City of Austin

Recommendation for Action

File #: 26-2693, **Agenda Item #:** 10. 11/5/2026

Posting Language
Authorize a contract for medical billing and coding services, to manage the medical billing revenue cycle and collect eligible revenue, for Austin Public Health with Transworld Systems Inc., for an initial term of one year with up to four one-year extension options for a total estimated revenue of $5,000,000. Funding: This item is projected to result in annual revenue of $1,000,000 in the Fiscal Year 2026-2027 Operating Budget of Austin Public Health. The contractor will be compensated at a rate of 5.10% of the total annual claims collected. Compensation will be deducted directly from the collected proceeds rather than issued as a separate payment.

Lead Department
Austin Financial Services.

Client Department(s)
Austin Public Health.

Fiscal Note
This item is projected to result in annual revenue of $1,000,000 in the Fiscal Year 2026-2027 Operating Budget of Austin Public Health. The contractor will be compensated at a rate of 5.10% of the total annual claims collected. Compensation will be deducted directly from the collected proceeds rather than issued as a separate payment.

Procurement Language:
Austin Financial Services issued a Request for Proposals solicitation RFP 9100 JOG3030 for these services. The solicitation was published on April 27, 2026, and closed on June 9, 2026. Of the ten offers received, the proposal submitted by the recommended contractor represented best value to the City based on the solicitation's evaluation criteria. A complete solicitation package, including a log of offers received, is available for viewing on the City's website. This information can currently be found at https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=142847.

MBE/WBE:
This contract will be awarded in compliance with the City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

For More Information:
Direct questions regarding this Recommendation for Council Action to Austin Financial Services - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Additional Backup Information:
The contract will provide medical billing and coding services for Austin Public Health (APH) and support revenue development by expanding billing services, strengthening revenue management, and diversifying funding sources. APH currently has limited in-house medical billing capacity. The contract will provide the

specialized revenue cycle management services needed to expand medical billing across the department.

This is a new contract. The estimated revenue was determined by using departmental estimates, historical quantities, and forecasted usage. This is not an information technology purchase; however, it includes a technology component and requires the contractor to handle protected health information. Therefore, Austin Technology Services completed a security review of Transworld Systems Inc's security controls and determined that the controls align with the City of Austin's and APH's policies and processes.

An evaluation team with expertise in this area evaluated the offers and scored Transworld Systems Inc as the best to provide these services based on qualifications, experience, and reference, technical approach, net collection rate proposal, and small and local business preferences.

If the contract is not secured, Austin Public Health would lack the capacity to effectively manage its medical billing revenue cycle and maximize the collection of eligible revenue.

Contract Details:

Contract Term	**Length of Term**	**Projected Revenue**
Initial Term	1 year	$1,000,000
Optional Extension 1	1 year	$1,000,000
Optional Extension 2	1 year	$1,000,000
Optional Extension 3	1 year	$1,000,000
Optional Extension 4	1 year	$1,000,000
Total	**5 years**	**$5,000,000**

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