



**City of Kingston
Report to Council
Report Number 16-107**

To:	Mayor and Members of Council
From:	Cynthia Beach, Commissioner, Corporate & Strategic Initiatives
Resource Staff:	Susan Nicholson, City Solicitor and Director of Legal Services
Date of Meeting:	March 22, 2016
Subject:	Award of Contract for Collection Agency Services

Executive Summary:

Council approval is being sought for the award of a contract to a licensed collection agency to provide collection services for defaulted outstanding Provincial Offences fines as well as overdue accounts from other City departments. The City last invited proposals for collection agency services in 2010 and much has changed in the market since that time. The contract with that selected agency in 2010 is at the end of its term and market information on current collection agency service levels and methods of collections was sought out through Request for Proposals (RFP) F31-CSI-OCS-2015-1 issued to the industry in November 2015.

Recommendation:

That Council authorize the Mayor and City Clerk to enter into a non-exclusive agreement with Credit Bureau of Canada Collections in a form satisfactory to the Director of Legal Services to provide collection services for defaulted outstanding Provincial Offences fines as well as overdue accounts from other City departments; and

That Council authorize the Mayor and City Clerk to also enter into an agreement with Partners In Credit Inc. in a form satisfactory to the Director of Legal Services to provide collection services for defaulted outstanding Provincial Offences fines as well as overdue accounts from other City departments upon the determination by the Director of Legal Services that the services of a second collection agency would benefit the City by increasing the collection rate of the outstanding defaulted accounts.

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Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER
**Cynthia Beach, Commissioner,
Corporate & Strategic Initiatives**

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER
Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Lanie Hurdle, Community Services	Not required
Denis Leger, Transportation, Facilities & Emergency Services	Not required
Jim Keech, President and CEO, Utilities Kingston	Not required
Desiree Kennedy, Chief Financial Officer & City Treasurer	

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Options/Discussion:

In November 2015, the City of Kingston issued Request for Proposals (RFP) F31-CSI-OCS-2015-1 seeking the services of one or more qualified, licensed collection agencies to provide contract collection services for Provincial Offences fines owing to the City of Kingston, as well as other City departments. The specialized professional service of the collection agency complements the internal collection processes of the City.

The City last invited proposals for collection agency services in 2010 and much has changed in the market since that time including service levels and collection strategies. The contract with the agency selected in 2010 is at the end of its term and has continued to be under contract with the City on a year to year basis. Eight proposals were submitted in response to the RFP.

The submissions indicated that all collection agency fees are added to the total amount owed by the debtor so there is no financial impact or direct cost to the City to retain collection agency services. However, the City determined that the percentage rate charged by the chosen collection agency can vary. A commission rate that is considerably higher than the average could be seen as unfair to the debtor and inconsiderate of their ability to pay. Credit Bureau of Canada Collections is selected based on the commission percentage rate as well as the collection strategies used. The retention of a second collection agency is being requested in order that files that one agency is unable to collect on, may be collectable by another agency. The City proposal is to reserve the ability to engage the services of the second agency if it determined a greater collection of debt could be achieved.

Existing Policy/By-Law:

By-Law No. 2000-134, "A By-Law to Establish Purchasing Policies and Procedures for the City of Kingston", as amended.

Notice Provisions:

There are no notice requirements with this report.

Accessibility Considerations:

There are no accessibility considerations with this report.

Financial Considerations:

There are no direct financial costs to the City in the award of this contract as all collection agency fees and taxes are added to the debtor's account and paid by the debtor.

Contacts:

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Wendy McCafferty, Court Administrator, 613-546-4291, x 1615

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Other City of Kingston Staff Consulted:

Jeff Walker, Manager, Taxation & Revenue

Laird Leggo, Supervisor, Property Tax, Revenue & Collections

Lillian Sleeth, Collections Officer

Alan McLeod, Senior Legal Counsel

Angela Brown, Manager of Accounting

Exhibits Attached:

There are no exhibits attached to this report.