

**5. LEGAL SERVICES FOR THE COLLECTION OF DELINQUENT PERSONAL PROPERTY TAX JUDGMENTS AND UNCOLLECTED CONSUMER PROTECTION JUDGMENTS -- LEGAL FUNDING -- LEGAL**

(Request sent to 3 vendors)

RFP #20-0038 Contract

	Klenda Austerman LLC
Legal Services for the Collection of Delinquent Personal Property Tax Judgments and Uncollected Consumer Protection Judgments	<b>Delinquent Personal Property Tax Judgment Collections Only:</b> <b>45% contingency fee</b> <b>Plus out of pocket costs</b> <b>Total fee not to exceed 50% of collected amounts</b>

On the recommendation of Joe Thomas, on behalf of various departments, Russell Leeds moved to **accept the proposal from Klenda Austerman LLC for a contract period of two (2) years with three (3) one (1) year options to renew.** Anna Meyerhoff seconded the motion. The motion passed 3 to 1 with Randy Bargdill abstaining.

A committee comprised of Patricia Parker - Legal; Randy Bargdill and Ben Saucedo - Treasurer's Office; and Joe Thomas - Purchasing reviewed the proposal and recommend it for approval.

The Request for Proposal was divided into two (2) tracts. The first tract (**Tract 1**) concerns legal services for the collection of delinquent personal property tax judgments and the second tract (**Tract 2**) concerns legal services for the collection of uncollected consumer protection judgments. Klenda Austerman LLC provided a proposal pertaining to **Tract 1** services only. There were no responses pertaining to **Tract 2** services.

K.S.A. 79-2018 authorizes the county to employ attorneys to assist the county in collection of unpaid personal property tax judgments. Such agreements are on a contingent fee basis, but in no event shall the fees and charges for such collections exceed the sum of 50% of the amount collected.

The attorney or law firm selected will be responsible for successfully creating and filing the necessary documents, notices, and summons necessary to collect on these judgments. A critical part of such collection action is obtaining lawful service of process upon the delinquent taxpayers and responding in a timely manner to daily citizen inquiries about those collection actions. Those citizen inquiries will come in the form of daily telephone calls, walk-ins, and correspondence, as well as legal challenges to the judgment, collection and/or execution of such tax judgment. Another critical part of the services will be the attorney's or law firm's commitment to vigorously defend legal challenges brought against the judgments themselves and/or execution of those judgments.

**Questions and Answers**

Tim Myers: Have we had experience with Klenda Austerman LLC before?

Patricia Parker: Yes.

Tim Myers: We've been satisfied with their services?

Patricia Parker: Very satisfied.

Anna Meyerhoff: It was only sent to three (3) vendors. Were those all local or are we allowed to go statewide for vendors for this?

Patricia Parker: Well those were all local vendors I believe. It was open to the public whether they be in Sedgwick County or statewide. We selected those vendors because we had some personal knowledge of them and their experience. They did primarily collection services. Of course, Klenda Austerman is a little bit bigger so it's going to do more services. Chris McElgunn and Michelle Brenwald will be the attorneys primarily working on this. They have done our tax foreclosure sales for 25 years or more so they are very experienced at collecting for the county. So they were included as well.

Russell Leeds: As I understand this, they will be providing services for Tract 1 but not providing services for Tract 2.

Patricia Parker: Correct. The DA's office told me that since no one responded to do the work they will just let us know if they want to reissue an RFP again. They have not contacted me yet about that.

Russell Leeds: Is the 45% pretty consistent? The rate they charge or the maximum of 50%?

Patricia Parker: Right. They cannot charge more than 50% because that is the maximum pursuant to state law. Based upon the fact they never done this particular type of collection for the county and they're not really sure how much they're going to be able to collect, at least for this first term, they priced it out as they did.