



Solicitation Information  
7 Sept 06

*Addendum # 5*

RFQ # 7002098: Debt Collection Services (MPA # 238)

Submission Deadline: 14 Sept 06 @ 2:00 PM EDT (1400L)

- A pre-proposal meeting summary, including the q & a of vendor submissions by email, is released in this addendum.
- No further questions shall be entertained.

A handwritten signature in black ink, appearing to read 'Jerome D. Moynihan', is positioned above the typed name.

Jerome D. Moynihan, C.P.M., CPPO  
Administrator of Purchasing Systems

State of Rhode Island  
RFQ #7002098

Vendor Questions  
Pre-Proposal Conference – August 21, 2006, 2:30PM

1. A question was asked to confirm that the state will be passing collection costs on to the debtors, if so, please verify that the following formula is approved in order to return the “whole” amount to the institution/department

- Client computes total amount of debt using the Inverse Complement formula.
- The Inverse Complement formula is based upon  $100\% - \text{Agency Fee} = \text{The Divisor}$ . In the following example,  $100\% - 25\% = 75\% (.75)$
- The fund is considered “kept whole” when the debtor pays the original obligation plus all collection costs (assessed by the Client) as a result of the debtor’s default.

EXAMPLE:

1. Original amount due by debtor placed with agency \$1,000.00
2. \$1,000 debt divided by 0.75 \$1,333.33
3. **Total amount due from debtor and successfully collected by Agency**  
**\$1,333.33**
4. **Amount returned to the Institution of Higher Education/department**  
**\$1,000.00, Agency Fee \$333.33**

*State Controller will allow one of the schools of higher education to answer this question.*

*For URI tuition and other receivables – URI does not pass the collection costs on to the student or vendor – so the rate should be calculated as a straight commission rate.*

*EX: On a payment of \$1000.00*  
*\$1000.00 x .15 = \$150.00 commission*  
*URI receives gross amount of \$1,000.00 – Agency receives*  
*\$150.00 payable upon receipt of monthly collection report.*

2. The representative for Higher Education clarified that all three schools (URI, RIC and CCRI) want to receive gross collections from the selected vendor. The State Controller confirmed that agencies other than higher education can receive collections net of the vendor’s fee.

3. A question was asked if credit bureau reporting will be allowed of the selected vendor for accounts referred for collection.

The State controller affirmed that credit bureau reporting will be allowed of the selected vendor for accounts referred for collection. The representative for Higher Education clarified that credit bureau reporting will NOT be allowed of the selected vendor for accounts referred for collection by any school of higher education. However, at a later date, if included in the student manual/handbook, Higher Education would like to reserve their right to report receivables to the credit bureau.

**#700298 RHODE ISLAND QUESTIONS**

1. Does the State want 6 percentage rates quoted plus additional statements or percentages for accounts handled via litigation as listed below?

All State Agencies except Higher Education

Level 1

Level 2

Level 3

Higher Education

Level 1

Level 2

Level 3

Accounts handled via litigation efforts

All State Agencies except Higher Education

Higher Education

*The state wants 12 percentage rates quoted; 6 rates for bad checks and 6 rates for delinquent accounts. With respect to litigation efforts, the state wants 4 percentage rates quoted; 2 for in-state litigation and 2 for out-of-state litigation.*

2. The RFP states that the ‘debtor shall be assessed any all banking fees associated with issuing a subsequently dishonored check’ as well as that the ‘debtor shall be assessed any and all filing fees and court costs incurred by the collection firm associated with civil litigation’. Do these fees need to be referenced to the State prior to placement on the debtor’s account? If balance in full is collected on the account, does the Agency retain the amount that would be associated with these incurred charges?

*These fees need not be referenced to the State prior to placement on the debtor’s account. If “Agency” means the debt collection agency, then yes the Agency would retain the court costs, filing fees and dishonored check fees incurred if the balance in full is collected and the associated fees (court costs, sheriff fees, etc.) were paid upfront by the Agency as stated in the RFQ.*

3. Is it correct that Section 5.1 of the RFP states that the Department of Corrections would require billing services in addition to the collection of fees? If so, how would that information be shared with the Agency so that the appropriate billing could be generated? Is there a specific format the State would require? Are all receivables billed by the Agency, collected by the Agency (current billings included)? Is this the only department that will require the billing service?

*It is correct that the Department of Corrections (DOC) requires billing services and the subsequent collection and accounting of the billed amounts. State law sets out “billing rates” for inmates on probation, parole and or other types of supervised release from prison. DOC will provide to the Agency inmate information to allow billing and collection to take place. Yes, all receivables are billed and collected the Agency for this particular DOC program. At this point in time DOC is the only department that will require the billing service. However, there may be other departments that require this service in the future.*

4. Attachment 6 gives a profile of the accounts receivable. I do not see the DOJ listed. Is there a listing of accounts receivable for the Department of Judiciary as well?

*There is no listing of accounts receivable for the Department of Judiciary. The Judicial Department may or may not participate in this contract. The State Controller listed the Judiciary in the RFP to disclose this circumstance.*

5. Section 6.5 states ‘for debtor return telephone calls in operation twenty four (24hours) per day for six (6) days per week. Does this mean the State wants staffing 24 hours a day for 6 days a week or is a message & recording process okay for out of hours?

*A message and recording process is okay for out of hours.*

6. Section 6.9.3 states that hard copies of documentation may be sent to the Agency. Will those files be duplicates of originals maintained by the State? Do the physical files need to be returned or is shredding okay? If they need to be sent back to the State is there a State shipping service to be used or should potential costs be taken into account when providing fees?

*The hard copies of documents related to DOT receivables sent to the Agency will be duplicates of originals maintained by the State. When an account is collected in full or closed the hard copy documents can be shredded. Higher Education referrals are the same – copies sent to Agency (no original documents unless they are required for legal action).*

7. Section 6 states what items the various Departments will send to the Agency, although none of the statements indicate phone#, can each of the Departments also provide last known phone numbers for the debtors upon placement?

*Some departments may be able to provide the last known telephone number of the debtor some departments may not.*

8. Based on terminology through the RFP, does the State intend to potentially place accounts through 1<sup>st</sup>, 2<sup>nd</sup> & 3<sup>rd</sup> placements with the same Agency?

*Yes, the state intends to place accounts in level I, II and III with the same Agency. Higher Education will utilize a different agency for each placement effort.*

9. Who is responsible for the cost of gathering folks for the training of the State’s employees on the Agency’s operating software?

*The Agency is responsible for the “cost of gathering folks” for training on the Agency’s proprietary software.*

10. Are payments made by the debtors to be sent directly to the Agency or to the State?

*Payments made by the debtors are to be sent directly to the Agency. Higher Education will accept payments directly from debtors and notify the Agency of the payment for their monthly collection report.*

11. Are accounts that have had no payments pulled at the 6 month mark or the 1 year mark (section 7.15 & 7.15.1)?

*For departments other than higher education, accounts that have had no payments can be pulled at the 6 month mark at the discretion of the referring department. For higher education accounts that have had no payments can be pulled at the 1 year mark.*

12. How many vendors are currently providing these services for the State and who are they?

*OSI Collection Services, Inc, 1256 Park Street, Stoughton, MA and Municipal Collection, Agency, 100 Fountain Street, Providence, RI.*

13. Did the prior contract go the full initial term and 4 renewals?

*Yes.*

14. Will accounts currently placed with those agencies be moved to the newly awarded agencies as a 1 time placement after the contract award?

*Yes.*

15. What fee % is the State paying? If different for the various levels (1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>), please list fee% for each. The same for Higher Education separate from all other State Departments.

	Level I	Level II	Level III	Litigation	In-State	Out-of-State
<i>OSI</i>	<i>14.9%</i>	<i>20.9%</i>		<i>23%</i>	<i>24%</i>	<i>24%</i>
<i>MCA</i>	<i>15%</i>	<i>15%</i>		<i>15%</i>	<i>20%</i>	<i>35%</i>

16. What is the average monthly placement count for each receivable being placed?

*Unknown by State Controller*

17. What is the average corresponding dollar amount placed monthly for each type of receivable?

*Unknown by State Controller*

18. What is the average balance per account for each type of receivable being placed?

*Unknown by State Controller*

19. At what percentage is the current vendor liquidating the business at for each type of receivable placed?

*Unknown by State Controller*

20. How many accounts has the State authorized for litigation in the past 12 months and in what Departments?

*Unknown by State Controller*

21. How many contractors will be selected from this RFP?

*Up to two contractors may be selected from this RFP.*

RFQ 7002098

Vendor A:

I. From the RFP:

1. §6.4 – We assume that the requirement to provide data to a successor Vendor does not include any data that would be considered proprietary to the current Vendor.

*The assumption that the requirement to provide data to a successor Vendor does not include any data that would be considered proprietary to the current Vendor is correct.*

2. §6.5 – Vendor telephone number – does the State expect the telephone number to be manned 24 hours a day or just be available for messages to be returned after normal working hours?

*The state expects the telephone number to be available to record messages after normal working hours. The state expects these telephone messages would be returned during normal working hours the next business day.*

3. §6.9.2 – RIDOT Requirements – Can you advise the electronic system employed by RIDOT to ensure compatibility with that of the Vendor?

*RIDOT will interface with the Vendor via MICROSOFT EXCEL (spreadsheet) or ACCESS (database).*

4. §6.12.1 – RIDEM – Please describe the electronic data system employed by RIDEM to ensure compatibility with that of the Vendor?

*RIDEM will interface with the Vendor via MICROSOFT EXCEL (spreadsheet) or ACCESS (database).*

5. §7.3 – PROCEDURAL SPECIFICATIONS – Do the participating program departments have their own form for report submission or will the Vendor design a report form for use by each or all program departments?

*Several participating program departments have their own form for report submission; for several others the Vendor can use any standard report formats and for a limited number of participating program departments the Vendor will have to design a report form.*

6. §7.15 – (For agencies other than University/College) - If the Vendor can show diligent effort toward collection and ultimate collection is shown to be the result of these efforts, will Vendor be compensated?

*Yes, if the Vendor can show diligent effort toward collection and ultimate collection is shown to be the result of these efforts, the Vendor will be compensated.*

7. §7.15.1 (For University/College) – If the Vendor can show diligent effort toward collection and ultimate collection is shown to be the result of these efforts, will Vendor be compensated?

*Yes, if the Vendor can show diligent effort toward collection and ultimate collection is shown to be the result of these efforts, the Vendor will be compensated.*

8. §7.18 – If the Vendor can show diligent effort toward collection and ultimate collection is shown to be the result of these efforts, will Vendor be compensated?

*Yes, if the Vendor can show diligent effort toward collection and ultimate collection is shown to be the result of these efforts, the Vendor will be compensated.*

9. §7.23 – Periodic Reports – Can you provide copy of format of such reports, or may Vendor utilize its own formats?

*The State Controller is seeking to establish four(4) standard report formats under the contract.*

## II. Other Questions

1. Are any taxpayers known to have declared bankruptcy? If so, under what chapter?  
*Unknown to State Controller.*

2. Are any delinquent taxpayers currently subject to collection legal proceedings?  
*Unknown to State Controller.*
3. Have these unpaid accounts been subject to collection efforts by another collection agency?  
*Unknown to State Controller. If so:*
  - Is a collection agency currently working on these accounts?  
*Unknown to State Controller.*
  - If so, what has their collection record been?  
*Unknown to State Controller.*
  - If currently working on these assets, when does the agency's contract expire?  
*Unknown to State Controller.*
4. Will all payments be tendered to the selected agency at its office or through a lock box?  
*All payments may be tendered to the selected agency at both its office or through a lock box.*

Vendor B:

1. Are Perkins loans included in the higher education placements, or is all education debt campus-based only?  
*Perkins loans are NOT included in the higher education placements. Higher Education placements will include delinquent student tuition receivables and miscellaneous account receivables, such as housing damages, and bookstore receivables, etc.*
2. Is the State seeking to contract with one vendor as a matter of preference?  
*The State is seeking to contract with one contractor as a matter of preference. However, if its in the state's best interest to do so, it will contract with more than one vendor.*
3. Are healthcare accounts to be included in the portfolio, requiring compliance with HIPAA regulations/Business Associate Agreement?  
*Healthcare accounts to be included in the portfolio, requiring compliance with HIPAA regulations.*
4. Due to columns not necessarily lining up exactly in Attachment 6, can we correctly assume that URI has 4,474 delinquent accounts valued at over \$5 million?  
*YES.*
5. How many accounts does RIC have that total \$3,006,909?
6. Upon contract award, can the contracted bidder expect to receive a one-time initial placement that contains the historical account volume and values listed in Attachment 6, or are these estimates of what is to be placed under the new contract?  
*The contracted bidder can expect to receive a one-time initial placement that **IS NOT** contained the historical account volume and values listed in Attachment 6. Data is Statement 6 are estimates of what is to be placed under the new contract.*
7. If the answer to the above question is historical, please provide the following information for accounts to be placed on a monthly basis under the new contract:
  - a. The total volume of accounts by agency and/or University/College
  - b. The total value of accounts by agency and/or University/College
  - c. The average balance of each account type

- d. The average age of each account type at time of referral to agency
7. When is the estimated contract award date?  
*The estimated contract award date is January 1, 2007.*
8. How many vendors are currently providing the same services to the State?  
*Two (2) vendors are currently providing the same services to the State.*
9. Who are the incumbents?  
*OSI Collection Services, Inc, 1256 Park Street, Stoughton, MA and Municipal Collection, Agency, 100 Fountain Street, Providence, RI.*
10. How long has each been providing the requested services?  
*Each has been providing the requested services for five (5) years.*
11. What is the original term of the current contract?  
*Start date: January 31, 2001 End date: January 31, 2006*
12. Has it gone full term?  
*YES.*
13. Did the State have options available to it to extend the current contract?  
*YES.*
14. Has the State exercised all options available to it to extend the contract?  
*YES.*
15. Why is the contract out to bid?  
*The State has exercised all options available to it to extend the contract and cannot extend it anymore.*
16. What are the current fees the State is paying for collection and litigation services for each account type and by placement level (1,2,3)?
- |            | Level I      | Level II     | Level III  | Litigation | In-State   | Out-of-State |
|------------|--------------|--------------|------------|------------|------------|--------------|
| <i>OSI</i> | <i>14.9%</i> | <i>20.9%</i> | <i>23%</i> |            | <i>24%</i> | <i>24%</i>   |
| <i>MCA</i> | <i>15%</i>   | <i>15%</i>   | <i>15%</i> |            | <i>20%</i> | <i>35%</i>   |
17. What kind of liquidation or return has the State received under the current contract?  
*Unknown to State Controller.*
18. Are all debts owed by consumers, commercial businesses, or both?  
*Debts referred to outside collection agencies under the contract will be owed by consumers and commercial businesses.*
19. If both, can the State provide a percentage breakout for debts owed by consumers and debts owed by commercial businesses?  
*State Controller cannot provide at this time.*

20. Can a general description of internal collection attempts made by the State prior to agency referral be provided?  
*Agencies other than Higher Education: An "invoice" is created and forwarded to debtor. After time has elapsed, a follow-up letter seeking payment is sent. After time has elapsed, another follow-up letter seeking payment is sent. In-house legal counsel will forward letter seeking payment after elapsed time.*  
*Higher Education miscellaneous account receivables are invoiced, then a "statement of account" is sent monthly. For student tuition receivables – they are billed for the current through the current academic year. Then they are then billed once more before referral to the collection agency. At this point in time, they are usually two years old before the first placement.*
21. Does the State have a preference for or will points be awarded to certified Minority Business Enterprises or prime contractors offering to subcontract 10% of the contract to same?  
*Whatever preference is conferred to certified minority business enterprises by Chapter 14.1 of title 37 of the RI General Laws will be adhered to in the awarding of this contract.*
22. If yes, please provide the preference or points that will be awarded those bidders meeting one of the above criteria.  
*See the response to question #21 above.*

RFQ # 7002098      Debt Collection Services (MPA # 238)

Can the respondent/vendor submit two cost proposals one for educational debt and one for non-educational debt?

*Yes, the respondent/vendor can submit two cost proposals one for educational debt and one for non-educational debt.*

Can you tell us how the large the receivable debt within each department is currently?  
*Statement 6 contains a profile of accounts receivable intended to provide respondents with concept of the size of the accounts receivable for several of the participating program departments.*

Is it possible for the respondent/vendor to win Dept of Corrections, Dept of Transportation, Division of Maintenance, Dept of Judiciary, Dept of Administration – Division of Motor Vehicles, Dept of Environment Management and not win University of Rhode Island, Rhode Island College and Community College of Rhode Island?

*YES.*

What is the average balance size of the accounts that will be placed by each of the Departments?  
*Unknown by State Controller.*

*What do you anticipate the initial placement of accounts per contractor will be from each Department?*

Unknown by State Controller.

What do you anticipate the monthly placement of accounts per contractor will be from each Department?

*Unknown by State Controller.*

How many vendors do you intend to choose?

*The State may chose up to two vendors.*

Is there a testing plan in place for the collection process?

*State Controller does not understand this question. Does “collection process” refer to the collection of monies by the selected vendor, or does it refer to the collection of data from the incumbent vendor(s) by the new selected vendor?*

Are there any special security requirements?

*NO.*

Are any special information technology tools required?

*NO.*

In reference to the “local” office within the State of Rhode Island requirement on page 13, section 6.7, we are aware that this was a requirement in the previous RFQ as well. However, we understand that one of your current vendors performs collection work under this contract outside of the State of Rhode Island, in Massachusetts. Will the State give this same consideration to vendors responding to this RFQ?

*YES.*

Is it permissible for a respondent to work this debt outside of Rhode Island as long as we maintain an office in the state?

*Yes, the state wants to insure that the selected vendor has a “local” office (within a one-to-two hour commute of Providence, RI) to be assured that key personnel of the vendor can quickly respond to any issues/concerns the state may have during the term of the contract.*

In reference to the “local” office within the State of Rhode Island requirement on page 13, section 6.7, Can debtor payments be received and processed at a location outside of Rhode Island?

*YES.*

On page 6, section 2.3.3.2 under References, Qualifications, and Experience, “The respondent’s status as a MBE, if appropriate, certified by the Rhode Island Department of Administration, and/or a subcontracting plan which addresses the state’s goal of ten percent participation by MBE’s in all procurements.” Is a subcontracting plan required for submission of the bid?

*No. A subcontracting plan is not required at time of proposal submission.*

Are MBE subcontracting purchases required from within the state or can we purchase them from outside the state as long as we use an approved Rhode Island MBE vendor?

*To qualify, the subcontractor (s) must be approved by the RI MBE Office, and can be located anywhere in the U.S..*

On page 6, section 2.3.3.2 under References, Qualifications, and Experience, “The respondent’s status as a MBE, if appropriate, certified by the Rhode Island Department of Administration, and/or a subcontracting plan which addresses the state’s goal of ten percent participation by MBE’s in all procurements.” Can purchases made under an existing Government Services Administration contract be counted towards the 10 % MBE requirement.

*Unable to answer at this time. If selected, the awardee must work with the MBE Office in providing more information.*

On page 6, section 2.3.3.2 under References, Qualifications, and Experience, “The respondent’s status as a MBE, if appropriate, certified by the Rhode Island Department of Administration, and/or a subcontracting plan which addresses the state’s goal of ten percent participation by MBE’s in all procurements.” Is this a requirement that we have a subcontracting plan if we are not a certified MBE or just a preference given to firms that are certified MBE’s?

*YES, it is a requirement.*

Section 2.3.3.2, Resumes for Key Personnel: Will the State allow a job description in lieu of a resume from any key personnel that have not been hired yet?

*Yes, with the qualification that the state reserves the right to request the resume of key personnel subsequently hired and assigned to the state contract.*

Page 6, Section 2.3.3.3 Minimum Qualifications, “Respondents must furnish the state with a list of settled and pending regulatory complaints over collection practices for the past five (5) years.” Please clarify what data is required on the requested “list” and how the state defines “regulatory complaint”. If the state is looking for details regarding the last five (5) years of complaints lodged with Attorney General offices, FTC, etc., this information could become cumbersome to list.

*“Regulatory complaint” is any complaint ultimately pursued to conclusion by any federal and/or state agency that “regulates” or “oversees” collection agencies.*

*Please report the following information for each complaint within the above definition: the date of the complaint, the nature of the complaint, “regulatory” agency(ies) with which the complaint was filed, status of the complaint (closed or open). The state may contact respondent for further details of any one or all complaints reported prior to the final award of this contract.*

Page 16, Section 7.0 states that “vendors must demonstrate an aggressive and consistent collection practice that is in full compliance with the U.S. Health and Human Services.” Can you please clarify how this relates to the collection services to be performed on this contract?

The reference to the U.S. Health and Human Services no longer pertains to the collection services being requested by the state.

From the RFP:

10. §6.4 – We assume that the requirement to provide data to a successor Vendor does not include any data that would be considered proprietary to the current Vendor.

The assumption that the requirement to provide data to a successor Vendor does not include any data that would be considered proprietary to the current Vendor is correct.

11. §6.5 – Vendor telephone number – does the State expect the telephone number to be manned 24 hours a day or just be available for messages to be returned after normal working hours?

The state expects the telephone number to be available to record messages after normal working hours. The state expects these telephone messages would be returned during normal working hours the next business day.

12. §6.9.2 – RIDOT Requirements – Can you advise the electronic system employed by RIDOT to ensure compatibility with that of the Vendor?

RIDOT will interface with the Vendor via MICROSOFT EXCEL (spreadsheet) or ACCESS (database).

13. §6.12.1 – RIDEM – Please describe the electronic data system employed by RIDEM to ensure compatibility with that of the Vendor?

RIDEM will interface with the Vendor via MICROSOFT EXCEL (spreadsheet) or ACCESS (database).

14. §7.3 – PROCEDURAL SPECIFICATIONS – Do the participating program departments have their own form for report submission or will the Vendor design a report form for use by each or all program departments?

Several participating program departments have their own form for report submission; for several others the Vendor can use any standard report formats and for a limited number of participating program departments the Vendor will have to design a report form.

15. §7.15 – (For agencies other than University/College) - If the Vendor can show diligent effort toward collection and ultimate collection is shown to be the result of these efforts, will Vendor be compensated?

Yes, if the Vendor can show diligent effort toward collection and ultimate collection is shown to be the result of these efforts, the Vendor will be compensated.

16. §7.15.1 (For University/College) – If the Vendor can show diligent effort toward collection and ultimate collection is shown to be the result of these efforts, will Vendor be compensated?

Yes, if the Vendor can show diligent effort toward collection and ultimate collection is shown to be the result of these efforts, the Vendor will be compensated.

17. §7.18 – If the Vendor can show diligent effort toward collection and ultimate collection is shown to be the result of these efforts, will Vendor be compensated?

Yes, if the Vendor can show diligent effort toward collection and ultimate collection is shown to be the result of these efforts, the Vendor will be compensated.

18. §7.23 – Periodic Reports – Can you provide copy of format of such reports, or may Vendor utilize its own formats?

*The State Controller is seeking to establish four(4) standard report formats under the contract.*

## II. Other Questions

5. Are any taxpayers known to have declared bankruptcy? If so, under what chapter?

*Unknown to State Controller.*

6. Are any delinquent taxpayers currently subject to collection legal proceedings?

*Unknown to State Controller.*

7. Have these unpaid accounts been subject to collection efforts by another collection agency?

If so:

➤ Is a collection agency currently working on these accounts?

*Unknown to State Controller.*

➤ If so, what has their collection record been?

*Unknown to State Controller.*

➤ If currently working on these assets, when does the agency's contract expire?

*Unknown to State Controller.*

4. Will all payments be tendered to the selected agency at its office or through a lock box?

*All payments may be tendered to the selected agency at both its office or through a lock box.*

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1. Are Vendors able to submit a response to the State's Request for Proposals for individual State Agencies (i.e., URI, RIC and CCRI only)?

*The state will NOT consider any responses for individual state agencies only. Vendors can submit proposals for the "Higher Education" group of agencies only or for the "Other than Higher Education" group of agencies only, but not for any individual agency within either of these groups.*

2. Approximately how many placements will be made annually by each State Agency - Department of Collections, Department of Transportation, Department of Judiciary, Department of Administration, Department of Environmental Management, and URI, RIC and CCRI?

*It is unknown how many placements will be made during the term of the contract.*

3. Please clarify the first full paragraph on page 12, and item 6.1 on page 12. Does the State require the Collection Vendor to provide regular invoicing (billing) services for current accounts, as well as collect delinquent accounts receivable?

*At this time, the State via the Department of Corrections (DOC) will require the selected vendor to provide regular billing services for current accounts. The State will also require the selected vendor to collect current and delinquent accounts for DOC and other agencies.*

4. What are the average recoveries by your current collection vendors on the State's delinquent accounts? Does each Agency have a recovery rate goal? If so, what is that target?  
*The average recoveries by our current collection vendors on the State's delinquent accounts are unknown. It is unknown if each agency has a recovery rate goal.*

5. What do you like about working with the incumbent(s)?  
*The state controller serves as a "facilitator" between the vendors and the state agencies using their services. If there is an issue or problem between the vendor and one or more state agencies, the State Controller will facilitate its resolution.*

6. What do you dislike about working with the incumbent(s)?  
*The state controller serves as a "facilitator" between the vendors and the state agencies using their services. If there is an issue or problem between the vendor and one or more state agencies, the State Controller will facilitate its resolution.*

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1) In **Section 7.2** it refers to proprietary software. What is meant by making software property of the state?

*The sentence in paragraph 7.2 reads in its entirety: "At such time as the contract expires, or for any reason is not renewed, (vendor's proprietary) software becomes the property of the state." The intent of this statement is to allow the state to use the last version of the vendor's software provided during the contract without charge upon expiration or non-renewal of the contract until the state can transition to a new vendor.*

2) **Clarity on Attachment 6:**

- *Volume and age of accounts for RIC.* Unknown by State Controller.
- *Age of accounts breakdown for DOC.* Unknown by State Controller.

3) What are the placement volumes and recovery percentages (per business type) for your current vendor MCA?

*Unknown by State Controller.*

4) Does the physical work have to be worked out of Rhode Island? Is physical presence in Rhode Island mandatory?

*The services to be provided by the selected vendor DO NOT have to be performed within Rhode Island. A physical presence in Rhode Island is NOT required. The state wants to insure that the selected vendor has a "local" office (within a one-to-two hour commute of Providence, RI) to be assured that key personnel of the vendor can quickly respond to any issues/concerns the state may have during the term of the contract.*

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1. In reference to pages 1 and 5 of the RFP, where can agencies obtain the required RIVIP Bidder Certification Form?

Vendors must register on-line at [www.purchasing.ri.gov](http://www.purchasing.ri.gov). (look for the flashing red arrow on the left of the screen) With your RIVIP Vendor number, you may download the form. If you are still having trouble, Call the help desk at 401 222-2142, ext 134.

2. In reference to page 8 of the RFP, we understand that you will be passing collection costs on to the debtors, please verify that you will be using the same formula that is approved by the Department of Education in connection with the assessment of collection costs for the Perkins Loan program in order to return the “whole” amount to the institution/department. For example:

- A written agreement exists; making debtor responsible for all collection costs including interest and legal fees. Client computes total amount of debt using the Inverse Complement formula.
- The Inverse Complement formula is based upon  $100\% - \text{Agency Fee} = \text{The Divisor}$ . In the following example,  $100\% - 25\% = 75\% (.75)$
- The fund is considered “kept whole” when the debtor pays the original obligation plus all collection costs (assessed by the Client) as a result of the debtor’s default.

Original amount due by debtor placed with agency \$1,000.00  
\$1,000 debt divided by 0.75 \$1,333.33  
**Total amount due from debtor and successfully collected by Agency**  
**\$1,333.33**

**Amount returned to the Institution of Higher Education/department**  
**\$1,000.00**  
**Agency Fee**  
**\$333.33**

*State Controller will allow one of the schools of higher education to answer this question.*

*For URI tuition and other receivables – URI does not pass the collection costs on to the student – so the rate should be calculated as a straight commission rate.*

*EX: On a payment of \$1000.00*  
*\$1000.00 x .15 = \$150.00 commission*  
*URI receives gross amount of \$1,000.00 – Agency receives \$150.00 payable upon receipt of monthly collection report.*

3. Could you please provide the recovery statistics and results by each agency?  
Unknown by State Controller.

4. What specific areas of the current collection program would you like to see improved?

*The state controller serves as a “facilitator” between the vendors and the state agencies using their services. If there is an issue or problem between the vendor and one or more state agencies, the State Controller will facilitate its resolution.*

5. How will the results of the selection process be published?

Results will be published on the Division of Purchases website [www.purchasing.ri.gov](http://www.purchasing.ri.gov) ( Same place you found the solicitation and addenda). Everything will be posted by RFQ Number

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What is the current contingency fee paid to existing contracted agencies?

	Level I	Level II	Level III	Litigation	
				In-State	Out-of-State
<i>OSI</i>	14.9%	20.9%	23%	24%	24%
<i>MCA</i>	15%	15%	15%	20%	35%

What is their performance liquidation?

*Unknown by State Controller.*

Section 2.3.3.2, References, Qualifications, and Experience states that the respondent must provide "the respondent's status as a Minority Business Enterprise (MBE), if appropriate, certified by the Rhode Island Department of Administration, and/or a subcontracting plan which addresses the state's goal of ten percent (10%) participation by MBE's in all procurements." If the respondent does not subcontract any services it would be providing under contract with the Department, is there a waiver of this requirement available for said respondent?

*The selected awardee (s) must work with the RI MBE Office to find a subcontracting match. The MBE Office has, on occasion, granted waivers for this requirement.*

Section 7.2 states, "Proprietary operating software utilized by the vendor is to be furnished at no charge to the state. The state and vendor are to share said software and have ongoing mutual access to account payment status records as well as summary data. At such time as the contract expires, or for any reason is not renewed, software becomes the property of the state. All software is to be on a personal computer. The vendor shall provide all training necessary to participating agencies in the operation of the software." Please clarify this section by indicating the level and type of access the participating agencies would require and the means by which the participating agencies would wish to access the collection system.

*The State is seeking inquiry access to the selected vendor’s computer system on behalf of several state agencies that would participate in the contract. They would want to be able to perform inquiry of their own accounts referred for collection.*

**END**