



**Request for City Council Committee Action
From the Department of Public Works**

Date: May 15, 2007

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Subject: Award of a contract to NCO Financial Systems for subrogation services for the City.

Recommendation:

Authorize proper City officers to enter into a one-year contract as a pilot project.

Previous Directives: None

Prepared by: Prab Rao, Director Equipment Services Division

Approved by: _____
Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Prab Rao, Director Equipment Services Division
Gary Dahl, Business Manager

Permanent Review Committee (PRC) Approval – 1/11/2007 Not applicable

Policy review Group (PRG) Approval _____ Not applicable X

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget (If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Business Plan: Action is within the plan. Action requires a change to plan.

Other financial impact (Explain): **Maximize return to the City through more effective subrogation and collection follow up.**

Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

Community Impact:

Neighborhood Notification: Not Applicable

City Goals: Not Applicable

Comprehensive Plan: Not Applicable

Zoning Code: Not Applicable

Background/Supporting Information:

Over the years, Regulatory Services, Public Works, Finance and Attorneys have met and discussed the effectiveness of collections of monies due from third parties to the City for vehicle accidents and damage to City property. The consensus was that the City lacked the resources to fully pursue cases and that a provider who specializes in such subrogation collections should be contracted.

Subrogation services involve appointing a third party to represent the City's interests to negotiate and settle monetary disputes which are beyond simple collection services.

In January of this year, a Request for Proposal (RFP) was sent to potential service providers for a 12-month pilot to provide enhanced subrogation and collection services. Four proposals were received. The Equipment Services Division (ESD) of Public Works, which spearheaded the initiative, established a team with representation from Regulatory Services, Attorneys, Finance, Risk Management and PW Management Division along with ESD personnel to evaluate the proposals and recommend a successful proposer.

The committee, after much deliberation, identified one firm, NCO Financial Systems of Atlanta to interview. The opinion of the committee was confirmed after the interview that this firm provided the best expertise, experience and charge rates for the City and the committee recommended contracting with them for this pilot project.