



City of Flint

Department of Purchases & Supplies

Sheldon A. Neeley

TO: All Proposers
FROM: Lauren Rowley
Purchasing Manager
DATE: **April 1, 2022**
SUBJECT: **Addendum #01 – Proposal #22000518 –COLLECTION SERVICES**

This addendum has been issued because of the following: **Additional questions and answers as listed below:**

Q: Why has this bid been released at this time?

A. Previous contract expired/vendor retired and we still need to collect delinquent receivables.

Q2: Was there a predecessor to this procurement between 2014 and 2022?

A. Yes, Russell Collection Agency has been contracted for Collections services with the city since 2012.

Q: Can you please provide greater details regarding your bid bond and/or performance bond requirements related to this contract? For example, what is required with the proposal, and what is required to comply during the term of the contract?

A. No bid bond/performance bond is required. We need a valid Certificate of Insurance, as well as specific liability coverage as stated in the terms of the RFP.

Q: 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. Bidders can create their own pricing categories.

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

A. Highly satisfactory.

Q: Has the current contract gone full term?

A. Yes.

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

A. Yes.

Q: Will account volume assigned to your incumbent collection vendor be recalled and reassigned to the winning bidder?

A. CBM has been given the files, and will retain them.

Q: Can you provide historical recovery rates from the previous contract?

A. 5%.

Q: How many vendors are you seeking to award a contract?

A. One.

Q: Can you please provide a greater description of the specific kind of receivables to be placed for collection?



City of Flint

Department of Purchases & Supplies

A. Mostly Inactive water bills and some miscellaneous invoices.

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

A. 95% residential.

Q: 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?

A. Primary placement. No.

Q: What collection attempts are performed or will be performed internally prior to placement?

A. City collecting on active accounts. Vendor will collect on inactive accounts.

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

A. \$10M+ for water accounts.

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

A. Four years

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

A. (Have not sent anything to collection since 2015)

Q: 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. Between 5% -10%

Q: On a monthly basis, how many accounts does the city anticipate placing?

A. Quarterly to start, bi-annually once caught up. (oldest bills are from 2016-2017)

Q: What is the average of each account, total accounts and overall delinquent total balance of each account?

A. The City has a total of over 10,000 accounts, with an average outstanding of \$1300.00.

Q: 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. No.

Q: What is your billing/case management/accounting software system of record?

A: BSA

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

A: Point & Pay

Q: 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: TBD

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

A. Via email.



City of Flint

Department of Purchases & Supplies

Q. How do your current processes and/or vendor relationship(s) handle the death of a responsible party? Look at each case individually.

A. Law dept handles any probate claims.

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

A: No.

Q: Do you currently search and file probated estate claims? Have you considered an automated tool to identify and file probated estate claims? Law dept usually handles probate cases.

A. Automated tool to identify estate claims would be helpful.

Q: On a monthly basis, how many accounts does the city anticipate placing?

A. Quarterly to start until they are caught up, then bi-annually.

On average, how old will a typical account be at the time it is placed with the vendor?

A. Oldest bills for collections are from 2016-2017

Will the city accept non-local references? To what extent will location of the vendor's office factor into evaluations?

A. Yes. Citizen payment options will be a larger factor in evaluating the proposals versus location of vendor.

Q: Please expand on the requirement to accept payments via Western Union. Why is this important to the City?

A. Willing to accept other options. Western Union is part of the expiring collections contract.

Q: The water bill is currently printed on a 6-4-1/4 Postcard. Is this a hard requirement, as the majority of water bills are printed on 8-1/2 X 11 paper? IE – will the city accept an alternative solution?

A. We would prefer to keep it postcard size due to the additional costs of envelopes and postage.

Q: Age of Accounts: How dated are the accounts and have they been worked previously by another collection agency? Age of accounts is calculated using the date of service.

A. Two (2) to Seven (7) years.

Q: Do you collect social security numbers and DOB?

A. Last (4) numbers of Social Security Number, and DOB.

Q: How would the placement files be transmitted?

A. SFTP

Q. With what frequency will the city provide update/payment files to the contractor (i.e., daily, weekly, etc.)?

A. Vendors shall indicate in the bid submission what they prefer.

Q: Page 3 & Page 17: Proposal copies listed seem to contradict one another. One says 5 hard copies, the other says 6 hard copies. Please confirm which is correct.

A. Please submit (5) Hard Copies if the original, signed proposal, and (1) Electronic copy. Mailing address as indicated in the RFP.

Q: Page 4: Please confirm if bidders are required to submit an Accounts Payable application, IRS W9 and ACH forms or is this only required upon contract award?

A. If you wish, You may wait to submit ACH and W9 if/when you are awarded a contract.



City of Flint

Department of Purchases & Supplies

Q: Page 11, Item #28 "City Income Tax Withholding": Is this applicable to out-of-state vendors, specifically if all employees of the vendor reside/perform services outside the city/state & are not subject to local taxes?

A. If all work is being performed outside of the City, these withholdings are not applicable.

Q: Page 16, Checklist: Is it acceptable to place an Attachments TAB at the rear of the proposal to provide sample reports, letter copies, license copies, etc.)?

A. Yes, as long as required information is included, formatting is not constrictive.

Q: Page 19 "Required Information, Item #2": Is a local presence and/or local references mandatory in order to bid on this proposal?

A. No.

Q: Exhibit A: Pages 17-26: Are we required to respond to each item in Exhibit A or is it only necessary to sign page 26, certifying that we will comply with all requirements listed in Exhibit A?

A. A signature on Page 26 will suffice as review and agreement of all terms as stated in Exhibit A.

Q: Page 20 "Cost of Collection": Is this where the city would like us to propose/provide pricing?

A. You may submit a separate cost sheet to the Proposal if necessary. (We are not restrictive of where you itemize your proposed costs)

Q: Page 26, Item #2 " Failure to bid on all items....": Please clarify what is meant by this. What items is the city referencing? Does this mean if we fail to respond to each item? If yes, which items specifically do you mean'*

A. This statement is part of our legal boilerplate. It is not specific to any particular bid, or in this case, this RFP.

Q: Exhibit D, Pages 29-30: Can we provide more than three (3) references?

A. Yes, if you wish.

Q: Exhibit E "Cert of Insurance": Is a certificate required with our bid or only upon contract award?

A. It is a requirement of the City to have a COI included in a proposal submittal to qualify it as a complete proposal.

Q: Exhibit F "Non-Bidders Form": If we are bidding on this RFP, then do we need to still include this form with our proposal? If yes, then should we simply type "n/a" on the form for submission?

A. You may type N/A on the form in this instance, or simply draw an "X" across said page.

All other bidding terms, requirements, and conditions continue as indicated in the remaining original bid documents.

The Purchasing Manager, Lauren Rowley, is an officer for the City of Flint with respect to this RFP.

In the submission of their proposal, Proposer must acknowledge receipt of this addendum. Proposer shall acknowledge this addendum by signing and returning one copy of this notice with their submission.

Company Name: _____

Address: _____



City of Flint

Department of Purchases & Supplies

City / State / Zip: _____

Telephone: _____ Fax: _____ Email: _____

Print Name: _____ Title: _____

Signature: _____ Date: _____

Thank you,

Lauren Rowley
Purchasing Manager