



Legislation Details (With Text)

File #: 0642-2012 **Version:** 1

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On agenda: 4/2/2012 **Final action:** 4/4/2012

Title: To authorize the appropriation of Seven Hundred Sixty Thousand Dollars from the Collection Fees fund; to authorize the City Attorney to renew contracts with Linebarger, Goggan, Blair & Sampson LLP and Capital Recovery Systems, Inc. for the collection of delinquent accounts; to authorize the payment of court costs and the reimbursement of collected overpayments; to authorize the expenditure of Seven Hundred Fifty Thousand Dollars from said fund; to waive the competitive procurement provisions of the Columbus City Codes; and to declare an emergency. (\$760,000.00)

Sponsors:

Indexes:

Code sections:

Attachments: 1. 0642-12 Capital & Linebarger BidWaiverForm.pdf

Date	Ver.	Action By	Action	Result
4/4/2012	1	CITY CLERK	Attest	
4/3/2012	1	MAYOR	Signed	
4/2/2012	1	COUNCIL PRESIDENT	Signed	
4/2/2012	1	Columbus City Council	Approved	Pass

Background: This legislation will authorize the City Attorney to renew contracts with collection agents Linebarger, Goggan, Blair & Sampson LLP and Capital Recovery Systems, Inc. for one year and will authorize the payment of court costs and the reimbursement of any overpayments collected. This legislation will further authorize the appropriation of \$760,000.00 from the Collection Fees fund. This fund is generated by fees collected by collection agents and used to pay the associated collection costs due. The remaining \$10,000.00 in appropriation authority will cover accounting reversals for bad checks.

The accounts receivables collection program within the City Attorney's Claims Section has been ongoing since 1996. At that time, the City Attorney interviewed firms with experience in government accounts receivables and chose Scoliere and Associates (now known as Linebarger, Goggan, Blair & Sampson LLP), and later, Capital Recovery Systems, Inc. to provide these services. These firms have done excellent work for the City over the ensuing years.

In 2009 a new program was implemented via ordinance 0130-2009 passed February 25, 2009 which adjusted the fee structure of the program. Effective April 1, 2009 on all new and existing accounts without payment plans in place a 30% fee is added to the total debt collected instead of being paid from the total amount collected. This allows the City to recover 100% of the debts collected and the debtor pays the additional 30% collection fee. Continuing our relationship with our current collection agents will be valuable in keeping the program running smoothly and efficiently.

Emergency: Emergency declaration is requested so the collection process can continue without interruption.

Contract Compliance Numbers:

Capital Recovery Systems Inc. 31-1570459 expires 01/23/14

Linebarger, Goggan, Blair & Sampson, LLP 74-2864602 expires 06/02/12

These companies are neither debarred according to the Excluded Party Listing System of the Federal Government nor prohibited from being awarded a contract according to the Auditor of State Unresolved Findings for Recovery Certified

Search.

Fiscal Impact: These contracts are self-funding and will result in additional revenues to the general fund. Fees are paid out of monies collected by the agents. One hundred percent of monies collected are remitted to the City and invoices from the collection agencies are paid from the funds collected. Term of Contracts: 04/01/2012 through 03/31/2013.

To authorize the appropriation of Seven Hundred Sixty Thousand Dollars from the Collection Fees fund; to authorize the City Attorney to renew contracts with Linebarger, Goggan, Blair & Sampson LLP and Capital Recovery Systems, Inc. for the collection of delinquent accounts; to authorize the payment of court costs and the reimbursement of collected overpayments; to authorize the expenditure of Seven Hundred Fifty Thousand Dollars from said fund; to waive the competitive procurement provisions of the Columbus City Codes; and to declare an emergency. (\$760,000.00)

WHEREAS, Ordinance No. 3135-96 originally authorized the City Attorney to contract with Scoliere and Associates, now known as Linebarger, Goggan, Blair & Sampson LLP, and Ordinance No. 1833-98 originally authorized the City Attorney to contract with Capital Recovery Systems, Inc. for the collection of certain of the City's accounts receivables; and

WHEREAS, the City Attorney has been pleased with the performance of these firms and has annually renewed these contracts for collection services; and

WHEREAS, it is in the City's best interest to renew contracts with Linebarger, Goggan, Blair & Sampson LLP and Capital Recovery System, Inc., especially in light of Ordinance No. 0130-2009, authorizing the imposition of collection fees on current accounts in the possession of these collection firms as of April 1, 2009; and

WHEREAS, it is further necessary to authorize the payment of court costs as well as the reimbursement of any overpayments collected; and

WHEREAS, an emergency exists in the usual daily operation of the City in that it is immediately necessary to authorize the foregoing contracts and the appropriation and expenditure of fund so the collection process will not be interrupted and for the preservation of public peace, property, health, safety and welfare, now, therefore:

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the City Attorney is authorized and directed to renew a contract with Linebarger, Goggan, Blair and Sampson, LLP, for the term of 04/01/12 through 03/31/13, for collection services in the maximum amount of Three Hundred Ninety Thousand Dollars (\$390,000.00).

SECTION 2. That the City Attorney is authorized and directed to renew a contract with Capital Recovery Systems, Inc., for the term of 04/01/12 through 03/31/13, in the maximum amount of Three Hundred Sixty Thousand Dollars (\$360,000.00).

SECTION 3. That the provisions of Chapter 329 of the Columbus City Codes, 1959, relating to the procurement of professional services are hereby waived.

SECTION 4. That the City Attorney is authorized and directed to pay court costs and reimburse overpayments.

SECTION 5. That the City Auditor is hereby authorized and directed to appropriate Seven Hundred Sixty Thousand Dollars (\$760,000.00) from the unappropriated balance of the Collection Fees fund, fund 295.

SECTION 6. That the expenditure of Seven Hundred Fifty Thousand Dollars (\$750,000.00) is hereby authorized from department 2401, Collection Fees fund, fund number 295, as follows:
organizational cost account 241295, Income Tax-Linebarger, object level three 3336, \$388,000.00
organizational cost account 295106, Police-Linebarger, object level three 3336, \$1,000.00

organizational cost account 295111, Electric-Linebarger, object level three 3336, \$1,000.00;
organizational cost account 241296, Income Tax-Capital, object level three 3336, \$250,000.00;
organizational cost account 295204, License-Capital, object level three 3336, \$14,000.00;
organizational cost account 295206, Police-Capital, object level three 3336, \$1,000.00;
organizational cost account 295209, Transportation-Capital, object level three 3336, \$2,000.00;
organizational cost account 295211, Electric-Capital, object level three 3336, \$3,000.00;
organizational cost account 295212, EMS-Capital, object level three 3336, \$80,000.00;
organizational cost account 295214, Fire-Capital, object level three 3336, \$1,000.00;
organizational cost account 295215, Refuse-Capital, object level three 3336, \$1,000.00;
organizational cost account 295216, Water-Capital, object level three 3336, \$1,000.00;
organizational cost account 295217, Sanitary Sewers-Capital, object level three 3336, \$1,000.00;
organizational cost account 295219, DPU-HR-Capital, object level three 3336, \$1,000.00; and
organizational cost account 295100, court costs, object level three 3342, \$3,000.00 and object level three 5512,
\$2,000.00.

SECTION 7. That for reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.