



Department of Administration / Division of Purchases
One Capitol Hill, Providence, Rhode Island 02908-5855
Web Site: www.purchasing.ri.gov

4 May 2012
Addendum # 6

RFP # 7449583

Title: Debt Collection Services (MPA # 238)

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

- This addendum addresses questions 20 & 21 from addendum #5
- Interested parties are reminded to peruse this website, on a regular basis, for any additional information that may be posted relating to this procurement initiative.

A handwritten signature in black ink, appearing to read 'Jerome D. Moynihan', is located below the list of bullet points.

Jerome D. Moynihan, C.P.M., CPPO
Assistant Director for Special Projects

20. *"Will the State of Rhode Island allow amending language" because: "Bonds held by agencies in the collection industry are surety bonds in place for trust accounts. These surety bonds are held to satisfy State regulatory requirements. In the State of Rhode Island the statutory requirement is for a bond of \$5,000. AIC has had a continuous bond in place since October 30, 2007. AIC has a Commercial General Liability Policy in place. AIC has \$11M per occurrence under our umbrella policy. Within this umbrella AIC has crime insurance which includes employee fidelity coverage and client coverage. The limit for this is \$10M. This also includes professional liability with a \$5M limit? Since AIC has previously met the State of Rhode Island's requirements and posted the surety bonds.....why require additional insurance related costs to the contractor?"*

Answer: No. The State will not consider such an amendment.

21. Does the State of Rhode Island Procurement Policy include a provision to limit contractor bidding that would result in what is called a "loss leader?" If so, how does the State of Rhode Island enforce this provision? Does the State have a method/calculation to determine if a contractor has submitted an unrealistic bid rate that would result in a "loss leader" and violate the law? The problem stems from certain collection agencies/law firms that routinely submit low bids that are actually "loss leaders" and create an unfair business practice/expectation. Will the State disqualify a "low bidder" during the bid response/evaluation period and post the disqualification during the evaluation process? As an example California law titled: **"California Public Contract Code Section 10302" requires:**

" (a) Except in cases of emergency where immediate purchase of goods without bid is necessary for the protection of the public health, welfare, or safety, whenever the department contracts for goods in excess of twenty-five thousand dollars (\$25,000), or a higher amount as established by the director, the department shall advertise in the California State Contracts Register the availability of its solicitation, and interested suppliers, upon request, shall be furnished with copies of the solicitation. In addition to advertising in the California State Contracts Register, the department shall post in a public place a copy of the solicitation, which shall remain posted until seven days after an award has been made. Whenever a contract in excess of twenty-five thousand dollars(\$25,000), or a higher amount as established by the director, is made pursuant to this section or Section 10301 without the taking of bids, the department shall prepare a written document stating the fact of the contract together with the facts requiring the contract of the goods without the taking of bids. This document shall be maintained by the department and shall be available as a public record.

(b) (1) Every solicitation shall contain the following statement: "It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code." (2) On and after March 31, 2010, and until December 31, 2011, if a solicitation does not contain the statement required by paragraph (1), the awarding agency shall report this error to the department within 30 days of the date the awarding agency discovers this error. (3) The department shall post in the State Contracting Manual instructions for including the statement required by paragraph (1) in all affected contracts (4) The statement required by paragraph (1) shall be deemed to be part of a solicitation even if the statement is inadvertently omitted from the solicitation."

Answer: This procurement is a *best value* solicitation and cost is just one of the evaluation criteria used to determine the *best value* service provider. The State does not have a provision that would limit contractor bidding in this procurement initiative.