

**CITY OF TEMPE**  
**REQUEST FOR COUNCIL ACTION**

**Council Meeting Date: 11/13/2014**  
**Agenda Item: 5B6**

**ACTION:** Approve the one-year renewal of contracts with Harris and Harris and NCO Financial Systems for Collection Services to be utilized primarily by the City Courts and Internal Services Department.

**FISCAL IMPACT:** Total revenue of the awarded firms for these two contracts is not expected to exceed \$300,000 during the one-year renewal period. The firms are paid out of monies recovered from debtors so there is no direct cost to the City for these services.

**RECOMMENDATION:** Approve the renewal of the contracts.

**BACKGROUND INFORMATION:** (T12-020) City Council originally approved the award of contracts to Harris and Harris and NCO Financial Systems on November 17, 2011 for an initial one-year term with four one-year renewal options. This request is for the third of four available renewal options.

Over the past year, the City forwarded approximately \$5,000,000 of unpaid bills, fees and fines for collection. The firms, on average, are able to collect approximately 20% to 30% of the delinquencies. This collection percentage, while appearing low, is consistent nationally for firms collecting similar debts.

Contractor Performance

The performance of Harris and Harris and NCO Financial were rated by Courts, Customer Service and Tax & License as follows:

Criteria	Harris & Harris	NCO Financial
Personnel are responsive, cooperative and available	B+	A
Overall quality of products or services delivered	A	B
Timeliness of performance	B+	A
Quality of follow-up in resolving complaints or problems	B+	A
Firm's promptness in submitting accurate invoices	B+	A

A = Exceeds standards; B = Meets standards; C = Below standards  
Scores shown are average of the responses received on Harris and Harris

The departmental review for the previous contract renewal for NCO Financial indicated areas where their service was considered below standards. NCO Financial was given goals for service improvement with the City monitoring their performance throughout the contract period. NCO Financial has made changes that have substantially raised their performance as is reflected in this years' scoring.

Renewal Cost

The vendor fee for their collection services is 12% and remains unchanged during this renewal period.

**ATTACHMENTS:** None

**STAFF CONTACT(S):** Michael Greene, Procurement Administrator, (480) 350-8516