



PURCHASING DEPARTMENT
1772 County Services Parkway
Marietta, Georgia 30008-4012
(770) 528-8400/FAX (770) 528-1154

Mark Kohntopp
INTERIM DIRECTOR

ADDENDUM No. 1

**Sealed Bid # 11-5567
Request for Proposal
Collection Services**

DATE: April 1, 2011

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The following addendum hereby amends and/or modifies the Proposal Documents and specifications as originally issued for this project. All proposers are subject to the provisions of this Addendum.

Proposers shall acknowledge receipt of this addendum.
Include this original form inside your proposal package.

This Addendum consists of:

- **Minutes of the March 28, 2011 Pre-Proposal Conference**
- **Questions submitted in writing to date.**
- **Pre-Proposal Meeting attendee list**

All bids must be received before 12:00 (noon) by the Bid Opening date. Bids shall be delivered to Cobb County Purchasing Department, 1772 County Services Parkway, Marietta, GA 30008.

Electronic / faxed bid response will not be considered.

I acknowledge that I have received Addendum No. 1

**Sealed Bid # 11-5567
Request for Proposal
Collection Services**

Company Name

Signature

Date Sent to Purchasing

Please Print Name

Please sign, date, and return this form ONLY to:
Cobb County Purchasing Department
Fax #: 770-528-1154
E-Mail: purchasing@cobbcounty.org

Please note: The deadline for questions is: April 5, 2011 by 5:00 pm
Any questions received after this deadline will not be considered.

**Addendum 1
Sealed Bid # 11-5567
Request for Proposal
Collection Services**

**Minutes of the March 28, 2011 Pre-Proposal Conference and
Questions submitted in writing to date.**

Question: Is Parks and Recreation minimal to collections?

Answer: Yes, the vendor established a \$25.00 threshold that the amount must be over in order to collect upon thus there were not as many payments to be collected from for Parks & Recreation.

Question: What is an average balance for water bills?

Answer: \$65.00-\$75.00 a month

Question: Have there been any changes in the electronic data? Computer Program changes?

Answer: The data is sent in a text file and can be put into excel, but the fields have not changed for the Water System. Finance enters the Parks & Recreation amounts into the collection agency's website.

Question: What percentage of the water accounts is commercial?

Answer: Approximately 25%

Question: How long does it take for an account to become delinquent?

Answer: After 60 days the Water System turns the account over to collections. Parks is handled in a more sporadic manner.

Question: Who is our current vendor?

Answer: IC Systems

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

Answer: Approximately \$11,206.74 was paid last year by the Water System.

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

Answer: Residential had 391 accounts on average monthly and Non-Residential had 71 accounts on average monthly.

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: The historical rate of return is 10-20%. We expect 25% or above.

Question: 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?

Answer: Whatever has been placed with the incumbent will remain with them. Backlog beginning with the month of February will be placed with new vendor.

Question: What is the in-house collection methods (e.g. number of mailings) used on the referred accounts prior to turnover to the selected vendor?

Answer: Bill mailings for the Water System. Collection letters are sent via Certified Mail for Parks & Recreation.

Question: For the past three years, what is the average dollar volume and number of accounts placed with a collection firm? Please specify by years 2008, 2009, 2010.

Answer:

FY2008- \$426,243.85 (placed)/2432 (accounts placed)

FY2009- \$520,569.58 (placed)/2140 (accounts placed)

FY2010- \$778,257.54 (placed)/3784 (accounts placed)

Question: What dollar volume has the incumbent debt collection vendor collected for the same years? Again, please specify by years 2008, 2009, 2010.

Answer: For FY2010, the incumbent has collected approximately \$71,000. Will provide 2008 and 2009 at later time.

Question: How many man hours are currently spent managing the relationship with the incumbent vendor per week or per month?

Answer: The Water System spends 15-20 hours per week managing collection process AND 5-6 hours per month communicating directly with collection agency.

Question: Is Cobb County interested in a vendor who can provide real time, on demand reporting capabilities?

Answer: Yes, very interested in reporting capabilities.

Question: Is the March 28 pre-bid conference mandatory?

Answer: No

Question: Is the County currently utilizing a collection vendor for the accounts covered in this RFP?

Answer: Yes

If the County is utilizing a current vendor:

Question: Who is the current vendor?

Answer: IC Systems, contract ended December, 2010.

Question: What rate is the current vendor charging?

Answer: Collection Services – 14% Contingency Collection Fee; Additional Services – Non Litigation Attorney Referral – 40% Cont Fee; Bankruptcy Proof of Claims Filing – 40% Cont Fee

Question: Why is the County releasing an RFP at this time?

Answer: The most recent contract ended in December, 2010.

Question: Will there be a backlog placement of secondary accounts?

Answer: No

Question: If there is a backlog placement should bidders provide a rate for secondary placements?

Answer: N/A

Question: To how many vendors are you seeking to award a contract?

Answer: One

Question: Who are the incumbents, and how long have the incumbents been providing the requested services?

Answer: IC Systems, 3 years.

Question: Has the current contract gone full term?

Answer: Yes

Question: Have all options to extend the current contract been exercised?

Answer: We did not provide an option to extend.

Question: 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?

Answer: Yes, accounts will be primary placements. We will not be referring secondary placements.

Question: Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval?

Answer: Yes

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

Answer: Not sure at this time.

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

Answer: Not sure at this time.

Question: To what extent will the location of the bidder's call center and/or corporate headquarters have a bearing on any award(s)?

Answer: Location of either does not matter. No bearing.

Question: Can you please provide greater explanation of your expectations related to any required subcontracting to minority-owned, women-owned, or other types or categories of small or disadvantaged businesses? For example, what is required with the proposal, and what is required to comply during the term of the contract?

Answer: We require the Prime Contractor to provide DBE information on a monthly basis if using a subcontractor.

Question: Prior to today were you aware that you can access the RMPPG (Receivables Management Procurement Peer Group) for free on LinkedIn to contact other government officials, people like you who select vendors for contracts like this one, to get unbiased information and performance data about specific potential vendors for this contract?

Answer: No, we were not aware.

Question: Can we bid on the debt collection portion of the opportunity alone?

Answer: No

Question: Why are proposals being sought at this time?

Answer: Contract expired.

Question: Does the current vendor provide legal/litigation services? Are those services desired?

Answer: Yes and yes.

Question: What is the anticipated start-up date for the contract?

Answer: June 1, 2011

Question: What is the anticipated award date for the contract?

Answer: May 10, 2011

Question: How will account/collection information or data be communicated to the successful bidder, i.e.- electronic to a secure FTP site, email, paper files, etc.?

Answer: Currently information is entered into the collection agencies website.

Question: Is a local office required?

Answer: No

Question: Is there a M/WBE goal for this contract?

Answer: No

Question: Is the County requiring that a bidder include a Georgia Security and Immigration Compliance Act Affidavit?

Answer: No

Question: How many originals and copies is the County requesting be submitted?

Answer: 1 Original and 5 copies.

Question: The RFP references a required bid proposal form (IV. Submission of Proposals), but it is not included in the RFP packet. Please clarify how a bidder can comply with this request.

Answer: All the vendor needs to do is follow the format. There is no set form as long as you provide the requested information in your own format.

Question: What types of accounts will be placed for collection? (Sewer, Water, Traffic fines, etc)

Answer: Water/Sewer, Parks & Rec fees, any other fees we may determine at future date.

Question: What collection services is the incumbent vendor providing? (First placements, second placements, Litigation, garnishments, etc)

Answer: First placements, litigation.

Question: Why did Cobb County select the incumbent vendor? Please prioritize reasons from most important to least important

Answer: Lowest collection service fee.

Question: Are there any services or features Cobb County is looking for which were not provided by the incumbent vendor?

Answer: Monthly reports.

Question: How important is the soft savings of man hours spent managing the relationship with the selected debt collection vendor?

Answer: This is important.

Question: Is Cobb County interested in a vendor who can provide real time, on demand reporting capabilities?

Answer: Yes

Question: As part of our proposal process, we typically schedule a demo of our on demand reporting software. With whom should we schedule a demo during the evaluation process?

Answer: Roxane Rush (770-528-1523)

Question: Is the new Collection Services RFP a replacement of the RFP from 2007 for the same types of debt?

Answer: Yes, That is correct. The contract expired in December 2010. This RFP is for the same types of debt.

Question: What is the average age of accounts placed for collection?

Answer: After 60 days the Water System turns the account over to collections. Parks is handled in a more sporadic manner.

Question: What is the estimated size of the existing portfolio (the backlog) in terms of number of accounts and the dollar amount outstanding? Please break this down by receivable type and age. What is the age of the oldest accounts in the portfolio?

Answer: Water System Receivables

Active- \$717,384.20

Inactive- \$542,512.01

Total- \$1,259,896.21

We are not sure of the age of the accounts at this time.

Question: What is the estimated size (accounts/dollars) of annual referrals going forward (new/future placements)?

Answer: 5,544 accounts or more annual referrals are estimated. Since we estimate an average balance on an account is between \$65.00 and \$75.00 the estimated annual referrals will be approximately around \$360,360.00 and \$415,800.00

Question: If applicable, how long has the current vendor been under contract?

Answer: IC Systems has been under contract for 3 years

Question: If applicable, what is the current vendor's overall recovery rate?

Answer: The historical rate of return is 10-20%. We expect 25% or above.

Question: If applicable, what is the fee (%) charged by the current vendor?

Answer: 14% Contingency Collection Fee; Additional Services – Non Litigation Attorney Referral – 40% Cont Fee; Bankruptcy Proof of Claims Filing – 40% Cont Fee

Question: How many dollars have been collected by the current vendor and over what period of time?

Answer: For FY2010, the incumbent has collected approximately \$71,000. We will provide 2008 and 2009 at later time.

Please provide available information by category (e.g. fees, licenses, water, miscellaneous accounts) as follows:

Question: Average balance of account at placement-

Answer: Water Accounts \$65.00 and \$75.00

Question: Average age of account at placement-

Answer: Water 60 days; Parks more sporadic.

Question: Approximate value of accounts placed in the last fiscal year -

Answer: \$778,257.54 (placed)/3784 (accounts placed)

Question: To what extent are these accounts owed by private consumers versus commercial businesses?

Answer: Residential had 391 accounts on average monthly and Non-Residential had 71 accounts on average monthly

Question: What is the average balance of accounts by category?

Answer: \$65.00 and \$75.00 per Water bill. Parks & Recreation varies each time.

Question: What current contingency fees or other fees are currently being billed by any incumbent(s), by category?

Answer: 14% Contingency Collection Fee; Additional Services – Non Litigation Attorney Referral – 40% Cont Fee; Bankruptcy Proof of Claims Filing – 40% Cont Fee

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

Answer: After 60 days the Water System turns the account over to collections. Parks is handled in a more sporadic manner.

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

Answer: Residential had 391 accounts on average monthly and Non-Residential had 71 accounts on average monthly.

Question: Please provide available information regarding liquidation rates of the portfolio.

Answer: 10-20%.

Question: What is the approximate number of accounts and dollar amount placed each month with the current agency?

Answer: Based on last years' numbers, the average was \$64,854.80 each month and approximately 315 accounts per month

Question: What is the average age of accounts placed with the current agency?

Answer: After 60 days the Water System turns the account over to collections. Parks is handled in a more sporadic manner.

Question: Is there any historical collection percentage you can provide?

Answer: The incumbent's historical rate of return is 10-20%. We expect 25% or above.

Question: Will accounts held by the current vendor (backlog) be moved to the selected vendor?

Answer: No.

Question: At what point in time (e.g. 60 days past due) will new/future accounts be placed with the selected Service Provider?

Answer: The Water System accounts will be placed with the Service Provider once they are 60 days past due. However, we will also include any accounts past due since February, 2011 since we are not currently using a Service Provider. Parks & Recreation accounts are placed with the Service Provider 60 to 90 days after a certified letter and all other attempts to collect have been addressed by us.

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

Answer: The monthly value is approximately \$65,000 for the Water System. Parks & Recreation accounts are very sporadic and the amounts vary.

PRE- BID CONFERENCE

SEALED BID #11 - 5567
 REQUEST FOR PROPOSAL
 COLLECTION SERVICES
 COBB COUNTY FINANCE DEPARTMENT
 MARCH 28, 2011

| REPRESENTATIVE NAME | COMPANY NAME & COMPLETE ADDRESS | PHONE (INCLUDE AREA CODE) | FAX # (INCLUDE AREA CODE) | E-MAIL ADDRESS |
|---------------------|---------------------------------|---------------------------|---------------------------|---------------------------------|
| Daphne Bailey | Cobb County Purchasing | 7) 528-8423 | 7) 528-1154 | d/bailey@cobbcounty.org |
| Jeff Peters | CCWS | 770-419-6242 | 770-419-6428 | jeff.peters@cobbcounty.org |
| Kathy Brown | CCWS | 770 419 6283 | — | Kathleen.brown@cobbcounty.org |
| Susan Waters | CCWS | 770-419-6286 | 7-419-6207 | Susan.Waters@cobbcounty.org |
| Hecky Watkins | CC Finance | 7) 528-1588 | — | Rebecca.Watkins@cobbcounty.org |
| Rodane RL | Finance | 1523 | — | rrush@cobbcounty.org |
| ✓ Ron ZAPPA | STALLINGS FINANCIAL GROUP | 770-637 1709 | 770-427 0864 | ron@stallingsfinancial.com |
| Bill Volckman - | Finance | 770-528 -1524 | — | william.Volckman@cobbcounty.org |

