

Memorandum



CITY OF DALLAS

DATE November 7, 2014

TO Honorable Mayor and Members of the City Council

SUBJECT November 12, 2014 City Council Agenda, Addendum Item #14

Please find attached responses to questions from the November 5, 2014 City Council Briefing on Dallas Municipal Court's Third Party Collections Contract.

1. What is the ethnic composition of submitting vendors and are they certified M/WBE vendors?

While none of the proposers are certified M/WBE providers, the recommended agency has diversity within its staff consisting of 79% minority and 12% white female. Attached is the ethnic composition provided by each proposer. We are requesting additional ownership information to provide to Council.

2. What are the results of staff checking references?

Those providing references included: the city of Austin, TX; California's Riverside County Superior Court, the State of Hawaii Judiciary, and the city of Farmers Branch, TX. References were asked to rate MSB (Municipal Services Bureau) on a series of questions pertaining to: performance, responsiveness, quality of service. In summary, all entities provided favorable references stating that MSB provides top quality work, is highly responsive and exceeds expectations. All references rated the vendor 10 out of 10.

3. What are the mechanics associated with MSB's guarantee?

Third party collection efforts will be tracked and reconciled on a monthly basis. At the conclusion of the contract year, a final annual reconciliation will be performed to determine if MSB is required to pay the City any outstanding sums as defined by the agreed upon contract. As specified in the proposed contract, MSB will be required to pay the City within 10 days of written notification. As additional protection, the City can call upon the Surety of the \$1m annual performance bond to honor its commitment to perform on behalf of MSB. As with any contract, if a breach of contract occurs, the City can terminate the contract with 30 days advanced notice and pursue litigation to satisfy commitments.

4. What technique or methodologies will MSB be employing that makes them confident they can meet the minimum guarantee?

MSB represents that historically when they take over from a previous contractor, they can collect a substantially higher collection percentage over the prior vendor. Specifically, they have a proven model for liquidating aged cases in the existing portfolio. MSB set forth an extensive plan in their proposal to address challenging cases, details of which are proprietary.

As the City represented, the Municipal Court currently has over \$600m in older cases of which MSB is contractually obligated to collect \$15m over the three year term of the contract.

5. Does MSB sub-contract their collections staff?

MSB conducts all collection services in-house utilizing trained, bi-lingual staff to ensure professional and consistence performance. Historically MSB has utilized minority subcontractors for billboards advertisements, door hangers and other media and printed material and has committed to do the same with the Dallas contract. MSB has utilized minority subcontractors in other cities such as Chicago, IL, Houston, TX, Nassau County, NY and San Antonio, TX.

6. What is the history of court collections contracts?

MSB concluded its two year contract with the City in September, 2000. An optional one year renewal was exercised in September, 2000, with an additional six month extension exercised in September, 2001. The agreement between MSB and the city ended on good terms with the vendor satisfying all contractually agreed upon requirements.

At the conclusion of the 2002 contract, the service was then rebid. The solicitation was conducted as a bid with the highest estimated annual revenue being the only determining factor for award. Linebarger Goggan Blair & Sampson was awarded the contract in February, 2002, submitting a bid of \$27,352,560 over five years, versus MSB's bid of \$20,089,815. At the conclusion of the 2002 contract, a new RFB procurement process took place. Linebarger Goggan Blair & Sampson was awarded the contract in December, 2006 with a winning bid guaranteeing \$48,001,926, versus MSB's bid of \$31,614,753.

7. Did MSB have a prior contract with Dallas County?

Per Dallas County, Linebarger has held the County's collections contract since 2004. They do not have records prior to 2004.

8. If we want to use Houston's model, how do we explore it?

Currently, the city of Houston is in the process of transition from a single vendor contract with Linebarger to a multi-vendor approach. Although the city of Houston has selected three vendors (MSB, GC Services and Linebarger), they have not finalized details. No specific implementation timeline has been identified, but discussions with Houston indicated it could be up to a year before the new format starts.

9. Of the delinquent citation portfolio, how much can be realistically collected?

While speculative calculations can be drawn, the following facts are known:

- 81% of the portfolio is for citations written within the last 10 years, and 31% is within the last 5
- Violation types: 60% Traffic (*most collectable*), 28% Quality of Life, 12% FTA/State/Ordinance
- Of what is paid, approximately 41.9% goes to City's Gen. Fund, 42.3% is State, and 15.8% is collection agency

10. What were the bid criteria for contracts initiated in 2002 and 2007? Why did we change the format?

The contracts in both 2002 and 2007 utilized a low bid format, which awarded solely based off revenue to the City. In preparing specifications for the current proposal, the City looked at a number of different collection methodologies as well as solicitation formats. As discussed during the November 5, 2014 briefing, the City's standard procurement process for complex contracts has since switched to the recommended proposal format. In contrast to bids, proposals allow for the following: 1.) vendor provided solutions to address the growing \$600m portfolio, 2.) flexibility to negotiate contracts terms, and 3.) consider multiple criteria that are relevant to the service other than revenue alone.

11. Please provide a list of instances Linebarger Goggan Blair & Sampson have provided work or incentives outside of their contractual obligations.

Information provided by Linebarger. Some of the following is associated with other City departments.

- Spearheaded 2001 legislation to enact state law allowing a 30% add-on fee to delinquent citations
- Historically spent \$100,000 each year to promote the State's Warrant Round Up program
- Waived \$550,000 in fees during the City's 2002 Amnesty program
- Provided \$8.8m in pro bono work for the City's Land Bank

[The preceding information was not part of the selection criteria.]

Please let me know if you have any further questions.



Eric D. Campbell
Assistant City Manager

c: A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council

Attachment A Submitted Ethnic Composition of Each Proposer

*This information is based on the Ethnic Workforce Composition Report Provided by the vendors in their proposals

Vendor MSB										
Employee classification	# of employees		White		Black		Hispanic		Other	
	M	F	M	F	M	F	M	F	M	F
Administrative / Managerial	20	21	12	9	0	3	7	6	1	3
Professional		1				1				
Technical	4					1	3			
Office / Clerical	68	222	19	31	14	72	31	107	4	12
Skilled										
Unskilled										
Seasonal										
	92	244	31	40	14	77	41	113	5	15
79% Minority 12% White Female	336		71		91		154		20	

Vendor GC Services										
Employee classification	# of employees		White		Black		Hispanic		Other	
	Male	Female	M	F	M	F	M	F	M	F
Administrative / Managerial	57	45	44	24	5	16	3	4	5	1
Professional	73	47	48	25	10	9	6	4	9	9
Technical	4	1	1	1	1	0	0	0	2	0
Office / Clerical	40	67	11	12	12	26	6	24	11	5
Skilled										
Unskilled										
Seasonal										
	174	160	104	62	28	51	15	32	27	15
50% Minority 19% White Female	334		166		79		47		42	

Vendor Linebarger										
Employee classification	# of employees		White		Black		Hispanic		Other	
	Male	Female	M	F	M	F	M	F	M	F
Administrative / Managerial	4	5	1	2	3	3				
Professional	7	9	4	4	1	3	2	2		
Technical										
Office / Clerical	10	54	2	10	6	21	2	20	0	2
Skilled										
Unskilled										
Seasonal										
	21	68	7	16	10	27	4	22	0	3
74% Minority 18% White Female	89		23		37		26		3	

Vendor Pioneer Credit Recovery, Inc.										
Employee classification	# of employees		White		Black		Hispanic		Other	
	Male	Female	M	F	M	F	M	F	M	F
Administrative / Managerial	78	83	68	80	5	2	3	1	2	0
Professional	1	1	1	1	0	0	0	0	0	0
Technical	0	0	0	0	0	0	0	0	0	0
Office / Clerical	250	757	220	632	12	63	13	44	5	18
Skilled	1	0	1	0	0	0	0	0	0	0
Unskilled	2	4	1	3	1	1	0	0	0	0
Seasonal	0	0	0	0	0	0	0	0	0	0
	332	845	291	716	18	66	16	45	7	18
14% Minority 61% White Female	1177		1007		84		61		25	

Vendor Ability Recovery Services										
Employee classification	# of Employees		White		Black		Hispanic		Other	
	Male	Female	M	F	M	F	M	F	M	F
Administrative / Managerial	2	16	1	9	0	7	1	0	0	0
Professional	16	18	14	10	2	8	0	0	0	0
Technical	2	0	2	0	0	0	0	0	0	0
Office / Clerical	0	0	0	0	0	0	0	0	0	0
Skilled	4	4	0	0	2	0	2	4	0	0
Unskilled	0	0	0	0	0	0	0	0	0	0
Seasonal	0	0	0	0	0	0	0	0	0	0
	24	38	17	19	4	15	3	4	0	0
42% Minority 31% White Female	62		36		19		7		0	

Penn Credit & AllianceOne did not provide

Memorandum



CITY OF DALLAS

DATE November 7, 2014

TO The Honorable Mayor and Members of the City Council

SUBJECT FY 2015-16 Consolidated Plan Budget for HUD Grant Funds Schedule of Neighborhood Public Hearings

Federal regulations and the City of Dallas Citizen Participation Plan (CPP) require that citizens be provided opportunities to participate in identifying needs and comment on potential uses of Consolidated Plan grant funds. Consolidated Plan grants include: Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA).

To comply with these requirements, the Community Development Commission (CDC) set meetings and developed the communication plan to solicit citizen input on the use of FY 2015-16 Consolidated Plan grant funds to be received from the U.S. Department of Housing and Urban Development (HUD).

In collaboration with the CDC, staff from the Grants Administration Division will conduct six (6) neighborhood public hearings during January 2015. As stated in the City's CPP, one neighborhood public hearing will be held outside of Dallas County where HOPWA funds are allocated.

English and Spanish versions of the public hearing schedule are attached. As recommended by the CDC, advertisements will be placed in the following newspapers: The Dallas Morning News, The Dallas Chinese Times/Asian Gazette, El Extra, Elite News and the Korea Daily Texas.

Notices will be posted at public hearing locations, recreation centers, libraries, on the City's webpage and the Dallas City News Network channel. Email notices will also be sent to homeowner and neighborhood associations.

This year to increase attendance and participation at neighborhood public hearings, advertisements will be made via social media sites (Facebook, Twitter and Instagram).

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "Jeanne Chipperfield".

Jeanne Chipperfield
Chief Financial Officer

Attachment

c: Community Development Commission
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager

January 2015 Neighborhood Public Hearings

CDBG



HOPWA



HOME



ESG



FY 2015-16 Consolidated Plan Budget for U.S. Department of Housing and Urban Development (HUD) Grant Funds

Thursday, January 8, 2015

Dallas City Hall L1FN Auditorium, 1500 Marilla Street, 7pm – 9pm

Monday, January 12, 2015

Willie B. Johnson Rec. Center, 12225 Willowdell Dr., 10am -12pm

Tuesday, January 13, 2015

MLK, Jr. Comm. Center (Seniors E), 2922 MLK, Jr. Blvd, 12:30pm -2:30pm

Tuesday, January 13, 2015 (HOPWA Meeting)*

Renner Frankford Library, 6400 Frankford Rd., 6pm – 8pm

Wednesday, January 14, 2015

Jaycee Zaragoza Rec. Center, 3114 Clymer St. 6pm – 8pm

Thursday, January 15, 2015

Tommie Allen Rec. Center, 7071 Bonnie View Rd., 10am – 12pm

These meetings are not related to the purchase of HUD homes.

For information on additional meeting please visit our website at www.dallascityhall.com or call our office at (214) 670-4557.



**YOUR Voice Creates
Action For YOUR
Community!!**
Public Hearings are held
to solicit citizen
comments on the
potential uses of FY 2015-
16 HUD grant funds.
Learn about....

Improvements for low-
income neighborhoods.

Eligible homeowners' and
senior assistance with
repairs and
improvements.

First-time homebuyers
with limited income for
mortgage down payment
assistance.

Housing or support for
individuals living with
HIV/AIDS and their
families.

OFFICE OF FINANCIAL SERVICES

1500 Marilla – Room 4FS
Dallas, Texas 75201
214-670-4557

Follow the City of Dallas on



Audiencias Publicas Enero de 2015

CDBG



HOPWA



HOME



ESG



Plan Consolidado del Presupuesto del Departamento de Vivienda y Desarrollo Urbano de los EEUU (HUD) Año Fiscal (AF) 2015-16 Fondos de Subsidio

Jueves 8 de Enero de 2015

Ayuntamiento de Dallas, Auditorio L1FN, 1500 Marilla Street, 7pm – 9pm

Lunes 12 de Enero de 2015

Centro Willie B. Johnson, 12225 Willowdell Dr., 10am -12pm

Martes 13 de Enero de 2015

Centro MLK, Jr. (Seniors E), 2922 MLK, Jr. Blvd, 12:30pm -2:30pm

Martes 13 de Enero de 2015 (Reunión HOPWA)*

Biblioteca Renner Frankford, 6400 Frankford Rd., 6pm – 8pm

Miércoles 14 de Enero de 2015

Centro Jaycee Zaragoza, 3114 Clymer St. 6pm – 8pm

Jueves 15 de Enero de 2015

Centro Tommie Allen , 7071 Bonnie View Rd., 10am – 12pm

**¡SU Voz Crea Acción Para
SU Comunidad!**
Las Audiencias Públicas
son realizadas para
solicitar comentarios
sobre los posibles usos
de los Fondos de
Subsidio de HUD para el
AF 2015-16
Aprenda sobre...

Mejoras a vecindarios de
bajos ingresos.

Asistencia en reparación y
mejoras a casas de
adultos mayores.

Asistencia de pagos de
hipoteca para
compradores de casa por
primera vez y con
ingresos limitados.

Apoyo de vivienda para
individuos que tienen
VIH/SIDA y sus familias.

OFICINA DE SERVICIOS FINANCIEROS

1500 Marilla – Salón 4FS
Dallas, Texas 75201
214-670-4557

Siga a la Ciudad de Dallas en



Estas juntas no están relacionadas a la compra de casas de
HUD

Para información sobre reuniones adicionales visite nuestra
página en www.dallascityhall.com o llame al (214) 670-4557.

Memorandum



CITY OF DALLAS

DATE November 7, 2014

TO The Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Agenda Item 68 – November 12, 2014**

At the Economic Development Committee Meeting on November 3, 2014, the committee expressed concerns regarding citizen involvement at Dallas Executive Airport and the impact of the Commemorative Air Force (CAF) on airport noise. The Department of Aviation has established an Airport Advisory Committee made up of tenants, representatives of home owner and neighborhood associations, as well as local business groups within the area of Dallas Executive Airport. At this time, the Committee is reviewing the Master Plan and providing input which will be submitted to City Council for approval. The Committee will be involved in ongoing issues and activities at Dallas Executive airport with meetings on a quarterly basis.

In addition, the CAF held a public meeting on July 17th, 2014 at Thurgood Marshall Recreation Center to answer the public's questions about the CAF and to explain its future plans for Dallas Executive Airport. The CAF also held their World War II Air Expo on Oct. 3-5, 2014 at the Dallas Executive Airport under a special event permit with an attendance over 6,000. The CAF also had the Red Tails mobile theater used for public awareness and education for local schools in the area with free tours just days before the event.

The CAF Aircraft are under Visual Flight Rule, which only allows them to be flown during daytime. The CAF will be limited to a maximum of three airshows per year and are limited to daylight hours; they will also be required to notify the surrounding neighborhood groups two weeks prior to any event. The CAF estimated operations not including air shows during the year will be less than 2 per day, which represents less than 2% of the 65,000 yearly operations at Dallas Executive Airport. The Aviation Department will be establishing a noise monitor program at Dallas Executive to monitor annual noise levels at and around Dallas Executive Airport, and baseline noise levels will be established.

Please let me know if you need additional information.

A handwritten signature in black ink, appearing to read 'Ryan S. Evans'.

Ryan S. Evans
First Assistant City Manager

C: A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Eric D. Campbell, Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council