



Board of Alderman Request for Action

MEETING DATE: 5/17/2022

DEPARTMENT: Finance

AGENDA ITEM: Resolution 1071, Renewal of Contract for Collection Services with I.C. System, Inc.

REQUESTED BOARD ACTION:

A motion to approve Resolution 1071, renewing a contract with I.C. System, Inc. for collection services.

SUMMARY:

On June 4, 2019, the City entered into an initial contract with I.C. System, Inc. for collection services. These collection services have allowed the City to enforce collection on delinquent accounts owed to the City, primarily for water, wastewater and trash/recycling provision.

While attempting to maximize the City's collections, it is critical that the objective be achieved without negative exposure to the City and with careful consideration of consumer's rights. In dealing with debtors, I.C. System, Inc. has conducted its collection business in a professional manner, which has preserved the dignity of the City and its relationship with its citizens. Furthermore, the City's commitment to a customer-focused process has been honored throughout the collection cycle. In the attached agreement, I.C. System, Inc. has decreased the debtor collection fee rate to 20% (down from 21% in the previous agreement). This rate continues to stand out as a competitive rate amongst collection services.

PREVIOUS ACTION:

The Board approved Resolution 701 to enter into a contract with I.C. System, Inc. for collection services from June 2019 through the end of May 2022.

POLICY OBJECTIVE:

Contract for collection services on delinquent utility accounts

FINANCIAL CONSIDERATIONS:

Collection services assist the City in recouping monies that would otherwise be unretrievable on delinquent utility accounts.

ATTACHMENTS:

- | | |
|--|--|
| <input type="checkbox"/> Ordinance | <input checked="" type="checkbox"/> Contract |
| <input checked="" type="checkbox"/> Resolution | <input type="checkbox"/> Plans |
| <input type="checkbox"/> Staff Report | <input type="checkbox"/> Minutes |
| <input type="checkbox"/> Other: | |

RESOLUTION 1071

A RESOLUTION EXTENDING A CONTRACT FOR COLLECTION SERVICES

WHEREAS, the City continues to enforce collections on delinquent accounts owed to the City; and

WHEREAS, I.C. System, Inc. has provided collection services to the City of Smithville for the past three years on delinquent accounts owed to the City, primarily for water, wastewater, and trash/recycling services; and

WHEREAS, I.C. System, Inc. has provided this service to the City with satisfactory performance while dealing with debtors in a professional manner; and

WHEREAS, the City wishes to extend a contract to I.C. System, Inc. for the continuation of collection services for an additional three years,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF SMITHVILLE, MISSOURI:

THAT is hereby awarded to I.C. System, Inc. and the Mayor is hereby authorized to execute an agreement for collection services.

PASSED AND ADOPTED by the Board of Aldermen and **APPROVED** by the Mayor of the City of Smithville, Missouri, the 17th of May 2022.

Damien Boley, Mayor

ATTEST:

Linda Drummond, City Clerk

Amendment to
CONTRACT AGREEMENT PERTAINING TO
BID No. 19-12, RESOLUTION 701

This Extension Amendment ("Amendment") to Premier Collect Agreement ("Contract") is entered into by and between City of Smithville, MO ("City") and I.C. System, Inc., a Minnesota corporation located at 444 Hwy 96 E, Saint Paul, MN 55127 ("Contractor").

RECITALS

- A. Contractor and City entered into Contract dated June 4, 2019.
- B. Contract has an end date of May 31, 2022.
- C. Contractor and City intend to extend the term of the Contract for three years.
- D. Contractor and City have agreed to lower the City's contingency fee from 21% to 20%.

NOW, THEREFORE, it is hereby agreed as follows:

- 1. The Contract end date is hereby extended to May 31, 2025.
- 2. The Contract section titled Contingency Charges is amended to read as follows:

CONTINGENCY CHARGES

20% less than 1 year/20% over 1 year

- 3. Except as expressly provided in this Amendment, all other terms and conditions of the Contract (including any amendments thereto) shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have caused this Amendment to be executed by their duly authorized agents as of the date written below ("Effective Date").

I.C. SYSTEM, INC.

By: 

Name: John Erickson, Jr.

Title: President and CEO

Date: May 12, 2022

CITY OF SMITHVILLE, MO

By: _____

Name: _____

Title: _____

Date: _____