

REQUEST FOR PROPOSAL (RFP)
#FCARC-00079

Independent Debt Collection Agency



ADDENDUM NO. 1
June 24, 2013

CERTIFICATION OF RECEIPT OF ADDENDUM

I certify that I have received this addendum on behalf of the company listed below.

Signed: _____ Dated: _____

Name and title: _____

Company: _____

ADDENDUM NO. 1
TO RFP #FCARC-00079

- 1.0** This addendum is considered to be part of the RFP. All other terms of the RFP remain unchanged and in effect. This addendum is intended to provide additional information and/or to change requirements in the above referenced RFP. Any information contained herein will be considered part of the RFP and as such will be used in the evaluation of the bid responses. Attention all potential bidders, if you have already submitted your proposal, please review this addendum and re-submit your bid response should this addendum modify your initial bid response.
- 2.0** To verify that all Vendors have received a copy of this addendum, please sign the cover page of this addendum and include it within your proposal, refer to Required Format of Proposals, Section 9.0, to:

Riverside County Flood Control
and Water Conservation District
Purchasing Department
Attention: Annie Ortega, Buyer I
RFP# FCARC-00079 / Independent Debt Collection Agency
1995 Market Street
Riverside, CA 92501

**3.0 Questions from Bidding Firms:
REGARDING RFP PROCESS**

Q1 - Please confirm the due date for this procurement is 07/03/2013.

Answer: Bidder responses for RFP FCARC-00079 must be received by Wednesday, 07/03/2013 by 1:30 PM.

Q2 - Can you please provide greater details on how the proposals will be evaluated and how the selected vendor(s) will be chosen?

Answer: Each proposal will be competitively evaluated on its relative strengths and weaknesses against the criteria listed below and as described in Section 9.0 and 11.0 of the RFP. The order of the listed criteria is not indicative of their priority, weight or importance: (a) Overall Responsiveness and General Understanding of the RFP, (b) Firm's Experience and Ability, (c) Project Team, (d) Technical Approach and Methodology, (e) Fee Schedule, (f) References, (g) Financial Status, (h) Clarifications, Exceptions or Deviations, and (i) Business Outreach Program Compliance.

Q3 - In reference to page 1 of the attachment: 116-240 General Conditions – Personal/Professional Services, we would like to know if you offer or would be willing to offer Mutual Indemnification?

Answer: No.

REGARDING SCOPE OF WORK

Q4 - Why is the contract out to bid at this time?

Answer: The District is looking to establish a contract with a collection agency for the purpose of collecting outstanding debt.

Q5 - Can you please provide a greater description of the specific kind of receivables to be placed for collection?

Answer: Fees for professional services provided to customers.

Q6 - Who is currently supplying Collection Agency services for Riverside County Flood Control District? Who are the incumbents, and how long have the incumbents been providing the requested services?

Answer: The District does not have a vendor performing this service at this time.

Q7 - How long have you been with your current vendor?

Answer: N/A

Q8 - Has the current contract gone full term?

Answer: N/A

Q9 - Are you happy with the services provided by your current vendor? If you are not happy with your current vendor, can you please be specific and tell us why?

Answer: N/A

Q10 - Have all options to extend the current contract been exercised?

Answer: N/A

Q11 - What contingency fee does your current agency charge? Does the fee increase in the event of legal action?

Answer: N/A

Q12 - What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?

Answer: N/A

Q13 - Will you be canceling your accounts out with your current agency if you choose a new collection agency? This is considered a secondary portfolio). If so, would you like a quote on placing your secondary portfolio/. If so, what are the dollar amount, average balance and age of this portfolio? Will you place the portfolio electronically or via paper?

Answer: N/A

Q14 - 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 2011 and 2012?

Answer: N/A; See the response to Question 15 below.

Q15 - What is the level of collection activity on accounts prior to write off to your agency? (ex: number of phone calls? Collection letters? Credit reporting?)

Answer: The District's Board recently authorized an Accounts Receivable/Debt Collection Policy. To date, the District has not written off any bad debt/past due accounts. With the implementation of its Accounts Receivable/Debt Collection Policy and the selection of a Debt Collection company, collection efforts by the awarded vendor will be the highest level of collection activity prior to write-off pursuant to the policy.

Q16 - To how many vendors are you seeking to award a contract?

Answer: One (1).

Q17 - To what extent are these accounts owed by private consumers versus commercial businesses?

Answer: Approximations: 90% Commercial, 10% Private Consumers

Q18 - 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 provided fees for secondary placements also?

Answer: Primary placements only.

Q19 - What collection attempts are performed or will be performed internally prior to placement?

Answer: Collection attempts are made for accounts on a monthly basis by way of phone call, email, fax and/or written letters.

Q20 - Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval?

Answer: No.

Q21 - What is the monthly or quarterly number of accounts expected to be placed with the vendor(s)?

Answer: Currently approximately 200 accounts are available for placement. There accounts will be placed approximately 25 per month by customer.

Q22 - From the 200 accounts you have ready for placement, what is the average age?

Answer: 5 years.

Q23 - What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?

Answer: With the initial placements, the value can range up to \$100,000 per quarter.

Q24 - Will you want Net Remit or Gross Remit?

Answer: Gross Remit.

Q25 - (A) What has been the historical rate of return or liquidation rate provided by any incumbent(s), and/or (B) what is anticipated or expected as a result of this procurement?

Answer: (A) N/A, (B) 50%

Q26 - 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: N/A

Q27 - What is your current process for handling accounts where the amount may be owed by someone who is now deceased?

Answer: There is no current process for handling accounts where the customer is deceased. Majority of accounts are commercial.

Q28 - What do you expect of a collection agency if they determine the delinquency is owed by a deceased person?

Answer: Provide verification of death.

Q29 - Will the awarded vendor have a single point of contact or work with multiple people?

Answer: There will be a single point of contact with a backup contact.

[End of Questions]

ALL OTHER ITEMS REMAIN THE SAME