



# CITY OF CARSON

## Legislation Text

File #: 2021-725, Version: 1

### Report to Mayor and City Council

Tuesday, October 19, 2021

Consent

#### **SUBJECT:**

**CONSIDER APPROVING A SERVICE CONTRACT WITH TEAM LEGAL, INC. TO PROVIDE PROCESS SERVER SERVICES (CITY COUNCIL)**

#### **I. SUMMARY**

Administrative citations are issued to those who violate the Carson Municipal Code relating to Fireworks. If the cited person fails to pay the administrative citation (fine), the City notifies the person via letter of the outstanding debt; however, the City does not have a mechanism in place that would enable it to pursue legal action. Hiring a process server would allow the City to move forward with advising the cited person that a small claims case is being filed. Staff is requesting the City Council to approve the contract with Team Legal to provide these services.

#### **II. RECOMMENDATION**

TAKE the following actions:

1. AWARD a three-year service contract, plus two one-year extensions to Team Legal, Inc. not to exceed contract total of \$96,300 for the first three-years.
2. AUTHORIZE the Mayor to execute the contract following approval as to form by the City Attorney.
- 1.

#### **III. ALTERNATIVES**

TAKE another action that the City Council deems appropriate

#### **IV. BACKGROUND**

The Finance Department Revenue Division manages the legal fireworks permit program for the City. Staff coordinates citation efforts with the Los Angeles Sheriff's Department for

violators of the Carson Municipal Code relating to fireworks. All violations relating to fireworks (possession of illegal fireworks, discharging legal fireworks outside of permitted dates/hours, residents are liable where illegal use of fireworks occurs) are issued an administrative citation for \$1,000. All fireworks collection is done in-house by staff, which consists of mailing several notices to the cited person advising of the outstanding balance.

Contracting with a process server will enable staff to notify the cited person that a small claims case is being filed against them. From 2018 to 2021, the City's average collection for Fireworks fines was 48%. Enlisting the assistance of a process server and filing a small claim case should significantly increase the collection amount. The caveat to not collecting 100% of unpaid fines is if the judge finds the cited person not guilty and dismisses the citation; therefore, the cited person would not be held responsible to pay the fine.

To file in small claims court, California law requires that the person sued must be given formal notice that a legal process has started. The formal notice is done by a process server. Once the notice has been issued, the proof of service is completed that details who was served, when, where and how; and the proof of service is returned to the City to file with the court.

In addition to the City filing a court case against persons with unpaid fireworks citations, staff will utilize the process server for business owners who have not complied with the City's ordinance that mandates a business must have a Carson Business License when operating in the City. Revenue staff send several City letters advising the business owner of the requirement; however, after failed attempts to gain compliance, a process server can be utilized to notice the business owner of the small claims case.

### Request for Proposal

On July 29, 2021, staff issued a Request for Proposal ("RFP") (Exhibit 1) through PlanetBids for Process Server/Messenger services. Eleven businesses viewed the RFP and one company, Team Legal, Inc., submitted a proposal (Exhibit 2) by the due date of August 16, 2021, and an Intent to Award was issued on August 25, 2021.

Team Legal is a large corporation assisting many cities, counties, and other government entities within the State and currently, it has 26 awarded or pending contracts with those agencies. Team Legal's pricing has remained consistent and competitive, and rates are lower than other process server companies.

The cost of the contract is based on the number of persons that could be served in one year. Team Legal charges the City for each person it serves; and any costs the City incurs with the noticing of the cited person will be added to person's account or added to the noncompliant business license account. In other words, the process server's charge would be treated as a passthrough; with the result that the financial cost to the City should be minimal. Team Legal states that the process server will attempt to serve the person up to three times at the same location for one charge. If the process server is unsuccessful contacting the person, the City will be liable for the cost of the unsuccessful service.

### Contract

The term for this contract is three-years with two, one-year extensions with an annual cost of \$32,100, for a cost of \$96,300 for three years. A contract extension's cost would be negotiated after the initial three-year contract.

The chart shows the cost of serving persons in each county and the contract allows for a maximum of 600 persons in one-year for an annual contract amount of \$32,100. Since San Bernardino and San Diego notices are charged a higher rate, any notices issued in those counties must be authorized by the contract officer.

County	Cost	Additional Cost Serving Second Person (Defendant) at Same Address
Los Angeles	\$48.50	\$25.00
Orange	\$48.50	\$25.00
Riverside	\$48.50	\$25.00
San Bernardino	\$52.50 (non-rural)	\$25.00
San Diego	\$52.50 (non-rural)	\$25.00

Types of Persons Served	Maximum Number of Persons Served	Cost Serving
Single Person (Defendant)	480 @ \$48.50	\$23,280
Second Person (Defendant)/Same Location	120 @ \$73.50	\$8,820
<b>TOTAL ANNUAL COST</b>		<b>\$32,100</b>

Gaining the assistance of a process server to notify individuals that the City has initiated a small claims case will enable the City to collect on unpaid administrative citations and the City will also gain compliance from business owners who fail to obtain a Business License.

## **V. FISCAL IMPACT**

Funds for this item were not included in the Fiscal Year 2021-2022 budget. If the City Council approves this item as recommended, additional funds in the amount of \$32,100 need to be appropriated from the reserve General Fund balance to account number 101-60-640-101-6004, as identified in the Budget Resolution 21-140 (Exhibit 4).

## **VI. EXHIBITS**

1. RFP 21-032 Proposal Packet (pgs. 5-40)
2. RFP 21-032 Team Legal Request for Proposal Response (pgs. 41-51)
3. Contract Team Legal (pgs. 52-78)
4. Budget Resolution 21-140 (pgs. 79-80)

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