LIVERMORE
CALIFORNIA

CITY COUNCIL STAFF REPORT **ITEM NO. 6.11**

DATE: September 14, 2026

TO: Honorable Mayor and City Council

FROM: Kristen Hilton, Acting Administrative Services Director

SUBJECT: Resolution authorizing execution of a three-year agreement with IC Systems, Inc. for Accounts Receivable Collection Services ending June 30, 2029 in an amount not-to-exceed $1,000,000.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution approving a three-year contract with IC Systems, Inc. to provide accounts receivable collection services for City departments, in an amount not to exceed $1,000,000, and authorizing the City Manager to execute the agreement and any necessary amendments.

SUMMARY

City departments regularly encounter delinquent customer accounts related to fees, permits, utilities, licenses, and other City services. To support timely, consistent, and professional collection efforts, staff recommends entering into a three-year agreement with IC Systems, Inc., a nationally recognized collections firm. The agreement authorizes IC Systems to collect outstanding balances on the City's behalf and retain up to 18.9% of all amounts collected as payment for services.

IC Systems, Inc. was selected after a competitive process based on their extensive experience in public sector collections, customer friendly approach, and competitive fee structure. The company has worked with numerous local governments nationwide and adheres to strict compliance and data security standards.

The contract will enable more effective accounts receivable recovery, create consistent practices across departments, and support fiscal responsibility in managing outstanding debts owed to the City.

DISCUSSION

The City issued a Request for Proposals (RFP) for delinquent account collection services, and five companies from across the nation submitted proposals for evaluation. Following a comprehensive review process, IC Systems, Inc. was selected as the recommended vendor.

Under the proposed agreement, IC Systems, Inc. will:

1. Receive delinquent accounts referred by the City after internal collection steps are exhausted.
2. Conduct collection activities consistent with state and federal regulations.
3. Provide detailed reporting, account tracking, and remittance statements.
4. Retain up to 18.9% of recovered funds as compensation, remitting the remaining balance to the City.
5. Provide customer service to account holders seeking to resolve outstanding balances.

The three-year contract, with a not-to-exceed limit of $1,000,000, ensures adequate capacity for all participating City departments while allowing flexibility based on volume. Fees are paid only from successfully collected amounts. There is no upfront cost to the City. This contract will improve collection effectiveness, reduce staff time spent on delinquency follow-up, and increase revenue recovery supporting City operations and enterprise funds.

FISCAL AND ADMINISTRATIVE IMPACTS

There is no fiscal impact to the City's General Fund or operating budgets, as IC Systems, Inc. is compensated solely from a percentage of funds successfully collected on delinquent accounts. The City incurs no upfront or ongoing fixed costs, and payments to the vendor are made only when revenue is recovered.

By increasing the likelihood of recovering outstanding balances that would otherwise remain uncollected, the agreement is expected to increase net collection revenue across participating City departments. Additional benefits include reduced staff time spent on delinquency follow-up, improved tracking and reporting, and streamlined coordination across departments.

COMMUNITY PILLAR

5. A City That Works

GOAL

11. Modernize key business systems and processes to increase efficiency and improve transparency.

ATTACHMENTS

1. Resolution
2. Exhibit A - Professional Services Agreement

Prepared by: Martin Wong
Accounting Supervisor

Approved by:

Marianna A. Burch
City Manager

Fiscal Review by:

Kristen Hilton
Acting Administrative Services Director