



**ADDENDUM 1**

**Date: August 23, 2018**

**RFQ No: WU-09-18 / Collection Agency Services**

**Bid Date: September 14, 2018/2:00 PM Local Time**

The following clarifications, changes, additions, and/or deletions are hereby made to the RFQ:

	<b>Question</b>	<b>Answer</b>
1	What is the specific type of debt to be referred?	<p>The City of San Angelo Water Utility Department is soliciting RFPs for debt collection services for unpaid water, waste water, trash and storm water past due bills. This service is currently being provided through an amended legal services contract that was originally awarded through municipal court to collect on traffic violations. The original contract because it falls under legal services did not go through any formal RFP process.</p> <p>In recent fact finding inquiries with other entities the City Water Utility department feels it may be able to get a collection service company that could provide a better return rate while at the same time receiving a higher success/recovery rate percentage.</p> <p>The current amount of outstanding debt being carried by the City Water Utility Department is approximately 3.6 million dollars and held under 12,700 accounts extending back to 2009 and possibly earlier. Although the collection agency does not have to be located in Texas or in San Angelo established municipal utility experience with collection in the state of Texas is paramount. Prior to placing accounts in collection the Utility makes several attempts over a 60 day period to notify account holders by phone, email, US mail and door tags.</p> <p>Selected candidates will be given a percentage of both new and existing accounts for collecting. The Utility would expect collection service providers to at a minimum provide monthly updates including accounts that have been collected, dollar values, and accounts that have been reported / filed with credit bureaus.</p>
2	What is the estimated size of the existing portfolio (the backlog) in terms of both the number of accounts and the dollar amount outstanding? The average balance owed per account? Per debtor?	
3	What is the age of the oldest accounts in the portfolio?	
4	What is the estimated size, in terms of both the number of accounts and dollars outstanding, of annual referrals going forward (i.e. new/future placements)?	
5	What are your in-house collection methods (e.g. number of mailings, calls, etc.) used on the referred accounts prior to referral to your collection provider?	
6	What is the estimated number of accounts ready for collection placement?	
7	What is the estimated dollar amount of accounts ready for collection placement?	
8	Are specifics available as to the nature of the debt within this portfolio?	
9	Why has this bid been released at this time?	
10	To what extent will the location of the bidder's proposed location or headquarters have a bearing on any award?	
11	Can you please provide a greater description of the specific kind of receivables to be placed for collection?	
12	What collection attempts are performed or will be performed internally prior to placement?	
13	What is the total dollar value of accounts available for placement now by category, including any backlog?	
14	What is the total number of accounts available for placement now by category, including any backlog?	
15	When was the last RFP conducted?	
16	What improvements are you looking for in a new agency?	
17	What is the total amount of debt to be placed?	



18	What types of accounts will be placed i.e. utility debt, parking fees, ambulance, etc.?	
19	Can you provide the current volume or backlog of accounts the City of San Angelo is requesting services for?	
20	Will accounts be primary placements, not having been serviced by any other outside collection agency, and/or will you also be referring secondary placements? If so, should bidders provide proposed fees for secondary placements also?	Secondary placements will also be referred. Please include proposed fees for that in your submission.
21	Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval?	Yes.
22	What is the average balance of accounts by category?	\$333.
23	What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?	≤2016: 8,000; 2017: 1,600; 2018: 1,000
24	What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category?	This will depend on the number of vendors selected.
25	What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?	≤2016: \$2,000,000; 2017: \$400,000; 2018: \$300,000
26	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?	Yes.
27	Please provide a list of all consumer demographic information that will be sent to the agency - i.e. Name, address, social security number, etc.?	This information will be provided to the selected vendor(s).
28	What is the % breakdown of types of accounts placed?	The majority is residential with less than 3% commercial.
29	What are the residential vs. commercial utility % volumes?	The majority is residential with less than 3% commercial.
30	Please define the criteria for any non-commissionable accounts placed with the agency.	Accounts that are handled within the Customer Services Division via reoccurring charge or payment plans.
31	Who credit reports-the agency or the Utility?	The agency.
32	When the accounts are referred to the agency, what are the expected work flows?	Files will be sent to the Agency after 60 days of allowance for customers to pay off the account.
33	Does the City get or have you obtained expressed consent from your customers for all cellular numbers forwarded to the collection agencies upon placement?	No.
34	Please provide the following information: a. #/\$ value of accounts to be submitted b. Length of time accounts to remain with agency c. Historical recovery rates d. Historical fee ranges e. City's expectation of agency recovery rates	a. 10,000 b. 12 months c. Less than 10% d. 20% or less e. 50% or better
35	If applicable, will accounts held by any incumbent(s) or any backlog be moved to any new	Yes.



	vendor(s) as a onetime placement at contract start-up?	
36	What was the total commissions made by the incumbent over the last 12 months or calendar year?	20% of collected debt.
37	If applicable, who is your current collection provider? If applicable, how long has your current collection provider been under contract?	Available on the City's website at: <a href="http://www.cosatx.us">www.cosatx.us</a>
38	If applicable, what is your current collection provider's annual recovery rate (i.e. on accounts placed for one year)?	The City considers this information privileged due to current contracts and will not be providing a response.
39	If applicable, what is the fee percentage (e.g. 33% of all monies collected on all referred accounts) charged by your current collection provider?	
40	If applicable, how much collection fees were paid to/earned by your current collection provider this past calendar year? The year prior to that?	
41	What are the historical liquidation rates/percentages for this portfolio?	
42	What is the historical call handling time for this portfolio?	
43	Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable.	
44	Has the current contract gone full term?	
45	Have all options to extend the current contract been exercised?	
46	How are fees currently being billed by any incumbent(s), by category, and at what rates?	
47	What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?	
48	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?	It is against the City's policy to release this information.
49	How many agencies received invitations to bid?	
50	Will accounts referred to your current collection provider be recalled and re-referred to the collection provider chosen pursuant to this procurement process? And if so, can bidders propose a higher fee percentage for these previously worked accounts (i.e. second placements)?	
51	Are litigation services required/desired? If so, can bidders propose a higher fee percentage for accounts requiring litigation services?	These items are currently undetermined at this time and may be left to the evaluation of the proposals.
52	We assume that you do not/will not allow your collection providers to add convenience and/or payment processing fees in addition to their contingency fees? If such fees are allowed, can you clarify that you will require bidders to fully disclose the amounts to be charged so the same	



**CITY OF SAN ANGELO**  
PURCHASING DIVISION  
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	can take the same into consideration when evaluating pricing?
53	What is the anticipated award date for this contract?
54	How will account/collection information or data be communicated to the successful bidder (i.e. electronic via an FTP site)?
55	What is your preferred number of letters sent per account?

For other questions or clarifications, please contact the Purchasing Division at [SAPurch@cosatx.us](mailto:SAPurch@cosatx.us).

Sincerely,

A handwritten signature in blue ink that reads "Candice Blake".

Candice Blake  
Purchasing Manager