



**CITY OF NEWARK
DELAWARE**

**CITY OF NEWARK
RFP NO. 19-03
CREDIT COLLECTION SERVICES**

**ADDENDUM 2
July 18, 2019**

This addendum addresses the responses to questions asked of vendors regarding this RFP.

Overall

Year	Total Due	Count	Average
⊕ 2006	\$51.08	1	\$51.08
⊕ 2010	\$4.92	1	\$4.92
⊕ 2011	\$260.98	1	\$260.98
⊕ 2014	\$187,772.27	444	\$422.91
⊕ 2015	\$170,075.64	417	\$407.86
⊕ 2016	\$104,291.21	418	\$249.50
⊕ 2017	\$86,030.76	363	\$237.00
⊕ 2018	\$188,558.92	431	\$437.49
⊕ 2019	\$47,575.82	104	\$457.46
Grand Total	\$784,621.60	2180	\$359.92
Not to be Collected:			
Under \$10:	-\$661.15	-327	\$2.02
Collections Closed:	-\$83,284.88	-437	\$190.58
Subtotal:	-\$83,946.03	-764	\$109.88
Collections with Vendor:	\$108,964.78	283	\$385.03
Collections with City:	\$591,710.79	1133	\$522.25

1. Why has this bid been released at this time? **Our current contract has expired.**
2. Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable.

3. If this is a term contract subject to renewal, what is the term and the maximum number of option periods? **We are looking at a minimum of three years, with two one-year options, for a total of five years.**
4. Has the current contract gone full term? **Yes.**
5. Have all options to extend the current contract been exercised? **Yes**
6. Who is the incumbent, and how long has the incumbent been providing the requested services? **SIMMS Associates, Inc. – approximately five years.**
7. To what extent will the location of the bidder's proposed location or headquarters have a bearing on any award? **There is some consideration to vendors that are local to the Newark area.**
8. How are fees currently being billed by any incumbent(s), by category, and at what rates? **Fees are paid based on a percentage of what is collected.**
9. What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)? **Larissa**
10. 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, there will be new placements, along with the previous inventory from our prior collector. If the vendor wishes to provide two fees, that is acceptable.**
11. What collection attempts are performed or will be performed internally prior to placement? **After the final bill is generated, it automatically applies the deposit to that bill if available. A pink notice is issued afterwards. If the delinquent amount is less than \$50, I send a soft letter to the customer advising them of the outstanding balance. No additional action is taken if they do not respond.**
12. Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval? - **Yes**
13. What is the total dollar value of accounts available for placement now by category, including any backlog? – **\$600-700k**
14. What is the total number of accounts available for placement now by category, including any backlog? **1400**
15. What is the average balance of accounts by category? **\$360**
16. What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category? **90-days**

17. What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category? **Ranges between 30 - 80 per quarter**
18. What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category? **Quarterly value ranges from \$10k to \$20k**
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?
20. 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? **Any backlog held by our previous vendor will be moved to the new vendor.**
21. What is your case management/accounting software system of record? **Current accounting system is MUNIS. Case management system?**
22. Who is your electronic payment/credit card processing vendor? **Authorize.net and Paymentus**
23. 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? **Any addition to the RFP by the vendor can be added as an appendix marked "other."**
24. How do your current processes and/or vendor relationship(s) systematically determine if the death of a responsible party has occurred? **If vendor has been given information that the responsible party has passed, they will attempt to confirm that information to us via their monthly report. If we receive that information, we then convey it to the vendor if they have been transitioned over to our collection's vendor.**
25. How do your current processes and/or vendor relationship(s) handle the a death of responsible party? **The vendor would communicate that the person has passed. We typically write off if they were the only responsible party.**
26. Do you have a designated process or policies around deceased accounts today, and what is envisioned in the future? **We will have to develop a process.**
27. Do you currently search and file probated estate claims? Have you considered an automated tool to identify and file probated estate claims? **No. I am open to this option.**
28. How many accounts will be placed monthly? **30-80 accounts per quarter**
29. What is the average account balance? **\$360**
30. What is the average age of account? **90-days roughly**

31. What collection activity is performed prior to submitting account to collection agency? **See question 11**
32. Is there a backlog of accounts? **Yes**
33. Total volume of accounts and total dollars submitted to current agency during the past 12 months?
34. Gross \$ amount collected from incumbent agency during the past 12 months? **Shannan is pulling remittances to respond.**
35. Average liquidation rate of current agency during the past 12 months?
36. Total commissions paid to current agency during the past 12 months? **Shannan is pulling remittances to respond.**
37. What is the commission rate being paid to current agency?
38. Who are the current collection agencies being used? **SIMMS Associates, Inc**
39. What is the reason for placing this business out for bid (end of contract, dissatisfaction, etc.)? **End of contract.**
40. Do you allow unpaid accounts to be reported to the credit bureaus? **Upon City approval, accounts must be reported on a monthly basis to the proper credit reporting agencies. Any account with no payment and has been assigned by the City of Newark to the agency for a minimum of 90 days, will qualify to be reported as a collection item.**
41. Is selected agency allowed to negotiate or discount debtor balances to encourage payments? **We are willing to negotiate on a case-by-case basis.**
42. Typically litigate delinquent/non-pay accounts? **No**
43. Are there any additional requirements for out-of-state agencies (licenses, ordinance and/or etc.)? **All businesses must be licensed, possess both a business license from the State of Delaware, and the City of Newark.**
44. What is the projected volume of account to be placed monthly? **Duplicate question**
45. What is the average balance of accounts? **Duplicate question**
46. What is the current liquidation rate that you are achieving?
47. What is the total dollar value of accounts available for placement now by category, including any backlog? **Duplicate question**

48. Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable.
49. What is the average balance of accounts by category? **Duplicate question**
50. What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category? **Duplicate question**
51. What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category? **Duplicate question**
52. 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?
53. Do you currently outsource to a vendor? **Yes**
54. Can you please share your current agencies performance including the annual historical collection/liquidation percentages by service/ type. Can you supply collection reports of performance by service/type?
55. Can you please provide the current contingency fee rate your vendors receive by service/type?
56. Why are you putting this RFP out for bid? Are you happy with your current agencies performance and rate structure? **Our current contract has expired.**
57. If you do not currently outsource to a vendor, can you provide your internal historical annual performance/ liquidation/collection numbers? **Currently outsourced to a vendor.**
58. Please confirm how many vendors you will be looking to source for this RFP for services listed? **One**
59. What is the average current monthly placement volume vendor can expect to receive in number of **accounts and dollars**? **Duplicate question**
60. What is the average age of the accounts when placed with the vendor for collections? **Duplicate question.**
61. What is done on accounts prior to being placed with a collection agency vendor? **Duplicate question**
62. Do you require legal collections? Is there a minimum balance or criteria account should have to qualify for legal? Can agency submit a separate rate to perform legal collection? **Open to this for minimum balances > \$1,000.**

63. Will vendor possessing a place of business in Delaware receive an advantage in scoring of the RFP? **There are some additional points awarded to a vendor with a presence within the Newark area.**
64. How long will vendor be allowed to keep accounts? **120-days**
65. Will vendor have access to your system? **No. Flat files can be exported and distributed to the vendor upon demand.**
66. Does interest accrue on debt? **No. But we would like to begin adding interest to the balance due.**
67. Does the debt follow the individual or property? **Individual for electric accounts, which is the purpose of this RFP.**
68. What are the volumes you're currently sending to collections? Placements/Age/Dollars? Etc? **Duplicate**
69. How many Agencies are you using? **One**
70. Is the City able to share anticipated volume of accounts to be placed with selected collection agency? (Count & Dollars Placed) **Yes**
71. Is the City able to share if there is a backlog of accounts previously placed with an old agency that will be placed with the new agency? (Count and Dollars) **Yes**
72. Is the City able to share their current agencies recovery rate as well as cost for collections? **No**
73. Are Audited Financials Required? Would compiled financial statements suffice? **Audited financial statements are preferred, but lack of an audited financial statement may impact final scoring.**
74. Are Insurance requirements negotiable? We currently carry a Professional and General Policy of !\$1,00,000 per occurrence and \$2,000,000 Aggregate. We also carry a \$1,000,000 umbrella policy and Cyber Liability. **Insurance requirements may be negotiable on a case by case basis if necessary.**
75. Are vendors currently being used for the service for this RFP? If so, how many? If so, what contingency rate/pricing is currently being charged? **One vendor is currently being used.**
76. Why is this out for bid at this time? **End of contract.**
77. What improvements are you looking for in a new vendor? **Communication, reporting, active collection on accounts.**
78. Can this work (collection calls) be performed offshore? **No.**

79. What is the frequency of placements and volumes? (daily, weekly, monthly, one time placement, etc.) **monthly, quarterly.**
80. Is credit reporting expected/allowed? **Yes**
81. Will companies located in the Newark area receive preference? **Companies located within a close radius of Newark will receive additional points in the determination of the new vendor.**
82. How long would the collection agency retain the accounts? Would we return them at some point, or just at the end of the contract? **– 120-days, then off to the credit bureaus.**
83. Can you share the current agency report showing liquidation/recovery rates by month? **Never received access from Simms.**
84. What is the current 6 month and/or 12 month liquidation/recovery rate of the current vendor? **– We do not have statistics to properly respond to this.**
85. Can you share the current agency scorecard showing liquidation/recovery rates? **– We do not have this information**
86. What are the anticipated monthly placement volumes and amounts? **- Duplicate question**
87. What is the average account balance? **- Duplicate question**
88. What is the average age of accounts to be placed to the collection agency? **- Duplicate question**
89. Will there be an initial larger placement of existing accounts from the prior collection agency or backlog? If yes, what is the volume? **Yes.**
90. Would the collection agency be expected to add any fees or interest to the assigned placement amount? **Currently, we do not add interest, but are open to adding that going forward.**
91. For any meetings, can these be via conference call/webex or is physical presence required? **Conference call/webex is sufficient.**
92. What is the average balance of accounts to be placed? **- Duplicate question**
93. Monthly, what number of accounts do you anticipate placing with the winning respondent? What is the total dollar value of the accounts to be placed monthly? **- Duplicate question**
94. Based on historical data, what has been the rate of liquidation for the accounts in question? **– We do not have this data**

95. Is there an incumbent provider currently collecting this debt? If so, is the city willing to share its current contingency fee? **Yes, there is a current provider, and no, we will not provide their current fee.**
96. To how many vendors are you seeking to award a contract? **One**
97. What is the total dollar value of accounts available for placement now by category, including any backlog? - **Duplicate question**
98. What is the average balance of accounts by type/category? - **Duplicate question**
99. What current contingency fees or other fees are currently being billed by any incumbent(s), by category? **We will not provide current fee structure.**
100. What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category? - **Duplicate question**
101. What is the total number of accounts available for placement now by category, including any backlog? - **Duplicate question**
102. What has been the historical rate of return, the recovery/liquidation rate provided by each of your incumbents? - **Duplicate question**
103. To what extent are these accounts owed by private consumers versus commercial businesses? - **there are a combination of residential and commercial accounts.**
104. If accounts will not be placed monthly, can you please indicate the interval of placement and the number of accounts anticipated per placement? **Plan is to place monthly, or quarterly.**
105. What is the anticipated or expected rate of return for collections placed as a result of this procurement? - **>50%**
106. What recovery rate are you receiving on your placements for the past 12 months or calendar year? If applicable, will accounts held by any incumbent(s), or will any/all backlog be moved to any new vendor(s) as a one-time placement at contract start up? - **No data to respond to this**
107. To what extent will the location of the bidder's call center and/or corporate headquarters have a bearing on any award(s)? **Call center must be located within the United States. Additional points are awarded to bidders with a location within driving distance to the City of Newark.**
108. Does the City of Newark add any late fees or other penalties to a principle balance at any stage of delinquency prior to placement for collection? **Duplicate question**

109. Does the City of Newark intend to charge interest to account balances that are delinquent and placed for collections? **Duplicate question**

110. How long will the winning collection agency (bidder) be able to keep accounts once they are placed? **One**

111. Does the City of Newark report these accounts to the credit bureaus internally? - **No**

112. Does the City of Newark intend for collection activity to be reported to the credit bureaus by the awarded agencies? - **Yes**