



## **Request for Proposal # 2019-013 Collection Agency Service**

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### **ADDENDUM NO. 1**

**ISSUE DATE: August 27, 2018**

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Bidders on this project are hereby notified that this Addendum shall be attached to and made a part of the above named bid documents due September 11, 2018

The following items add to, modify, and clarify the bid documents and shall have the full force and effect of the original documents. Bids shall conform to those items and the cost change, if any, of these items shall be included in this bid price. This Addendum shall be acknowledged by the bidder on Appendix D, Addendum Receipt and Anti-Collusion Form.

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## **BID DOCUMENT**

Cover Page & Page 2, **CHANGE** Submittal Time **from 3:00 p.m. to 2:00 p.m.** to read as:

**Due Date:** September 11, 2018

**Time:** 2:00 pm EST

**Receipt Location:** Government Center  
Administrative Services - Procurement Division  
500 N. Main Street, Suite #709  
Monroe, NC 28112

and:

Submittals shall be sealed and labeled on the outside "RFP# 2019-013 Collection Agency Service". RFP's are to be received by the Union County, Procurement Division by **2:00 p.m., September 11, 2018.**

## **QUESTIONS**

1. Question: Are you using an agency now? If so, why are you looking to change?  
*Answer: We are using RSI; Contract ending, looking for replacement.*
2. Question: Does the County seek to award a single vendor, or multiple vendors?  
*Answer: The County will award a single vendor for its collection needs.*
3. Question: Can we propose a rate for the new delinquent accounts and a separate rate for the older accounts/accounts previously placed with another collection agency?  
*Answer: Each vendor will be accessed on their individual proposals. If this option is the best interest of the County it will be considered.*
4. Question: Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable.  
*Answer: Satisfied.*
5. Question: Who/what are you trying to collect from?  
*Answer: Water & Sewer Accounts.*
6. Question: What collection attempts are performed or will be performed internally prior to placement?  
*Answer:*
  - a. *Billing Office – Final bill, Letter of Intent to Collect*
    - i. *A letter sent to the customer 30-days after the due date of the last bill stating the requirement to pay, amount, deadline, and notice that delinquency will result in submittal to Debt Setoff, that the*



*account may place in 3<sup>rd</sup> party collections, and will reflect on the customer's credit report.*

- b. Tax Office - Collections*
- i. Accounts will be submitted to Debt Setoff program with the NC Department of Revenue to intercept any state tax refund or lottery winnings.*
  - ii. Accounts will be researched for employment and banking information to issue wage garnishments and/or bank attachments.*
  - iii. In some instances, 5-day letters or phone calls made directly to the customer may be necessary.*
  - iv. Attachments will also be issued to the Department of State Treasurer for unclaimed funds found under customer name.*
7. Question: When the accounts are referred to the agency, what are the expected work flows?  
Answer:
- *Scrub accounts*
  - *Prioritized approach for collection of accounts and efforts*
  - *Acknowledgement of referral*
  - *Customer contact (letter, calls, etc.)*
  - *Credit reporting if unpaid*
  - *Skip tracing*
  - *Personal contact with customer*
  - *Accept payments*
  - *Establish payment plans and manage plans through agency until full balance is paid*
  - *Reporting to Utility – Receive and transmit all placement, transaction, notes, and reporting through electronic transmission*
  - *High level of customer service, problem solving approach over typical collection agency perception*
8. Question: What is the average age and frequency of accounts to be placed to the collection agency?  
Answer: *There are accounts currently open in collections that range back up to several years. Most new accounts will be placed into collection within 60-120 days or at a time determined to be uncollectable.*
9. Question: What is the total dollar value of accounts available for placement now by category, including any backlog?  
Answer: *\$471,000 total – includes \$330,000 sent to outsourced collections, and \$171,000 sent to Tax for internal collections.*
10. Question: What is the total number of accounts available for placement now by category, including any backlog?



*Answer: 3,251 open accounts in or eligible for potential collection activity; 1,167 potential accounts sent letter of intent to collect and referred to Tax for collection action & 2,084 accounts active/open in outsourced collections.*

11. Question: What is the average dollar amount per account, category?

*Answer: \$160.00.*

12. Question: What has been the historical rate of return or liquidation rate provided by any incumbent?

*Answer: 14% overall, 22% last 24 months.*

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

*Answer: Accounts are placed after internal processes have been exhausted. County "Best Management Practices" Aug, 2005, KPI's state that accounts can be outsourced to collections after 60-days.*

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

*Answer: 25-50 per month on average.*

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

*Answer: \$5,000 per month on average.*

16. Question: How long would the collection agency retain the accounts? Would we return them at some point, or just at the end of the contract?

*Answer: Until collected or contract end.*

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

*Answer: Existing accounts and backlog will be moved to the new contract holder. See # 10 for numbers.*

18. Question: For any meetings, can these be via conference call/gotomeeting or is physical presence required?

*Answer: Remote is fine except for initial presentation if selected as a potential vendor by the selection committee.*

19. Question: Will companies located in the Union County or North Carolina area receive preference?

*Answer: No, we will select the best option for the County based on presentation and proposal.*

20. Question: Can this work (collection calls) be performed offshore?



*Answer: No, we require a US based collection effort.*

21. Question: Is credit reporting expected/allowed?

*Answer: We require reporting of collection efforts, collected revenues, open accounts, cancelled, etc. We do not require or pull credit reports on accounts submitted for collection. Union County will be responsible for credit reporting.*

22. Question: What improvements are you looking for in a new agency?

*Answer: ROI, and reporting capabilities for account management in house.*

23. Question: How many agencies received invitations to bid?

*Answer: The bid notice has been published on the NC State Interactive Purchasing System and Union County's web page. The Bid opportunity is open to anyone.*

24. Question: Please provide a list of all consumer demographic information that will be sent to the agency - i.e. Name, address, social security number, etc.?

*Answer: Name, Phone, Address, SSN, Acct #, Balance, Last Paid Date.*

25. Question: Please describe the scorecard that will be used to evaluate RFP responses and make awards.

*Answer: The scorecard has 0-10 points available for each of the 5 criteria: Qualifications & Experience, Performance of Other Contracts, References, Cost, and Responsiveness of Proposal.*

26. Question: What are the historical fee ranges?

*Answer: 15.5% - 18.0%*

27. Question: What is Union County's expectation of agency recovery rates?

*Answer: Min 20% or better for utility collections*

28. Question: Does Union County get or have you obtained expressed consent from your customers for all cellular numbers forwarded to the collection agencies upon placement?

*Answer: No*

29. Question: What are the residential vs. commercial % volumes?

*Answer: 95% Residential*

30. Question: Do you allow your current collection agency to offer your delinquent accounts a settlement percentage off, in order to collect on?

*Answer: No*

31. Question: Is there value given to NC based Agencies?

*Answer: No; All submittals are evaluated by content, not location.*

32.Question: Are minority or woman owned given special consideration?

*Answer: No.*

33.Question: What computer software system do you use to manage your accounts/inventory?

*Answer: Harris Northstar.*

34.Question: What is the preferred electronic method (email, SFTP, direct file upload) for sending accounts?

*Answer: UC set up on vendors SFTP to be able to drop off and pick up files; Receive CSV comma delimited text file from UCPW.*

35.Question: How should we handle check or money orders? Made payable to?

*Answer: Vendor may accept and deposit into a trust account and remit to UCPW monthly; payments not required to be made payable to UCPW but if cash, checks, money orders are made payable to UCPW, they can be sent to our Tax office and made payable to Union County Public Works.*

36.Question: How should the contractor process electronic payments? Is the contractor permitted to use ACH, credit card, and debit card? Can contractor use our own payment processing system?

*Answer: Current contract calls for Cash, check, money order; Contract could include Contractor using their own payment processor and remitting monthly to UCPW.*

37.Question: Is contractor authorized to add in the processing fee onto the debt when running the payment?

*Answer: No.*

38.Question: Does the client add collection costs to accounts? If so, what documentation does the client have authorizing the addition of such costs?

*Answer: \$60.00 for debt setoff/garnishment per N.C.G.S. 105-368.*

39.Question: If the file has been qualified internally for legal action, who would pay the court costs?

*Answer: We have legal remedies in place though North Carolina General Statute Chapter 105-A (the Debt Setoff Collections Act), and we will attempt to collect this bill through the procedures described in N.C.G.S. 105-367 and 105-368 as authorized under N.C. Session Law – 1981 Chapter 643. These procedures include the use of wage garnishments, bank attachments and levying on personal property.*

40.Question: If an account has been qualified for legal action (lawsuit being filed), would the client have to sign off on each file prior to moving to legal or would client provide a blanket waive/approval?

*Answer: Yes – the client would have to sign off.*



41.Question: Will each file come with a detailed line-item invoice or line-item breakdown of costs so that we can easily input that data into our system, including principal, interest, courts costs and other fees?

*Answer: We submit an account total which would possibly include our collection fee in item. We do not transfer a line item breakdown of charges owed*

42.Question: On average, how many accounts are pulled back each month?

*Answer: 1-3*

\*\*\*\*\* End of Addendum No. 1\*\*\*\*\*