

## Council Meeting Staff Report

November 17, 2021

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<b>Agenda No.:</b>	6.B.
<b>Indexes (Council Goals):</b>	DPU FY2020 - 2.0 Achieve and Maintain Excellence in Financial Performance
<b>Presenters:</b>	Heather Garcia
<b>Legislative File:</b>	AGR0794-21

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### Title

Approval of General Services Agreement No. AGR 21-57 with IC System in the amount of fourteen and one-half percent (14.5%) of any recovered amount on all referral accounts for the Purpose of Accounts Receivable Collection Services.

### Recommended Action

**I move that the Board of Public Utilities endorse General Services Agreement No. AGR 21-57 with IC System, not to exceed, fourteen and one-half percent (14.5%) of any recovered amount on all referral accounts for the purpose of Accounts Receivable Collection Services and forward to Council for approval.**

### Utilities Manager Recommendation

The Utilities Manager and staff recommend approval of the motion as presented.

### Body

County staff currently performs initial collection activities for utility, landfill, and miscellaneous receivables for accounts less than (120) days past due. As of December 31, 2020, the County Utilities' outstanding accounts receivables over (120) days past due was approximately \$187,000. Collection activities for accounts over (120) days past due have not been conducted since the implementation of a new Enterprise Resource Planning system in 2018.

The County outsources the billing of ambulance services to Credit Bureau Systems, Inc. dba Ambulance Medical Billing ("AMB"). AMB is responsible for collections during the first 90-120 days after billing. The County, through AMB, will turn over ambulance accounts greater than (120) days past due to the Contractor. The County anticipates ambulance receivables turned over for collection services will total between \$50,000-\$150,000 per year.

The Department of Public Utilities (DPU) issued a Request for Proposal (RFP) soliciting for qualified contractors to provide accounts receivable collection services. Of the responses received and evaluated, IC System was selected by the RFP evaluation committee based on several factors including effectiveness and efficiency of process, experience and expertise, and cost.

Founded in 1938, IC System provides collection services to city, county, and state municipalities throughout the U.S. With dedicated government collection representatives who are experienced in utility accounts, nonprofit medical clinics, and emergency ambulance services. IC System utilizes a proprietary software, ICE (Intelligent Collections Engine), which is a web based to increase access and ease for customers and provide account transparency. IC System undergoes a comprehensive network and system security assessment on a regular basis through a third-party information security management company. IC System also will provide the county with skip tracing and data scrubbing services, which will require minimal data to be collected by the county and transferred for collection activities.

The term of contracted services with the selected vendor is seven years, commencing December 8,

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2021, through December 7, 2028. The county shall pay IC System, not to exceed, fourteen and one-half percent (14.5%) of any recovered amount on all referred accounts. Collected payments, less contractor's service fee, will be transferred monthly to the county via electronic wire transfer.

### **Alternatives**

Collection efforts will continue in the Customer Care Center as normal. Accounts that are inactive and older than 4 years of age will be brought forth in a resolution to board and council as uncollectible.

### **Fiscal and Staff Impact**

Any inactive accounts over 120 days past due that are collected by IC System will improve uncollected accounts receivable amounts and increase revenue.

### **Attachments**

A - AGR21-57 IC System

B - RFP21-57 Accounts Receivable Collection Services with Addendum