

STATEMENT OF BUDGET IMPACT
(Policy Number 94-45)
Budgetary Review of Proposed Resolution &
Ordinances with Financial Implication.

Date: September 24, 2014

File: BIS 14 – 269

File: TMP-2014-00566

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO NEGOTIATE AND EXECUTE AN AGREEMENT BETWEEN THE HIGHEST RANKED FIRM AND THE CITY OF HOLLYWOOD TO PROVIDE DEBT COLLECTION SERVICES FOR PAST DUE FEES AND FINES FOR AN INITIAL PERIOD OF ONE YEAR, WITH FOUR OPTIONAL ONE YEAR RENEWAL PERIODS.

Statement of Budget Impact:

1. ☐ No Budget Impact associated with this action;
2. ☒ Sufficient budgetary resources identified/available;
3. ☐ Budgetary resources not identified/unavailable;
4. ☐ Potential Revenue is possible with this action;
5. ☒ Will not increase the cost of Housing;
6. ☐ May increase the cost of Housing; (CDAB review required)

Explanation:

This Resolution seeks to authorize the appropriate City Officials to enter into negotiations with the highest ranked firm for the provision of debt collection services to the City of Hollywood for the collection of past due fees and fines for an initial period of one (1) year with four (4) optional one (1) year renewal periods and to execute an agreement between the chosen firm and the City upon the successful conclusion of the negotiations. Previously on July 28, 2014, City staff prepared and issued a Request for Proposal Number RFP-4423-14-RD for debt collection services with a return deadline date of August 18, 2014 for all interested parties. On September 8th, City staff reviewed evaluated and scored three (3) responses to RFP-4423-14-RD. The bid submittal from Teja Bookkeeping Service LLC was deemed to be non-responsive and eliminated. Upon the committee's deliberations, it was determined that the bid submitted by Penn

Credit Corporation was the highest ranked bid based upon the evaluation criteria contained within the bid documents.

The debt collection services to be provided to the City by the successful bidder includes collection services for all debts owed to the City including, but not limited to medical collections, water and sewer charges, parking citations, fire inspection fees, third party payments, fines, fees, licenses, permits, interest income and assessments. Collection cases will be assigned to the service provider by the City on a contingency fee basis. A percentage of the funds recovered by the service provider will be used to pay for the cost of the debt collection services provided. In the bid response submitted by Penn Credit, it sought a payment of 16% of the funds recovered if the recovery was made by its staff and 29% of funds recovered if the collection is referred to local counsel. If no funds are recovered by Penn Central, there will be no payment obligation incurred by the City. In fiscal year 2013, the City's expenditure for the required services was \$7,095.69.

PREPARED BY: Kee Juen Eng
Budget Manager

APPROVED BY: Mirtha Dziedzic
Assistant Director Budget and Financial Services