

REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary

RCA# XXXX

Subject: An ordinance approving and authorizing the Director of the Administration and Regulatory Affairs Department (ARA), Houston Public Works (HPW), and Finance Department (FIN) to extend various contracts between the City of Houston and 1) Professional Account Management LLC ("Duncan Solutions"), Gila LLC d/b/a Municipal Services Bureau ("MSB"), and GC Services Limited Partnership ("GC Services") for unpaid parking citation collection services for ARA; 2) GC Services and MSB for unpaid utility bills collection services for HPW; and 3) Linebarger, Duncan Solutions, and MSB, for various unpaid account collection services for FIN.

Category #

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Agenda Item

FROM (Department or other point of origin):
Finance Department

Origination Date
1/29/2018

Agenda Date

INTERIM FINANCE DIRECTOR'S SIGNATURE

Tantri Emo

Council District(s) affected

All

For additional information contact:

ARA: Maria Irshad (832-393-8643)
Finance: Arif Rasheed (832-393-9013)
HPW: Kelvin Pickett (832-395-6382)

Date and Identification of prior authorizing Council Action:

Ordinance No. 2013-0131
Date: February 13, 2013

RECOMMENDATION:

Approve an ordinance extending master service agreements for city-wide collection contracts in support of various departments. These master service agreements (Contract Nos. C75190 (ARA), C75191 (Finance), and C75192 (HPW)), serve as umbrella collection contracts for each department. The initial five-year term of the master agreements ends on February 18, 2018. Each Master Agreement will be extended for a term of five years. The Master Agreements may be terminated at any time by the Director(s) of the affected department.

FUNDING

NONE REQUIRED (REVENUE)

Finance Budget

SPECIFIC EXPLANATION:

Background:

Prior to the initial term of the master agreements, a team of personnel from the Legal and Finance Departments was tasked to conduct a city-wide data and performance review of account receivables and the collections operations. This review included an assessment of the City's third-party collection contracts as well as a review of other collection contracts used in other municipalities. Part of the finding from this review concluded that various collection contracts were under-performing and that other collection models could help the City improve its collection recovery rate.

Each contract includes multiple vendors. The master agreements include the scope of services, maximum fees, term and other provisions such as the City's right to reassign accounts from one vendor to another. Each Department Director is authorized to issue specific Letters of Engagement to vendors assigning accounts, establishing fees and setting out metrics for achieving acceptable collection rates or reassignment of accounts to another vendor. The Letter of Engagement provides details of the work the Vendor will do, which may include all or a portion of the tasks set out in the Master Agreement. A Letter of Engagement may have a term of up to three years with two 1 year renewal options. The master agreements also allow the addition of other vendors who meet the minimum standard set out in Ordinance No. 2013-0131.

Fiscal Note

There is no impact to the FY18 Adopted Operating Budget for this item. Therefore, no fiscal note is required as stated in the Financial Policy Ord. 2014-1078 as an Operating Budget Item.

Pay or Play Program:

The proposed contract requires compliance with the City's "Pay or Play" ordinance regarding health benefits for employees of City contractors. In this case, the contractor will provide health benefits to eligible employees in compliance with City policy.

M/WBE Subcontracting:

A 15% M/WBE goal has been established for this contract. The contractors employ the following certified firms to achieve their goal:

REQUIRED AUTHORIZATION

Director of Administrative and Regulatory Affairs Department:

Director of Houston Public Works:

City Attorney:

[Signature]

[Signature]

[Signature]

Revenue Stream	Prime	Sub-Contractor	Type of Work
HPW - Delinquent Utility Bill Collections	Gila d/b/a Municipal Service Bureau (MSB)	Lam, Lyn & Philips PC	Litigation and Collections
	GC Services*	N/A	
ARA - Delinquent Parking Citation	Duncan Solutions, Inc.	The Chevalier Law Firm	Litigation and Collections
	Gila d/b/a Municipal Services Bureau (MSB)	Lam, Lyn & Philips PC.	Litigation and Collections
	GC Services*	N/A	
FIN - Delinquent Account Collections	Duncan Solutions, Inc.	The Chevalier Law Firm	Litigation and Collections
	Gila d/b/a Municipal Service Bureau (MSB)	Lam, Lyn & Philips PC.	Litigation and Collections
	GC Services*	N/A	
	Linebarger*	N/A	

Note GC Services and Linebarger do not have an active engagement letter. The subcontractors for these vendors will be reviewed when an engagement letter is to be executed.