



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 6, 2018

FROM: RIVERSIDE PUBLIC LIBRARY WARD: ALL

**SUBJECT: AGREEMENT FOR COLLECTION SERVICES WITH UNIQUE
MANAGEMENT SERVICES, INC., FOR COLLECTION OF LIBRARY
OVERDUE FINES IN AN AMOUNT NOT TO EXCEED \$10,000 ANNUALLY
FOR A TOTAL OF \$50,000 FOR A TERM ENDING JUNE 30, 2023**

ISSUES:

Approve an agreement for collection services with Unique Management Services, Inc., from Jeffersonville, Indiana, to provide collection services for Library overdue fines in an amount not to exceed \$10,000 annually for a total of \$50,000 for a term ending June 30, 2023.

RECOMMENDATIONS:

That the City Council:

1. Approve the agreement for collection services with Unique Management Services Inc., for the collection of Library fines in an amount not to exceed \$10,000 annually for a total of \$50,000 for services provided during Fiscal Year 2018/2019;
2. Authorize the City Manager, or his designee, to execute the agreement for collection services with Unique Management Services, Inc., including making minor and non-substantive changes; and
3. Authorize the City Manager, or his designee, to execute up to four one-year extensions of the agreement term, provided that annual amounts are included in subsequent approved budgets.

BACKGROUND:

On September 20, 1996, the City of Riverside entered into an agreement with Unique Management Inc., to provide collection agency services for the Riverside City Public Library. Since this time, the Riverside Public Library has used Unique Management Services to provide collection services for customers with fines exceeding \$50.

On November 25, 2013, the City of Riverside entered into an agreement with Unique Management Services Inc., for collection services through June 30, 2018, at the rate of \$8.95 per account sent to collections.

On June 12, 2018, the Master Fees and Charges Schedule Resolution was approved for adoption by the City Council along with the City annual budget required annually per Riverside Municipal Code Chapter 3.30 Section 3.30.040 to include the Library fines.

Fines are collected at each of the eight (8) library locations via cash or credit card transactions. Library customers are allowed to maintain a balance under \$5.00 and still check out materials. If a customer's balance exceeds \$5.00, their material checkout and computer usage privileges are blocked. In Fiscal Year 2017/2018 the Riverside Public Library generated \$66,680 in revenue from fines collected for overdue books and lost or unreturned materials.

DISCUSSION:

Under the Scope of Services Agreement, Unique Management Services Inc., charges the City of Riverside the cost of \$8.95 for each account referred for collection activity. The Library has budgeted approximately \$10,000 in Fiscal Year 2018/2019 for collection services provided by Unique Management Services Inc.

Services provided by Unique Management Services (UMS) Inc., interface with the Library's Polaris database in order to directly download customer accounts eligible for "placement" pursuant to the terms of the Scope of Services Agreement.

The Library is seeking to contract with Unique Management Services for a five year agreement not to exceed \$50,000 in accordance with Purchasing Resolution No. 23256, Sections 602(c) which allows for exceptions to the competitive procurement process when procurement can only be obtained from a sole source or timely from single source.

Unique Management Services is the sole source provider of collection services that is compatible with the library database. Due to the interface required to download customer records directly into the UMS system, no other companies exist that offer this critical infrastructure to provide this service. The Purchasing Manager concurs that the recommended action is in compliance with Purchasing Resolution No. 23256

All funds are paid directly to the City. As necessary, Unique Management Services Inc., provides skip-tracing services to locate debtors with inaccurate or no address available and provides the corrected addresses to the City on a monthly basis. Unique Management Services Inc., also provides a monthly report to the City with details for each debtor, the value of materials returned, money received, charges waived and balance due.

A comparison below, of Fiscal Year 2013/2014 and Fiscal Year 2017/2018, indicates the overall cost to the City has decreased and the return on investment has increased. Return on investment is calculated by dividing Revenue Collected by UMS and Paid to the City by Total Cost for UMS Agreement.

Return on Investment Comparison		
	Fiscal Year 2013/2014	Fiscal Year 2017/2018
Cost Per Account Referred to UMS for Collection	\$8.95	\$8.95
Total Accounts Referred	1,450	921
Total Cost for UMS Agreement	\$12,977.50	\$8,242.95
Revenue Collected by UMS and Paid to the City	\$70,975.00	\$66,680.00
Return on Investment	\$5.47	\$8.09

FISCAL IMPACT:

The fiscal impact of this agreement with Unique Management Services Inc., is not to exceed \$10,000 annually for a total of \$50,000 through June 30, 2023. Anticipated revenue from this agreement is approximately \$65,000 per year for a total of \$325,000 through June 30, 2023. Funding for this item was included in the Fiscal Year 2018-2020 Two Year Budget adopted by City Council on June 12, 2018, with funding available in Professional Services Account 5135000-4210000.

Prepared by: Erin Christmas, Library Director

Certified as to
availability of funds: Edward Enriquez, Interim Chief Financial Officer/City Treasurer

Approved by: Lea Deesing, Assistant City Manager

Approved as to form: Gary G. Geuss, City Attorney

Attachments: Agreement