



**2024 Third-Party Collection Services, RFP
Solicitation Number: R-24-002-LE**

**ADDENDUM 1
March 28, 2024**

To Respondent of Record:

Responses to Questions

1. 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?

Response: No, alternate pricing will not be accepted. The Compensation Proposal Form, Attachment II, provided in the RFP shall be utilized by each Respondents.

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

Response: We are not aware of any issues with the current vendors.

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

Response: None, there is not a requirement on the location or headquarters for SAWS to select a firm.

4. How are fees currently being billed by any incumbent(s), by category, and at what rates?

Response: Fees for the initial file range from 16 to 17% of the delinquent balance. Fees for the subsequent file range from 17 to 18%.

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

Response: Estimated payments for last year were between \$40,000 and \$55,000, with estimated monthly payments of approximately \$2,700.

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

Response: The distribution changes month to month. However, based on the data, residential customers make up roughly 90% of delinquent accounts sent to the OCA versus roughly 10% for non-residential customers.

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

Response: SAWS has been utilizing Credit Systems International, Inc. and Online Information Systems, Inc. to actively collect on accounts. So, there may be some secondary placements. Prior to write off, SAWS exercises delinquency management efforts (outbound calls, sends letters and performs robo-calls) on accounts until they are closed. Once accounts are closed, up to six (6) final bills are mailed to the account address. Prior to charging off the accounts, SAWS performs a search to determine if there are any other accounts under that customer's name and in the case where no account is found, the account is written off. After SAWS has exhausted its delinquency management process, the accounts will be assigned to an OCA. *Please refer to Section I.B., paragraph one (1,) of the RFP for additional information.*

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

Response: No, SAWS will not require OCAs to seek legal action on SAWS' behalf regarding delinquent accounts. *Please refer to Section I.B., paragraph three (3), of the RFP for additional information.*

9. 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?

Response: Due to circumstances outside of the incumbents and SAWS' control, incumbents were not actively collecting on accounts simultaneously over the term of the contract. However, historical ranges for volume of accounts is between 1% and 25% and historical ranges for value of accounts is between .40% and 4%.

10. What billing servicer do you utilize?

Response: SAWS bills internally.

11. Have all cases been fully adjudicated by the time of placement? 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?

Response: With the current contracts expiring in July, SAWS intends on recalling all placements distributed to the OCAs. These placements will then be redistributed to the new OCAs under the new contract and will be considered the "Initial File". *Please refer to Section I.B., paragraph two (2) of the RFP for additional information.*

12. What is your case management/accounting software system of record?

Response: Infor Public Sector is the accounting system of record.

13. Who is your electronic payment/credit card processing vendor?

Response: Kubra is the payment vendor.

14. 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?

Response: Questions related to services that differ from the Scope of Services in this RFP may be directed to the Contract Administrator with SAWS' Contract Administration Department, Lindsay Esquivel via email at Lindsay.Esquivel@saws.org.

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

Response: SAWS does not dictate means and methods for vendors. Internally, it is customer based. Either a surviving relative will inform SAWS or the account goes unpaid and is ultimately reported to an OCA, who may inform SAWS of their passing.

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

Response: See response to #15 in this Addendum.

17. Do you have a designated process or policies around deceased accounts today, and what is envisioned in the future?

Response: See response to #15 in this Addendum.

18. Do you currently search and file probated estate claims? Have you considered an automated tool to identify and file probated estate claims?

Response: No

19. Can you please indicate what inbound and outbound contact methods, beyond phone calls or letters (such as email and text), would be permitted by the scope of work?

Response: As an extension of SAWS, all means and methods must be within the legal and ethical standards set by the Fair Debt Collection Practices Act and/or any other consumer protection rules, laws, and/or regulations. *Please refer to section I.C.5.b. for additional information.*

20. What is the intended number of vendors to be awarded?

Response: SAWS, at its sole discretion, anticipates awarding a contract to one (1) or more firms.

21. Can you please provide the percentage of residential vs. commercial accounts?

Response: See response to #6 in this Addendum.

22. What percentage of accounts are Spanish-speaking?

Response: This information is not readily available.

23. What is the historical liquidation rate?

Response: See response to #9 in this Addendum.

24. How long will the accounts be placed with the agency?

Response: The contract term will be five (5) years, with the option for one (1) 1-year renewal. *Please refer to Section I.C.5 of the RFP for additional information.*

25. For the backlog of accounts, what is the average age of accounts?

Response: At the time of award, accounts at placement will be two plus (2+) years closed. Going forward the delinquent age will be less than one (1) year since the account was closed. *Please refer to Section I.B., paragraph two (2) of the RFP for additional information.*

26. Do you seek specific enhancements or improvements from the vendor for this contract?

Response: Respondents are encouraged to become familiar with the Scope of Services as outlined within this RFP. As part of their proposal, they may identify specific enhancements or improvements they believe may be beneficial, but SAWS at its sole selection may opt not to consider proposed enhancements or improvements as part of the final Scope of Services within the Agreement.

27. Is there a preference for a local collection agency?

Response: Please see the response to question #3 in this Addendum.

28. Does SAWS apply interest to the accounts or anticipate the vendor to include interest once the accounts are placed in collections?

Response: No.

29. Does SAWS permit credit reporting?

Response: Please refer the response to question #8 in this Addendum.

30. Are accounts eligible to be subject to legal action?

a. If so, what percentage of the annual recoveries come from legal action?

Response: Please refer the response to question #8 in this Addendum.

31. Could you share the prior fees charged by the collection agency(s) that recently serviced SAWS' delinquent portfolio?

Response: Please see response to #4 in this Addendum.

32. Will SAW's new placement files contain Reg F information, including itemization date, balance at itemization, added interest post itemization, payments/adjustments after itemization, and current collectible balance?

Response: Please refer to the table in Section I.D.4.

33. Is SAWS open to utilizing work-at-home/remote agents?

Response: SAWS does not dictate means and methods for staffing by vendors.

34. Is text and/or email communication permissible for SAWS?

a. Does SAWS obtain and transfer consent for electronic communication to its collection agency vendors?

Response: Please see response to #19 in this Addendum.

35. What billing system/software does SAWS currently employ?

Response: Please see response to #12 in this Addendum.

36. Are there diversity vendor spending goals for minority/woman-owned businesses at SAWS?

Response: Yes, SAWS Small Business Opportunity Program (SBOP) goals are set on a contract-by-contract basis when there are at least three (3) small, minority, and woman-owned businesses (SMWBs) available to fulfill the specific scope of work that a contract requires. Regarding this solicitation, SAWS was not able to identify three (3) certified SMWBs who offer third-party collection services.

37. Page 3, D. Additional Requirements. Respondent must have access to Lexis-Nexis, which is necessary for verification of some accounts.

a. Can you please clarify what verification we need to use Lexis-Nexis for accounts?

Response: See #1 of Changes to the RFP.

Changes to the RFP

1. PROJECT INFORMATION, Section I.D.3., is removed and replaced in its entirety as follows:

3. Respondent must have access to a verification system that can verify customer legal and business information. i.e. Lexis-Nexis. Please indicate the verification system that is used in the RFP response evaluation criteria section 3. System Compatibility and Capabilities.

This Addendum is five (5) pages in its entirety, including its attachments.

Attachments:

None