

**FOUR RIVERS SANITATION AUTHORITY
ADDENDUM NO. 1
RFP #22-212
DEBT COLLECTION SERVICE**

August 16, 2022

AD1-1 Notice

This Addendum No. 1, dated August 16, 2022, to the Request for Proposals, Debt Collection Service, supersedes all contrary and conflicting information in the above-mentioned instructions, specifications, and contract documents which are hereby supplemented or revised in certain particulars as follows:

AD1-2 General Information

The Authority submits Addendum No. 1 to answer questions make, clarifications, and add requirements.

AD1-3 Questions & Answers

Question 1: Why has this bid been released at this time?

Answer 1: The FRSA is conducting a competitive search through the RFP process with the intent to enter a new contract.

Question 2: Can you please provide greater explanation of your expectations related to any required subcontracting to minority-owned, women-owned, or other types or categories of small or disadvantaged businesses? For example, what is required with the proposal, and what is required to comply during the term of the contract?

Answer 2: There are no expectations or contractor requirements other than to self-certify whether the business is minority owned, women owned, veteran owned, and/or certified as a small business under the Federal Small Business Administration standards. Nothing is required with the proposal and does not influence scoring or award. The information is only provided by the contractor upon contract award.

Question 3: 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?

Answer 3: The RFP includes a proposal form; if the proposer would like to offer any alternatives, they should be clearly stated in their response.

Question 4: Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable.

Answer 4: N/A

Question 5: Has the current contract gone full term?

Answer 5: The current contract will reach full term on October 31, 2022.

Question 6: Have all options to extend the current contract been exercised?

Answer 6: No, there is a one-year renewal that will not be exercised.

Question 7: Who is the incumbent, and how long has the incumbent been providing the requested services?

Answer 7: The incumbent, Advantage Collection Professionals LLC, has been providing services under the current contract since September 2018.

Question 8: To what extent will the location of the bidder's proposed location or headquarters have a bearing on any award?

Answer 8: N/A

Question 9: How are fees currently being billed by any incumbent(s), by category, and at what rates?

Answer 9: The current rate is 18%.

Question 10: What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?

Answer 10: FY22 5/1/2021 – 4/30/2022): \$6,703.84

Question 11: How much in fees did the vendor retain, or how much in fees was the vendor paid in each of the years 2019, 2020, 2021?

Answer 11: See Q/A #9.

Question 12: What was the collection rate on accounts referred to your outside vendor for each of the years 2019, 2020, 2021?

Answer 12: Average recovery rate: 19.332%

Question 13: To how many vendors are you seeking to award a contract?

Answer 13: 1 Vendor

Question 14: To what extent are these accounts owed by private consumers versus commercial businesses?

Answer 14: 76,006 billable accounts, 68,161 Residential accounts, 7,854 Non-residential accounts There are 2,814 accounts in collections. Of these accounts 2,693 are residential and 121 are non-residential.

Question 15: 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?

Answer 15: Accounts will be primary placements.

Question 16: Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval?

Answer 16: Yes.

Question 17: What is the total dollar value of accounts available for placement now by category, including any backlog?

Answer 17: This month will have \$26,126.77 worth of account being sent to the collection agency. Of which, \$22,607.89 will be commercial accounts. We currently have \$916,122.18 in collections. Of which \$794,251.13 is for residential accounts and \$121,907.05 is for non-residential.

Question 18: What is the total number of accounts available for placement now by category, including any backlog?

Answer 18: This month will have 24 accounts of which 14 will be residential and 10 are non-residential. There are 2,814 accounts in collections. Of these accounts, 2,693 are residential and 121 are non-residential.

Question 19: What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?

Answer 19: N/A

Question 20: 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?

Answer 20: See Q/A #12.

Question 21: What billing servicer do you utilize?

Answer 21: Calculated through in-house system, then sent to Billtrust.

Question 22: Have all cases been fully adjudicated by the time of placement?

Answer 22: No.

Question 23: 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?

Answer 23: Unable to answer.

Question 24: What is your case management/accounting software system of record?

Answer 24: In-house system.

Question 25: Who is your electronic payment/credit card processing vendor?

Answer 25: Clover Network, Inc.

Question 26: 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?

Answer 26: N/A

Question 27: How do your current processes and/or vendor relationship(s) systematically determine if the death of a responsible party has occurred?

Answer 27: Notified by current vendor.

Question 28: How do your current processes and/or vendor relationship(s) handle the death of a responsible party?

Answer 28: Notified by current vendor.

Question 29: Do you have a designated process or policies around deceased accounts today, and what is envisioned in the future? Uncollectible?

Answer 29: Upon notification from vendor, FRSA deems these uncollectible.

Question 30: Do you currently search and file probated estate claims? Have you considered an automated tool to identify and file probated estate claims?

Answer 30: No.

Question 31: Section 3.3 of the RFP notes that the debt collection procedures currently include "lien filings, [and] show cause hearings". Are these services being performed in-house by FRSA employees, or are they performed by an outside vendor? Are these services provided by an attorney? If so, are the same fees charged for these services as is charged for basic collection services (such as letters and phone calls) that do not require lien filings or show cause hearings? If the fee is different, what fee is charged for these services?

Answer 31: Lien filings are managed in-house and show-cause hearings are being performed by FRSA's in-house General Counsel with no additional fee for the vendor.

Question 32: Section 3.3 also notes in the first sentence that, "other types of FRSA accounts may be submitted at a later date". What other types of accounts does FRSA have that may be submitted in the future?

Answer 32: FRSA also collects fees for Laboratory services and permits provided.

Question 33: Will any preference be given to a certified WBE?

Answer 33: See Q/A #2.

Question 34: Does the Sanitation Authority currently utilize a revenue offset or recapture program, if so, would the agency retain commission on these accounts?

Answer 34: N/A

Question 35: Given the high cost of data breaches and since the agency will have sensitive data resting on their system Cyber Insurance is usually required, however; it is not specified in the Minimum insurance requirements. Is this a requirement? If so what amount of coverage is required?

Answer 35: Yes, see Addendum No. 1; AD1-5; Additional Requirements

Question 36: Is the IDHR number required for firms outside of IL?

Answer 36: Yes.

Question 37: For each of the preceding three calendar years, what was the average balance of the accounts placed?

Answer 37: 2019: \$157,607.00 - 344 accounts average = \$ 458.16
2020: \$108,061.35 – 231 accounts average = \$ 467.80
2021: \$214,981.95 – 574 accounts average = \$374.53

Question 38: In which proposal section do you want point-by-point responses to the items on the qualification form? Section 1, where that form goes, or section 3, which asks for narrative responses?

Answer 38: Qualification form can be placed in Section 1, "Required Documents".

Question 39: Section 2.6 on the bottom of page 6 explains that Section 3, the Main Body of Response, should include “a complete point-by-point response.” But to what? Other than the requirements on page 20, and any form which includes blanks to fill in, are there any other portions of the RFP that require point-by-point responses?

Answer 39: Typically, a point by point response would indicate the proposer has read and understood each item in the RFP or proposer may respond throughout the RFP stating how their firm handles specific items.

Question 40: On the “proposal prices” form (page 25), there is a space for “Alternative Flat Fee.” We prefer to price only based on a contingency percentage, but a flat fee can be provided. Is it required?

Answer 40: See Q/A #3.

Question 41: Regarding that same pricing section, is debt litigation a service that is required by this RFP?

Answer 41: It is not required.

Question 42: Regarding that same pricing section, what is meant by “Transfers accounts to other agencies”?

Answer 42: Secondary placement.

AD1-4 Clarifications

1. 3.5 Quality of Services. B. Follow-up notice mailed out if no response within thirty (30) days.

Proposer may state how their firm completes this process in their proposal response; the process will be considered during the FRSA’s review of proposals.

2. 3.6 Account Activities

Proposer may state how their firm completes this process in their proposal response; the process will be considered during the FRSA’s review of proposals.

AD1-5 Additional Requirements

Add to Section III, 3.10 Insurance:

Cyber Insurance: minimum limit of one million dollars (\$1,000,000) for each claim and occurrence, and in the aggregate, covering the following without limitation: (i) any actual or alleged claim, suit, demand, defense cost and legal fees, expenses, judgment, settlement or liability arising out of breach of security, privacy violations, data theft, damage, destruction, or corruption, unauthorized access or use of computer systems, accounts or data, identity theft, theft of personal information or confidential corporate information, transmission of a computer virus or other type of malicious code, and denial of service attacks; (ii) any actual or alleged violation or infringement of any laws that apply to the privacy and security of Work or applicable industry standards, including without limitation regulatory investigations, actions and fines, attorney fees, penalties and assessments related thereto; and (iii) the following losses, expenses and costs arising out of any actual or suspected breach of security or privacy violation: (a) attorney fees; (b) third party forensic investigator and investigation; (c) third party mailing services; (d) third party call center services; (d) public relations Suppliers; (e) credit monitoring and identity theft protection services; (f) business interruption and extra expenses related thereto; (g) data recovery and restoration; and (h) cyber extortion. Such insurance must address all of the foregoing without limitation if caused by Supplier Personnel, a Sub-Supplier, or an independent Supplier working on behalf of the Supplier in performing the Work.

Proposer shall initial the bottom of this Addendum No. 1 and include it with their proposal.

_____ Proposer's Initials