

**RESPONSES TO VENDOR QUESTIONS**

**Question 27:** RFP page 4, Section 2.3.2.1: Does the presence of the counter staff meet requirement for on-site staff or does this requirement extend to other functional positions? If the requirement extends to other functional positions, please provide an abbreviated list of responsibilities

**AOC Response:** **Unknown; if necessary, will be determined by each Participating Entity.**

**Question 28:** RFP page 4, Section 2.3.3: Please describe the type of proof that would need to be filed within two business days of notification to illustrate a Contractor meets the criteria of the Minimum Qualifications.

**AOC Response:** **The proof will depend upon what minimum qualification was not met. The AOC will provide details as to why it believes a minimum qualification was not met. It will be up to the proposer to provide adequate information to show that it does indeed meet the minimum qualifications.**

**Question 29:** RFP page 7, Section 3.3.2.i.3: Is the AOC seeking information on non-court debt collected by vendors for clients within California?

**AOC Response:** **Yes. However, note that the debt is public debt; i.e., due to federal, state, or local governmental entities.**

**Question 30:** RFP page 7, Section 3.3.2.j: Are parent company financial statements acceptable for wholly-owned subsidiaries?

**AOC Response:** **Yes.**

**Question 31:** RFP page 8, Section 3.3.2.m: Does “Client Service Staff” refer to collector or personnel that will interact with AOC concerning its accounts?

**AOC Response:** **The reference is to all staff that would be handling any aspect of the services to be provided.**

**Question 32:** RFP page 8, Section 3.3.3: Will the AOC protect all contract and contact information provided concerning terminated contacts?

**AOC Response:** **If a vendor’s proposal contains material noted or marked as confidential and/or proprietary that, in the AOC’s sole opinion, meets the disclosure exemption requirements of the California Public Records Act, then that information will not be disclosed pursuant to a request for public documents.**

**Question 33:** RFP page 8, Section 3.3.3.a, vii: Subcontractors utilized: Do you consider the use of a letter servicer or skip tracing tools as subcontractors?

**AOC Response:** **The AOC considers a letter service to be a subcontractor but does not consider software such as skip tracing tools to be a subcontractor.**

**Question 34:** RFP page 9, Section 3.3.4.b: Identification of key personnel: Please confirm the positions listed in 3.3.6 are the only key personnel AOC requires be identified?

**AOC Response:** **No, the AOC would like to see the overall organization structure that would be providing services, including upper management that would oversee operations.**

**Question 35:** RFP page 11, Section 4.1.1.i: Would a remittance statement itemizing the collections on each account that totals the gross amount meet the supporting documentation requirements? If not, please describe what qualifies as supporting documentation?

**AOC Response:** **The type and remittance statement required is dependent upon the Participating Entity based on their cases management and accounting system.**

**Question 36:** RFP page 12, Section 4.1.1.1.k: What types of “records” will Contractor be responsible for transferring to an electronic format? How will accounts be placed

**AOC Response:** **This is dependent up the needs of the Participating Entity.**

**Question 37:** Master Agreement page F-2, Section 3.1 – Exhibit B: Fees: What percentage of AOC’s portfolio would typically be comprised of victim restitution accounts?

**AOC Response:** **The AOC does not have the information requested.**

**Question 38:** Master Agreement page F-9: Transition Services: What type of evidence or documentation do entities generally require concerning destruction of hardcopies and the deletion of electronic data?

**AOC Response:** **All information that would not be retained to verify accuracy of invoicing. Please see Addendum #1.**

**Question 39:** How frequently do you anticipate placing accounts with the vendor (daily, weekly, monthly, etc.)?

**AOC Response:** **The frequency is dependent upon the Participating Entity. Some Participating Entities send placements, monthly, weekly, others daily.**

**Question 40:**                      How long have your current vendors been providing collection services for your organization?

**AOC Response:**                      **Four (4) years at the end of this calendar year.**

**Question 41:**                      What are your target or anticipated fee rates for this contract?

**AOC Response:**                      **Fee rates are solely dependent upon a proposer and the AOC cannot speculate on what will be proposed.**

**Question 42:**                      What areas, processes and/or results are you looking to improve or enhance under this new contract?

**AOC Response:**                      **Additional collection types based on legislation and Participating Entity needs, adherence to the collections best practices approved by the Judicial Council, customer service and gross revenue and success rates at or above standard.**

**Question 43:**                      After the initial placement drop, will vendors receive further placements based on their competitive performance on the contract?

**AOC Response:**                      **Whether or not a Participating Entity might terminate a Participation Agreement, and for what reasons, is solely up to that Participating Entity.**

**Question 44:**                      How many case filings were made on a statewide basis for each of the types of accounts listed in the Request for Proposal reported in fiscal years 2005/06; 2006/07 and 2007/08?

**AOC Response:**                      **The historical data in Section 4.9 of the RFP is the only historical data we have at this time.**

No	Description for Types of Accounts	2005-06	2006-07	2007-08
1	Traffic infractions with unadjudicated bail			
2	Traffic misdemeanors with unadjudicated bail			
3	Traffic felonies with unadjudicated bail			
4	Traffic infractions with adjudicated Bail			
5	Traffic misdemeanors with adjudicated Bail			
6	Criminal misdemeanors with Adjudicated Fines and Fees			
7	Criminal felonies with Adjudicated Fines and Fees			
8	Probation with fines and fees			
9	Guardianship with fines and fees			
10	Conservatorships with fines and fees			
11	Public defender cases with fees			
12	Sanctions imposed by the California Superior Courts			
13	Sanctions imposed by the California Courts of Appeal			

**Questions and Answers No. 2**

November 14, 2008

14	Sanctions imposed by the California Supreme Court			
15	Direct restitution to victim ordered pursuant to California Penal Code section 1202.4 (a) 1;			
16	Victim restitution fund fines ordered pursuant to California Penal Code section 1202.4 (b) 1;			
17	Reimbursements owed or as ordered by a court pursuant to California Family Code section 3150 et seq.;			
18	Reimbursement owed to the California Supreme Court for overcharges for representation of indigent defendants in death penalty cases;			
19	Fees, penalties, fines, or reimbursements owed to the California State Bar pursuant to California Rule of Court, rule 9.10(g)			
20	Fees, penalties, fines, or reimbursements owed to the California State Bar pursuant to California Business and Professions Code sections 6086.10(a) and 6140.5(a)			
21	Criminal justice related fees, reimbursements, and other legally enforceable debts			
22	Non sufficient funds (NSF) fees			
23	Civil filing fees			
24	Family law filing fees			
25	Juvenile filing fees			

**Question 45:** Can the information requested in Question #18 be provided for each of the 58 counties?

**AOC Response:** **The historical data in Section 4.9 of the RFP is the only historical data we have at this time.**

**Question 46:** How many of the case filings remain as “unpaid” as of September 2008 on a statewide basis for each of the types of accounts listed in the Request for Proposal reported in fiscal years 2005/06; 2006/07 and 2007/08?

**AOC Response:** **The historical data in Section 4.9 of the RFP is the only historical data we have at this time.**

No	Description for Types of Accounts	2005-06	2006-07	2007-08
1	Traffic infractions with unadjudicated bail			
2	Traffic misdemeanors with unadjudicated bail			
3	Traffic felonies with unadjudicated bail			
4	Traffic infractions with adjudicated Bail			
5	Traffic misdemeanors with adjudicated Bail			
6	Criminal misdemeanors with Adjudicated Fines and Fees			
7	Criminal felonies with Adjudicated Fines and Fees			
8	Probation with fines and fees			

9	Guardianship with fines and fees			
10	Conservatorships with fines and fees			
11	Public defender cases with fees			
12	Sanctions imposed by the California Superior Courts			
13	Sanctions imposed by the California Courts of Appeal			
14	Sanctions imposed by the California Supreme Court			
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18	Reimbursement owed to the California Supreme Court for overcharges for representation of indigent defendants in death penalty cases;			
19	Fees, penalties, fines, or reimbursements owed to the California State Bar pursuant to California Rule of Court, rule 9.10(g)			
20	Fees, penalties, fines, or reimbursements owed to the California State Bar pursuant to California Business and Professions Code sections 6086.10(a) and 6140.5(a)			
21	Criminal justice related fees, reimbursements, and other legally enforceable debts			
22	Non sufficient funds (NSF) fees			
23	Civil filing fees			
24	Family law filing fees			
25	Juvenile filing fees			

**Question 47:**                      Can the information requested in Question #20 above be provided for each of the 58 counties?

**AOC Response:**                      **The historical data in Section 4.9 of the RFP is the only historical data we have at this time.**

**Question 48:**                      Will the client run each account by the State of California Employment Development Department database to access last place of employment name, employer address as well as last known “debtor/defendant” address information? Will the last date for this update be listed on datafile? Will this information be provided on data transfer file to vendor?

**AOC Response:**                      **A majority of the Participating Entities do not run each account by the State of California Employment Development Department and may require the services of the Contractor to do so.**

**Question 49:** Will the client run each account by the State of California Motor Vehicles database to access last place of employment name, employer address information as well as last known “debtor/defendant” address information? Will the last date for this update be listed on the datafile? Will this information be provided on data transfer file to vendor?

**AOC Response:** **A majority of the Participating Entities do not run each account by the State of California Department of Motor Vehicles.**

**Question 50:** Will the client run each account by a “bankruptcy database” to determine if any of these accounts are now in bankruptcy status? Will the last date for this update be listed on the datafile? Will this information be provided on data transfer file to vendor?

**AOC Response:** **A majority of the Participating Entities do not run each account by bankruptcy database.**

**Question 51:** Based on the new AB 367 Collections Performance Measures and Benchmarks, Best Practices, and Reporting Template recently approved this past August 2008 by the Judicial Council; will the accounts previously assigned and worked by current vendors be updated with the following:

(a) the account be noted as previously assigned in the data transfer to the new vendor

**AOC Response:** **Accounts previously assigned can be noted in the reporting template under comments.**

(b). the “computer notes” added by the previous vendor be available and included in the data transfer to the new vendor?

**AOC Response:** **See response to 51 (a)**

(c). a digital copy of the original traffic citation, a digital copy of the minute order in criminal cases, and other types of supporting documentation be provided in the data transfer to support any requests to validate the debt?

**AOC Response:** **See response to 51 (a)**

(d) the account be noted if the “debtor/defendant” previously requested that the debt be validated and if the previous vendor validated the debt?

**AOC Response:** **See response to 51 (a)**

(e.) the account be noted if previously returned to the court by the vendor as uncollectible?

**AOC Response:** **See response to 51 (a)**

(f.) the account be noted as previously withdrawn/canceled by the client from the vendor?

**AOC Response:** See response to 51 (a)

(g.) the “debtor/defendant” previously filed any complaint with the vendor and or client for any reason?

**AOC Response:** See response to 51 (a)

(h) The account be noted that it was previously in a payment plan?

**AOC Response:** See response to 51 (a)

(i) The date for the last known address update and any previous address for the “debtor/defendant

**AOC Response:** See response to 51 (a)

(j) The date for the last known place of employment and any previous employment information for the “debtor/defendant”

**AOC Response:** See response to 51 (a)

**Question 52:** How many of the 58 counties currently contract and require the vendor to staff payment windows?

**AOC Response:** The AOC does not currently have this information.

**Question 53:** How many of the 58 counties currently contract but do not require the vendor to staff payment windows?

**AOC Response:** See response to Question 52.

**Question 54:** What is the physical office address for each location with a vendor staffed payment window?

**AOC Response:** See response to Question 52.

(a) How many payment windows are available to the vendor at each location and/or building? If on multiple floors in each location please list number of payment windows on each possible floor location?

**AOC Response:** See response to Question 52.

(b) Please list the scheduled work hours for each payment window location by day of week?

**AOC Response:** See response to Question 52.

(c ) Do these payment windows close during regularly scheduled work breaks and lunch hours? If so, list hours that payment windows are closed?

**AOC Response:** See response to Question 52.

(d) Please list the number of vendor employees assigned at each payment window location? How many scheduled hours worked by each employee each day, by week, by month, and by year?

**AOC Response:** See response to Question 52.

(e) What is the hourly rate of pay for each employee assigned at each payment window? If hourly rate does not apply, what is the weekly or monthly rate of pay? Are the payment window employees paid overtime monies? If so, how many overtime hours were logged during year 2007 and overtime payments made to each employee?

**AOC Response:** Some of our current master agreements have hourly billing rates, which are negotiable for “high volume” clients, and/or based on services to be performed, etc.; other master agreements provide this services without a direct charge. See response to question 10.

(f) What are the assigned duties for each payment window employee?

**AOC Response:** See response to Question 52.

(g) What is the office size for each payment window location?

**AOC Response:** See response to Question 52.

(h) Does the vendor pay any monies to the client as rent for the payment window operation? If so, what is the monthly amount paid by the vendor?

**AOC Response:** Not to the AOC’s knowledge; however, such details are between a Contractor and its Participating Entity.

(i) Will Contractors lease the front counter staff from the Participating Entities or AOC or will the front counter staff be employees of a Contractor?

**AOC Response:** See response to Question 52(h).

(k) Does each payment window have a separate telephone number and fax number? If so, what are the telephone numbers for each? Are these telephone numbers tied into the client’s telephone system? If so, does the client charge the vendor for the use of the telephone lines? If so, what is the monthly charge? If these telephone numbers are NOT tied into the client’s telephone system...how are they supported i.e. cell phones? local telephone service? satellite service? Or other? What is the total monthly



charge for this type of telephone service to support the vendor's telephone service? If the vendor's telephone service is supported by an "outside" service....will the client notify the current vendor to maintain the lines and offer the new vendor the opportunity to "transfer" service to the new vendor to facilitate smooth transition and not interrupt court operations?

**AOC Response:** See response to Question 52.

(l) Does each payment window operated by the vendor have a computer system? If so, is the computer system a stand-alone system provided by the vendor? If not, is it the client's computer system? If not, is it an integrated system with the client's computer system? How is the computer system supported? Via a client database network? Via a vendor's external database network? What is the monthly charge for this support system? If the vendor's telephone service is supported by an "outside" service....will the client notify the current vendor to maintain the lines and offer the new vendor the opportunity to "transfer" service to the new vendor to facilitate smooth transition and not interrupt court operations?

**AOC Response:** See response to Question 52.

(m) What types of payments does the vendor accept at the payment windows? Credit cards yes or no? List the types of credit cards accepted? Who is responsible for the merchant fee for the credit card transaction? Checks yes or no? Does the vendor provide a check guarantee machine operator on site? Cash yes or no? Does the vendor require payment in full at the payment window? Does the vendor set up partial payment plans at the payment window? Can the vendor schedule court appearances for "debtors/defendants" that want to see the judge and dispute the bill? Does the payment window employee provide any type of back office related work duties for the court? If so, what types of back office related work duties are provided? What percentage of an average day is spent doing court related back office work for the court?

**AOC Response:** See response to Question 52.

(n) Depositing of payment window monies received by the vendor's employee. Does the court verify funds for the vendor's employees as a matter of check and balance? Does the vendor co-mingle and deposit monies with the court's trust account? If not, does the vendor make daily bank deposits locally? Does the vendor's employee travel to/from the bank to make deposits and make money change? If not, does the vendor use a "bank courier" to make deposits and make change? If so, what is the monthly charge for this service? Does the vendor use the same bank where the client banks?

**AOC Response:** See response to Question 52.

(o) Will the monies be deposited directly by the Participating Entities collected at the counter or, because the RFP states a Contractor will remit gross, a Contractor will first deposit the monies before remitting to the Participating Entities?

**AOC Response:** The AOC is not aware of any Contractor making a deposit directly to a Participating Entity's bank account.

**Question 55:** What types of payment processing does the court require:

(a) Interactive Voice Response (IVR) – for both checks and credit cards? If so, how many payments were processed by the current vendor on a month by month basis for the period of January 2007 thru August 2008 for each of the 58 counties? Separated by credit cards and checks?

**AOC Response:** The AOC currently does not have this information.

(b) Web based payments – for both checks and credit cards? If so, how many payments were processed by the current vendor on a month by month basis for the period of January 2007 thru August 2008 for each of the 58 counties? Separated by credit cards and checks?

**AOC Response:** See response to 55 (a).

(c) How many of the 58 county court locations are set-up for web based payments? How many web based payments have been processed by each of the 58 county court locations during fiscal year 2005-2006; 2006-2007 by each location? Can you provide a copy of the policy and procedures for the court's handling of web based payments?

**AOC Response:** See response to 55 (a).

(d) Can you provide the name of the financial banking institution for each of the 58 county court locations?

**AOC Response:** See response to 55 (a).

(e) Western Union - If so, how many payments were processed by the current vendor on a month by month basis for the period of January 2007 thru August 2008 for each of the 58 counties?

**AOC Response:** See response to 55 (a).

(f) Payment for multiple court locations – if a debtor/defendant owes money on multiple accounts located at multiple county court locations throughout California, is a process in place to allow multiple payments for multiple county court locations to be processed by one collection agency window staff personnel at any court location?

**AOC Response:** The various courts and counties use a number of different contractors. There is no process in place for one contractor to collect on another contractor's account.

**Question 56:** Provide copy of AOC's policy and procedures regarding:

(a) customer service related contacts with outside parties,

**AOC Response:** It is the policies of each Participating Entity that will be applicable.

(b) details of handling outside parties questions, problems and disputes,

**AOC Response:** See response to 56 (a)

(c) details of its methodology for handling non-English speaking, the hearing impaired, blind or handicapped parties,

**AOC Response:** See response to 56 (a)

(d) California State Controller's Office audit and compliance of internal and external court collection program and services,

**AOC Response:** The State Controller's Audit division audits the court or county that is responsible for the collection activity. The AOC does not have access to these procedures as they are part of the Executive Branch.

(e) description of how court currently reports data to or otherwise coordinates with any credit agencies or licensing boards,

**AOC Response:** Reporting to credit agencies is solely up to the Participating Entity. Currently, Participating Entities do not report delinquent debt to licensing boards, but may report to credit agencies.

(f) last audit report made by the California State Controller's audit of the court's compliance with requirements of the comprehensive collections program under Penal Code Section 1463.007,

**AOC Response:** **The AOC does not have this information.**

(g) details of the court's computer system and its capabilities to transmit data to and from private collection agencies,

**AOC Response:** **We do not have this data. The capabilities of a court computer system often vary from one court to another.**

(h) details of the court's terminal access to and from private collection agencies for on-line inquiry, including location(s) of terminal(s) and how access will be made,

**AOC Response:** **See response to 56 (g)**

(i) details of the court's ability to maintain records of placements, collections recovery, producing reports, and billing of an unlimited number of debtors,

**AOC Response:** **See response to 56 (g)**

(j) details of the court's computer backup capabilities and what methods are used to ensure the safety and security of all records and documents,

**AOC Response:** **Some courts have their financial system and/or their case management system in the California Court Technology Center which routinely backs up data. Backup and security procedures are not discloseable. See response to 56 (g)**

(k) details of the court's modes of data transmission to conduct of business with private collection agencies,

**AOC Response:** **See response to 56 (g)**

(l) details of the court's ability to provide case management or accounting systems connectivity to a private collection agency for exchanging/transmitting of files,

**AOC Response:** **See response to 56 (g)**

(m) details of the court's security procedures to ensure the security of data and computer systems (e.g., encryption methods, firewalls, etc.), including security requirements for access to its systems by a private collection agency,

**AOC Response:** **This information is confidential and not discloseable under this solicitation.**

(n) details of the court's automated systems for interactive voice response systems, Web-based credit and/or debit card systems, and call distributors,  
**AOC Response:** See response to 56 (g)

**Question 57:** Does the California Franchise Tax Board (FTB) plan to continue participating in the Court Ordered Debt Collection Program and in connection with this AOC contract?

**AOC Response:** **Yes. The Franchise Tax Board plans to continue to participate in the collection of delinquent court ordered debt.**

**Question 58:** Did the FTB get the loan approved by the Department of Finance to continue and expand the Court Ordered Debt Program as requested on March 8, 2008 by Ms. Lisa Garrison, Director Financial Management Bureau at the FTB, in her testimony before the Quarterly Board Meeting of the FTB?

**AOC Response:** **A loan was requested through the Department of Finance but denied. In concurrence with the Judicial Council, funds held in reserve were used to fund the FTB-COD Information Technology Expansion Project. No loan was made but requested as a means to alternative funding.**

*Ms. Garrison testified: "The first (request) is a finance letter that we have presented as pending Board approval of the Department of Finance, asking for a General Fund loan for the Court Ordered Debt Collection Program. What we are requesting is an alternative funding mechanism for this program. Initially, this was set up as being funded out of payments and collections. Due to the change in the economy, we are not seeing the level of collections needed to fully support the development of the expansion project so that we can actually bring in up to 58 counties and their courts. We did look at alternatives here with regard to extending the project. We felt that there was benefit to doing a General Fund loan because, currently, we collect about \$69 million that is transferred over to the courts and the counties. And by expanding this project and getting and delivering this project on time, we can continue to collect that money, and more, to support those counties."*

a. BOARD MEMBER BETTY CHU ASKED: I have a question, Lisa. Who performed this function prior to the FTB doing it?

*MS. GARRISON TESTIFIED: "I'm going to say that the individual counties did perform it on the collections, as they still, in fact, do. The counties and the courts have some choices, basically, that they do. Right now, some of them, they do perform some of their own collections on their accounts. They do also contract with private collection companies, and*

*they can come to us. It is not mandatory that they, in fact, come to the Franchise Tax Board. They do have a choice. "*

- b. BOARD MEMBER BETTY CHU ASKED: And what is the reason for having the legislation enabling the FTB to do that?

MS. GARRISON: *"I think it was felt that because of the FTB's success in collections because of its ability to develop a statewide system. The individual collections could have a county. You could have individuals who have clients in like more than one county, so that there is overlap, and that it was more efficient for smaller counties having a source of service such as the Franchise Tax Board. And I think that we've seen that it is a positive thing."*

- c. BOARD MEMBER BETTY CHU ASKED: So the shortfall in revenues at this time appears to have to do with an overestimation and not as many clients; is that what it amounts to?

MS. GARRISON: *"It's a couple of things. One, yes, I think that we are seeing not as many clients are coming on board right now. But also I think what we really are seeing is that our collections per notice is going down and has gone down significantly in the last six months. Primarily that's a result of the changes in the economy. We're having to issue more notices, incur more costs in order to bring in the same amount of revenue. Our people, when they're on the telephone with these people when they're calling, you know, they're hearing these are the same people that have child support obligations, that have possibly a sub-prime lending situation. And so it is simply just, I think, a reflection of what is happening in the economy as well as not bringing as many clients in."*

- d. BOARD MEMBER BETTY CHU ASKED: So it would take about three years to pay back this loan, then?

MS. GARRISON: *"It would probably take a little longer than that. Basically, I think what we see is that the project itself, there would be expansion so that we can bring in all 58 counties. The first phase is to be finished by, I believe, either October or November of this year. Phase 2 and 3, when they are complete, will be out into 2010. And that brings additional functionality and the ability of taxpayers -- or debtors, I should say, in this case -- to use self-help functions. So probably the payback would begin in about 2010/11 and proceed from there. And depending, again, on the level of collections, that kind of plays a couple of ways. It could be as short as, I would say, four to five years, or it could go out longer, depending on the level of collection."*

- e. BOARD MEMBER BETTY CHU ASKED: How do you know that we wouldn't need another loan again?

MS. GARRISON: *“What this loan is is this loan simply covers the project expansion cost. This loan is not to cover any costs of the current program. The program does the actual collections, and that program is actually well within the 50 percent limitation. What we are not being able to fund out of the current collections is all the project costs. The project expansion doesn't necessarily complete until 2010/11.”*

- f. BOARD MEMBER BETTY CHU STATED: Thank you.

- g. Based on this information does the FTB plan to increase their current contingency fee rate of 15% for the Court Ordered Debt Collection Program authorized by: Revenue and Taxation Code 19282 (b) that states: *“It is the intent of the Legislature that costs to the Franchise Tax Board to administer this article for the 1997-98 fiscal year and each fiscal year thereafter not exceed 15 percent of the amount it collects pursuant to this article.”*

**Question 59:** Based on this information does the \$69 million dollars that Ms. Garrison testified represent gross dollars collected? A distribution of monies due to the court's portion of the assessments? Or net dollars collected after deducting the FTB's Court Ordered Debt Collection Program costs to operate the program pursuant to Revenue and Taxation Code 19282 (a) that states:

*“Except as otherwise provided in subdivision (e), amounts collected under this article shall be transmitted to the Treasurer and deposited in the State Treasury to the credit of the Court Collection Account in the General Fund, which is hereby created. Amounts deposited in the Court Collection Account shall, less an amount that is equal to the costs incurred by the Franchise Tax Board in administering the program authorized by this article, be transferred by the Controller either to the county or to the state fund to which the amount due was originally owing or as otherwise directed by contractual agreement. If the amount collected is not sufficient to satisfy the amounts referred for collection pursuant to Section 19280 that are to be paid by an offender, then the amount paid shall be allocated for distribution on a pro rata basis, as defined in subdivision (d), except in counties where the board of Supervisors has established a priority of payment for amounts collected under this article pursuant to Section 1203.1d of the Penal Code. The amount that is equal to the costs incurred by the Franchise Tax Board in administering the program authorized by this article shall be transferred by the Controller to the General Fund for the purpose of recovering the amount expended by the Franchise Tax Board from General Fund appropriations for the purpose of implementing and administering the program authorized by this article, and related statutes as added or amended by the act adding this article.”*

**AOC Response:** **The amount represents the gross dollars collected at the time of the meeting.**

**Question 60:** Based on this information it appears that the FTB's Court Ordered Debt Collection Program is operating at a loss. Is the FTB program operating at a loss?

**AOC Response:** **The AOC is not aware that the FTB-COD program is operating at a loss. The request was for an expansion of the information system, not the collection program.**

**Question 61:** Will the AOC set-up a tour of the FTB Court Ordered Debt Collections Program operation to enable the vendors an opportunity to view and inspect how the program works?

**AOC Response:** **No. The FTB-COD program is not under the AOC or Judicial Council. Tours should be requested through the FTB.**

**Question 62:** Can you provide the following information regarding accounts assigned to the FTB:

1. Total number of court accounts and dollars assigned to the Franchise Tax Board for fiscal years 2005-06; 2006-07; and 2007-08;

**AOC Response:** **The historical data in Section 4.9 of the RFP is the only historical data we have at this time.**

2. Total dollars collected by the Franchise Tax Board on court accounts for fiscal years 2005-06; 2006-07; and 2007-08;

**AOC Response:** **The historical data in Section 4.9 of the RFP is the only historical data we have at this time.**

3. Total number of court accounts and dollars returned by the Franchise Tax Board as uncollectible for fiscal years 2005-06; 2006-07; and 2007-08;

**AOC Response:** **The historical data in Section 4.9 of the RFP is the only historical data we have at this time.**

4. Total number of court accounts and dollars withdrawn/canceled by the courts from the Franchise Tax Board for fiscal years 2005-06; 2006-07; and 2007-08.

**AOC Response:** **The historical data in Section 4.9 of the RFP is the only historical data we have at this time.**

**Question 63:** Page 1, Section 1.1, paragraph three, states that the AOC intends to award one or more master agreements to selected proposers. How many agencies does the AOC plan to add to the pool of Contractors?

**AOC Response:** **The AOC had in the past 4 vendors, we may award more or less master agreements based on the evaluation of submitted proposals.**



**Question 64:** Page 6, section 3.3 Proposal Contents, regarding request for certificates of insurance for all insurances required. Insurance companies typically issue certificates of insurance only after a contract has been signed. Is it acceptable for the Contractor to provide sample certificates of insurances with the proposal response?

**AOC Response:** **Proposer should submit Accord or similar certificates; however, it is not necessary at this point to add the AOC and the judicial branch entities as additional insured, that endorsement can be addressed once an award has been made.**

**Question 65:** Page 9, section 3.3.5 (f) – Please describe what circumstances would require the Contractor to access a court’s case management system or accounting system?

**AOC Response:** **A Contractor would need access to establish an electronic interface.**

**Question 66:** Page 12, section 4.1.1 (k) – Will the paper records to be transferred to electronic data be limited to case information referred to the Contractor for collection purposes? Please clarify.

**AOC Response:** **We cannot identify which records will be transferred as it would depend on the Participating Entities requirements.**

**Question 67:** Page 16, section 4.7 (b) – If the Contractor was to delete all records from its computer system including backup copies after termination of a contract, the Contractor would not be able to defend itself in court against any future lawsuit regarding those accounts and could not cooperate with any future audits that may be requested by the independent government or regulatory agencies. Would an acceptable alternative be to delete all records from the Contractor’s computer system, but maintain a disc with all information stored that would be utilized only for lawsuit and auditing purposes and accessed only with the AOC’s or the Participating Entities’ permission?

**AOC Response:** **See Response to Question 38.**

**Question 68:** Page A-1, Appendix A – The Pricing Proposal provides pricing for “Newly Delinquent” accounts. If a Court decides to use a new Contractor and transfer all of their accounts from the previous Contractor, the Pricing Proposal does not account for those previously worked accounts, where a Contractor’s costs remain the same, but the recovery and profitability of working those accounts has dramatically decreased.

**AOC Response:** **As mentioned in the pre-proposal conference, the age of the account is accounted for in Appendix A by the age of the account (e.g., Up to 1 year old, 1 to 2 years old, etc.); however, we cannot provide data as to**

**the level of effort used in collection of these accounts as Participating Entities have different levels of collection expertise (e.g., some courts only send out a first and second notice, others have a collection unit, etc.).**

**Question 69:** In our industry, previously worked accounts are considered “Secondary Accounts,” as they were previously placed for collection with another contractor. Typically, “Secondary Accounts” are allotted a separate pricing structure in order to make it profitable to work them, considering their lower recovery percentage versus “Newly Delinquent” accounts. Since a Contractor’s costs remain the same to work a “Secondary Account” but the collectability and profitability of working those accounts dramatically decrease, would the AOC consider providing a “Secondary Account” Pricing Structure?

**AOC Response:** See response to Question 68.

**Question 70:** Can a Contractor use legal activities to collect on these delinquent court accounts?

**AOC Response:** It is up to each Participating Entity to determine the type of collection activities.

**Question 71:** If a Contractor can use legal activities, must it seek permission before doing so?

**AOC Response:** Yes. This should be incorporated into any Participation Agreement with individual Participating Entities.

**Question 72:** Please explain what percentage of debtors reside in California as opposed to out-of-state?

**AOC Response:** We do not have that data.

**Question 73:** What is the phone number to be used for Overnight and/or Express delivery?

**AOC Response:** We do not understand the question. If the vendor thinks that a Participating Entity has an established account for Overnight and/or Express delivery, that assumption is incorrect. As noted in the RFP, all costs associated with the Services need to be reflect in the fees to be charged to the Participating Entity.

**Question 74:** Can the winning Contractor claim to be endorsed by the AOC when speaking with individual courts?

**AOC Response:** **No. The AOC does not endorse any vendor. The Contractor may inform a Participating Entity that they were awarded a master agreement for the collection of court-ordered debt.**

**Question 75:** What collection efforts have typically taken place before a court passes these accounts to the Contractor?

**AOC Response:** **The collection efforts taken by a court before passing an account to a collection agency vendor various tremendously. See response to Question 68.**

**Question 76:** What is the average balance of the debt accounts to be passed to the Contractor?

**AOC Response:** **We cannot identify that at this time as it would depend on which Participating Entity may (or may not) elect to have a particular Contractor perform collection services for them. The average balance also varies significantly based on the Participating Entity.**

**Question 77:** What is the average age of the debt that is passed to the Contractor?

**AOC Response:** **We cannot identify that at this time as it would depend on which Participating Entity may (or may not) elect to have a particular Contractor perform collection services for them. The average age also varies significantly based on the Participating Entity.**

**Question 78:** Would the AOC be open to an alternate proposal whereby a Contractor pursued only the most aged and/or distressed accounts using legal activities?

**AOC Response:** **As mentioned in the pre-proposal conference, the AOC will only address an alternative proposal if a vendor submits a proposal for the requirements of the RFP (e.g., provides a “base bid”).**

**Question 79:** Would the AOC be open to an alternate proposal whereby a Contractor pursued only out-of-state and higher balance accounts?

**AOC Response:** **See response to Question 79.**

**Question 80:** Item 2 on page 4 (2.3.3) shows a requirement that the successful bidder(s) have “collection services revenue greater than \$3 million per year each of the last three years”. I have 2 questions regarding that requirement:

a. When you say collection services revenue are you referring to the amount earned by the company, the amount of collection assigned to the

company or the amount actually collected through the efforts of the company?

**AOC Response:** **Collection services revenues is what would be shown on a vendor's income statement as gross revenue; it is NOT the amount of debt assigned to the company nor is it the amount actually collected through the efforts of the company.**

b. Total When determining if the company meets the requirement of this section, would the company still be considered if they show an increasing number over the past three years indicating that the company is growing and the third year exceeds the annual requirement?

**AOC Response:** **No. The requirement is "\$3 million per year each year of the last three years."**

**Question 81:** Credit bureau reporting appears to be mandatory under the master contract and the RFP. However in recent weeks, two of the three credit bureaus—Trans-Union and Equifax—are not accepting placement of government debt as a referral for credit bureau reporting because it is not consumer debt. There are also major liability issues to evaluate before any government entity takes the step of reporting to credit bureaus. With that in mind will the AOC reconsider?

**AOC Response:** **Credit bureau reporting will be optional and reporting will be based on the preference of the Participating Entity.**

**Question 82:** Appendix F- Section 11.2 (e) Minimum Scope & Limits of Coverage  
In regards to the Commercial Crime Insurance with limits of \$1,000,000.00 per claim, is this something that needs to be in place prior to submitting the proposal or is this something we can implement after award of contract?

**AOC Response:** **If a vendor does not currently have this coverage and/or limit, a letter from the vendor's insurance broker stating that they would be willing to provide this coverage to the vendor must be submitted (i.e., the AOC must receive some evidence that the vendor will be able to meet this requirement).**

**Question 83:** RFP Page 12, Section 4.3 - FTB Transfer Services (At Option of Participating Entity). During the Pre Proposal conference there was a discussion regarding the Contractor providing the "handshake" for this service, is this something that needs to be in place prior to submitting proposal or is this something we can implement after award of contract?

**AOC Response:** **The "handshake" was in reference to the services to be provided by a Contractor for a court that transfers an account to the FTB but requires the Contractor to handle calls regarding the account after transfer to**

**the FTB. The handshake is just the function of the actual electronic transfer of cases from the court to the FTB by the vendor and may or may not require the contractor to continue to handle calls on those cases. The programming for the transfer will not have to be in place until the contract is awarded, and it will be up to the Participating Entity to decide if the vendor, FTB or the court/county will handle the call on those cases.**

**Question 84:** RFP Page 18, Section 4.10.5 California Department of Motor Vehicles (DMV). Should access to the DMV be in place with the Contractor prior to submitting the proposal or can this be established after award of contract?

**AOC Response:** **No access is need by a Contractor to the DMV. Section 4.10.5 states that if the DMV sometimes collects on an account that was referred to the Contractor, that the DMV send the money to the Court or County (not to the Contractor) and that the Contractor would receive no fee in this circumstance.**

END