



ADDENDUM NO. 1

April 19, 2022

RE: Account Collection Services, RFP 202122-13

The foregoing documents are amended and/or clarified in the respects as herein set forth. This addendum and the amendments herein shall become part of said documents and of any contract entered into pursuant to said documents.

Questions and answers through Friday, April 15, 2022:

1. Are bidders permitted to deviate in any way from any manner of quoting fees you may be expecting? For example, if there is a pricing page in the RFP, can bidders submit an alternate fee structure? If there is no pricing page in the RFP, do you have any preference for how bidders should quote fees or can bidders create their own pricing categories?

No.

2. Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable.

We were satisfied with our previous vendor.

3. To what extent will the location of the bidder's proposed location or headquarters have a bearing on any award?

None.

4. How are fees currently being billed by any incumbent(s), by category, and at what rates? Current vendor deducts their fee from remittances.

19% is their fee.

5. What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?

Last month \$0, last quarter \$0, and since contract began \$12,000.

6. To how many vendors are you seeking to award a contract?

One.

7. To what extent are these accounts owed by private consumers versus commercial businesses?

90% private and 10% commercial.

8. What collection attempts are performed or will be performed internally prior to placement?

We send out delinquent notices.

9. What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?

120 days.

10. What billing servicer do you utilize?

DataProse.

11. Have all cases been fully adjudicated by the time of placement?

Yes.

12. If applicable, will accounts held by any incumbent(s) or any backlog be moved to any new vendor(s) as a one-time placement at contract start up?

Yes.

13. What is your case management/accounting software system of record?

Tyler MUNIS.

14. Who is your electronic payment/credit card processing vendor?

Paymentus.

15. What process should a vendor follow, or which individual(s) should a vendor contact, to discuss budget-neutral services outside of the scope of this procurement, but related to it, designed to recover more debt prior to outside placement and lower collection costs?

Contact Alma Lomeli, Utility Billing Supervisor, and Jennifer Stickman, Procurement Services Manager.

16. How do your current processes and/or vendor relationship(s) systematically determine if the death of a responsible party has occurred?

We don't currently have a process.

17. How do your current processes and/or vendor relationship(s) handle the death of a responsible party?

We send to collections and let the estate, if any, handle the past due payment.

18. Do you have a designated process or policies around deceased accounts today, and what is envisioned in the future?

No, but would like to be able to set up a policy related to deaths of consumer.

19. Do you currently search and file probated estate claims?

No.

20. Have you considered an automated tool to identify and file probated estate claims?

No.

21. Please confirm if providing legal services is a requirement for contract award? If so, please provide the historical number of accounts placed for legal per year.

No.

22. If legal is a requirement would the City consider paying costs?

N/A.

23. Please provide the number of accounts that are anticipated to be placed annually for collections by acct type if available.

Pre-pandemic, approximately 20-30 each month.

24. Who is the incumbent?

CB Merchant Services

25. What are the historical liquidation rates of incumbent

11.20%

26. What is the current fee rate charged by the incumbent?

19%

27. Is credit reporting required for all accounts placed with the vendor?

No.

28. In an average month, how many delinquent accounts does the city anticipate placing with their collection vendor?

Pre-pandemic, 20 to 30 each month.

29. What is the average balance of the accounts?

Between \$50 to \$5,000.

30. Tab E has a three-page limit. Since this is the section where respondents are to explain their collection methodology, would the city consider raising this limit to at least six pages?

No, however, vendors may be asked for additional information after all proposals are received.

31. Are vendors permitted to include exhibits or attachments to proposals, outside the page limit?

No, however, vendors may be asked for additional information or to prepare a presentation that would include exhibits and other attachments after all proposals are received.

32. Scope of Work – pages 7-8 – information provided at the time of placement. As of November 2021, federally mandated Regulation F requires agencies provide specific details regarding the payment/adjustment history. Do your placement files currently contain this information and if not, is the City willing to work with the awarded vendor to provide the necessary information?

Staff is still gathering information on this question.

33. Scope of Work – page 8 – back-up documentation. When a consumer asks for an itemization of the charges, will the City provide this documentation free of charge or will the agency be responsible for the cost of copying. If charged, what is the rate?

The City will provide detailed documentation free of charge.

34. Insurance Requirements – page 10 – General Liability. Would the City entertain reducing the per occurrence/aggregate requirements to \$1m per occurrence/\$2m aggregate?

No.

35. Do you have historical volume numbers (number assigned/dollars assigned) for the portfolios you plan to place?

Yes.

36. Average age of the accounts?

1 to 2 years on some accounts.

37. What does the flow of accounts look like going forward?

We expect activity to start increasing now that the pandemic relief and disconnect service moratorium has been lifted.

38. What is the level of collection activity on accounts prior to write off to your agency? (ex: number of phone calls? Collection letters?)

Staff is still gathering information on this question.

39. How are you currently assigning your accounts (ex. electronically via secured FTP website; paper)?

Paper.

40. Will the awarded vendor have a single point of contact or work with multiple departments?

The vendor will work with a couple of individuals from the Finance department.

41. How long have you been with your current vendor?

Our contract with our current vendor has expired. We are on a month-to-month. Prior to contract expiration, we were on a three-year contract with our vendor.

42. Does the contingency fee that you pay your current agency increase in the event of legal action?

It's a contract legal fee apart from the percentage fee.

43. If you will be cancelling your accounts with your current agency and placing them with the new agency, what is the dollar amount, average balance, and age of this portfolio?

Average dollar amount \$400,000.00. Average balance \$111,000.00, age of portfolio 1 to 2 years on some accounts.

44. It would help us to correctly price our response to your RFP by knowing what success your current agency has achieved. What is the collection percentage on accounts written off to bad debt in 2021?

11.2%.

45. What collection attempts are performed or will be performed internally prior to placement.

We send collection letters as well as shut off notices.

46. Will the accounts held by any incumbents be assigned to any new vendors as a one-time placement at contract start up?

Yes.

47. Will the accounts assigned with the collection contractor be once a month, weekly, or daily?

Some weekly, but not less than once a month.

Issued by:


Jennifer Stickman
Procurement Services Manager

To verify receipt of this Addendum No. 1, please email this sheet to Jennifer Stickman at jstickman@madera.gov before the proposal due date.

Name of Firm: _____

Acknowledged by: _____