



CITY OF PRESCOTT

Budget & Finance Department

201 S Cortez / PO Box 2077

Prescott, Arizona 86302

ADDENDUM #3

Answers to questions submitted
for
Delinquent Account Collection Services

Date of Addendum: October 8, 2013
Proposal Opening: October 17, 2013 2:00 p.m. MST (Arizona time)

TO ALL VENDORS PROVIDING PROPOSALS ON THE ABOVE PROJECT:

The following addendum is to answer questions which were submitted in writing by 10/4/13 deadline.

All other provisions of the Request for Proposal remain unchanged. The Offeror shall acknowledge receipt of this addendum by signing and submitting this addendum with the offer package. The contents of this addendum shall be given full consideration in the preparation of the Proposal.

Questions and answers:

1. Please confirm the due date for this procurement is 10/17/2013.

Yes. The due date is Thursday, October 17, 2013 at 2:00pm MST

2. What is the date by which you will answer these questions?

Answers will be posted by 10/9/13.

3. Why is the contract out to bid at this time?

There is no current contract in place.

4. When is the anticipated contract start date?

December 1, 2013 pending council approval.

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

One.

6. Who are the incumbents, and how long have the incumbents been providing the requested services? Who is your current vendor?

Valley Collection Services. Undetermined amount of time.

7. Has the current contract gone full term?

Yes.

8. Have all options to extend the current contract been exercised?

Yes.

9. How did the current agency perform during the contract term?

Undetermined.

10. What improvements are you looking for in a new vendor?

Undetermined.

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

Undetermined. There is generally a mix of both private consumers and commercial businesses in the utility accounts, tax accounts, and misc. accounts.

12. Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval?

On approval of the City Legal Department.

13. Please provide the current contingency fees for the City's incumbent agencies segregated by account type (e.g., utility, miscellaneous receivables or sales tax) and placement type (e.g., primary, secondary or tertiary), if available.

No contingency fees are currently being billed.

14. What current contingency fees or other fees are currently being billed by any incumbent(s)?

No contingency fees are currently being billed. Incumbents receive 15% of the collected amount.

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

Actual average undetermined. Accounts range from several years delinquent to 90 days delinquent.

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

During Fiscal Years 2012 and 2013:

FY2013- \$1,590.30

FY2012 - \$1,047.62

17. What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category?

Undetermined.

18. What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?

Undetermined.

19. What has been the historical rate of return or liquidation rate provided by any incumbent(s), and/or what is anticipated or expected as a result of this procurement? What are the past liquidation rates achieved on the closed accounts referred to collection?

Undetermined.

20. What is your current internal process if you determine the debtor may be deceased?

Apply for estate distribution. If no assets remain then debt is generally written off.

21. What is your current process if any external collection agency vendor informs you the debtor may be deceased?

Apply for estate distribution. If no assets remain then debt is generally written off.

22. 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.

23. To what extent will the location of the bidder's call center and/or corporate headquarters have a bearing on any award(s)?

No bearing on the award.

24. Please clarify how many copies of responses are required.

Four (4) entire sets of the proposal response:

- **One paper hard copy marked original**
- **Two paper copies**
- **One CD-ROM containing all original documents.**

25. On page six, under Special Terms & Conditions, 2.3 Preparation of the offer package states "Only the following items shall be completed and returned [...] in the following order" regarding 2.3.1 Offer sheet, 2.3.2 Price sheet, 2.3.3 Addendum, and 2.3.4 Submission requirements/samples. However, section 2.5. evaluation criteria (pages 6-7) talks about collection methods, work capacity, and experience. None of this information is covered by the offer, price, addendum, or submission sheets. Should we submit this information anyways?

Yes. Please refer to Addendum #2 for the correction.

26. Is a copy of your existing Annual Status Report available for Offeror review?

No.

27. What does "skip-tracing efforts, resources used and the effectiveness" mean and refer to?

Percentage or quantity counts of collection efforts used so the City can monitor progress on an annual basis.

28. Is "the total number and type of outgoing notices sent by the agency with a rate for return/undeliverable" to be responded to in percentage format?

Can be percentage or quantity count.

29. Is “mail and rate or contact resulting from the mailing” to be responded to in a percentage format?

Can be percentage or quantity count.

30. Notice of Request for Proposal (page 3) indicates sealed proposals should be delivered to “Office of the City Clerk, 201 South Cortez Street, P.O. Box 2059, Prescott, AZ 86302” Please provide the physical address to which proposals can be delivered via overnight courier (e.g., FedEx, UPS, etc.).

**City of Prescott
Office of the City Clerk
201 South Cortez Street
Prescott, AZ 86303**

31. Does the portfolio include primary placements, secondary placements, tertiary placements or some combination thereof? If a combination of accounts will be placed, please indicate the placement types.

It will include both primary placements and secondary placements of accounts with current vendor.

32. Will accounts be primary placements, not having been serviced by any other outside collection agency, and/or will you also be referring secondary placements? If so, should bidders provide proposed fees for secondary placements also?

Yes. If the vendor wishes to propose a different rate for primary and secondary placements then they should provide separate proposal fees. If no separate proposal is submitted it will be assumed that the secondary placements will be at the same rate as the primary placements.

33. Section 1.3.1 (page 4) indicates, “...services should be designed to achieve the maximum recovery...and shall include...telephone calls, mail efforts and skip tracing procedures.” Will the City permit the selected agency to provide credit bureau reporting on placed accounts?

On approval by the City Legal Department.

34. Section 2.2 Return of Offer (page 6) indicates, “The Offeror shall complete all sections of the solicitation in the format given in the space provided. If additional space is needed than what is given, enter ‘See attachment for detail.’” May agencies respond to Section 3: Submission Requirements/Samples (page 9) and Section 3.2 Descriptive Information (Addendum #2) utilizing their own format so long as the questions are restated and ordered exactly as presented in the RFP, and the sections are clearly labeled and delineated in the agency’s response?

Yes.

35. Section 2.10 Term of Agreement (page 7) indicates the initial contract term “shall be five (5) years upon approval by the City Council.” To how many agencies does the City anticipate awarding contracts as a result of this RFP?

One.

36. Section 3.1.1 (page 9) indicates, “Vendor shall submit references from a minimum of three (3) clients completed or ongoing similar projects within the past five (5) years.” In order to ensure the availability of our references, please provide the time period during which the City anticipates to contact references included in proposals.

Between October 21, 2013 and November 30, 2013.

37. Appendix A – Professional Services Agreement, Item 11 (page 13) indicates, “This Agreement is non-assignable by the Professional unless by sub-contract, as approved in advance by the City.” Please provide clarification concerning the City’s definition of a subcontractor. For example, does the City consider outside vendors for letter services and batch skip tracing subcontractors?

Yes.

38. Please provide the historical recovery rates for the City’s incumbent agencies segregated by account type and placement type, if available. Historically, what has the recovery rate been for your current agency in 2009, 2010, and 2011?

Undetermined.

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

Delinquent account letters, phone calls, real property liens, and any other method legally allowed to be utilized by the City.

- END -

City of Prescott, Finance Department



Katie Pehl, Budget & Privilege Tax Manager

ADDENDUM #3

Answers to questions submitted
for
Delinquent Account Collection Services

Date of Addendum: October 8, 2013
Proposal Opening: October 17, 2013 2:00 p.m. MST (Arizona time)

Acknowledgement: **(must be signed and turned in with the offer package)**

Company Name

Date

Signature of Company Official

Date