



## Legislation Details (With Text)

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**File #:** 0480-2020      **Version:** 1

**Type:** Ordinance      **Status:** Passed

**File created:** 2/12/2020      **In control:** Criminal Justice & Judiciary Committee

**On agenda:** 3/2/2020      **Final action:** 3/5/2020

**Title:** To authorize the appropriation and expenditure of up to \$4,850,000.00 from the Collection Fees fund; to authorize the City Attorney to enter into contracts with Arcadia Recovery Bureau, LLC, Capital Recovery Systems, Inc., Law Offices of Robert A. Schuerger Co., LPA, and Scott W. Schiff & Associates Co., LPA; to authorize the City Attorney to modify contracts with Linebarger, Goggan, Blair & Sampson, LLP and Apelles, LLC for the collection of delinquent accounts; and to declare an emergency. (\$4,850,000.00)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. 0480-2020 Collections Ord attachment 2-12-2020

Date	Ver.	Action By	Action	Result
3/5/2020	1	CITY CLERK	Attest	
3/4/2020	1	MAYOR	Signed	
3/2/2020	1	COUNCIL PRESIDENT	Signed	
3/2/2020	1	Columbus City Council	Approved	Pass

**Background:** This legislation will authorize the City Attorney to enter into contracts with collection agents Arcadia Recovery Bureau, LLC, Capital Recovery Systems, Inc., Law Offices of Robert A. Schuerger Co., LPA, and Scott W. Schiff & Associates Co., LPA for two (2) year terms each, and will authorize payment of court costs, and the reimbursement of any overpayments collected 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 accounts receivables collection program within the City Attorney's Claims Section has been ongoing since 1996. On September 13, 2019, the City of Columbus Purchasing Office on behalf of the City Attorney issued a Request for Proposals (RFP 013507) for collection services and received a total of twelve (12) responses. A five-member Selection Committee reviewed the proposals, and of the twelve (12), five (5) companies were invited to give presentations and to further discuss their qualifications. After thorough review and consideration, the Selection Committee chose the four (4) collection agencies listed above.

In 2009, ordinance 0130-2009 authorized a program which adjusted the fee structure of the city's debt collection program. Effective April 1, 2009, the ordinance created a new fee to be added to the total debt collected on all new and existing accounts without payment plans. This additional fee allows the city to recover one hundred percent (100%) of the debts collected, and the debtor pays the additional collection fee. This program will continue under the contracts with our chosen collection agents.

On the recommendation of the five-member Selection Committee, the City Attorney chose not to retain the services of Linebarger, Goggan, Blair & Sampson, LLP and Apelles, LLC. In an effort to transition to the new collection agents without any interruption in services, the City Attorney wishes to modify and extend the contracts with Linebarger, Goggan, Blair & Sampson, LLP and Apelles, LLC through July 31, 2020.

**Fiscal Impact:** These contracts are self-funding and will result in additional revenues to the general fund. The collection agents are paid fees from the money they collect. One hundred percent (100%) of monies collected are remitted to the city, and invoices from the collection agencies are paid from the funds collected.

To authorize the appropriation and expenditure of up to \$4,850,000.00 from the Collection Fees fund; to authorize the City Attorney to enter into contracts with Arcadia Recovery Bureau, LLC, Capital Recovery Systems, Inc., Law Offices of Robert A. Schuerger Co., LPA, and Scott W. Schiff & Associates Co., LPA; to authorize the City Attorney to modify contracts with Linebarger, Goggan, Blair & Sampson, LLP and Apelles, LLC for the collection of delinquent accounts; and to declare an emergency. (\$4,850,000.00)

**WHEREAS**, an RFP for Collection Services was published on September 13, 2019, and received a total of twelve (12) responses; and

**WHEREAS**, a Selection Committee consisting of five (5) City employees carefully reviewed and considered the qualifications and expertise of each proposal submitted; and

**WHEREAS**, after careful consideration the Selection Committee recommended that the City Attorney enter into contracts with Arcadia Recovery Bureau, LLC, Capital Recovery Systems, Inc., Law Offices of Robert A. Schuerger Co., LPA, and Scott W. Schiff & Associates Co., LPA for the provision of debt collection services; and

**WHEREAS**, it is necessary to authorize the City Attorney to enter into contracts for debt collection services with the aforementioned companies for a two (2) year term through January 31, 2022; and

**WHEREAS**, ordinance 0703-2015 authorized the City Attorney to enter into contracts for a three (3) year term, renewable annually, with Linebarger, Goggan, Blair & Sampson, LLP, Capital Recovery System, Inc., and Apelles, LLC; for the provision of debt collection services; and

**WHEREAS**, ordinance 0781-2018 authorized the City Attorney to modify and extend these contracts for an additional six (6) months, through September 30, 2018; and

**WHEREAS**, ordinance 2562-2018 authorized the City Attorney to modify and extend these contracts for an additional sixteen (16) months, through January 31, 2020; and

**WHEREAS**, it is necessary to authorize the City Attorney to modify and extend the contracts with Apelles, LLC, and with Linebarger, Goggan, Blair & Sampson, LLP for an additional six (6) months, through July 31, 2020, in order to provide continuity in services while the new collections agencies are onboarded; and

**WHEREAS**, ordinance No. 0130-2009, authorizing the imposition of collection fees on delinquent accounts, will be incorporated by reference into the contracts the City Attorney enters into with the above-referenced collection agencies; 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 Attorney's Office in that it is immediately necessary to authorize the City Attorney to enter into the foregoing contracts and contract modifications and extensions and the appropriation and expenditure of funds 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 to enter into a two (2) year contract, through January 31, 2022, with Arcadia Recovery Bureau, LLC for debt collection services in the maximum amount of \$1,000,000.00.

**SECTION 2.** That the City Attorney is authorized to enter into a two (2) year contract, through January 31, 2022, with Capital Recovery Systems, Inc. for debt collection services in the maximum amount of \$1,200,000.00.

**SECTION 3.** That the City Attorney is authorized to enter into a two (2) year contract, through January 31, 2022, with Law Offices of Robert A. Schuerger Co., LPA for debt collection services in the maximum amount of \$1,000,000.00.

**SECTION 4.** That the City Attorney is authorized to enter into a two (2) year contract, through January 31, 2022, with Scott W. Schiff & Associates Co., LPA for debt collection services in the maximum amount of \$1,000,000.00.

**SECTION 5.** That the City Attorney is authorized to enter into a contract modification and extension, through July 31, 2020, with Apelles, LLC for debt collection services in the maximum amount of \$150,000.00.

**SECTION 6.** That the City Attorney is authorized to enter into a contract modification and extension, through July 31, 2020, with Linebarger, Goggan, Blair & Sampson, LLP for debt collection services in the maximum amount of \$500,000.00.

**SECTION 7.** That the City Auditor is hereby authorized to appropriate up to \$4,850,000.00 in the Collection Fees fund, fund 2295 per the accounting codes in the attachment to this ordinance.

**SECTION 8.** That the expenditure of up to \$4,850,000.00 or so much thereof as may be needed, is hereby authorized from department 24, Collection Fees fund, fund number 2295 per the accounting codes in the attachment to this ordinance. Auditor's Office is authorized to make changes to Subfunds as needed to carry out the purpose of this ordinance.

**SECTION 9.** That funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated and expenditures and transfers authorized to carry out the purposes of this ordinance and the City Auditor shall establish such accounting codes as necessary.

**SECTION 10.** 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.