



Joseph P. Bort MetroCenter
 101 Eighth Street
 Oakland, CA 94607-4700
 TEL 510.817.5700
 TDD/TTY 510.817.5769
 FAX 510.817.7848
 E-MAIL info@mtc.ca.gov
 WEB www.mtc.ca.gov

Memorandum

TO: BATA Oversight Committee

DATE: May 7, 2014

FR: Executive Director

W. I. 1254

RE: Contract Amendment – FasTrak® Collection Services: Professional Account Management, LLC (\$200,000)

Staff requests approval of a contract amendment with Professional Account Management, LLC (PAM) to perform collection services on toll violations and delinquent FasTrak® accounts in an amount not to exceed \$200,000 through June 30, 2014.

Background

In September 2007 following a competitive procurement, the Commission approved a contract with PAM to perform collection services on toll violations and delinquent FasTrak® accounts. The contract expires on June 30, 2014.

PAM is reimbursed from its recoveries on a commission basis (30% of sums collected for violations and closed delinquent accounts and 40% of sums collected for legal collections). From FY 2011-12 to FY 2012-13, collections increased 130%, resulting in a significant increase in commissions paid to PAM.

- In FY 2011-12, PAM received a total payment of \$308,900 on collections of approximately \$1 million.
- In FY 2012-13, PAM received \$680,000 on collections of approximately \$2.3 million.
- Through FY 2013-14 from July 2013 to March 2014, PAM has received \$450,000 on collections of approximately \$1.6 million.

Staff projects an additional amount of \$200,000 in contract authority is needed to cover anticipated commission on collections for the remainder of FY 2013-14. If approved, the total FY 2013-14 commission value would be \$650,000.

Recommendation

Staff recommends that the Committee authorize the Executive Director or his designee to negotiate and enter into a contract amendment with Professional Account Management, LLC to add funds for collection services, in an amount not to exceed \$200,000 through June 30, 2014.



 Steve Heminger

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REQUEST FOR COMMITTEE APPROVAL
Summary of Proposed Contract Amendment

Work Item No.: 1254

Consultant: Professional Account Management, LLC
San Diego, CA

Work Project Title: Collection Services

Purpose of Project: Collection services for toll violations and delinquent FasTrak[®] accounts.

Brief Scope of Work: Perform collection services for delinquent FasTrak[®] accounts and for toll violations occurring on the seven State-owned Bay Area bridges and Golden Gate Bridge. The seven Bay Area bridges are: Antioch, Benicia, Carquinez, Dumbarton, Richmond-San Rafael, San Francisco-Oakland, and San Mateo-Hayward.

Project Cost Not to Exceed: \$200,000 this amendment
Total contract before this amendment - \$2,750,000
Total authorized contract after this amendment - \$2,950,000

Funding Source: Toll Bridge Program Operating Budget

Fiscal Impact: Funds are included in the FY 2013-2014 Toll Bridge Program Operating Budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with Professional Account Management, LLC for collection services as described above and in the Executive Director's memorandum dated May 7, 2014, and the Chief Financial Officer is directed to set aside funds in the amount of \$200,000 for such contract amendment.

BATA Oversight Chair: _____
Bill Dodd, Chair

Approved: Date: May 14, 2014