

1 FIRST AMENDMENT TO AGREEMENT NO. 33533

2 **33533**

3 THIS FIRST AMENDMENT TO AGREEMENT NO. 33533 is made and  
4 entered, in duplicate, as of May 9, 2017, for reference purposes only, pursuant to a minute  
5 order adopted by the City Council of the City of Long Beach at its meeting on August 5,  
6 2014, by and between UNIQUE MANAGEMENT SERVICES, INC., a Kentucky corporation  
7 ("Consultant"), with a place of business at 119 E. Maple Street, Jeffersonville, Indiana  
8 47130, and the CITY OF LONG BEACH, a municipal corporation ("City").

9 WHEREAS, City requires specialized services requiring unique skills to be  
10 performed in connection with library collection services; and

11 WHEREAS, City and Consultant (the "Parties") entered into Agreement No.  
12 33533 (the "Agreement") whereby Consultant agreed to provide these services; and

13 WHEREAS, the Parties desire to extend the term for an additional one-year  
14 period and attach a revised scope of work;

15 NOW, THEREFORE, in consideration of the mutual terms, covenants, and  
16 conditions herein contained, the parties agree as follows:

17 1. Section 2 of the Agreement is hereby amended to read as follows:

18 "2. TERM. The term of this Agreement shall commence at midnight on  
19 August 1, 2014, and shall terminate at 11:59 p.m. on July 31, 2018, unless sooner  
20 terminated as provided in this Agreement, or unless the services or the Project is  
21 completed sooner."

22 2. The Scope of Work in Exhibit "A" to the Contract is hereby amended  
23 in accordance with Exhibit "A-1", attached hereto and incorporated by this reference.

24 3. Except as expressly modified herein, all of the terms and conditions  
25 contained in Agreement No. 33533 are ratified and confirmed and shall remain in full force  
26 and effect.

27 ///

28 ///

1 IN WITNESS WHEREOF, the parties have caused this document to be duly  
2 executed with all formalities required by law as of the date first stated above.

3 UNIQUE MANAGEMENT SERVICES,  
4 INC., a Kentucky corporation

5 May 16, 2017

6 By Nicole Atkins  
7 Name Nicole Atkins  
8 Title President & CEO

9 May 16, 2017

10 By Charles C. Gary  
11 Name Charles C. Gary  
12 Title Secretary/Treasurer

13 "Consultant"

14 CITY OF LONG BEACH, a municipal  
15 corporation

16 May 30, 2017

17 By Tom Modica EXECUTED PURSUANT  
18 TO SECTION 301 OF  
19 THE CITY CHARTER.  
20 City Manager  
21 Tom Modica  
22 "City" Assistant City Manager

23 This First Amendment to Agreement No. 33533 is approved as to form on

24 May 25, 2017.

25 CHARLES PARKIN, City Attorney

26 By Deputy  
27 Deputy

28 OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

# EXHIBIT “A-1”

## Scope of Work

## SCOPE OF WORK

City of Long Beach, Contract Renewal for Library Collection Services

### COMPANY BACKGROUND

Unique Management Services, Inc., Library Division (UMS) has been involved in providing library material recovery services since 1988. UMS is a corporation legally established in the state of Kentucky, but completely operated out of its headquarters at 119 E Maple Street, Jeffersonville, Indiana. The principal owners of UMS are Charles L. Gary and Lyle J. Stucki. UMS has minimal debt and excellent financial capacity to continue collection efforts for the Long Beach Public Library (LBPL).

UMS specializes in meeting the particular needs of libraries and recognizes the unique relationship you have with your patrons. UMS understands that libraries are unique organizations and require a material recovery service tailored to meet their specific needs. To meet those needs, UMS developed and trademarked the Gentle Nudge® process to increase the recovery of materials, fines, and fees, while ensuring the maintenance of patron goodwill. We have had tremendous success recovering materials for libraries across the United States, Canada, the United Kingdom, New Zealand, and Australia. UMS is already registered with the State of California Secretary of State and provides collection services to many clients in that area.

UMS is presently serving over 1,500 public libraries; the largest individual client being the Toronto Public Library. This client circulates over 30 million and has 99 branches. Their high degree of satisfaction demonstrates UMS is equipped and capable of servicing large libraries. Additionally, UMS has served the Long Beach Public Library for the past 12 years producing an excellent 70.24% patron response rate.

UMS has a Strategic Partnership with Innovative Interfaces (III) and has cooperated with them to develop specific software to electronically process collection accounts. The objective of this software and our interfaces is to minimize time and paperwork required by library staff in order to submit patron accounts and report returns/payments. UMS is the only company with this Strategic Partnership.

In addition to the library's current ILS vendor, UMS also has strategic or sole source partnerships with all other major library system vendors including: SirsiDynix, Liblime, Polaris, TLC/CARL, and VTLS, Axiell, Biblionix, Civica, Infor. Additionally, UMS has helped develop similar automated processes for Open Source ILS commercial providers. As a result of our strategic partnerships with these ILS vendors, UMS technical staff is able to assist the library through any pending upgrades or future ILS migrations.

All of our reports, letters, telephone scripts, etc. are designed specifically for libraries. Unlike traditional collection agencies, our system provides delineated reports on material returned as well as cash received and amounts waived. These reports allow the library to manage and track the entire material recovery process. All communication encourages patrons to return material and make payments directly to the library. Any payments or materials sent to UMS are immediately forwarded to the library.

All work performed by UMS complies with all local and state confidentiality and security laws and follows all applicable provisions of the Federal Fair Debt Collection Practices Act (FDCPA), Fair Credit Reporting Act (FCRA), and Telephone Consumer Protection Act (TCPA). Detailed records and documentation shall be maintained and provided to the Library. UMS will ensure the confidentiality, security and safety of all library files, documents, computer files, etc. All information provided to UMS will be used solely for the purpose of collection of those accounts.

## UNDERSTANDING OF SERVICES REQUIRED

It is our understanding a listing of delinquent patron accounts, including minors, with balances of \$25 or more will be provided to UMS on a weekly basis, approximately two weeks after Library bill notices are sent. It is estimated that approximately 250-300 delinquent accounts would be submitted each month. The contract, however, shall be on an as needed, if needed basis.

It is understood that the library would be using the Innovative Interfaces (III) Integrated Library System Collection Agency Product. UMS would assist LBPL to set up three standard reports:

Collections Information Report – The listing of newly qualifying patron accounts (referred to as a submission report). This will run on a weekly basis.

Collections Update Report – Listing of any balance changes to accounts that are currently flagged for collection. This will run on a daily basis.

Collections Synchronization Report – A quality assurance tool that provides a listing of all accounts flagged for collection activity along with their current balance.

This submission report (Collections Information Report) would generate on a weekly basis and provide limited patron information including the patron name, address, phone number, patron ID number, whether the patron is a juvenile, date of birth, delinquency date, and total outstanding balance. UMS does not receive title information to ensure patron confidentiality is protected. This data would be transferred to us electronically using the Innovative Interfaces (III) Integrated Library System Collection Agency Product.

UMS will process new account data through an automated system designed specifically for the handling of information output by the Innovative Interfaces (III) Integrated Library System Collection Agency Product. This automated processing ensures that library data is quickly and accurately acted upon and the collection process initiated. Accuracy and timeliness help ensure positive patron goodwill and speeds up the process of recovering past due materials.

Upon receiving new accounts, we would provide the library with a file confirmation email and an acknowledgment verifying that we received the new patron accounts for processing. Following an initial skip-tracing run through the National Change of Address (NCOA) database, we then contact the patrons in our name and encourage them to return overdue materials to the library and pay their fines/fees.

We would recommend that LBPL continue to send a daily, itemized update list (Collections Update report) in electronic format showing details for borrowers who have responded to our contacts. The report would include borrower name, account number, and pertinent data such as amounts added, paid, waived, and value of materials returned. UMS will stop contact immediately for patrons who have cleared their accounts and adjust balances as appropriate for those who have responded before further collection activity takes place. At any time, the library can request that UMS suspend service on selective accounts. In these cases, UMS would suspend collection activity until notified by the library to continue.

We would recommend the Collection Synchronization report be generated on a quarterly basis as standard means of quality assurance. The report may be generated at any time. This measure to ensure data accuracy between UMS and the Library is unique within the industry and typically not provided by other agencies. It demonstrates our total commitment to ensuring accuracy, and patron goodwill.

We would provide the library a monthly, electronic report that details in alphabetical order by patron name and patron ID number, the value of materials returned, money received, charges waived, and balance due. We would also include a summarization of the collection performance to date. All work performed will be conducted according to all local and state confidentiality and security laws and follows all applicable provisions of the Federal Fair Debt Collection Practices Act (FDCPA), Fair Credit Reporting Act (FCRA), and Telephone Consumer Protection Act (TCPA). Detailed records and documentation shall be maintained and provided to the library. We will ensure the confidentiality, security and safety of all library files, documents, computer files, etc. All information provided to UMS will be used solely for the purpose of collection of those accounts.

UMS would designate a representative to be the contact person for the Library. Furthermore, UMS has developed a training packet and training video to help new clients implement the service. Training support would be provided as needed to maintain a well-managed process. A UMS representative will also schedule on-site meetings with library staff to discuss the contract and any questions or issues that may arise. UMS would continue to have our technical expert work with library technical staff, at no additional cost, to work out all technical details for transferring appropriate data, as necessary.

UMS has cultivated over **10 years of experience working with Innovative and libraries utilizing the Innovative ILS and Debt Collection Product**. UMS is the only collection vendor that has extensive experience currently working with over 350 Innovative ILS users. Our experience with Innovative and the Debt Collection Product ensures that we will be able to quickly and effectively address any issues that may arise

UMS accepts automated data transfer and balance adjustment information from the Library database through the Innovative Interfaces (III) Integrated Library System Collection Agency Product and interfaces designed by UMS. At the time of data transfer, the Debt Collection software module automatically updates the Library's ILS by flagging accounts selected for submission to UMS and adding the \$15 long overdue fee to the accounts. UMS works with the Library at no cost to ensure accurate and timely transmission of data.

UMS also provides the Library an Acknowledgement Report on all electronically submitted accounts. This report is available via the secure client website's Document Sharing capability, and a notification email is immediately sent upon processing. Please refer to Exhibits A1 and A2 for a sample of this report and notification email.

## **UMS GENTLE NUDGE® PROCESS**

UMS developed and trademarked the **Gentle Nudge®** process to increase the recovery of materials, fines, and fees, while ensuring the maintenance of patron goodwill. This 120-day process spaced at intervals designed to allow patron response time consists of a **minimum of three (3) scheduled letters and at least two (2) phone calls** and skip-tracing to gently elicit patron response.

Letters gently encourage patrons to return the long overdue materials to the library and pay any fines and fees. These letters can be customized by the library. For instance, library branches can be listed on the reverse side and other-than-English texts can be included. We do, however, encourage libraries not to make changes to the main content of the letter, because we know from experience that our written communications are effective and meet all legal requirements. An attorney regularly reviews letters for legal compliance. All scheduled letters are printed on recycled paper. See Exhibits C1 – C4 for copies of written communications currently mailed on behalf of LBPL.

*In addition to the three scheduled letters, other letters are included as needed (at no additional cost):*

- Remaining Balance letter - Sent by UMS when a patron partially, but not fully, resolves their account. This prompts full material and revenue recovery and restores the patron to good standing with the library. This letter can be sent at any time, even after the 120-day process.
- Skip Tracing Letter – In the event that a new address is found, an additional letter is scheduled. This letter can be sent at any time, even after the 120-day process.
- Paid In Full letter – Posted on the InfoLink client website 24 hours after the account is resolved. This letter comes on UMS letterhead and assures the patron the account has been resolved.

If initial phone calls are unsuccessful, additional attempts are made to successfully contact the Library's patron and gently encourage a complete resolution of their account with the library. UMS is also sensitive to cultural needs and employs Spanish and French speaking contact specialists and inbound call specialists.

With regard to juvenile patrons, all written communications and phone calls are directed to the parent or guardian. We have excellent success with juvenile accounts without jeopardizing patron goodwill. LBPL will continue to have the ability to

approve all collection efforts related to juvenile accounts.

UMS continually analyzes the contact process and may enact change to optimize recovery. Any collection approach adopted by UMS will be similar in character and will contain a like number of contact attempts. UMS understands the importance of patron goodwill and strives to ensure this is maintained throughout the process. Our process is designed to encourage response, without offending or harassing the patron.

See Exhibits B1 – B4 for copies of written communications currently mailed on behalf of LBPL for collection activity. Please refer to Exhibit C for an example of the contact process. For a sample calling script see Exhibit D.

At the end of the 120-day **Gentle Nudge®** process, UMS waits 30 days. For patron records continuing to contain an invalid address and/or phone number, skip tracing parameters are adjusted and more intensive skip tracing is performed. Depending on the information obtained, additional contact is made. Unpaid accounts are maintained in active status for no less than 7 years or until the contract expires with the Library.

UMS provides skip-tracing services to locate patrons who have relocated or those with inaccurate contact information within the Library's database. At a minimum, this process occurs upon initial referral and approximately half way through the contact process on all accounts referred to UMS regardless of the balance of the account. When UMS finds a good address, we will contact the patron at the new location at no additional cost. UMS provides all newly acquired address information to the library in the monthly Change of Address report (COA). This report is provided in a comma delimited format to allow the library full ability to upload information to their database.

# EXHIBIT "B"

## Rates or Charges



## **COST PROPOSAL**

City of Long Beach, Contract Renewal for Library Collection Services

### **COST**

Unique Management Services, Inc., Library Division (UMS) charges a fixed rate of **\$8.95 per account** for full collection services. Full service includes the 120-day Gentle Nudge® process consisting of 3 letters and 2 phone calls to the patron, or parent/guardian. At the end of the collection process, adult accounts owing a balance of \$25 or more may be credit reported. Service also includes an address comparison with the National Change of Address (NCOA) for every account submitted, additional skip tracing when necessary, complimentary monthly reports, special reports upon request, staff training, access to your accounts via the *Info Link* website, and technical support.

If accounts are submitted in error and UMS is notified within 24 hours, then there is no charge for those accounts. UMS does not charge hourly rates or commission for recovery on collection accounts. Based on the Library's current submission rate per week, which averages 50-70 accounts, we propose that the Long Beach Public Library will be invoiced approximately **\$30,000 per year** for full collection services.

If the Long Beach Public Library chooses to utilize UMS' supplemental Small Balance Program for accounts under \$25, the charge is a fixed rate of **\$2.95 per account**. The Small Balance Program includes a 45-day process consisting of 1 letter on Library letterhead and 2 collection letters to the patron, or parent/guardian. There is no mention of credit reporting to the nation's largest credit reporting bureaus in these communications. Service also includes an address comparison with the National Change of Address (NCOA) for every account submitted, complimentary monthly reports, special reports upon request, staff training, access to your accounts via the *Info Link* website, and technical support.

If accounts are submitted in error and UMS is notified within 24 hours, then there is no charge for those accounts. UMS does not charge hourly rates or commission for recovery on Small Balance Program accounts. UMS can provide estimates of yearly invoicing for Small Balance Accounts upon request. The Small Balance Program is an optional recovery service, and the Long Beach Public Library is under no obligation to participate.

### **Budget Neutral Guarantee**

UMS will maintain customer goodwill while keeping the service **budget neutral**. UMS guarantees not to charge, in collection fees, more than the amount of money recovered plus amounts waived. We understand that we will make adjustments to invoices for the difference between collection fees and the total money received plus amounts waived on accounts submitted to keep the service budget neutral. This will be based on (1) billings to date, (2) cumulative cash recovered, and (3) cumulative amounts waived.

To qualify for the budget neutrality guarantee, the Long Beach Public Library must have an acceptable fine structure as determined by UMS. The Library must submit accounts owing fines only balances, and accounts submitted must contain a \$10.00 processing fee and be no more than 60 days past due at time of submission.

It is our understanding that the Long Beach Public Library already meets these requirements. The Library has utilized UMS since December 2001. As of July 31, 2014, the Library has seen a return of **\$969,508.90** in materials recovered and **\$738,025.35** in cash received, keeping the service budget neutral. Approximately **70.24%** of the patrons processed have responded to UMS' collection efforts by returning materials or paying their fines and fees, resulting in a **4:1 Return on Investment** for the Library.