

DOWNTOWN LIBRARY
 610 QUINCY ST. | RAPID CITY, SD 57701 | 605.394.4171

NORTH PARTNER LIBRARY
 10 VAN BUREN ST. | RAPID CITY, SD 57701 | 605.716.4098

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Date: September 10, 2018
 To: RCPL Board of Trustees
 From: Pat Jones, Policy Committee Chair
 Re: Collection services RFP

Date: September 4, 2018
 To: Pat Jones, Policy Committee Chair
 From: Sean Minkel, Assistant Director
 Re: Collection services RFP

Motion: Approve contracting with Unique Management Services, Inc. (UMS) for collection services.

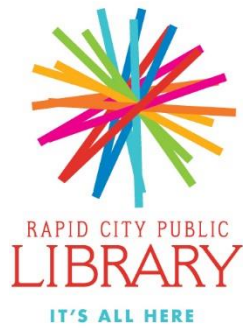
Background: At the July 2018 meeting, the Board approved use of a collection agency to recover outstanding library materials or the costs for their replacement. A Request for Proposals (RFP) was advertised in August, and two proposals were received.

Staff reviewed the proposals based on library needs for collections, and recommend contracting with UMS for those services. This recommendation is based on UMS' focus on return of materials and reinstating patron accounts, lower costs, and working exclusively with libraries.

The cost impact is outlined in the table below. While Express Collections would not direct bill unless materials are returned, the actual fees are significantly higher than with UMS. It should be noted that some libraries using UMS charge an administrative fee (\$10-\$20) to any account turned over for collection, in order to recover that cost; RCPL could consider a similar cost-recovery fee.

Proposal comparison:

	Express Collections	UMS
Location	Rapid City office; headquartered in Casper	Jeffersonville, Indiana
Basic fee structure	24% of recovered funds; no direct billing, amount will be deducted from recovered funds	\$8.95 per account, one-time flat fee; direct billed to us
Estimated cost for 230 outstanding 2018 (YTD) accounts, valued at \$30.8K	\$7,392	\$2,059
Estimated cost for 270 outstanding 2017 accounts, valued at \$34.6K	\$8,304	\$2,417
Cost per account if materials are returned in 30 days	No cost, unless payment structure is in place – then 10%	No additional cost



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Cost per account if materials are returned after 30 days	10% of materials' value as outlined on initial account submission; this fee would be direct billed to us	No additional cost
Success rate	38 of 68 accounts collected for City Finance, or 56%. Dollar for dollar recovery of 32%. Belle Fourche reports 25-30% success.	Omaha library – average 54% success since 2001, about half in materials and half in costs.
RCPL staff time required	Run weekly reports from template, upload spreadsheet into online portal	Minimal. After setup, UMS integrates with our patron database to pull data based on our parameters
Can the library decide to suspend accounts?	Yes; no cost unless payment structure is in place, then 10%	Yes
Do they pursue legal action (property seizures, garnishments, etc.)?	They conduct an asset investigation to determine if legal action is feasible; we retain the right to approve or decline pursuit of legal action	None. Instead, they use a minimum of 3 scheduled letters and at least 2 phone calls to encourage return of materials
Cost for legal action	24% of recovered funds	N/A
Online portal access?	Yes	Yes
Address correction	No report, we can look at the online portal and compare addresses	Provided by automated reports
Reports	None. RCPL management can access some information through online portal	Collection statement; Month-end progress report; Change of address; Account status report; Suspended accounts report; Bankruptcy report
References	Custer, Belle Fourche and Rapid City relayed positive experiences with Express Collections. No issues with payees were cited and all agreed that they were responsive to requests and easy to work with.	Omaha is very pleased with UMS, saying their customer service is responsive and exceptional, and they feel the benefit of materials recovery makes the service well worthwhile. Denver is very pleased that the majority of their success is with returned materials, to make those materials available to other library users. They have had no complaints about the approach UMS uses.



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Other comments		UMS sends an initial letter asking for return of materials within 30 days, during which time no collection actions will be taken. After 30 days, they begin a 'gentle nudge' approach with scheduled letters and phone calls. UMS recognizes that children's accounts are handled differently with communication through a responsible party.
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