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ADDENDUM 4

To: All Interested Proposers
From: Lucy Sanchez, Procurement Data Analyst
Date: September 19, 2016
Subject: RFP #16-046, Collection Services for the County of El Paso

This Addendum has been issued to notify vendors of the following questions:

1. How much weight is given to in-state vendors during the selection process?

Response: Please see the proposal criteria published in the RFP.

2. What percentage of the inventory is Spanish speaking only?

Response: 35% of Spanish speaking only.

3. How long will the winning vendor be able to keep the accounts?

Response: The length of the negotiated contract.

4. How many vendors will be selected?

Response: One

5. How will accounts be distributed if multiple vendors are selected?

Response: N/A, only one vendor will be selected.

6. Is there a current vendor?

Response: Yes, Delgado Acosta Spencer Linebarger & Perez, LLP.

7. What is the current vendor liquidating at?

Response: Not available.

8. What is the rate the current vendor is charging?

Response: The current vendor is charging 30%.

9. What is the average number of accounts placed, and how often are accounts placed?

Response: On average, 446 accounts/cases are placed per month. NOTE: the initial average of accounts/cases referred would be much higher considering it is the first accounts to be referred that have already been placed.

10. What is the average dollar amount of accounts placed?

Response: The average amount per account/case is \$373. The estimated monthly dollar amount in referrals would be about \$166,443 and account/case count at 446. Not available by category (Case Type). This factor is dependent on court dockets and varies.

11. On page 5, titled El Paso County Signature Page, there is a form that has blanks for Percentage of Monies Collected, Flat Rate of Monies Collected, and Percentage & Flat Rate of Monies Collected. QUESTION: Is vendor required to fill out this form in response to Item 4, COST/FEE CHARGED TO THE COUNTY OF EL PASO on page 12?

Response: Yes.

12. Do the required forms and items like sample letters, sample reports and insurance certificates count towards the 50-page limit?

Response: No.

13. Does "outstanding fines, fees and costs" refer to receivables that are 60-days past due?

Response: Yes.

14. Texas Code of Criminal Procedure Article 103.0031 Collection Contracts, subsection (b) states: "A commissioners court or governing body of a municipality that enters into a contract with a private attorney or private vendor under this article may authorize the addition of a collection fee in the amount of 30 percent on each item described in Subsection (a) that is more than 60 days past due and has been referred to the attorney or vendor for collection." This collection fee is paid by a defendant and defrays the cost of collection for the County. Will the County agree to the addition of a 30% collection fee pursuant to Article 103.0031 of the Texas C.C.P.

when accounts become more than 60 days past due and are referred to the vendor for collection?

Response: Subject to negotiation with selected vendor.

15. Local Government Code § 140.009 Contract for Collection of Amounts in Civil Cases, permits the commissioners court of a county to contract with a private attorney or public or private vendor for the collection of an amount owed to the county relating to a civil case, including an unpaid fine, fee, or court cost, if the amount is more than 60 days overdue. The county may authorize the addition of a collection fee of 30 percent of the amount referred to a private attorney or vendor who collects the debt. This collection fee is paid by the person owing the debt and defrays the cost of collection for the County. Will the County agree to the addition of a 30% collection fee pursuant to Local Government Code § 140.009 when accounts become more than 60 days past due and are referred to the vendor for collection?

Response: Subject to negotiation with selected vendor.

16. Will the County refer to the vendor all court fees, costs and fines that become 60-days past due on a monthly basis?

Response: The county will refer all court fees, cost and fines that are more than 60 days past due and after the county has completed its due diligence on an account/case, whichever is later. Both conditions will have to be met before account/case is referred to vendor.

17. Can we assume that the County will exercise its due diligence within 60 days and place accounts with the vendor given that statutory collection fee is applicable after 60 days?

Response: The county will exercise its due diligence within 60 days but will not place its accounts/cases with vendor nor statutory collection fee after the 60 days if the county is still conducting their own due diligence on an account/case. The statutory collection fee will be applied to the account/case at the time account/case is referred.

18. For each of the following categories listed below, please provide the number of accounts outstanding by year and the outstanding dollar amounts by year.

Response:

- **Court fees, costs and fines for Justice of the Peace Courts**
- **Court fees, costs and fines for County Courts**
- **Court fees, costs and fines for District Courts**
- **Court fees, costs and fines for the Domestic Relations Office and District Court Protective Orders**
- **Court fees, costs and fines for Attorney General/Child support cases (under the State of Texas and Non-Custodial Parent)**
- **Fines only assessed to Jury Duty Contempt cases**

- Other outstanding debts (arrears, unpaid sums or obligations)

Response:

- **Justice of the Peace Courts**
Approximately 2,405 outstanding accounts, estimated sum of \$670,434.
- **County Courts**
Approximately 1,119 outstanding accounts, estimated sum of \$517,986
- **District Courts, Criminal cases.**
Approximately 552 outstanding accounts, estimated sum of \$295,127
- **Civil Cases, Domestic Relations Office, District Court Protective Orders AG Attorney General/Child support cases (under the State of Texas and Non-Custodial Parent)**
Approximately 988 outstanding accounts, estimated sum of \$463,708
- **Jury Duty Contempt Cases, Fine only.**
Approximately 290 outstanding accounts, estimated sum of \$50,067
- **Other outstanding debts (arrears, unpaid sums or obligations)**
None.

As of now about 9,227 accounts/cases, projected sum of \$2,747,444 is pending referral to vendor.

19. Is the data for all the receivables listed in QUESTION 8, housed in the County's current software system; which are Tyler Odyssey Software and I-Plow System?

Response: Yes.

20. If the County does not provide new placement files and payment files for any payments collected and recorded by the County on a regular, monthly basis, will the requirement for monthly, quarterly and annual fiscal year reports to the County be suspended until such time that the County provides such files on a monthly basis?

Response: No, reports will still be required but vendor may reflect number of placement files and payment files provided by the county affecting data for the period reported. This method will serve as a performance measure for both vendor and county.

21. What type of receivables does "[o]ther outstanding debts (arrears, unpaid sums or obligations)" specifically refer to?

Response: Any type of fee that may be assessed by court order into case such as restitution, operating fees, etc...

22. To how many agencies does the County intend/anticipate awarding under this RFP?

Response: Refer to response for question #4.

23. Who are the incumbent(s) currently providing the listed services?
None of the incumbent(s) are providing all the requested services. As of now the incumbent(s) [Delgado Acosta Spencer Linebarger & Perez, LLP.] only handle JP Criminal cases. The county has expanded its request of services that will now consist of all delinquent account/cases to include District, County, JP Courts, Criminal and civil cases.

Response: Refer to response for question #6.

24. What are the current contingency rates charged by the incumbents to perform the listed services?

Response: Refer to response for question # 8.

25. What are the collection success rates (recovery rates/liquidation percentages) of the current incumbents, by category or debt type?

Response: Not available.

26. Please provide actual dollar amounts of monies paid last year to any incumbent(s), if applicable by category or debt type.

Response: \$270,756 was paid last fiscal year to incumbent(s) for services. \$238,792 has been paid from October 2015 to June 2016. Not available by category or debt type.

27. What is the estimated volume (both dollar & count) and age of ongoing referrals?

Response: Refer to response for question # 10.

28. With what frequency will accounts be referred (i.e. weekly, monthly, etc.)?

Response: Monthly, after county's due diligence is complete.

29. Is there currently a backlog of accounts either residing with the incumbent or ready for referral now? If yes, please provide the volume (# and \$) as well as the age of this backlog volume.

Response: Not available.

30. What percentage of accounts (if any) will have a judgment in place at the time of referral?

Response: All, the county does not collect on a case without a judgment in place.

31. What collection activities are taken/pursued by the County on cases prior to referral?

Response: Collection activities taken/pursued by the county prior to referral is in accordance with the Texas Office of Court Administration, Collection Improvement Plan, Art. 103.0033. The county applies these same components to all cases pursued before referral.

32. With what frequency will the County provide account/balance updates to the contractor (i.e. daily, weekly, etc.)?

Response: County will provide monthly balance updates.

33. Is a Bid Bond required for this RFP? If yes, how much is the required Bond?

Response: No.

34. Is a Performance Bond required on this contract? If yes, what is the required amount of the Bond? On Page 19, Section 25(B) states it shall be the full amount of a contract; however, this is a service contract based on a contingency rate. How does the County determine the contract value for the purposes of a performance bond, if applicable?

Response: No, Refer to question # 33.

35. On Page 7, Item #2: This section states the county will only refer cases after all 'due diligence' has been exhausted by the County. Please define what constitutes 'due diligence' by the County. What collection measures does the County take prior to referral (i.e. letters, calls, etc.)?

Response: Refer to response for question # 31.

36. On Page 8, Item 3(j): Please define what the County considers as "unsatisfactory" in this section.

Response: Any case not in compliance with the components the Texas Office of Court Administration, Collection Improvement Plan, Art. 103.0033.

37. On Page 8, Item 3(n): Please define what evaluation points are awarded and/or evaluation weights are assigned for having a local office or being located within the State of Texas.

Response: Refer to response for question # 1.

38. On Page 10 "Proposal Response Format": This section states that the proposal should not exceed 50 pages. Does that mean 50 single-sided pages or double-sided pages? What does the 50 pages include? For example, does that 50 pages include the Table of Contents, the signature page, copies of reports, letters, invoices and/or other

required inserts/attachments. The required attachments alone could take up several pages. Can these be included as attachments and not part of the 50-page count? This requirement is unclear. Please clarify.

Response: Refer to response for question # 12.

39. On Page 11, Items (j), (k) and (l): These three sections seem to overlap and ask for similar information. Please define the distinct differences in what the County is looking for in each section, as outlining steps to collect (item j) is the same as outlining course of action to pursue delinquent accounts (item l). Does the County wish for the bidder to duplicate responses in these sections? Please advise.

Response: On Page 11, Item (j), illustrate the steps taken by vendor when process starts to pursue an account. For example, is the case researched first, is contact information verified, is a call or notice triggered first, what is the next step? At what step is skip tracing initiated? How often are calls and notices triggered? For item (k), how does vendor manage an account after contact or no contact has been made? For item (l), once a vendors normal due diligence has taken its course with little or no result, does the vendor take more aggressive actions? Does the vendor ever give up on an account? If so, at what point and how is it determined to do so?

40. On Page 14, Item #3: This section states the bidder must demonstrate responsibility in several categories. Please define what constitutes proof/demonstration to meet these requirements (for example: copies of licenses, audited financial statements, etc.).

Response: In the proposal response format section of the specifications it describes that the vendor must submit a cover letter stating the vendor's background, years of service experience of proposed account manager. Further in the specifications the vendor must detail qualifications, references, experience, client list, and insurance. A complete proposal should address the list on page 14, section 3.

41. On Page 14, Item #3: Specifically, how does the bidder demonstrate/prove responsibility for having a satisfactory record of performance, integrity and ethics? (see bullets #4 & 5). These are all subjective. Please define what the County considers "satisfactory" and clearly advise what the County will accept as 'proof' that the bidder meets these requirements?

Response: In the proposal response format section of the specifications it describes that the vendor must submit a cover letter stating the vendor's background, years of service experience of proposed account manager. Further in the specifications the vendor must detail qualifications, references, experience, client list, and insurance. A complete proposal should describe the vendor's record performance, integrity and ethics. Plus the vendor must complete a suspension and debarment form and an ethics training form.

42. On Page 16, Item #11: The paragraph states that "...failure to sign the Contract page(s) and bid/proposal response sheet will disqualify the bid/proposal from being considered by the County". Please advise where the bidder can find the "Contract Page(s)" and the "Bid/proposal Response Sheet" that require signature? None of the documents in this RFP are labeled as such. Is the El Paso County Signature Page (Page 5) the same thing as a 'Contract Page" and Bid/Proposal response Sheet"? If not, then please provide those signature pages required for signature.

Response: The El Paso County Signature Page is the same as the "bid/proposal response sheet." An attached contract was not a part of the specifications package, therefore there is no a contract page to sign.

43. On Page 18, Item #20(A): States that "...failure to use the bid/proposal forms furnished by the County" is cause for bid disqualification or rejection. Please list/confirm which bid/proposal forms this section is referencing (please cite specific form names and/or page numbers).

Response: The El Paso County Signature Page is the only required proposal from that must be used. Also all required attached forms, at the end of the proposal boilerplate must be completed and returned with the proposal package.

44. On Page 19, Section 26 "Insurance": Please confirm if a certificate is required with the proposal submission or only after contract award. If required with the proposal, s the certificate included in the 50-page count?

Response: A certificate is not required with the proposal submission, but will be required from the successful proposer after proposal award.

45. Should the applicant provide CONFIDENTIAL information, are there special requirements for submitting this information to ensure no public disclosure?

Response: The County of El Paso is subject to the Freedom of information act and all submittals can be a part of an open records request. An confidential information must be clearly marked on the proposal as confidential and why the information is confidential. In the event of an open records request, the proposals will be reviewed by legal counsel and a determination will be make on what information is public record and what may remain confidential.

46. What fees were paid to the current vendor during the previous calendar year or most recent fiscal year?

Response: Refer to response for question # 26.

47. What is the age of accounts to be placed?

Response: The age of accounts may vary from 60 days to 20 years old.

48. Will accounts placed been previously worked your current vendor?

Response: Yes. Once new vendor is awarded any backlog will be moved to new vendor but may not be at the time of contract start up.

49. Do you expect to place a large initial placement?

Response: Yes.

50. What is the monthly expected volume in number of accounts / dollar value of placement?

Response: Refer to response for question # 9 & 10.

51. Can you provide the expected volumes by account types listed under 2 Background?

Response: Refer to response for question # 9 & 10.

52. When was the last warrant round up and amnesty program conducted? How many letters did your current vendor send out?

Response: On average the county host four warrant round ups per year. Last warrant round up was conducted in June 2016. Number of letters sent by current vendor not available.

53. Will the contractor be allowed to provide the consumer's social security number to skip trace vendors?

Response: Yes, under the condition the SSN is used solely for the purpose to pursue accounts/cases with the county.

54. While our headquarters is not located in Texas, we do have a Texas location employing approximately 200 people, however we may propose to work this contract in a different location. Will this satisfy the preference of having a vendor in the State of Texas?

Response: Yes, under the condition it meets all required Texas laws and licenses.

55. Please confirm the due date for this procurement is 8/9/2016.

Response: This date has passed and has changed to 9/23/2016.

56. What is the date by which you will answer these questions?

Response: September 19, 2016.

57. Why is the contract out to bid at this time?

Response: To expand upon current service positions.

58. When is the anticipated contract start date?

Response: Approximately 90-120 days.

59. Has the current contract gone full term?

Response: Yes.

60. Have all options to extend the current contract been exercised?

Response: Yes.

61. Who is the incumbent, and how long has the incumbent been providing the requested services?

Response: Delgado Acosta Spencer Linebarger & Perez, LLP is the incumbent and has been providing the requested services since 2003.

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

Response: 30% of account(s) open balance at the time of referral.

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

Response: Refer to response for question # 26.

64. To how many vendors are you seeking to award a contract?

Response: Refer to response for question # 4.

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

Response: Refer to Proposal Criteria work sheet.

66. Please describe your level of satisfaction with your current vendor(s), if applicable.

Response: No response.

67. What is the total dollar value of accounts available for placement now by category, including any backlog?

Response: Refer to response for question # 18.

68. What is the total number of accounts available for placement now by category, including any backlog?

Response: Refer to response for question # 18.

69. What is the average balance of accounts by category?

Response: Refer to response for question # 18.

70. What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?

Response: The average age of accounts/cases at time of initial (time of award) placement is 9 years. Moving forward cases will be referred on a monthly bases and the age of those case will vary from 60 days to 20 years depending on certain factors such as probation term. Refer to response for question # 49.

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

Response: Refer to response for question # 9.

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

Response: Refer to response for question # 10.

73. 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: Not available.

74. 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: Refer to response for question # 50.

75. Regarding section o) on page 9 of the RFP, does the County have a preference regarding whether the Vendor collects the actual delinquencies, deposits the money in its own account to then be deposited in an account designated by the County Treasurer, or does the County want the vendor to direct debtors to make all delinquent payments directly to the County Treasurer?

Response: Negotiable.

76. Does the 50 page limit exclude an appendix containing sample client reports, sample collection letters, ect? Or does the 50 page proposal limit include everything to be submitted in response to this RFP?

Response: Yes, refer to response for question # 12.

77. The County of El Paso is asking for three (3) client references. On page 12, under section x), El Paso is asking for collection rates without specifying whether this request is only for the three (3) client reference requirement. For example, does this section ask for collection statistics for every governmental entity represented by firm regardless of nature of the collection services performed (property tax collections, toll collections, utility collections, parking collections)?

Response: This section is asking for references and statistics for the collection rate from bidders existing clients dealing with the collection of Court fees and fines. For example, accounts/cases originating (with judgments) from Justice of the Peace, District or County Courts.