

CITY OF KINGMAN



DEBT COLLECTION SERVICES

FIN24-004

RESPONSES TO PROPOSER QUESTIONS

Responses Dates: March 11, 2024

1. Question: Please reconfirm the due date for this procurement by providing it in response to answers to questions.

Answer: Per the RFP, responses are due by 3:00 pm (Arizona time) on March 28, 2024

2. Question: What is the date by which you will answer these questions?

Answer: Questions will be responded to as expediently as possible, but no later than March 20, 2024, per the RFP. All questions must be submitted by March 18, 2024 at 3:00 pm (Arizona Time).

3. Question: Why has this bid been released at this time? If there was a previous solicitation for these services, what was its title, number, release date, and due date?

Answer: The City of Kingman is seeking to implement the full scope of services defined in the RFP for a Debt Collection Agency and has not previously issued a solicitation for these services.

4. Question: When is the anticipated contract start date?

Answer: The winning contract will be brought before the City Council on May 21, 2024 for approval with an anticipated contract start date of May 21, 2024.

5. Question: 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?

Answer: The RFP includes the following:

“Project Cost

- Did the Proposer include a detailed Pricing Proposal Summary (using the sample provided in Exhibit IV or the Agency’s standard format) that is clear, concise, and follows the format requested? Although cost is a significant factor, it will not be the dominant factor. The City is seeking the highest quality of service at the most reasonable price.
- Did the Agency provide all possible costs for both one-time and recurring costs?”

Bidders can update the wording on the pricing proposal to match the verbiage used in their pricing structure and provide an explanation of that change.

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

Answer: The City of Kingman has only utilized Southwest Recovery Services, LLC. for debt collection services for its General Billing Accounts. The City is satisfied with these services,

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however, due to the expansion of the use of the services to include Utility Billing Accounts, the RFP process is required.

7. Question: Has the current contract gone full term?

Answer: N/A the contract is ongoing, until terminated with no term defined.

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

Answer: N/A the contract is ongoing, until terminated with no term defined.

9. Question: Who is the incumbent, and how long has the incumbent been providing the requested services?

Answer: The current vendor is Southwest Recovery Services, LLC. and they have been providing services since September 11, 2023 for General Billing Accounts only.

10. Question: To what extent will the location of the bidder's proposed location or headquarters have a bearing on any award?

Answer: No bearing.

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

Answer: No fees have been collected; the agreement indicates a 25% retention percentage.

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

Answer: \$0 - the service was recently implemented and only one account has been transferred to the vendor.

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

Answer: One

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

Answer: Utility Billing Accounts = 96.2% private consumers, 3.8% commercial businesses;
General Billing Accounts = private consumers

15. 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: Primary placements with one secondary account. Yes, please provide secondary placement proposed fees.

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

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Answer: The City of Kingman plans to transfer a minimum of 3 years of backlogged accounts.

Utility Billing = \$472,513 General Billing = \$4,133

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

Answer: The City of Kingman plans to transfer a minimum of 3 years of backlogged accounts.

Utility Billing = 3,750 General Billing = 1

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

Answer: Utility Billing = \$126.00 General Billing = \$4,133

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

Answer: Utility Billing = 270 accounts quarterly; General Billing = .5 quarterly

20. 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: \$0 has been returned by the current vendor. The City hopes to recover as much of the customer account balances as possible; without having an existing provider for the full scope of services, we are not able to determine specific, anticipated expectations for results.

21. Question: What billing servicer do you utilize?

Answer: Our internal team processes the billings using the software Enterprise Resource Planning offered by Tyler Technologies.

22. Question: Have all cases been fully adjudicated by the time of placement?

Answer: There are no known legal cases related specifically to this customer debt.

23. 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: Yes

24. Question: What is your case management/accounting software system of record?

Answer: We do not have case management software. The accounting software is Enterprise Resource Planning offered by Tyler Technologies.

25. Question: Who is your electronic payment/credit card processing vendor?

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Answer: For online payments, we utilize Invoice Cloud with Paymentech as the credit card processor. For IVR phone payments, we utilize Selectron with Paymentech as the credit card processor. For in-office payments, we utilize Enterprise Resource Planning with Global Payments as the credit card processor.

26. Question: 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?

Answer: The contact listed in the RFP.

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

Answer: We request a copy of the death certificate and write the balance off without attempting to collect.

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

Answer: Please see the answer to Question #30. We do not envision making any changes to that process.

29. Question: Do you currently search and file probated estate claims? Have you considered an automated tool to identify and file probated estate claims?

Answer: No and No.

30. Question: Are email addresses available for customers?

Answer: The City does maintain email addresses for its customers, however, email addresses are not required to initiate services with the City so not all accounts will have an email address associated with it.

31. Question: Please confirm the estimated number and amount of annual assignments to be referred to collections.

Answer: Please refer to the answers posted for Questions #18-21

32. Question: If you currently outsource to a collection agency, could you provide answers to the following?

- a. Who is the agency?
- b. What are the fees?
- c. What has been the historical liquidation (percentage of debt recovered)?

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Answer: Please refer to the answers posted to Questions #8 – 10.

33. Question: With regard to Item A. Revenue Collection Process – “Certain accounts which are deemed uncollectible after all efforts by the City to collect will be referred to the Agency for follow-up and collection services. Generally, items will be deemed uncollectible following the expiration of 120 days,” could you please provide the # and \$ amount of accounts that have been "deemed" uncollectible (i.e.: reached 120 days) for each of the following years for 2023, 2022 & 2021?

Answer:

<u>Year</u>	<u># of Accounts</u>	<u>Amount</u>
2023	850	\$106,158
2022	556	\$71,238
2021	852	\$118,370

34. Question: Is the Request for Proposals seeking new vendors due to dissatisfaction with current vendor(s) or as periodically required in accordance with purchasing policy?

Answer: No, we are not dissatisfied with the current vendor. Due to the expansion of the scope of services, the RFP process is necessary.

35. Question: Who is/are the current vendor(s)?

- **What is your level of satisfaction with your current vendor(s)?**
- **Have all options to extend the current contract been exercised?**

Answer: Please refer to the answers posted to Questions #7, 9, and 10.

36. Question: What service aspects do you hope to improve with a new vendor?

Answer: We are satisfied with our current vendor but are seeking to expand the current scope of services to include our Utility Billing customers, which does not currently have a vendor for these services. We hope to add the pursuit of uncollectible debt after the customer balances have been written off, which the City of Kingman does not currently have a service in place for.

37. Question: What is the anticipated monthly or annual volume of placements in both number of accounts and total dollars assigned?

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Answer: Please see the answers posted to Questions #18-21.

38. Question: What is the current vendor(s) historical liquidation (recovery) rate and contingency fee?

Answer: \$0 for the current recovery rate (only one account has been transferred over to the vendor). The agreement includes a 25% "retention percentage" but no contingency fee is listed.

39. Question: If the incumbent is not chosen for this Quote Request, will you be cancelling previously assigned accounts and forwarding them to the new vendor? If so, are you accepting a separate rate for "secondary" placements?

Answer: Please see the answers posted to Questions #16, 18, and 19.

40. Question: Will the contract be awarded to a single or multiple collection firms?

Answer: Please see the answers posted to Question #14.

41. Question: What is the level of your internal collection activity prior to writing off the debt (number of notices, phone calls, etc.)?

Answer: Per page #7 of the RFP:

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A. Revenue Collection Process

The City of Kingman issues monthly billing statements to its Utility Billing and General Billing customers through the Tyler Technologies, Enterprise Resource Planning (ERP) software. The City has approximately 22,545 Utility accounts and 85 General Billing accounts. Certain accounts which are deemed uncollectible after all efforts by the City to collect will be referred to the Agency for follow-up and collection services. Generally, items will be deemed uncollectible following the expiration of 120 days.

General Billing accounts remaining outstanding after thirty days (30) receive a standard reminder notice. This notice may be followed by either a telephone call or a payment demand letter.

Utility Billing account billing statements are billed and collected using the following schedule:

Day One (1)	Bill Date
Day Twenty (20)	Bill Due Date (Payment Must be Received by 6:00 pm)
Day Twenty-One (21)	Delinquent Bill Generated and Late Fee Applied to the Account
Day Thirty-One (31)	Delinquent Bill Due Date (Payment Must be Received by 6:00 pm)
Day Thirty-Two (32)	Disconnected for Nonpayment of Delinquent Bill
Day Thirty-Nine (39)	Meter Locked if Delinquent Bill Remains Unpaid
Day Forty-Six (46)	Customer Account is Inactivated and Final Bill is Generated

42. Question: How much was the current incumbent(s) paid by the city in the last fiscal year?

Answer: \$0

43. Question: What is the average age of accounts at the time of referral (i.e., 90-days, 150 days, etc.)?

Answer: 120 – 1,095 days

44. Question: What percentage of accounts are commercial vs. residential?

Answer: Please refer to the response to Question #15.

45. Question: With what frequency will the city refer accounts (i.e., daily, weekly, monthly, etc.)?

Answer: Monthly

46. Question: With what frequency will the city refer accounts (i.e., daily, weekly, monthly, etc.)?

Answer: Monthly

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47. Question: How or in what method/manner will the city provide update/payment files to the contractor?

Answer: Per page 7 of the RFP:

“B. Processing Incoming Information from Collection Agencies

The collection Agency to which the receivables are to be submitted will be identified manually or by the system automatically. A file will be created during submission run with all information relevant for collecting the receivables. The file(s) will be uploaded to the collection Agency via an agreed upon secure method. Proposer should identify secure methods offered in the response.”

48. Question: With what frequency will the city provide these update/payment files to the contractor (i.e., daily, weekly, etc.); specifically, for payments received directly by the city?

Answer: This will be worked out with the selected vendor through a mutually agreed upon timeframe and method.

49. Question: Will the inventory currently assigned to existing agencies be pulled and sent to any new agencies awarded? If yes, what is the estimated volume (# and \$ value) and the average age of the accounts to be re-referred to a new agency?

Answer: One (1) General Billing account will be transferred over; \$4,133; average age 1,131 days

50. Question: What percentage of accounts will have a judgement in place at the time of referral, if any?

Answer: 0%

51. Question: Will the city continue any collection efforts on accounts after referral to the agencies? If yes, please describe those efforts?

Answer: The City will collect all outstanding balances if the customer is seeking to restart services with the City of Kingman.

52. Question: Page 8, Section II.C “Call Backs”: Please advise how often callbacks happen and provide an estimated number of accounts that the city anticipates will meet the call back criteria on a regular basis.

Answer: We have not had this service in place for Utility Billing so there have been 0 callbacks. For General Billing, only one account has been referred so there have been 0 callbacks. With the increase in

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the scope of services we are soliciting (Utility Billing accounts) it is not possible to provide an estimation without having had this service in place prior to the issuance of the RFP.

53. Question: Page 8, Section II.4 “Letter Series”: This section states “the letter series should include letters for open and closed accounts”. Define the city’s letter expectations on closed accounts. In what circumstances would the agency be required to send a letter on a closed account?

Answer: The City intends to transfer balances on “closed” (otherwise known as “inactive” accounts) primarily. It will be infrequent, if at all, that the City will transfer “open” (otherwise known as “active” accounts) to the selected vendor. The vendor should pursue balances due on all accounts transferred to the vendor using the methods and letter series the vendor has on file. The City’s expectations are to receive sample letters as part of the RFP response to evaluate the methods/process the vendor will use.

54. Question: Page 10, Section 4.1(B): Please confirm that the city is requiring that the agency provide a copy of their own sample contract/agreement.

Answer: Yes

55. Question: Page 10, Section 4.1(C): Please confirm that response to all requirements means a response to all items in Section III. Should responses to the evaluation criteria also be included in this section of our proposal? If there are other sections that require a response besides Section III and the evaluation criteria, please advise.

Answer: Subsection III. Requirements refers to vendor requirements as part of the services to be offered. Section 4. Proposal Instructions and Requirements details the requirements the proposer must follow. Section 5. Evaluation Criteria and Procedures provides more specific details on how the Evaluation Committee will approach their evaluations and a response to the criteria should be provided.

56. Question: Page 10, Section 4.1, 1st Paragraph following Items A-L: This paragraph states that all requested items must be included, or our proposal will be rejected; yet the Vendor EFT form is optional. As such, will our proposal be rejected if we do not include the EFT form? If yes, then should we simply write n/a on the form and submit it anyway? It is unclear if we are required to submit the EFT form to remain compliant with submittal instructions.

Answer: No, the EFT Form is an optional document that is included with the Vendor Application Package and is not required.

57. Question: Page 10, Section 4.1, Please confirm that proposers should format their responses in the same order and as listed in items A-L on page 10.

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Answer: The RFP indicates “The format of each proposal must contain the following elements organized into separate chapters and sections, as the Proposer may deem appropriate”. All of the elements must be included but can be in the order deemed appropriate by the Proposer.

58. Question: Page 15 “Insurance”: Are bidders required to submit proof of insurance with the proposal or is this only required upon contract award?

Answer: Insurance will be required as part of the Contract Negotiations phase of this RFP. Proof of insurance can be provided as part of the response but is not required until contract negotiations begin.

59. Question: Exhibit III, References: Is it acceptable for proposers to submit more than four references (by simply copying this reference page)?

Answer: Yes

60. Question: Exhibit IV “Pricing Proposals”: Typically, these types of agreements/services are priced with a contingency rate vs. dollar values. Is it acceptable for agencies to modify this form to show contingency rates instead of dollar values for the primary collection services?

Answer: Yes, please provide an explanation of the change with your response.

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