



Legislation Details (With Text)

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On agenda: 1/12/2022 **Final action:**

Title: Authorize Supplemental Agreement No. 1 to exercise the first of two, two-year renewal options, to the service contract with Southwest Credit Systems, L.P., for the collection of delinquent utility and other miscellaneous accounts - Estimated Net Revenue: \$586,000

Sponsors:

Indexes: 100

Code sections:

Attachments: 1. Resolution

Date	Ver.	Action By	Action	Result
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STRATEGIC PRIORITY: Government Performance & Financial Management

AGENDA DATE: January 12, 2022

COUNCIL DISTRICT(S): All

DEPARTMENT: Office of Procurement Services

EXECUTIVE: Elizabeth Reich

SUBJECT

Authorize Supplemental Agreement No. 1 to exercise the first of two, two-year renewal options, to the service contract with Southwest Credit Systems, L.P., for the collection of delinquent utility and other miscellaneous accounts - Estimated Net Revenue: \$586,000

BACKGROUND

This Supplemental Agreement will provide for continued collection of delinquent utilities and other miscellaneous accounts. Dallas Water Utilities (DWU) bills for water, sewer, sanitation, and stormwater services to over 320,000 customers. To provide due process, DWU sends delinquent, termination, and/or final bill notices to its customers who are past due in paying for services already rendered.

In FY 20-21 DWU billed approximately \$1 billion and the internal average collection rate is historically 96 percent. After internal staff collection efforts are exhausted, accounts that remain delinquent and/or uncollected are turned over to the City Attorney’s Office or the awarded contractor as the third-party collection company to pursue additional collection strategies, such as progressive customer contacts and credit bureau reporting.

With the onset of the pandemic in March 2020, DWU ceased all dunning and collection activities to assist Dallas residents as they maneuvered the many economic hardships of COVID-19. In October 2021, DWU resumed dunning and collection activities. During this time no new collection files were sent to the third-party collection agency.

Delinquent accounts greater than \$5,000 will be referred to the City Attorney's Office. At its discretion, the City Attorney's Office may refer those delinquent accounts to the awarded contractor as the third-party collection company. All accounts equal to or less than \$5,000 will be referred to the awarded contractor.

On November 10, 2015, the City Council authorized a living wage policy that requires contractors to pay their employees a "living wage" rate as established annually by the Massachusetts Institute of Technology Living Wage Calculator for Dallas County by Resolution No. 15-2141. This contract renewal option includes the most current living wage of \$10.37.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On August 24, 2016 City Council authorized a five-year collection agency services contract, with two two-year renewal options, for the collection of delinquent utility and other miscellaneous accounts with Southwest Credit Systems, L.P. by Resolution No. 16-1307.

[City Council was briefed by memorandum regarding this matter on December 30, 2021. <https://dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/DWU-Third-Party-Collections_Council-Memo_12.30.21.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/DWU-Third-Party-Collections_Council-Memo_12.30.21.pdf)

FISCAL INFORMATION

Estimated Net Revenue: \$586,000.00

M/WBE INFORMATION

In accordance with the City's Business Inclusion and Development Policy adopted on September 23, 2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

Contract Amount	Procurement Category	M/WBE Goal	M/WBE %	M/WBE \$
\$586,000.00	Revenue	N/A	N/A	N/A
• The Business Inclusion and Development Policy does not apply to Revenue contracts.				
• Southwest Credit Systems, L.P. - Non-local; Workforce - 0.00% Local				

OWNER

Southwest Credit Systems, L.P.
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Carrollton, TX 75007

Jeff A. Hurt, Chief Executive Officer
Jeff Hazzard, President