



Legislation Text

File #: 2021-2024, **Version:** 1

Background: This legislation will authorize the City Attorney to enter into contracts with collection agents Capital Recovery Systems, Inc., Law Offices of Robert A. Schuerger Co., LPA, and Linebarger, Goggan, Blair & Sampson, LLP for initial three (3) year terms each, with the option of two additional one (1) year extensions, 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 March 15, 2024, the City of Columbus Purchasing Office on behalf of the City Attorney issued a Request for Qualifications (RFQ 027214) for collection services and received a total of six (6) responses. A five-member Selection Committee reviewed the proposals, and of the six (6) responses, three (3) companies were invited to give presentations and to further discuss their qualifications. After thorough review and consideration, the Selection Committee recommended that the City Attorney enter into contracts with the three (3) 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 the chosen collection agents.

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

Contract Compliance Numbers:

Capital Recovery Systems, Inc., 31-1570459, CC005578 expires 04/16/2026
Law Offices of Robert A. Schuerger Co., LPA, 35-2353532, CC017436 expires 01/09/2026
Linebarger Goggan Blair & Sampson, LLP, 74-2864602, CC010047 expires 04/18/2025

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. 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 \$3,800,000.00 from the Collection Fees fund; to authorize the City Attorney to enter into contracts with Capital Recovery Systems, Inc., Law Offices of Robert A. Schuerger Co., LPA, and Linebarger, Goggan, Blair & Sampson, LLP for the collection of delinquent accounts; and to declare an emergency. (\$3,800,000.00)

WHEREAS, an RFQ for Collection Services was published on March 15, 2024, and received a total of six (6) 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 Capital Recovery Systems, Inc., Law Offices of Robert A. Schuerger Co., LPA, and Linebarger, Goggan, Blair & Sampson, LLP for the provision of debt collection services; and

WHEREAS, this ordinance will authorize the City Attorney to enter into contracts for an initial three (3) year term through July 31, 2027, with the option of two additional one (1) year terms, with Capital Recovery Systems, Inc., Law Offices of Robert A. Schuerger Co., LPA, and Linebarger, Goggan, Blair & Sampson, LLP for the provision of debt collection services; 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 foregoing contracts and the appropriation and expenditure of funds so the collection process will not be interrupted, all for the preservation of public peace, property, health, safety and welfare; and **now, therefore:**

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

SECTION 1. That the City Attorney is authorized and directed to enter into an initial three (3) year contract, through July 31, 2027, with Capital Recovery Systems, Inc. for debt collection services in the maximum amount of \$2,000,000.00.

SECTION 2. That the City Attorney is authorized and directed to enter into an initial three (3) year contract, through July 31, 2027, with Law Offices of Robert A. Schuerger Co., LPA for debt collection services in the maximum amount of \$1,000,000.00.

SECTION 3. That the City Attorney is authorized and directed to enter into an initial three (3) year contract, through July 31, 2027, with Linebarger, Goggan, Blair & Sampson, LLP for debt collection services in the maximum amount of \$800,000.00.

SECTION 4. That the City Auditor is hereby authorized and directed to appropriate up to \$3,800,000.00 in the Collection Fees fund, fund 2295 per the accounting codes in the attachment to this ordinance.

SECTION 5. That the expenditure of up to \$3,800,000.00 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 6. 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 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.