

**LRB-RESEARCH AND ANALYSIS SECTION**

**JUDICIARY & LEGISLATION COMMITTEE**

**ITEM 6, FILE # 060162**

**JUNE 12, 2006**

**MARK A. RAMION**

File 060162 is a resolution authorizing the City Attorney to request proposals for the collection contracts for the receivables of the City of Milwaukee and for Municipal Court judgments.

**Background**

1. This resolution will authorize the City Attorney to request proposals (RFP) for the collection contracts for the receivables of the City of Milwaukee and for Municipal Court judgments.
2. The Collection Contract generates at least \$4 million in net revenue for the city.

**Discussion**

1. The current collection contracts for city receivables, held by the Kohn Law Firm, will expire on December 31, 2006 and the contract with Professional Placement Services, for the collection of Municipal Court judgments will expire on March 30, 2007.
  - Kohn's fees vary significantly (8%-25%), depending on the type, size and legal status of each account.
  - Under the contract provisions with Professional Placement Services, the Contractor is paid a commission rate of 24% for regular collections and a rate of 19% for State of Wisconsin Tax Refund Intercept Program (TRIP).
2. The City Attorney is requesting this authorization to initiate the RFP process in order to allow appropriate time for contractor(s) to be selected before the expirations dates of the contracts with the current contractors.
3. New contracts will commence on January 1, 2007 for the receivables of the City of Milwaukee and for Municipal Court judgments to commence on April 1, 2007.

**Fiscal Effect**

This resolution has no fiscal effect.

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