



CITY OF
HAYWARD
HEART OF THE BAY

November 10, 2016

Addendum/Clarification No. 1
RFP #1705-101216
Bid: REVENUE COLLECTION SERVICES

The following clarifications, changes, additions, deletions and corrections hereinafter set forth shall apply to the Bid Documents for this project and shall be made a part thereof and subject to all the requirements thereof, as if originally specified and/or shown.

Your bid should be based on the contract documents as modified by this addendum. When submitting your bid, please be sure to acknowledge the receipt of all addenda on the form of proposal.

Request for Clarification:

1. **Clarification/Question:** Please confirm the due date for this procurement is **11/16/2016**
Answer: The Due Date is Wednesday, November 16, 2016
2. **Clarification/Question:** Do you have a current vendor? Who is the incumbent? How long has the City worked with them?
Answer: The current vendor is Collection Bureau of America, since 1996
3. **Clarification/Question:** Why did this go out to bid and why are you looking for a new agency?
Answer: The current contract has gone full term and all options to extend have been exercised; it has been over 5 years since we have conducted an RFP
4. **Clarification/Question:** Is there any back up information on the accounts available, if needed?
Answer: Yes
5. **Clarification/Question:** What collection attempts are performed or will be performed internally prior to placement with an agency?
Answer: The City sends out three notices to the customers before placement with a collection agency
6. **Clarification/Question:** What are the current contingency fees or other fees currently being billed by an incumbent(s) by category?
Answer: The current contingency fees are 25%

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7. **Clarification/Question:** What is the current commission/agency rate paid on the 1st account placements?
Answer: There is only the 25% fee on collected amounts.
8. **Clarification/Question:** How are fees currently being billed by any incumbent(s), by category, and at what rates?
Answer: A straight 25% is charged on recovered amounts
9. **Clarification/Question:** Were there any performance incentives paid?
Answer: No.
10. **Clarification/Question:** Is there a backlog of accounts? If applicable, will accounts held by any incumbent(s) or any backlog be moved to a new vendor(s) as a one-time placement at contract start up? Will accounts be pulled from the current vendor and seconds placed with the new chosen agency?
Answer: No, there is not a backlog of accounts. It is anticipated that old accounts will stay with the incumbent and not be transferred.
11. **Clarification/Question:** What percentage of cases results in court litigation?
Answer: Unknown.
12. **Clarification/Question:** Please provide the number and value of type of debt estimated to be placed on a monthly basis.
Answer: Around \$20,000.
13. **Clarification/Question:** How successful was the last vendor? Please describe your level of satisfaction with your current vendor(s), if applicable.
Answer: Fine-we are very satisfied with our current vendor; they have great customer service.
14. **Clarification/Question:** Can we charge interest on the accounts?
Answer: Yes
15. **Clarification/Question:** Can you explain the prevailing wage clause in Exhibit D. Does that cover the collection portion or laborers?
Answer: This relays to Laborers
16. **Clarification/Question:** What estimated or actual commissions were paid in the last month, last quarter, 12 months or calendar year?
Answer: In Fiscal Year 16 we paid commissions of \$62,434
17. **Clarification/Question:** Please provide the following information regarding the backlog and the estimated monthly forward flow:
Answer: Number of accounts - Varies
Dollar value - Varies
Average age – Usually about 120 days
Average dollar amount - Varies

18. **Clarification/Question:** To gain a better understanding of the City's debt portfolio and collection needs, please provide for each debt type:
Answer: Annual volume of accounts (number and dollar value) placed for collection -Varies
Average account balance -Unknown
Average age of accounts at time of placement -About 120 days from invoice date
Percentage of consumer accounts vs. commercial accounts -Unknown
19. **Clarification/Question:** When are new delinquent accounts turned over to the agency (30 days, 90 days, 180 days, etc.)?
Answer: After about 120 days from the invoice date
20. **Clarification/Question:** What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?
Answer: About 120 days
21. **Clarification/Question:** How frequently are accounts referred to agencies (weekly, monthly, quarterly, etc.)?
Answer: Monthly
22. **Clarification/Question:** What has been the historical rate of return achieved by your current vendors and/or what recovery rate is expected?
Answer: Unknown
23. **Clarification/Question:** What improvements would the City like to see from the previous contract?
Answer: The electronic receipt of payments received by the collection agency
24. **Clarification/Question:** How many contracts do you intend to award and how will accounts be distributed amongst selected agencies?
Answer: One contract and all accounts will be distributed to one vendor
25. **Clarification/Question:** What are the points or percentage values for each evaluation criterion?
Answer: Split between cost and services provided
26. **Clarification/Question:** Is the "SAMPLE-Professional Service Agreement" at the end of Exhibit A included for reference only or must this be completed and submitted with our proposal?
Answer: For reference only
27. **Clarification/Question:** Several areas of the RFP refer to either "Appendix B" or "Exhibit B" for insurance requirements, however the Exhibit B provided does not contain any insurance information. Are we to use the insurance requirements set forth in Item #4 on page 8 and the Sample Agreement (pages 2)
Answer: Yes

28. **Clarification/Question:** The Required Forms listed on page 7 references “Exhibit B. Insurance” as a submission requirement, but Exhibit B actually contains the City’s Nondiscriminatory Employment Practices and Affirmative Action Provisions. Please confirm that responses should include a signed, completed copy of the form provided on the third page of Exhibit B even though this isn’t listed as a response requirement.
Answer: You only need to submit items that are listed as a response requirement
29. **Clarification/Question:** References are sought twice, first on page 6, item 3) Reference and Experience, which asks for a list of 3 references within in the past 5 years. Later, on page 12 in Scope of Services, Requirement A.7 asks for 5 municipal government references in California within the past 5 years. May we list the same references for both, or are we expected to provide a total of 8 separate references? Will the City accept non-California municipal references?
Answer: You can use the same references, and yes, you can use non-California municipal references
30. **Clarification/Question:** Scope of Services Requirement B.9. (page 12) asks for complaint handling policies and procedures. Requirement E. (page 13) asks for an overview of the complaint handling process. These appear to cover the same information. Please provide further clarification if the City is interpreting these response items differently.
Answer: If they are the same processes, policies, and procedures, then only include them once
31. **Clarification/Question:** Would there be any medical accounts in the miscellaneous services?
Answer: No
32. **Clarification/Question:** What rate is your current agency charging per each of the service lines?
Answer: 25%
33. **Clarification/Question:** How many accounts a month would you be assigning and what is the average balance per each of the 6 services? This information is used to determine the offered rate
Answer: It will consistently vary on the different accounts and balances
34. **Clarification/Question:** In the Scope of Services section, there is a list of six (6) different types of debts (utility billing, business license, excise tax, DBIA, returned checks & miscellaneous receivables). For each category:
Answer: What is the average balance of accounts by category? - Unknown
What is the backlog of accounts to be placed? -No backlog will be placed; these will be all new placements.
What is the total dollar value of accounts available for placement now by category? - Unknown
What is the expected forward flow of placements? – Monthly
What is the average age of the accounts? – Generally about 120 days from the invoice date
What has been the historic recovery rate/liquidation? - Unknown.

35. **Clarification/Question:** What is the total number of accounts available for placement now by category, including any backlog?
Answer: Unknown
36. **Clarification/Question:** What is the average balance of accounts by category?
Answer: Unknown
37. **Clarification/Question:** What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category?
Answer: Unknown
38. **Clarification/Question:** What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?
Answer: Unknown
39. **Clarification/Question:** In the requirements section, there is a request for a listing of vie municipal government clients in California. Will the lack of this list preclude us from being chosen as a vendor?
Answer: It won't preclude your selection, but proximity to Hayward and our customers is a factor in the decision
40. **Clarification/Question:** What is the date by which you will answer these questions?
Answer: Responses will be provided after the deadline for request for clarifications (today).
41. **Clarification/Question:** To what extent will the location of the bidder's proposed location or headquarters have a bearing on any award?
Answer: It will be one aspect of the decision process
42. **Clarification/Question:** Can you please provide greater details on how proposals will be evaluated and how the selected vendor(s) will be chosen?
Answer: Cost and services provided will be the primary items of importance
43. **Clarification/Question:** Can you please provide a greater description of the specific kind of receivables to be placed for collection?
Answer: The RFQ is very detailed as to the types of receivables
44. **Clarification/Question:** 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?
Answer: T-Unknown
45. **Clarification/Question:** What computer software system do you use to manage your accounts/inventory?
Answer: Tyler's MUNIS software
46. **Clarification/Question:** Do you have any plans of changing the software system in the future, and why/why not?
Answer: No

47. **Clarification/Question:** Do you subscribe to any offset programs?
Answer: No
48. **Clarification/Question:** Please explain how respondents are to address the Required Forms list on page 7:
i. Cover Letter—already requested in Proposal Response Question #1 Cover Letter
ii. Proposal—how does this differ from the Required Elements listed on page 6?
iii. Contractor Agreement—already addressed in ACT’s question #13
 1) Exhibit A. Scope of Work—already requested in Proposal Response Question #4 Project Scope & Approach
 2) Exhibit B. Insurance—already requested in Proposal Response Question #6 Insurance
 3) Exhibit C. Certifications—understood
Answer: The first part is classified as “required elements” of the proposal.
The “Required forms” are what forms need to be submitted.
49. **Clarification/Question:** Re: C.7 "What is the process for cancelling an account submitted for collection?" Is the City inquiring about Professional Credit's process for cancelling an account? Or would you like to know what the City of Hayward’s steps will be to cancel an account with Professional, or both?
Answer: Both
50. **Clarification/Question:** What do you hope to improve with the next collection agency?
Answer: More tracking of submittals and recovery amounts

End of Addendum

Very truly yours,



Maria G. Carrillo
Purchasing Manager

Cc: Maria Walter
File