



Detroit Water and Sewerage Department

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Legislation Details (With Text)

File #: 22-0829 **Version:** 1 **Name:**

Type: Contract **Status:** Passed

In control: Financial Services

On agenda: 6/15/2022 **Final action:** 6/15/2022

Title: The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to approve DWSD Contract No. 6003971 to piggyback City of Detroit Contract 6002274 with Harris & Harris, Ltd., to provide 3rd Party Collection Services for all DWSD facilities for a duration of 15 months. This is a revenue contract with no payments made to the vendor. The vendor is compensated by retaining 13.2% of all amounts collected. This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Indexes: Board of Water Commissioners, Finance Committee

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
6/15/2022	1	Board of Water Commissioners	approved	Pass

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **approve DWSD Contract No. 6003971 to piggyback City of Detroit Contract 6002274 with Harris & Harris, Ltd., to provide 3rd Party Collection Services for all DWSD facilities for a duration of 15 months. This is a revenue contract with no payments made to the vendor. The vendor is compensated by retaining 13.2% of all amounts collected.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of June 15, 2022

Item No.: 22-0829

Contract No: 6003971

Contractor: Harris & Harris, Ltd., 111 W. Jackson Blvd., Suite 400, Chicago, IL 60604

Contract Amount: \$0.00

Contract Term: 7/1/22 - 9/30/23 (15 months)

TO: The Honorable
Board of Water Commissioners
City of Detroit, Michigan

FROM: Gary Brown, Director
Water and Sewerage Department

RE: **Proposed DWSD Contract No. 6003971**
3rd Party Collection Service
Harris & Harris, Ltd.

MOTION

Upon recommendation of Marqicha Welch, Procurement Manager, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **approve DWSD Contract No. 6003971 to piggyback City of Detroit Contract 6002274 with Harris & Harris, Ltd., to provide 3rd Party Collection Services for all DWSD facilities for a duration of 15 months. This is a revenue contract with no payments made to the vendor. The vendor is compensated by retaining 13.2% of all amounts collected.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND / JUSTIFICATION

Third-party collection agencies are in business to collect debts on behalf of others, and represent a wide variety of creditors, such as hospitals, car dealers, and others. Collection agencies specialize in collecting the balance-in-full from the debtor while trying to avoid litigation.

DWSD intends to send roughly 32,000 inactive residential, commercial and industrial accounts with a total outstanding debt of approximately \$30,000,000.00. These accounts no longer bill active charges but carry a debt from previous services. The City of Detroit is currently contracted with this vendor to provide collection of personal property tax, income tax, Fire/EMS and general receivables. DWSD is requesting a piggyback off the City of Detroit contract.

This will be a revenue based contract. The contractor will retain a 13.2% fixed percentage amount from the collection of these delinquent accounts.

PROCUREMENT METHOD

DWSD Legal Department is requesting to piggyback on an existing Contract 6002274. The Office of Contracting and Procurement issued Request for Bids (RFB) #19MA2769 for debt collection services in 2019. The award to the lowest equalized bidder, Harris & Harris, was approved by City Council on 11/5/19. The contract will expire on 9/30/23.

DWSD Procurement has confirmed that the vendor has agreed to the request to piggyback off the City's contract and also confirmed that the DWSD work will not significantly change, alter or remove from their ability to provide services to the City of Detroit.

This contract was initiated through requisition #496439 which was approved on 3/31/22. The vendor's insurance is current, clearances are approved and expire 5/9/23. Since this is a piggyback contract, a vendor signed contract is not required. Per DWSD procurement protocol, no additional approvals are required.

SUMMARY

A. Contract Number:	6003971
B. Contractor:	Harris & Harris, Ltd.
C. Contract Term:	7/1/22 - 9/30/23
D. Contract Amount:	\$0.00
E. Fiscal Year (FY) Breakdown:	\$0.00
F. Funding Source:	N/A
G. GL Strings:	

5720-20168-483101-613100-000204-10790-0000-000000 - 30% Water
5820-20179-493101-613100-000225-15805-0000-000000 - 70% Sewer

This contract was presented to the BOWC Finance Committee on June 1, 2022. Per the DWSD Procurement Policy, no additional approvals are required.