

SOLICITATION ADDENDUM

Date: **8/22/2023**
Subject: **Out of State Lien Enforcement RFP**
Solicitation Number: **OGC-2023-07**
Due Date/Time: **August 31, 2023 @ 4:00 PM EST**
Addendum Number: **3**

To All Suppliers:

The Commonwealth of Pennsylvania defines a solicitation “Addendum” as an addition to or amendment of the original terms, conditions, specifications, or instructions of a procurement solicitation (e.g., Invitation for Bids or Request for Proposals). |

The Issuing Office received the following questions regarding the above-referenced RFP and provides the following responses. |

Q.1. When is the anticipated contract start date?

A.1. The contract will begin after August 25, 2023. An exact date for the contract start date is not available.

Q.2. When is the anticipated award date?

A.2. The contract will be awarded after August 25, 2023. An exact date for the contract award date is not available.

Q.3. 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?

A.3. No. Alternative cost structures will not be considered.

Q.4. Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable.

A.4. This question is not germane to the RFP. Offerors should respond to the Request for Proposals based on their understanding of the requirements.

Q.5. How are fees currently being billed by any incumbent(s), by category, and at what rates?

A.5. The current primary vendor performs at a flat 25% contingent fee and the conflict-counsel vendor performs at a flat 27.5% contingent fee.

Q.6. What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?

A.6. For fiscal year 2022-23, the vendor collected \$5.4MM on behalf of the Commonwealth and was paid \$1.1MM.

Q.7. To how many vendors are you seeking to award a contract?

A.7. This is a single award Request for Proposal.

Q.8. To what extent are these accounts owed by private consumers versus commercial businesses?

A.8. It is roughly a 50-50 split between individuals and businesses.

Q.9. What is the total dollar value of accounts available for placement now by category, including any backlog?

A.9. For fiscal year 2022-23, \$17MM of debt was selected for the program and \$10.6MM was referred to the vendor for collections.

Q.10. What is the total number of accounts available for placement now by category, including any backlog?

A.10. On average, the Department selects 15 to 25 cases per month for the program. Approximately 10 cases per month are referred to the vendor for collection.

Q.11. What is the average balance of accounts by category?

A.11. Cases selected for the program have a minimum balance of \$20,000. The average balance for cases selected in fiscal year 2022-23 was \$79K.

Q.12. What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?

A.12. The age of the accounts placed with the vendor vary greatly. In general, the Department attempts to only refer cases where there is a realistic chance for the vendor to collect.

Q.13. What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category?

A.13. On average, the Department selects 15 to 25 cases per month for the program. Approximately 10 cases per month are referred to the vendor for collection.

Q.14. What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?

A.14. For fiscal year 2022-23, \$17MM of debt was selected for the program and \$10.6MM was referred to the vendor for collections.

Q.15. 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?

A.15. The liquidation rate currently is 21%. However, it should be noted that some debt is written off as part of settlements, which lowers the liquidation rate. In addition, some debt is determined to be uncollectable, or the debt was determined to be incorrect. These also drive down the liquidation rate.

Q.16. What billing servicer do you utilize?

A.16. No billing servicer is used. The vendor invoices the Department. Please see Part V – Contract for Legal Services Template, section 7, Billing and Invoices.

Q.17. Have all cases been fully adjudicated by the time of placement?

A.17. Only final collectible accounts, as defined under Pennsylvania law, will be eligible for referral to the successful vendor.

Q.18. 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?

A.18. The Department may move accounts, but bidders should not assume this to be the case.

Q.19. What is your case management/accounting software system of record?

A.19. The Department's tax system is the system of record. The Department uses FAST Enterprises GenTax system.

Q.20. Who is your electronic payment/credit card processing vendor?

A.20. The Department uses the Commonwealth's enterprise contract with ACI.

Q.21. 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?

A.21. This question is not germane to the RFP. Offerors should respond to the Request for Proposal based on their understanding of the requirements set forth in the Request for Proposal.



Q.22. How do your current processes and/or vendor relationship(s) systematically determine if the death of a responsible party has occurred?

A.22. Prior to assignment, the Department conducts its own internal research to determine eligibility for referral to the vendor.

Q.23. How do your current processes and/or vendor relationship(s) handle the death of a responsible party?

A.23. An attempt to collect against an estate, if there is one, is made.

Q.24. Do you have a designated process or policies around deceased accounts today, and what is envisioned in the future?

A.24. An attempt to collect against an estate, if there is one, is made.

Q.25. Do you currently search and file probated estate claims? Have you considered an automated tool to identify and file probated estate claims?

A.25. This question is not germane to the RFP. Offerors should respond to the Request for Proposals based on their understanding of the requirements set forth in the Request for Proposal.

Q.26. 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?

A.26. The selected vendor may not attempt to communicate with debtors outside of phone calls and letters without permission from the Department. However, the Department may consider a request to approve other channels of communication with debtors in addition to phone calls or letters.

Q.27. Is attendance at the bidders conference mandatory?

A.27. No, attendance at the SDB & VBE Participation Information Session is not mandatory.

Q.28. Can you please clarify the number of total copies required?

A.28. Offerors should submit their proposals electronically. One copy of the technical submittal, cost submittal, SDB participation submittal, VBE participation submittal and law firm diversity submittal (optional) should be submitted as separate attachments.

If you asked a question, and do not see your question listed, please let me know right away so we can get you a response as soon as possible.

Except as clarified and amended by this Addendum, the terms, conditions, specifications, and instructions of the solicitation and any previous solicitation addenda, remain as originally written.



pennsylvania

DEPARTMENT OF GENERAL SERVICES
BUREAU OF PROCUREMENT

Respectfully,

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