



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

**ADDENDUM 3
April 5, 2024**

To Respondent of Record:

RESPONSES TO QUESTIONS

1. As for the 10MB file size limitation for the bid submission. Would that be for each individual file we send you or will that be for all three of them combined?

Response: The file size limitation for submission is 10 MB per file. Only three (3) files with all required response information shall be submitted, File one (1) shall contain ONLY the Compensation Proposal Form (Attachment II), File two (2) shall contain ONLY the completed VTAQ Form Assessment (Exhibit D in Excel format), and File three (3) shall contain all other required information requested in this RFP. See change to RFP #2 in this addendum.

2. Our attorney reviewed the contract and requires a clarification under Exhibit A: Compensation and Consulting Agreement, 1.5. It states that “no payment will be made to Consultant unless and until collection and recovery from accounts that were charged off after being inactive for a period of one (1) month or more with outside third party are actually realized by the Water System.”

Does this mean we won’t get compensated for any payment we collect in the first month? If not, what does this mean?

Response: It means the OCA will only receive payment once SAWS receives funds from accounts placed with the OCA. SAWS will only pay based on collections, not on efforts made to collect.

3. Regarding the Lexis-Nexis software, please elaborate on which specific Lexis-Nexis software you are referring to for verification of accounts.

Response: This requirement has been removed. Please refer to Addendum #1, Changes to RFP #1, for additional information.

4. Please elaborate what the “verification of accounts” process entails. What verification is performed.

Response: Respondent must have access to a verification system that can verify customer legal and business information. Please refer to Addendum #1, Changes to RFP #1, for additional information.

5. Can you confirm if the process you refer to regarding electronically sending and receiving account information has to do with a secure FTP site used to transfer files, i.e., placement, recall, payment files? If not, can you elaborate on what the purpose of the Lexis-Nexis process is for.

Response: FTP (File Transfer Protocol) has to do with the secure transfer/placement of files. For Lexis Nexis process please refer to the response to question #3 in this addendum.

6. What specifically is Lexis-Nexis used for as part of this overall process?

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

7. Who hosts and incurs the cost, if any, for the Lexis-Nexis product? If the selected vendor pays for the Lexis-Nexis product, what is the amount of this cost?

Response: The OCA would have to contract directly with Lexis-Nexis. Please also see response to question #3 in this addendum.

8. What is the collection success rate (recovery rate/liquidation percentage) of the current incumbents?

Response: Please refer to Addendum #1 question #9.

9. What is/are the current rates being charged for the services by the current incumbent(s)?

Response: Please refer to Addendum #1 question #4.

10. How much were the current incumbent(s) paid by SAWS in the last Fiscal Year?

Response: Please refer to Addendum #1 question #5.

11. Page 2 of the RFP, Section 2(b) provides the number of backlog accounts eligible(i.e., 15,000); what is the TOTAL dollar value/volume associated with this # of accounts listed?

Response: The value is currently unknown. It will be the combination of accounts that are currently being written off plus accounts returned from our current OCA vendors.

12. What is the anticipated ongoing, regular (not backlog) referral volume (both # and \$)?

Response: We write off between 1,200 and 1,800 accounts monthly with a value between \$300,000 and \$1,000,000 each month.

13. With what frequency will SAWS refer accounts (i.e., daily, weekly, monthly, etc.)?

Response: SAWS writes off accounts once monthly. However, the frequency of account placements per OCA may depend on the number of OCAs selected because current system limitations do not allow for even distributions to each OCA on a monthly basis.

14. What percentage of accounts are commercial vs. residential?

Response: Please refer to Addendum #1 question # 6.

15. How or in what method/manner will SAWS provide update/payment files to the contractor?

Response: SAWS will provide account information electronically to the OCAs' as they are charged off, which is only during Cycle 21. Data for transmittal will include the customer's name, account number, mailing address, service address, phone number(s), and the amount charged off. *Please refer to Section I.C.1 of the RFP.*

16. With what frequency will SAWS provide these update/payment files to the contractor (i.e., daily, weekly, etc.); (i.e., daily, weekly, etc.); specifically, for payments received directly by SAWS?

Response: Please refer to the response to questions #13 and #14 in this Addendum.

17. What is the average age of the accounts to be re-referred (i.e., 15K backlog) to a new agency?

Response: Accounts will not be older than 2018,

18. What percentage of accounts will have a judgment in place at the time of referral, if any?

Response: None

19. What collection activities take place on the accounts by SAWS, prior to referral to the agencies?

Response: 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. SAWS currently has two (2) OCAs under contract until July 2024. *Please refer to Section I.B. of the RFP for additional information.*

20. Will SAWS continue any collection efforts on accounts after referral to the agencies? If yes, please describe those efforts?

Response: If a debtor returns to SAWS for the purpose of reestablishing services, the outside collections agency will not be entitled to a collection fee on those accounts, unless the OCA can prove that substantial collection services have been performed on the account and the OCA has had the account for seven (7) or more days or once the placed account reaches twelve (12) months or more. SAWS is entitled to withdraw any Delinquent Account for any reason at any time. *Please refer to Section I.C.4 of the RFP for additional information.*

21. Please confirm how long the agencies will be able to keep/work the accounts assigned.

Response: Unless recalled due to inactivity, the length of placement with the selected OCA as prescribed in the Estimated Contract Terms. *Please refer to Section I.B. and I.C.5 of the RFP for additional information.*

22. Page 2, Section 2(b): Please confirm that OCAs can offer settlements, immediately, on the Table A (backlog) accounts vs. having to wait until collection actions (12x) have been completed (like what is required for Table B inventory).

Response: Yes, a settlement can be offered on initial placement (Backlog) as long as the settlement is received by a lump sum payment.

23. Page 7, Section IV “Submittal”, Item B(1): Is the 10MB limitation for each PDF file attached (for a total of 30MB) or is the 10MB the maximum allowed for all attachments combined?

Response: Please see response to Question #1 in this Addendum.

24. Page 7, Section IV “Submittal”, Item B(3) and Section (C)(1-4): We are unclear exactly which part of the response is limited to 20 pages, as everything that is required in (C)(1-4) and in Section V has been listed as excluded from the page limitations (as listed in Section IV(B)(3). If everything that you are requiring is excluded, then which one of the 3 files listed above is limited to 20 pages? Please clarify.

- a. Please confirm that the Evaluation Criteria Forms, as listed in Section IV(B)(3) are synonymous with Attachments I and II.

Response: If Respondent includes any additional documents that are not listed as required, the limit for those additional documents is no more than 20 pages. a. Yes, Evaluation Criteria Forms are labeled as Attachment 1 and Attachment 2 and are also considered required forms.

25. Page 8, Section V(B) “GFEP” and Exhibit B: Is subcontracting mandatory?

- a. If yes, what percentage is required?
b. If no, then we should still complete Exhibit B stating that the prime consultant will perform 100% of the work and list “n/a” in the Supplier section? Please confirm that will comply with the RFP requirements.

Response: a. No, there is not an SMWB goal for this project due to a lack of available SMWB firms for the required scopes of work. b. The Good Faith Effort Plan is a required document. Yes, listing n/a in the subcontractor/subconsultant/supplier section is acceptable. Please make sure the Good Faith Effort Plan is signed.

26. Page 10, Section B “Disclosure of Interested Parties”: Is this required to be completed prior to bid submission or only upon contract award?

Response: If the Respondent is selected, they will be required to submit a Form 1295, Disclosure of Interested Parties.

27. Page 16, Attachment A: This attachment states “there are page limits for this solicitation” yet Section IV(B)(3) specifically excludes this “Evaluation Criteria Forms” from any page limitations. These two contradict one another. Please clarify how any page limitations may apply.

Response: Please see response to Question #24 in this Addendum.

28. Exhibit F “Sample Contract”: Please confirm that this agreement is for informational purposes only and not required to be completed/filled in by the bidder and submitted with a proposal.

Response: Yes, it is for informational purposes only and does not need to be submitted with the proposal.

29. Please confirm if assignment files will be submitted via SFTP and if SAWS preference is to host or wishes OCA to host site.

Response: SAWS does use SFTP, but our preference is not to host.

30. Please confirm if any interest or penalties continue to accrue post assignment of accounts to OCA.

Response: There is no accrual on any accounts once assigned to OCA.

31. Will SAWS consider allowing the OCA to remit via ACH instead of check? ACH is a much more secure and efficient manner.

Response: Yes, SAWS would be open to allowing ACH payments.

32. Are OCA's permitted to communicate with accounts via email and SMS?

Response: SAWS does not have a preference. The OCA is solely responsible for the means, methods, techniques, sequences, and procedures of the collections. *Please refer to Section I.C.5.c of the RFP.*

33. Please provide the required SWMB goals.

Response: Please see response to question #25 in this addendum.

34. I have yet another question from our Information Technology team, regarding the VTAQ form: Could you define the SAWS data zone?

Response: This is the authorized zone where our data is stored within their SaaS solution.

35. How important is it to SAWS for the OCA to have a local presence in San Antonio? Is this a deal breaker?

Response: Please refer to Addendum #1 response to question #3.

36. Under Explanation of Collection Practices, this question is posed: "How are accounts processed on a monthly basis." I would like to clarify this question. Do you want to know the details about how funds collected are provided to SAWS, or do you want to know the accounts' collection strategy?

Response: SAWS is seeking information on the Respondent's proposed strategy.

37. Could you define what you mean by an "accounts report." We have more than 50 standard reports, and several reports we provide as samples in RFPs. However, given the page limitations, I don't want to waste pages providing report samples that may not be relevant.

Response: Respondents Account Report(s) are considered required forms and do NOT count toward the page limit. *Please see section IV.B.3. in the RFP for additional information.* Respondent's may provide redacted or mock information on a sample report and a list of the various reports available to SAWS with descriptions of the content and use of such reports.

38. Do you prefer communication with your consumers/debtors to be strictly through letters/U.S.P.S. or do you allow digital communication, such as text and email?

Response: Please see response to question #32 in this addendum.

39. What are your liquidation rates?

Response: Please see Addendum #1 response to question #9.

40. Do you have email addresses for your consumers?

Response: No

41. IC System is a woman-owned business, do you still require we put in a good faith effort to contract with a SMWB? Will not selecting an SMWB affect our evaluation?

Response: There is not an SMWB goal on this project, nor will SMWB points be assessed. Therefore, not selecting an SMWB will not affect your evaluation. However, the Good Faith Effort Plan is still a required document and necessary for SAWS to capture whether the prime consultant will be using subconsultants or suppliers or will be performing all the contractual obligations. Please fill out and sign the Good Faith Effort Plan and include it in your proposal packet as directed.

42. Will the Respondent Questionnaire need to be included in file number 3 we submit? If so, should it be included first within that file?

Response: Yes, the Respondent Questionnaire should be included in File three (3.) Respondents should utilize the Submittal Response Checklist provided in the RFP.

43. Can SAWS provide the average balance of accounts assigned?

Response: The average for March 2024 was \$490.

44. Can SAWS provide historical liquidation by month and year for the last 3 years?

Response: Yes, this can be provided to the selected firm(s).

45. If more than one vendor is selected will market share be 50/50 ?

Response: No. Please also see response to question #13 in this addendum.

46. If more than one vendor is selected will market share be redistributed periodically based on performance?

Response: Initially no, but it may occur in the future when performance data is compiled.

47. Can you provide the name(s) of the vendors used today?

Response: There are two (2) vendors; Online Information Systems, Inc. and Credit Systems International, Inc.

48. How many incumbent vendors (agencies) does SAWS use today?

Response: Please refer the response to question # 48 in this addendum.

49. Will incumbents be allowed to participate in this RFP?

Response: Yes

50. What is the current fee rate being paid to the incumbents?

Response: Please refer to question #4 of Addendum 1.

51. Will SAWS allow work to be executed off shore?

Response: This will be answered via a future addendum.

52. Will SAWS allow work to be executed nearshore?

Response: This will be answered via a future addendum.

53. Will SAWS allow work to be executed in Canada?

Response: This will be answered via a future addendum.

54. Will SAWS allow agents to work from home in the domestic US?

Response: Please refer to response to question #33 in previous addendum #1.

55. Will SAWS allow agents to work from home in a nearshore location?

Response: This will be answered via a future addendum.

56. Will SAWS allow agents to work from home in an offshore location?

Response: This will be answered via a future addendum.

57. Will SAWS allow agents to work from home in Canada?

Response: This will be answered via a future addendum.

58. Will SAWS entertain proposals for late stage (Warehouse) tier in addition to this Primary tier proposal?

Response: No

59. Will SAWS entertain a first party final bill program proposal in addition to this Primary tier proposal?

Response: No

60. Does SAWS use a middle ware provide to assign and recall accounts to vendors? If yes which provider does SAWS use?

Response: No, SAWS does not use any middle ware.

61. What was the total amount of revenue paid to agencies related to this program in 2021,2022, 2023?

Response: Please refer to addendum #1 question #5 for 2023. The range for 2022 was between \$30,000 and \$50,000. The average for 2021 was \$34,000.

62. What percentage of the account population is Spanish speaking?

Response: Please refer to addendum #1 question #22.

63. Does SAWS provide a language indicator?

Response: Yes, SAWS can provide a language indicator. SAWS currently uses the language indicator to send customer bills in Spanish. But SAWS only has the language indicator for two (2) languages -Spanish and English.

64. Will the following certifications be required for an agency for SAWS?

- SSAE 16
- Cloud Security Alliance (CSA) self-assessment or CAIQ
- Cloud Security Alliance STAR certification
- Standard security framework
- FISMA standards

Response: They are not required, but we want to see if they have any of them to assess their cloud maturity.

65. Are the supplemental documents requested by the VTAQ Questionnaire only required upon contract award or should they be submitted with our proposal?

Response: VTAQ Form Assessment is a required document that must be submitted with the Respondent's proposal.

66. If we must submit these with our proposal, then please advise how and where these files should be uploaded so that we are still in compliance with formatting instructions and so our proposal will not be rejected.

Response: If Respondent submits all required items separating the files, per the Submittal Response checklist, and submits all files ahead of the proposal deadline it is unlikely their proposal would be rejected. Please refer to Section IV.B.1 for additional information on submitting for this RFP.

CHANGES TO THE RFP

1. SCOPE OF SERVICES, Section C.1. Assignment of Delinquent Accounts, is removed and replaced in its entirety to read as follows:

SAWS will provide account information electronically to the OCAs' as they are charged off, which is only during Cycle 21. Data for transmittal will include the customer's name, account number, mailing address, service address, phone number(s), and the amount charged off.

Information such as driver's license and date of birth may be included but is not guaranteed. Additional information, such as memos and notes on the account, will not be included in the initial transmission but can be provided by calling pre-designated collections department agents. The OCA will acknowledge receipt of data transmission within three (3) business days of receipt from SAWS (the "Acknowledge Date"). Respondent must also have the ability to receive accounts for assignment for collection, outside of the regular batch assignment process. SAWS will provide the OCA with login and password secured access to the account information via file batch in either comma delimited (*.csv) or Microsoft Excel format. This will include the initial placement of backlog accounts and any subsequent placement of delinquent accounts.

2. SUBMITTING A RESPONSE, Section B.1. - is removed and replaced in its entirety to read as follows:

Address a PDF of your submittal to contracting@saws.org. Entitle the subject line of the submission email with "R-24-002-LE – Third Party Collection Services RFP Response" and name of Respondent. If any hard copy proposals are submitted in error, they will not be evaluated for consideration. The file size limitation for submission is 10MB **per file**. Only three (3) files with all required response information shall be submitted, File one (1) shall contain ONLY the Compensation Proposal Form (Attachment II), File two (2) shall contain ONLY the completed VTAQ Form Assessment (Exhibit D in Excel format), and File three (3) shall contain all other required information requested in this RFP. A brief e-mail response will be provided to acknowledge receipt of your submission. Pages requiring signatures shall be scanned or electronically signed. The submission shall be tabbed and "bookmarked" in PDF to match the response format indicated further in this solicitation. The entire submission shall be in searchable PDF format.

End of Addendum 3

This Addendum is nine (9) pages in its entirety with no attachments.