **Section 1.4 “Customer Service Expectations”** and any other information that the proposer may consider relevant.
2. Proposers shall complete **APPENDIX B – “PROJECT INFORMATION”**. This section shall include detailed information aimed at clearly addressing Sections **2.1 “Scope of Services”** and **2.2 “Required Deliverables and Basic Programmatic Expectations”** explanation of collection procedures, including, but not limited to sample collection reports, letters to violators, notes entered by agents, samples of screens that City staff may be able to access to gain information, efforts to implement environmentally friendly practices and procedures, etc.
3. Proposers shall complete **APPENDIX C – “FEES”**. This section shall clearly identify all fees related to the performance of collection services by the Agency. If any portion of the work is to be done on a time basis, the proposal submitted should specify hourly fees to be charged and a fee cap. **Please be sure to include the name, address and phone number of primary contact person at the Agency responding to RFP.**

### **3.7 Revisions to the RFP**

Any revisions to the RFP document made by the City will be made available on the City's web site at <http://www.weho.org/city-hall/city-clerk/public-notices/rfp-rfq-bid-notices>. Thus, prospective proposers shall ensure to check the City's web page periodically so as to avail themselves to any notifications of changes. The City will attempt to notify prospective responders directly but cannot guarantee such notification(s).

**APPENDIX A**  
**“EXECUTIVE SUMMARY”**

Please describe company background, years of experience, and qualifications of personnel to be assigned as part of the servicing of this contract. In addition, respondent shall address customer service practices and how it plans to meet **Section 1.4 “Customer Service Expectations”**.

**APPENDIX B**  
**“PROJECT INFORMATION”**

In this section, respondents to the RFP shall address all points detailed in sections **2.1 “Scope of Services”** and **2.2 “Required Deliverables and Basic Programmatic Expectations”**. Please provide detailed explanation of collection procedures, including, but not limited to collection reports, letters to violators, screen captures of notes entered by agents, efforts to implement environmentally friendly practices and procedures, etc.

**APPENDIX C**  
**“FEES”**

Please provide detailed information pertaining to fees related to all collection services provided by your Agency.