



## Legislation Details (With Text)

**File #:** 22-0753      **Version:** 1      **Name:** Resolution authorizing Competitive Bidding for Municipal Court Collections

**Type:** Resolution      **Status:** Adopted

**File created:** 5/19/2022      **In control:** Finance

**On agenda:** 8/3/2022      **Final action:** 8/3/2022

**Title:** Dept/ Agency: Finance  
Action: ☐ Ratifying ☒ Authorizing ☐ Amending  
Type of Service: Exception to Public Bidding - Competitive Contracting  
Purpose: Municipal Court Collections  
Entity Name: Not Applicable  
Entity Address: Not Applicable  
Contract Amount: Not Applicable  
Funding Source: Not Applicable  
Contract Period: Not Applicable  
Contract Basis: ☐ Bid ☐ State Vendor ☐ Prof. Ser. ☐ EUS  
☐ Fair & Open ☐ No Reportable Contributions ☐ RFP ☐ RFQ  
☐ Private Sale ☐ Grant ☐ Sub-recipient ☒ n/a  
Additional Information:  
Resolution authorizing the use of Competitive Contracting, pursuant to N.J.S.A. 40a:11-4.5, in accordance with N.J.S.A. 2b:19-6, to award a contract for the private collection of debt for the City of Newark Municipal Court.

**Sponsors:** Council of the Whole

### Indexes:

### Code sections:

Date	Ver.	Action By	Action	Result
8/3/2022	1	Municipal Council	Adopt	Pass

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**WHEREAS,** the Newark Municipal Court has exhausted all judicial enforcement remedies

permitted by law or court rule, N.J.S.A. 2B:19-6(a); and

**WHEREAS**, the City of Newark (the “City”) desires to award a contract for the private collection of debt for the City of Newark Municipal Court (the “Court”); and

**WHEREAS**, N.J.S.A. 2B:19-6, authorizes the use of private collection agencies to collect outstanding debt payable to municipal courts; and

**WHEREAS**, the Supreme Court of the State of New Jersey, has issued rules and procedures governing the collection of Municipal Court Debt under L. 2009, C.233, dated March 31, 2011, and it is the intention of the Court to comply with such rules and procedures; and

**WHEREAS**, N.J.S.A. 40A:11-4.1(j) specifically authorizes the City to use competitive contracting to award a concession contract; and

**WHEREAS**, the public need to award a concession is to increase the collection rate of debt owed the Municipal Court and the concession to be awarded is a contract to a vendor who will provide collection services to the City for debt owed the Municipal Court; and

**WHEREAS**, existing methods to collect debt have fallen short of the optimal level needed and the proposed method of collection is anticipated and intended to reduce the burden on the City’s taxpayers; and

**WHEREAS**, the estimated value of the concession and the estimate of revenue to be collected and the costs to be incurred by the City is difficult to predict as the City does not have a current history upon which to base such estimates; however, N.J.S.A. 2B:19-6, authorizes the assessment of an administrative fee by a private agency or firm not to exceed 22% of the amount collected to be paid by the defendant to the private collection agency to pay for the costs of collection; and

**WHEREAS**, there are no services, facilities or endorsements anticipated to be provided by the City to the vendor; and

**WHEREAS**, pursuant to N.J.S.A. 40A:11-4.3(a), in order to initiate competitive contracting, the Municipal Council must pass a resolution authorizing the use of competitive contracting each time specialized goods or services are desired to be contracted; and

**WHEREAS**, the competitive contracting process shall be administered by the Director of the Department of Finance, pursuant to N.J.S.A. 40A:11-4.3(b) and any contract awarded under this process shall be made by resolution of the Municipal Council, subject to the provisions of N.J.S.A. 40A:11-4.5.

**NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:**

1. The Municipal Council hereby authorizes the use of competitive contracting, pursuant to N.J.S.A. 40A:11-4.1 et seq. to award a contract for the private collection of debt for the Newark Municipal Court, in accordance with the Supreme Court Procedures Governing the Private Collection of Municipal Court Debt under L. 2009, C.233.

2. The award of such a contract or contracts shall be by Resolution of the Municipal Council.
3. The competitive contracting process shall be administered by the Director of the Department of Finance, pursuant to N.J.S.A. 40A:11-4.3(b), and any contract awarded under this process shall be made by resolution of the Municipal Council, subject to the provisions of N.J.S.A. 40A:11-4.5.
4. The Municipal Council hereby authorizes the assessment of an administrative fee by a private agency or firm not to exceed 22% of the amount collected to be paid by the defendant to the private collection agency to pay for the costs of collection; such rate to be set during the procurement process.
5. The contract award shall be based upon the most advantageous price and other factors.

### **STATEMENT**

Resolution authorizing the use of competitive contracting, pursuant to N.J.S.A. 40A:11-4.5, in accordance with N.J.S.A. 2B:19-6, to award a contract for the private collection of debt for the City of Newark Municipal Court.