

February 24, 1999

Financial Affairs
Richard H. Hinds, Chief Financial Officer

SUBJECT: REQUEST FOR AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSAL (RFP) FOR SERVICES OF A COLLECTION AGENCY

The purpose of this RFP is to select a collection agency that can provide collection services required to collect the district's outstanding delinquent accounts receivable balances. The approximate delinquent accounts receivable total is \$630,000, and is mainly composed of past due balances owed by current/prior employees, and outside agencies. Since the majority of the delinquent amounts are from inactive employees and are small dollars, it would be more beneficial and cost effective for the district to employ a collection agency with the expertise to collect on these types of receivable accounts.

Payment to the collection agency will be only made for successful collections, and based on a pre-determined percentage fee calculated from the amount collected. This type of collection fee arrangement is inconsequential, in terms of cost, when considering that most of the delinquent amounts would have resulted in a write-off, and absorbed in full by the district. Another option, as described on the RFP, is for a collection agency to purchase our entire delinquent receivable balance at a negotiated price (i.e., cents on the dollar), which would entitle the agency to collect and retain the full receivable balance.

Engaging a collection agency to recover delinquent receivable balances has become standard procedure with most major business entities, and it used effectively to minimize write-offs and costly internal collection efforts.

RECOMMENDED: That The School Board of Miami-Dade County, Florida authorize the Superintendent to advertise and distribute a Request for Proposal to obtain the services of a collection agency, and approve the appointment of the Selection Committee to review the proposals and to present a recommendation to the Superintendent for recommendation to the Board.

RHH:lf

REQUEST FOR PROPOSAL

COLLECTION AGENCY SELECTION

MIAMI-DADE COUNTY PUBLIC SCHOOLS

OFFICE OF ACCOUNTING

February 1999

G-12

REQUEST FOR PROPOSAL (RFP)

A. RFP REQUESTER

The School Board of Miami-Dade County, Florida
Office of Accounting
1450 N.E. 2nd Avenue, Suite 664
Miami, FL 33132

B. GENERAL INFORMATION

Miami-Dade County Public Schools (M-DCPS), the fourth largest school district in the United States, is seeking a collection agency that can provide the necessary accounts receivable collections services to reduce, through successful collections, the district's delinquent receivable accounts. Current accounts receivable are composed of employee salary overpayments, students restitution, and payments due from outside agencies or miscellaneous business transactions. At this time, the delinquent balance of this group of accounts total approximately \$630,000.

C. REQUIREMENTS FROM PROPOSERS

Proposers must meet the following requirements and be ready to start collection proceedings upon acceptance by The School Board of Dade County, Florida:

1. Payment to collection agency for collected delinquent balances will be made based on a fixed percentage fee, submitted by the proposer in response to this RFP. The payment for each collected amount will be calculated by multiplying the percentage fee by the recovered amount. No other collection costs will be paid by M-DCPS. An alternative option, that would be considered by the district, will require the collection agency to purchase the entire delinquent receivable balance at a discount, with the agency assuming total ownership and collection rights.
2. The above stipulated collection fee will be paid to the collection agency within 45 days from the date the delinquent balance is received by M-DCPS.
3. Collection agency must notify delinquent accounts to submit their past due balances directly to M-DCPS. In the event that a past due payment is made directly to the collection agency in error, such payment must be submitted to M-DCPS immediately.

4. The collection agreement can be established for 1 year, and may by mutual agreement, between M-DCPS and the collection agency, be renewable for 4 additional one year periods.

D. TERMS OF CONTRACT

The School Board, by law, must reserve the right to cancel the contract at the end of the year of the contract term, as well as in the event the services rendered do not comply with the provisions of the proposal and/or the quality of services is found undesirable. The proposer shall comply with all municipal, state, and federal statutes prohibiting discrimination. The proposer shall, at all times, comply with local, state, or national standards for the provision of services, whichever is more stringent. The Board shall have the right to cancel the agreement for unacceptable performance at any time, giving the other party sixty (60) days prior notice.

E. REQUIRED INFORMATION TO BE SUBMITTED BY PROPOSER

Proposer must submit information listed below, as well as other information specified elsewhere in this RFP.

1. Proposer's fee (i.e., percentage fee charge used for calculating the amount due the collection agency for collected delinquent amounts), and collection procedures/arrangement.
2. List of collection agency's current customers of comparable size, that can be used by M-DCPS as a source of reference.
3. Any other information or additional service/incentive that can be used by M-DCP in the RFP comparison and award process.
4. The signature of the authorized person empowered to submit this proposal.

F. EVALUATION OF PROPOSALS

Proposals will be evaluated by representatives of the school district in order to ascertain which proposal best meets the need of the district. The evaluation of the proposals will be made on or about May 14, 1999, by a committee consisting of the following members:

- An administrator from the Office of Accounting
- An administrator from the General Accounting Department
- A representative from Internal Audits
- A representative from the Division of Procurement Management

Evaluation considerations will include, but are not limited to the following:

1. Responsiveness of the proposal, clearly stating an understanding of the work to be performed and meeting all the guidelines.
2. Expertise in delinquency receivable collections, and the ability to respond in timely, accurate manner to the district's requirements.
3. Lowest collection fee charged to the district for successful collections.
4. The school district reserves the right to reject any and all proposals submitted. No debriefing or discussion will be held with unsuccessful proposers.

G. AFFIRMATIVE ACTION REQUIREMENTS AND M/WBE PARTICIPATION

1. Equal Employment Opportunity

It is the policy of the School Board that no person will be denied access, employment training, or promotion on the basis of gender, race, color, religion, ethnic, or national origin, political beliefs, marital status, age, sexual orientation, social and family background, linguistic preference, or disability, and that merit principles will be followed.

Each proposer shall be required to indicate its equal employment policy and provide a detailed breakdown by ethnicity, gender, and occupational categories of its work force.

2. Minority/Women Business Enterprise (M/WBE) Participation

The School Board of Miami-Dade County, Florida, has an active Minority/Women Business Enterprise Program to affirmatively increase the level of Minority/Women Business Enterprise participation to the maximum percentage of total annual expenditures. In order to achieve its assistance levels, the Board provides the maximum opportunity for Minority/Women Business Enterprise participation.

In keeping with this policy, each proposer will be required to state its Minority/Women Business Enterprise utilization. If a minority firm, which is a woman-owned and operated, or African American owned and operated, is utilized in conjunction with the scope of work, the proposer is to indicate the scope of the minority proposer's work, experience in this type of required service, and experience of staff participating.

All Minority/Women firms must be certified by the Division of Business Development and Assistance prior to contract award.

3. M/WBE Documentation Requirements

A quarterly report documenting efforts undertaken by the proposer to maintain the stipulated M/WBE participation will be required. The report shall include the names of firms, contact persons and expenditures paid to date. The report shall be submitted to the Director, Division of Business Development and Assistance, 1450 N.E. 2nd Avenue, Room 456, Miami, Florida 33132.

H. PROOF OF PROFESSIONAL LIABILITY INSURANCE REQUIREMENTS

The successful proposer, if selected for this RFP, shall agree to provide proof of Professional Liability Insurance and to the following language:

The proposer shall hold harmless, indemnify and defend indemnitees (as hereinafter defined) against any claim, action, loss, damage, injury, liability, but not by way of limitation, attorney's fees and court costs arising out of bodily injury to persons including death, or damage to tangible property arising out of or incidental to the performance of this Contract (including goods and services provided thereto) by or on behalf of the proposer, excluding only the sole negligence or culpability of the indemnitee. The following shall be deemed to be indemnitees: The School Board of Miami-Dade County, Florida, and its members, officers and employees.

I. PROOF OF INSURANCE COVERAGE REQUIREMENTS

At the time an award is made, the successful proposer shall be responsible for providing the School Board with certificates of insurance which indicate that insurance coverage has been obtained and meets the requirements as outlined below:

1. Workers' Compensation Insurance for all employees of the proposer as required pursuant to the provisions of Section 440, Florida Statutes.
2. Commercial General Insurance on a comprehensive basis in an amount not less than \$300,000 combined single limit per occurrence. The School Board of Miami-Dade County, Florida, its employees and agents must be listed as an additional insured on the policy.
3. Automobile Liability Insurance covering all owned, non-owned and hired vehicles used in connection with the work as outlined in this RFP, in an amount not less than \$300,000 combined single limit per occurrence for bodily injury and property damage liability.
4. Proof of Professional Liability (e.g., medical malpractice) Insurance in the name of the proposer, with limits of liability not less than \$1,000,000 per wrongful act.

All certificates of insurance submitted must be issued by companies authorized to conduct business under the laws of the State of Florida, with an A.M. Best rating

(most currently published) must be no less than 'B + ' as to management, and no less than 'Class V' as to financial strength. Certificates shall indicate no modification in insurance be made within thirty (30) days advanced written notice to the additional named insured or certificate holder.

J. IMPLEMENTATION SCHEDULE

The planned schedule for implementation of proposals is as follows:

- Request Board Approval to issue RFP March 17, 1999
- Procurement Contract Review Committee March 19, 1999
- Mailing of Request for Proposal March 26, 1999
- Opening of Proposals May 7, 1999
- Evaluation Completed by Selection Committee May 14, 1999
- Recommended to School Board for Approval June 9, 1999

K. ADDITIONAL INFORMATION

The following individual should be contacted for any additional information with respect to this Request for Proposals:

Mr. Leo Fernandez, Coordinator
Office of Accounting
Miami-Dade County Public Schools
1450 N.E. 2nd Avenue, Room 664
Miami, Florida 33132
(305) 995-2001

Any additional information regarding proposal procedures may be obtained from:

Ms. Barbara McCants, Supervisor
Bureau of Procurement and Materials Management
Miami-Dade County Public Schools
1450 N.E. 2nd Avenue, Room 356
Miami, Florida 33132
(305) 995-2348