

# LOS ANGELES FIRE DEPARTMENT



**BRIAN L. CUMMINGS**  
FIRE CHIEF

January 18, 2012

BOARD OF FIRE COMMISSIONERS  
FILE NO. 12-013

TO: Board of Fire Commissioners

FROM: Brian L. Cummings, Fire Chief

SUBJECT: FIRST AMENDMENT TO PROFESSIONAL SERVICES CONTRACT –  
NCO FINANCIAL SYSTEMS, INC., CONTRACT NO. C-116811

FINAL ACTION:	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved w/Corrections	<input type="checkbox"/> Withdrawn
	<input type="checkbox"/> Denied	<input type="checkbox"/> Received & Filed	<input type="checkbox"/> Other

**Recommendations:** That the Board:

1. Subject to the review of the City Attorney, and approval of the Mayor, authorize the Fire Chief to execute the attached first amendment to contract no. C-116811 with NCO Financial Systems, Inc. to provide collection services of past due accounts, and;
2. Instruct the Commission Executive Assistant to forward this agreement to the Mayor's Office in accordance with Executive Directive No. 3.

**Summary:**

The Los Angeles Fire Department (LAFD) has a requirement under the City Administrative Code (Section 5.181) to forward all past due accounts that are uncollected utilizing the services of a Health Information Portability and Accountability Act of 1996 (HIPAA) certified collection agency to pursue payments. The amount to be collected is indeterminate at this time, however, due to the financial condition of the Department, all collections on aged accounts will benefit the City overall.

**Discussion:**

The Los Angeles Fire Department has worked with the Office of the City Attorney and Office of Finance to identify an existing contract to use to collect on past due accounts. In February 2010, the LAFD entered into an agreement with NCO Financial Systems, Inc. under the authority granted the Fire Chief by the City Administrative Code. This contract has been reviewed by the Office of the City Attorney to ensure full compliance with HIPAA requirements.

**Fiscal Impact:**

This contract has no fiscal impact for the Fire Department or on the City's General Fund. NCO Financial Systems, Inc. will collect fees paid by delinquent debtors in addition to the amount of debt collected.

**Conclusion:**

The LAFD requires these collection services to reconcile past due accounts and to exhaust every avenue to maximize collection of revenue due to the City.

Board report prepared by William Jones, Senior Management Analyst II, of the Administrative Services Bureau.

Attachment

FIRST AMENDMENT TO AGREEMENT NO. C-116811  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
NCO FINANCIAL SYSTEMS, INC.  
FOR COLLECTION SERVICES FOR DELINQUENT ACCOUNTS

This First Amendment to Agreement No. C-116811 by and between the City of Los Angeles, a municipal corporation, acting by and through its Fire Department (hereinafter referred to as the "LAFD") and NCO Financial Systems, Inc., (hereinafter referred to as the "Contractor").

WITNESSETH:

WHEREAS, on February 8, 2010 the parties entered into Agreement No. C-116811, wherein Contractor agreed to provide collection services for delinquent accounts; and

WHEREAS, the term of the Agreement expired September 30, 2010; and

WHEREAS, the Agreement allows the option to extend the term of the agreement by two (2) one-year terms, if both parties agree to the extension; and

WHEREAS, the parties hereto desire to exercise the first option to extend the term of the Agreement by one year from October 1, 2010 through September 30, 2011.

NOW THEREFORE the parties hereby covenant and agree to amend Agreement No. C-116811 as follows:

Article VI - Term:

"The term of this Agreement shall commence on January 20, 2010, and continue through to September 30, 2011, unless terminated earlier as provided herein or amended as elsewhere provided herein. The LAFD may extend the term of this agreement for one (1) additional year under the same prices, terms and conditions for such periods if both parties agree to the extensions."

Except as amended by this FIRST AMENDMENT, all other provisions of Agreement No. C-116811 shall remain in full force and effect.

\*\*\*\*\* Signature Page Follows: \*\*\*\*\*

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective duly authorized representatives.

**THE CITY OF LOS ANGELES**

**NCO FINANCIAL SYSTEMS, INC.**

By \_\_\_\_\_  
BRIAN L. CUMMINGS  
Fire Chief

By \_\_\_\_\_  
Albert Zezulinski  
Executive Vice President

Date \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**APPROVED AS TO FORM:**

CARMEN A. TRUTANICH,  
City Attorney

By \_\_\_\_\_  
Anthony-Paul Diaz  
Deputy City Attorney

Date \_\_\_\_\_

**ATTEST:**

JUNE LAGMAY,  
City Clerk

By \_\_\_\_\_

Date \_\_\_\_\_