**REQUEST FOR SEALED PROPOSALS**

**TO PROVIDE COLLECTION SERVICES**

**FOR THE CITY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, TENNESSEE**

**GENERAL INFORMATION**

The City of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ invites interested parties to submit **SEALED PROPOSALS** to address Collection Services for the City Court Clerk’s Office. Additional information on delinquent accounts is included in attachments A and B. The purpose of this request for proposal is to solicit proposals from qualified firms interested in providing collection services for the City. The City may not necessarily proceed with an award based on the initial proposals received, and reserves the right to discuss contents of such proposals to obtain additional information and to negotiate changes in the proposal.

The point of contact for information is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Purchasing Manager. Any questions or requests for additional information concerning this Request for Proposal (RFP) should be submitted in writing to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ by fax or e-mail on or before \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2010.

Fax: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

E-mail: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The City’s Purchasing Department shall receive sealed proposals until \_\_\_\_\_\_\_\_\_\_\_\_, 2010, at \_\_\_\_\_\_\_\_\_\_ p.m., after which the proposals will be privately opened. No submissions received after the deadline will be considered. An offeror submitting a late proposal shall be so notified. All material submitted in the proposal becomes the property of the City and will not be returned. Any proposal may be withdrawn prior to the scheduled time that proposals are due.

An original and five (5) copies of the proposal should be submitted to:

As a part of the sealed submittal, the offeror is required to have obtained a bid bond in the amount of $1,000 from a company authorized to do business in the State of Tennessee. Documentation of this bond shall be submitted with the proposal. The bond may also be in the form of a cashier’s check or a bank letter or credit.

**DEFINITIONS**

For the purpose of this proposal the definitions shall mean:

**Proposal** means, offer, bid

**Proposer** and **offeror** means bidder, contractor, vendor.

**SCOPE OF WORK**

***Statement of Need***

The City Court Clerk and the possible future addition of other City Department(s) requires the services of an outside contractor to assist in the collection of its past due accounts receivable. The Contractor must be experienced with the collection of accounts receivable, and be a member, in good standing, of the American Collector’s Association. The Contractor will follow the detailed collection efforts to be made, as shown in their proposal.

**[insert description of technology requirements for data transmission here -**

**example - ASCII text data, Cisco VPN connection, static IP address, etc.]**

The City will evaluate the performance of the contractor based on a variety of items such as customer relations, the percentage of accounts submitted and collected, completeness of record-keeping (history and audit trails), flexibility in reporting and adjusting of data; procedures for handling errors and data communications between the City and vendor. Vendor shall submit monthly detail and summary reports with total collections and net amounts due the City. The reports and related funds are due no later than ten (10) days following the month in which the funds are collected.

***Ownership***

All deliveries and/or other products of the contract (including but not limited to all procedures, solicitation packages, reports, records, summaries, software documentation and other matter and materials prepared or developed by the Contractor in performance of this contract) shall be the sole, absolute and exclusive property of the City, free from any claim or retention of rights, thereto on the part of the Contractor, its agents, subcontractors, officers, or employees.

***Acceptance***

The City will make determination of the acceptability of Contractor’s work. Work shall be completed in a responsible professional manner in accordance with the specification, schedules, or performance/operating standards incorporated in the contract.

**SPECIAL TERMS AND CONDITIONS**

***Minimum Requirements of Offeror***

1. Offeror must have been in collection business for at least five (5) years.

2. Offeror must be licensed and bonded under the laws of the State of Tennessee.

3. Offeror must be a member of the American Collector’s Association.

***Required Information***

1. Offeror must maintain and show proof of professional liability insurance in the amount of $1,000,000. A certificate of insurance shall be provided to the City at each renewal of this agreement.

2. Offeror must provide a list of local client references containing three (3) current clients and three (3) previous clients.

3. Offeror must provide the City information pertaining to the selection, training and certification of the staff, as well as details pertaining to offeror’s company organization.

4. Offeror must include any and all costs, which might be incurred by the City, should the proposal be accepted. The method of compensation must be clearly defined.

5. The City reserves the right to require offeror to submit three (3) years of financial statements.

**EVALUATION CRITERIA**

The City management shall evaluate proposals. Management will select the firm that in its judgment will be best for the City. Consideration will be given to such items as:

***Method of Collection*** – Offeror must demonstrate the policies of their agency or firm. While offeror will remain an independent contractor and not an agent, the City considers outside collection activity a reflection of itself and, therefore, will place emphasis on collection procedures.

***Past Experience*** – Attention will be given to the agencies or firms’ experience with other institutions of a similar nature as the City and those institutions’ recommendation thereof.

***Technical Capacity*** – Offeror must propose a collection schedule which is most advantageous to the City. Said schedule will be demonstrated through report format, report schedule, collection literature, i.e., all requirements of the Collection Services Contract. Offeror must have the capability to transfer ASCII text data to and/or from the City via either FTP, possess flexibility in reporting and adjusting of data and clearly defined procedures for handling errors and exceptions in data communications. User must have a static IP address from which contact will be made with the City’s servers via secured, Cisco VPN connection. Data transmission must be able to run unattended during non business hours. The City IS Division will decide transmission time. The format and content of the bi-directional data file must conform to the City’s requirements.

***Knowledge and Experience of Offeror in collection of Subrogation and Tort Claim Accounts*** – The proposed staff shall demonstrate suitable experience and skill in collection subrogation and tort claim accounts as well as past due accounts receivable. Management, staff selections, training and certification will be considered.

***Financial Strength*** – Proposals will be evaluated on their financial strength as evidenced by their financial statements and credit references.

**AWARDS OF CONTRACT**

The City reserves the right to award part of the collection services to one offeror, and part to another, if that arrangement is deemed to be most advantageous in the discretion of the City.

Notwithstanding any other provision of the Request for Proposals, the City expressly reserves the right to:

a. Waive any immaterial defect or informality, or

b. Reject any or all proposals, or portions thereof,

c. Reissue a Request for Proposals, or

d. Cancel the Solicitation.

**COSTS OF COLLECTION**

The Contractor shall compute the cost of collection for each delinquent account, and shall add such cost to the account balance to be collected from the delinquent party. All costs of collection shall be recovered from the delinquent parties, to the extent such collection is possible.

**COMPROMISE OF ACCOUNTS**

Contractor shall not have the authority to adjust or compromise the amount of any account balance unless prior written approval from the City is first obtained. Contractor shall have the capacity to accrue interest and penalties on accounts in accordance with City regulations.

**INITIATING SUIT ON BEHALF OF THE CITY**

Contractor shall have no authority to, and shall not initiate legal suit against any person to recover sums owed the City unless prior written approval from the City has been obtained. Prior to initiating suit against any person or group of persons, the Contractor shall provide the City with a list of such persons and an estimate of the filing fees and other expenses necessary to file suit. The attorneys filing such suits and the fee agreements relating thereto are subject to the approval of the City Attorney.

**CLAIMS AGAINST THE CITY**

If Contractor becomes aware of any claim or demand of any person against the City, its officers, agents or employees arising out of or related to any account (or the services underlying such an account) referred to the Contractor by the City, Contractor shall promptly report such information as Contractor may have concerning the claim or demand to the City’s designated representative; such a report shall be both by telephone and in writing.

**RECALLED BY THE CITY**

The City may recall any account upon notice to Contractor. No compensation shall be due to Contractor as a result of an account if the recall is because:

a. A claim or demand is asserted against the City, its officers, agents, or employees.

b. It is discovered, through no documented effort of the Contractor, that a third party will pay the account balance.

c. Payment is made between the time of placement with the Contractor and the date of the Contractor’s first correspondence with the responsible party.

d. The City in its discretion decides that it would be inequitable to collect the claim against the party.

e. The City reserves the right to recall any account if no monies have been received for a period of twelve months or longer.

**RELEASE AND RETURNED ACCOUNTS**

The Contractor shall include within its proposal a schedule and/or circumstances for returning accounts to the City when it appears that collection efforts are futile. Additionally, accounts shall be returned upon termination of contract or no later than five years following the referral of the account to the Contractor unless the responsible party shall have entered into a written agreement to pay the account over time and is making payments as agreed or suit has been filed and service obtained.

The Contractor agrees to release and return accounts assigned for collection after receiving a written notice from the City, by listing the accounts in alphabetical order, and the City’s current balance. Accounts in process of collection by Contractor, or externally through an affiliated collection agent, will be returned within 180 days written notice. Accounts on which payment has been made within 90 days or is anticipated within 180 days will remain with the Contractor for a period not to exceed one (1) year.

**BANKRUPTCIES OF RESPONSIBLE PARTY**

In the event the person, or persons, legally responsible for payment of the account balance files a petition in bankruptcy after the referral to Contractor, either party hereto who receives notice of such a petition shall promptly advise the other party of the fact. The account will remain with the Contractor, and Contractor will file proof of claim and be entitled to fees as outlined to refund any of the funds collected by Contractor as a result of the bankruptcy proceeding within thirty calendar days. Contractor shall return to the City all of Contractor’s commission, which was based on funds required to be returned.

**REMITTANCE OF FUNDS/REPORTING TO THE CITY**

On or before the tenth (10th) calendar day of each month, beginning one (1) month following the execution of the agreement, Contractor shall remit to the City a sum equal to the total sum actually collected by the Contractor, less compensation due to the Contractor pursuant to this agreement.

At the same time the Contractor remits funds to the City pursuant to terms of this agreement, Contractor shall provide detailed written and computerized collection report(s), which can be transmitted electronically via Internet, CD, or floppy disc. The report shall not contain less than the following information individually and collectively for all account activity:

1. Debtor’s name, ticket #.

2. Amount of original balance referred.

3. Date account placed.

4. Amount collected since referral.

5. Current balance of account.

6. Number of accounts placed.

7. Dollar amount of accounts placed.

8. Current month collections.

9. Cumulative collections.

10. Recovery rate.

11. Number and dollar amount of accounts closed.

12. Number and dollar amount of active accounts.

In calculating amounts the reports shall account for the most recent twelve (12) months individually and prior years cumulatively.

**PAYMENT**

Payment of any invoice shall not preclude the City from making claim for adjustment on any service found not to have been in accordance with the contract.

**EXCEPTIONS**

Any desired exceptions taken to the *Terms and Conditions* or *Specifications* *of* this RFP, must be included in the proposal and must clearly address the specific RFP paragraph where a conflict exists.

**PROPOSAL OPENING**

Proposals shall be opened on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2010, at \_\_\_\_\_\_\_ p.m. in the Purchasing Department, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. The name of each offeror shall be publicly read, however proposals will not be publicly opened. After contact award, all offerors and evaluation documents shall be open for public inspection.

**EMPLOYMENT**

The Contractor shall affirm that it does not subscribe to any personnel policy which permits or allows for the promotion, demotion, dismissal or laying off of any individual due to his/her race, creed, color, national origin, age, sex or handicapped status.

**CONFLICT OF INTEREST**

The City reserves the right at any time to preclude offering a work assignment to a Contractor should a real or potential conflict of interest exist as determined by the City.

**LICENSURE**

During the term of this agreement, Contractor shall continue to maintain in good standing its licensure as a collection agency/attorney in the state of Tennessee.

**INDEMNIFICATION**

The Contractor shall agree to indemnify and hold the City, its officers, agents and/or employees harmless from and against any and all liability, loss, damages, cost and expenses, including court costs and attorneys’ fees, by reason of any claim and/or liability resulting out of:

1. The collection practices and activities of the Contractor or those acting under Contractor on accounts referred by the City;

2. Contractor’s failure to perform any of its obligations under this agreement; or

3. The failure of the Contractor, or those acting under Contractor, to conform to the statutes, ordinances or regulations of any governmental authority.

**OFFER AND ACCEPTANCE PERIOD**

Proposals are irrevocable offers for ninety (90) days after the proposal opening time and date.

**PROCUREMENT FROM OTHER SOURCES**

The City reserves the right to procure services covered by the resultant contract(s) from other sources when the City determines it is in its best interest to do so.

**CANCELLATION**

If the Contractor fails to fulfill, in a timely and proper manner, its obligations under this contract or if it should violate any of the terms of this contract, the City shall have the right to immediately terminate the contract and to withhold payments that are in excess of fair compensation for work completed. The term “breach of agreement” specifically includes, but is not limited to, failure to comply with any applicable federal, state, or local laws or regulations.

Notwithstanding the above, the Contractor shall not be relieved of any liability to the City for damages sustained by virtue of any breach by the Contractor.

**CONTRACT TERMINATION**

Either party hereto may terminate this agreement upon sixty (60) calendar days with prior written notice of such termination to the other party. Upon contract termination, the offeror shall provide via electronic media all information necessary for the City or its representative to pursue further collection of any outstanding accounts.

**AUDIT BY CITY**

The Contractor’s records pertaining to accounts referred by the City shall be open for audit and inspection by the City or its agents at any time during regular business hours.

**CONFIDENTIALITY**

The Contractor acknowledges that information disclosed to it concerning the City’s operations during performance of the contract that is confidential and/or proprietary to the City, and shall not be disclosed to third parties without the City’s prior written consent.

The Contractor further acknowledges that some information received from the City concerning delinquent accounts may be confidential, and such confidential information shall not be disclosed to third parties without the City’s prior written consent.

**COMPLIANCE WITH LAWS**

Contractor agrees to comply with any and all applicable federal, state and local laws and regulations.

**CONTRACT TERM**

The term of any resultant contract shall be for a period of one year, unless terminated, canceled or extended as otherwise provided herein. The City shall have the option to renew the contract for up to five (5) additional terms of one (1) year each.

**NOTICES**

Notices to the City concerning any matter under this Contract shall be sent to: