



## Solicitation Information

26 March 2012

Request for Proposals # 7449583

**Title: Debt Collection Services (MPA # 238)**

Submission Deadline: 9 May 2012 @ 11:00 AM (EDT)

Questions concerning this solicitation must be received by the Division of Purchases at [questions@purchasing.ri.gov](mailto:questions@purchasing.ri.gov) no later than **20 April 2012 @ 12:00 Noon** (EDT). Questions should be submitted in a *Microsoft Word attachment*. Please reference the RFP / LOI # on all correspondence. Questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information.

**SURETY REQUIRED: No**

**BOND REQUIRED: No**

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Vendors must register on-line at the State Purchasing Website at [www.purchasing.ri.gov](http://www.purchasing.ri.gov)

Note to Vendors:

Offers received without the entire completed three-page RIVP Generated Bidder Certification Form attached may result in disqualification.

**THIS PAGE IS NOT A BIDDER CERTIFICATION FORM**

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## **Section 1 – Introduction**

The Rhode Island Department of Administration (“Department”), Division of Purchases (“Division”), on behalf of the Executive Branch agencies of the State of Rhode Island and Higher Education, along with potential participation at their discretion from the Legislative and Judicial branches, quasi public agencies, municipalities (cities, towns and school districts) (all of the above mentioned entities are hereinafter collectively referred to as the “State” in this document) is soliciting proposals from qualified firms to provide “Debt Collection Services” under a statewide Master Price Agreement (“MPA”) to the State. This Request for Proposal (“RFP”) provides the requirements for this service.

An MPA is a pricing agreement between the State and a qualified vendor[s] to provide services or goods at an agreed **maximum** rate or cost as needs arise in the future. *This MPA may be awarded to one (1) or more qualified firms at the sole discretion of the State. There is no guarantee of any level of purchasing activity on behalf of the State to any vendor or vendors listed on the MPA. Additionally, depending on circumstances, any eligible government entity seeking to purchase debt collection services from the resulting MPA may negotiate lower rates than stated in this MPA and are encouraged to do so. If multiple vendors are selected, an agency may contact the various vendors on the MPA in an effort to receive the best rates possible.*

Additionally, if an award is issued to multiple vendors, the State reserves the right to solicit pricing from each MPA vendor at a lower rate than provided in the MPA. The MPA vendor may hold their rate at the stated price or provide better pricing to the State. In other words, the rates provided in the MPA represent a maximum rate that may be charged to the State and the State reserves the right to negotiate a better price for specific requirements. *As stated above, there is no guarantee of any level of purchasing activity on behalf of the State to any vendor or vendors listed on the MPA.*

The resulting MPA will be for a three (3) year duration, with two (2) one (1) year extensions at the State’s option, and will be in accordance with the State’s General Conditions of Purchase, which may be obtained under the ‘Vendor Information’ link located on the Rhode Island Division of Purchases web site at: <http://www.purchasing.ri.gov>. The Cost Proposal submitted by the vendor must address the full length of the contract, including the extensions.

In addition, the same offers, terms and conditions as stated in the MPA will be accessible to the Legislative and Judicial Branch of the State of Rhode Island, Rhode Island municipalities (cities and towns), school districts and quasi public agencies. In other words, the pricing agreement is extended to all government entities in Rhode Island if these entities decide to access the pricing available on the MPA to the State.

## **Section 2 – General Instructions and Notifications**

Bidders are advised to review all sections of this RFP carefully and to follow instructions completely, as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.

Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are solicited. However, proposals which depart from or materially alter the terms, requirements, or scope of work defined by this RFP will be rejected as being non-responsive.

All costs associated with developing or submitting a proposal in response to this RFP, or to provide oral or written clarification of its content shall be borne by the bidder. The State assumes no responsibility for these costs.

Proposals are considered to be irrevocable for a period of not less than ninety (90) days following the opening date, and may not be withdrawn, except with the express written permission of the State Purchasing Agent.

All pricing submitted will be considered to be a firm and fixed maximum rate. The State reserves the right to negotiate lower rates than the stated maximum rate. If multiple vendors are selected, the State reserves the right to compare and contrast lower rates among the selected MPA vendors.

The State reserves the right to contact a bidder in writing to clarify a proposal.

Proposals misdirected to other State locations or which are otherwise not present in the Division at the time of opening for any cause will be determined to be late and may not be considered. The “Official” time clock is in the reception area of the Division.

In accordance with Title 7, Chapter 1.2 of the General Laws of Rhode Island, no foreign corporation shall have the right to transact business in the state until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401-222-3040). This will be a requirement only of the successful vendor(s).

Bidders are advised that all materials submitted to the Division for consideration in response to the RFP will be considered to be public records, as defined in Title 38 Chapter 2 of the Rhode Island General Laws, without exception. This information will be released for inspection immediately upon request, once an award has been made.

The State of Rhode Island has a goal of ten percent (10%) participation by MBE's in all State procurements. For further information, visit the web site <http://www.mbe.ri.gov>. To speak with an M.B.E. Officer, call (401) 574-8253 or contact [Dorinda.keene@doa.ri.gov](mailto:Dorinda.keene@doa.ri.gov)

Interested parties are instructed to peruse the Division's web site on a regular basis, as additional information relating to this solicitation may be released in the form of an addendum to this RFP / LOI.

Equal opportunity and affirmative action toward its achievement is the policy of all units of Rhode Island state government, including all public and quasi-public agencies, commissions, boards and authorities, and in the classified, unclassified, and non-classified services of state employment. This policy applies in all areas where the state dollar is spent, in employment, public service, grants and financial assistance, and in state licensing and regulation. For further information, contact the Rhode Island Equal Employment Opportunity Office, at (401) 222-3090 or contact Raymond Lambert at [raymondl@gw.doa.state.ri.us](mailto:raymondl@gw.doa.state.ri.us)

**Section 3– Background**

The State of Rhode Island has outstanding accounts receivable that are current, delinquent, aged, inactive, and/or not actively pursued. The State needs to address and act on these receivables in order to settle such accounts. This contract intends to accomplish this goal through improved collection efforts by the State and through the effort of a private collection agency which will be called upon to collect the account after it has been determined to be delinquent by a program department/agency. The Department of Administration, Office of Accounts and Control seeks to establish a master agreement for the collection of debts owed to State departments and agencies. The Office of Accounts and Control seeks to establish a menu of debt collection services from which state departments and agencies can choose in order to effectively manage their accounts receivable and efficiently collect current and overdue accounts.

The purpose of the RFP is to establish a master agreement for billing and debt collection services of a private company in the state’s debt collection efforts. Master Price Agreement #238, is currently awarded to three vendors. Visit the website <https://www.purchasing.ri.gov/RIVIP/MPASearch.asp> for further information on the current MPA 238 service providers.

The amount of collection activity for the past two years is approximately:

*Higher Education (tuition and misc accounts):*

Amount Placed	\$15,957,128
Number of Accounts	11,569
Average Balance	\$1,379

*Department of Labor and Training*

Amount Placed	\$4,789,330
Number of Accounts	1329
Average Balance	\$3,603

*Department of Environmental Management*

Amount Placed	\$436,976
Number of Accounts	72
Average Balance	\$6,069

## **Section 4 – Scope of Work**

### Scope of Work

1. Complete all billing, necessary research, debtor locating and debtor contract in order to collect current accounts receivable.
2. Complete all necessary research, debtor locating and debtor contact in order to collect delinquent accounts receivable and “bad checks” forwarded for collection.
3. Complete all necessary research in order to locate certain parties of interest to the state (debtors, absent parents, etc.), i.e., "skiptracing."
4. The vendor shall provide management reports in a manner and frequency to be prescribed by the State. The vendor shall provide whatever data and/or reports necessary to a successor upon expiration of the contract.
5. The vendor shall provide a toll-free telephone number for debtor return telephone calls.
6. Violation of any federal or state general or special law or regulation governing the fair collection of debts, whether related to accounts covered under the awarded contract or other accounts handled by awarded vendors, shall be grounds for termination of the contract.
7. Under no circumstances shall vendors attempt to make collections by coercion or threats. Vendors may not hire outside counsel without notifying the Agency or University/College.
8. Vendors shall respond within two (2) business days to complaints or inquiries the Agency or University/College transmits to the vendor. The State reserves the right to investigate and ultimately cancel a contract upon verification of repeated complaints.
9. The State retains the right to withdraw accounts six (6) months after assignment and may reassign these accounts to another awarded vendor or to staff internally.
10. Vendors must be willing to accept another vendor’s discontinued accounts as secondary referrals.
11. Vendors will be responsible for professional quality, technical accuracy and timely completion and submission of all deliverables or services required to be provided under the contract. The vendor shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in its deliverables and other services.
12. No collection fees shall be paid to any vendor on accounts that are referred for collection, but on which the agency receives payment prior to any collection efforts being performed by the vendor.
13. Awarded vendors shall be responsible for any embezzlement, fraudulent, dishonest, vandalism, and malicious mischief act or acts by the vendor and its employees during the term of the contract. Awarded vendors shall guarantee the confidentiality, security and safety of all files, documents, computer files and other records pertaining to the Services.

14. Awarded Vendors shall reimburse the Agency or University/College for any amount which becomes uncollectible which is lost due to any act or omission of the vendor or its officers, agents, or employees. Such acts or omissions may include, but are not limited to, accepting a compromise settlement for less than the total amount due without authorization and acknowledging that a payment constitutes payment in full when in fact the debt or account is not paid in full.
15. Any amounts received by Vendor which are in excess of that which is due and payable are overpayments and shall be forwarded to the Agency or University/College in full with an explanation that the amount is an overpayment. Vendor shall not be entitled to a collection fee for overpayments and shall not retain any portion of an overpayment.
16. Vendor shall be responsible for ensuring that the account balances are updated so as to reflect the amounts actually past due. Vendor shall exercise special care to ensure that the entire delinquent amount is included in any court judgment obtained or has been paid before informing the borrower that the debt has been paid in full.
17. The state retains the right to terminate services of a vendor with a fifteen (15) day written notice. Upon the termination of any resulting agreement or contract, collections received by vendors within forty five (45) days after the termination date will be subject to the fee arrangement specified. Any collections received after the forty five (45) day period shall be returned to the Agency or University/College shall be sent without a fee charge.
18. The State operates a debt offset program for the collection of debt from State payables. If a debt or a portion of the debt becomes recoverable through the State payables or a federal offset program, the State reserves the right to withdraw the debt or recoverable portion from collection services. No collection fee shall be paid to any vendor on the amount collected through the debt offset programs or financial data matching program.
19. Vendors are permitted to enter into payment agreements with the debtor only upon agreement by the Agency or University / College.
20. Vendor shall remit all monies received (gross receipts) to Agency or University/College, within (30) thirty days after receipt of monies from debtor(s).
21. The Vendor shall submit a monthly billing statement for collection (s). The Vendor shall not collect or deduct any fees from any debts collected and remit the net amount for each account collected.

## **Section 5 – Requirements for Proposal**

The firm must be able to meet the requirements listed in this section. Please provide a detailed response, with appropriate and applicable documentation, for each item. Quality and detail of each response will be considered during the proposal evaluation phase.

### **I. Executive Summary**

Provide an Executive Summary that will highlight the contents of the Technical Proposal as well as present the State of Rhode Island evaluators with an overview and broad understanding of the bidder's technical approach and ability to meet the service level requirements as set forth in this RFP.

### **II. Organization and Staffing (20 points)**

The State of Rhode Island places reliance upon the expertise, experience, ability and capability of a qualified vendor. In response to this RFP, a qualified vendor shall present evidence of its professional competence, training, and any other relevant documentation. The firm selected and accepting this contract shall be of recognized standing within the profession of debt collection. Such recognized standing may consist of memberships in good standing with pertinent associations and organizations and an exemplary work record.

The respondent shall present the qualifications, technical expertise and experience of the firm's key personnel who will be assigned to the performance of services. The Proposal must include a resume or a statement of qualifications for all key personnel. For the purposes of this RFP, key personnel shall include the principals, partners, managers, and on-site supervisors who will be assigned to, and responsible for, the Contract.

### **III. Experience and Capacity (20 points)**

The firm should have the experience and capacity to provide professional, yet effective debt collection services for the State. This section shall include:

- i. A comprehensive listing of similar programs undertaken and implemented, as well as similar clients served. This includes providing a brief description of the accounts. This listing should highlight experience with Higher Education accounts.
- ii. Submit a list of contract(s) that have been terminated in the past two(2) years along with the entity name(s) that obtained the contract and the reasons why the contract was terminated (if applicable). The State reserves the right to seek additional information regarding a company's capabilities from any source it feels is competent to provide such information. The bidder must furnish the state with a list of settled and pending regulatory complaints over collection practices for the past five (5) years.
- iii. The bidder shall have maintained an organization capable of performing the work described herein, in continuous operation for a least the past three (3) years. As such, the bidder should provide detail of a minimum of three (3) references from other clients during that time.

- iv. The bidder shall submit appropriate financial-related information in order to provide the State with the ability to judge the bidder's financial capacity and capabilities to undertake and successfully complete the contract.
- v. A list of all national and/or regional locator networks and associations to which the respondent subscribes/belongs, as well as to which credit reporting agencies the respondent has access.

#### **IV. Work Plan/ Reporting (20 points)**

This section shall outline the process and contain a thorough explanation of all aspects, requirements and services required to provide Debt Collection Services for the State. This section shall include

- i. Describe the bidder's understanding of the State's requirements and scope of work, including the result(s) intended and desired, the approach and/or methodology to be employed, and a work plan for accomplishing the results proposed.
- ii. The firm should demonstrate that it is able to meet or exceed reporting requirements as detailed in Appendix 1. The bidder should provide examples of reports.
- iii. The firm should provide documentation demonstrating success collecting debt, particularly in the higher education area. Please provide details or examples.
- iv. The firm should demonstrate that it subscribes to the latest technology and platforms regarding debt collection services. This section should provide examples of the benefits that the client receives from the technology.

#### **V Cost Proposal (40 points)**

This section must contain all information relative to costs. The fees stated on the cost proposal must be wholly contingent upon collection. Cost proposals must be bid in the form of percentage rates (percent of collections).

The rates offered in the proposal must be the total charge for all services required by the RFP, including any litigation or attorney fees. Otherwise, the State will not pay separately for any collection agency litigation expenses, including sheriff's fees, court filing fees, and attorney's fees. Prices and terms of the proposal must be valid for the length of any resulting contract.

The quoted fees in the bid proposal shall be all inclusive and shall include all expenses to be incurred in connection with the services to be performed. Compensation will be paid only if the debtor pays all or a portion of the account due. Proprietary operating software utilized by the vendor is to be furnished at no charge to the State.

The proposal shall quote the following three percentage rates separately for accounts collected with litigation (in-state and out-of-state) and for accounts collected without litigation based upon the age of the account at the date of referral and whether it is an Agency or part of Higher Education.

<b>State Agencies other than Higher Education</b>			
Level		Collection % (No Legal)	Collection % (Legal)
I	(Current to 12 months)		
II	(Over 1 Year to 3 Years)		
III	(Over 3 Years)		
<b>Higher Education</b>			
Level		Collection % (No Legal)	Collection % (Legal)
I	First Placement - date submitted for collection (receivable will be 2 to 3 years old)		
II	Second Placement - 1 to 2 years after date submitted for collection (receivable will be 4 to 5 years old)		
III	Third Placement - Over two years after date submitted for collection (Receivable will usually be over 6 years old)		

**Section 6 – Proposal Submission**

Questions concerning this solicitation may be emailed to the Division in accordance with the terms and conditions expressed on the cover page of this solicitation. Questions received, if any, with responses, will be posted on the Division of Purchases web site as an addendum to this solicitation. It is the responsibility of all interested parties to download this information.

Interested bidders may submit proposals to provide the services covered by this RFP on or before the date & time listed on the cover page of this solicitation. Proposals received after this time and date may not be considered. The official clock is in the reception area of the Division.

Proposals must include the following:

- A. Detailed responses as requested in Section 5.
- B. A completed and signed R.I.V.I.P. generated Bidder Certification Cover Form downloaded from the Rhode Island Division of Purchases web site at (click on ‘Vendor Information’, then ‘General Information’ – document located under ‘Standard Forms’ – follow instructions).
- C. The original plus seven (7) copies of a separate Technical Proposal, inclusive of and addressing all the aforementioned requirements, describing the background, qualification and experience with and for similar services, as well as the work plan or approach proposed for the services needed and described within this document (further details below). **Electronic copies of all technical proposals are required in the submission.**
- D. An original plus seven (7) copies of a **separately signed and sealed** Cost Proposal,

inclusive of the general requirements. **Electronic copies of all cost proposals are required in the submission.**

- E. A completed and signed W-9 Form downloaded from the RI Division of Purchases web site at: <http://www.purchasing.ri.gov> (click on RIVIP, then General Information and then Standard Forms).
- F. In addition to the required multiple hard copies of proposals, the respondents **must** provide the proposals in electronic format. The preferred electronic format is Microsoft Word, Excel or PDF. Please provide a disk (CD-ROM) containing an electronic version of the technical proposals and a **separate** disk containing an electronic version of the cost proposal. The cost proposal disk should be included in the sealed cost proposal package.
- G. The bidder's status as a Minority Business Enterprise (MBE), certified by the Rhode Island Department of Administration, and/or a subcontracting plan which addresses the State's goal of ten percent (10%) participation requirement by MBE's in all State procurements. Questions concerning this requirement should be addressed to an MBE Officer, at (401) 574-8253.

**Section 7 – Evaluation and Selection**

The State will commission a Technical Review Committee to evaluate and score proposals using the following criteria:

<b><u>Criteria</u></b>	<b><u>Points</u></b>
<b>Organization and Staffing</b>	20
<b>Experience and Capacity</b>	20
<b>Work Plan/Approach</b>	20
<b>Cost Proposal</b>	40

**TOTAL**

**TOTAL 100**

The State, and its agents reserve the right to either accept or reject any, or all, bids, proposals, cancel the solicitation in order to act in the best interest of the State and to conduct additional negotiations as necessary.

The State reserves the right to award this contract to one vendor, multiple vendors or cancel this solicitation entirely at its own discretion. If multiple awards are made, the State shall reserve the right to require price quotations from each vendor prior to the award of each project and release. In other words, the rate stated in the cost proposal is the maximum rate.

Proposals found to be technically or substantially non-responsive, at any point in the evaluation process, will be rejected and not considered further. The State, at its sole option, may elect to require presentation(s) by bidders in consideration for the award. An award will not be made to a contractor who is neither qualified nor equipped to undertake and complete required work within a specified time.

The Technical Review Committee will present written findings, including the results of all evaluations, to the State Purchasing Agent who will make the final selection for this solicitation. When a final decision has been made, a notice will be posted on the Rhode Island Division of Purchases web site.

There is no guarantee of any level of purchasing activity on behalf of the State to any vendor or vendors listed on the MPA.

**Section 8 – Submission Deadline (Please also refer to page one of this solicitation.)**

An original plus seven (7) copies of the Technical Proposal and an original plus seven (7) copies of the separately signed & sealed Cost Proposal must be either mailed or hand-delivered in **one** sealed envelope/package marked “**RFP# 7449583: Debt Collection Services ( MPA 238) ” on or before at the date & time indicated on page one of this solicitation.** Deliver to:

**Rhode Island Department of Administration  
Division of Purchases, 2<sup>nd</sup> Floor  
One Capitol Hill  
Providence, RI 02908-5855**

Proposals received after the above-referenced due date and time will not be considered. Proposals misdirected to other State locations by the scheduled due date and time will be determined to be late and will not be considered. Proposals faxed or emailed to the Division of Purchases will not be considered.

Proposals should include the following:

1. A completed and signed three-page RIVIP Bidder Certification Cover Form, available at [www.purchasing.ri.gov](http://www.purchasing.ri.gov)
2. A Cost Proposal reflecting the fee structure, proposed for this scope of services.
3. A *separate* Technical Proposal describing the qualifications and background of the applicant and experience with similar programs, as well as the work plan or approach proposed for this requirement.
4. A completed and signed W-9 (taxpayer identification number and certification). Form is downloadable at [www.purchasing.ri.gov](http://www.purchasing.ri.gov).
5. In addition to the multiple hard copies of proposals required, Respondents are requested to provide their proposal in electronic format (CD / flash drive). Microsoft Word / Excel OR PDF format is preferable. Two electronic copies are requested. The electronic copies) CD or flashdrive) should be included in the proposal marked “original”.

**Attachment A:**

## **REQUIRED STANDARD REPORTS**

### **1. Acknowledgment Report (within three days of receipt of account, or as requested).**

Vendor shall acknowledge to the Agency or University/College in writing, accounts received by the vendor for collection. Vendor shall remit in an acceptable form to Agency or University/ College within three days of receipt of accounts.

### **2. Agency Collection Activity Report**

Vendor shall provide a Collections Activity Report which shall be completed at least monthly and no later than twenty (20) days after the end of the month. This report will list collection activity for each month and shall be in a form acceptable to each Agency or University/College.

### **3. MPA Collection Activity Report**

Vendor shall provide a Collections Activity Report for all State accounts to the State Controller's Office. This report shall be furnished no later than twenty (20) days after the end of the month.

### **4. Cancellation and Return Report (monthly, or as required)**

Vendor shall furnish a Cancel and Return Statement which shall be furnished at least monthly in a form acceptable to the Agency or University/College.

### **5. Inventory Status Report (monthly, or as requested)**

Vendor shall furnish an Inventory Status Report at least quarterly, no later than twenty (20) days after the end of the calendar quarter in a form acceptable to the Agency or University/College. This report will cover all accounts referred to Vendor except those accounts cancelled and returned in the previous calendar quarter.

### **6. Remittance Report (monthly)**

A remittance statement shall accompany the invoice and shall account for collections made up to and including the last day of the previous month. The remittance statement shall be in a form acceptable to the Agency or University/College.