

**RESPONSES TO BIDDER QUESTIONS**

**Question 1:** Please confirm the due date for this procurement is **11/1/2013**

**AOC Response:** **Yes, the current Proposal Due Date is November 1, 2013.**

**Question 2:** To how many vendors are you seeking to award a contract?

**AOC Response:** **This is unknown at this time and depends how well proposers meet the requirements of the RFP. The solicitation in 2004 resulted in 4 awards. The solicitation in 2008 resulted in 7 awards.**

**Question 3:** Have all options to extend the current contract been exercised?

**AOC Response:** **Yes, all options to extend the current master agreements have been exercised.**

**Question 4:** What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?

**AOC Response:** **This information is unknown. Please see Section 4.9, Historical Data.**

**Question 5:** What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?

**AOC Response:** **In FY 2011-12, private vendors were paid a total of \$28,222,241, in commission fees. The total amount includes commission fees paid to private vendors that are not under the Master Agreement.**

**Question 6:** What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category?

**AOC Response:** **This information is unknown. Please see Section 4.9, Historical Data.**

**Question 7:** What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?

**AOC Response:** **This information is unknown. Please see Section 4.9, Historical Data.**

**Question 8:** What has been the historical rate of return or liquidation rate provided by any incumbent(s), and/or what is anticipated or expected as a result of this procurement?

**AOC Response:** **Please see Section 4.9, Historical Data.**

**Question 9:** What is your current internal process if you determine the debtor may be deceased?

**AOC Response:** **Internal processes vary between each Participating Entity.**

**Question 10:** What is your current process if any external collection agency vendor informs you the debtor may be deceased?

**AOC Response:** **See Response to Question 9.**

**Question 11:** In the third paragraph of Section 1.1, who are the “other governmental or regulatory entities identified for inclusion by the AOC”? See 1.1 Issuing Body and Coordinated Procurement.

**AOC Response:** **Superior Courts of California, California Counties and the California State Bar are currently using the Master Agreements. One of the appellate courts is currently in discussion with three Master Agreement vendors. Other entities are not yet identified; however, this provision has been added to allow them to utilize the Master Agreements resulting from this solicitation.**

**Question 12:** Have any “other governmental or regulatory entities identified for inclusion by the AOC” contracted with Private Collection Agencies under the current MSA? If yes, what government or regulatory entities utilized this MSA? See 1.1 Issuing Body and Coordinated Procurement.

**AOC Response:** **This information is unknown as these entities are not yet identified.**

**Question 13:** Are superior courts and counties required to contract with Private Collection Agencies using this MSA? Or can they conduct their own procurement / contracting process? See 1.1 Issuing Body and Coordinated Procurement.

**AOC Response:** **Stated in the fourth paragraph of Section 1.1 of the RFP, Participating Entities may have in-house collection resources. Superior courts and counties are not required to utilize any of the Master Agreements resulting from this solicitation; superior courts and counties may conduct their own procurements.**

**Question 14:** What is the overall volume of accounts (number of accounts and total dollars) that you anticipate referring to each vendor for collections?

**AOC Response:** **See Section 4.9, Historical Data.**

**Question 15:** What is the average balance of the accounts Participating Entities will refer for collections?

**AOC Response:** **This information is unknown.**

**Question 16:** What is the average age of the accounts you will Participating Entities for collections?

**AOC Response:** **We cannot predict which accounts a Participating Entity may refer to an outside collection agency.**

**Question 17:** If the contract is awarded to a different vendor than currently contracted, will Participating Entities be recalling the accounts previously listed to the current vendor and forwarding those accounts to the new vendor?

If yes, what is the overall volume of these accounts (number of accounts and total dollars), that you anticipate would be referred for collections?

If yes, will these accounts be allowed to be bid at a different rate, since these are what the collection industry calls “seconds” and are not primary-placed accounts?

**AOC Response:** **We cannot predict what a Participating Entity may do. For existing Master Agreements, there are Transition Services which a Participating Entity may use.**

**Question 18:** What is the age of the oldest accounts Participating Entities will refer for collections?

**AOC Response:** **We cannot predict the age of accounts a Participating Entity may refer to an outside collection agency. See Section 4.9, Historical Data.**

**Question 19:** How many agencies will you be awarding to for this MSA?

**AOC Response:** **This is unknown at this time and depends how well proposers meet the requirements of the RFP. The solicitation in 2004 resulted in 4 awards. The solicitation in 2008 resulted in 7 awards.**

**Question 20:** Please define “Non-Forthwith Gross Revenue.” See 4.9 Historical Data.

**AOC Response:** **The definition is court-ordered debt that is at least one day delinquent (one day after failing to appear in court or adhere to a court order to pay or comply) and the associated amounts collected under an installment payment or accounts receivable plan from delinquent accounts by a collections program prior to any reductions.**

**Question 21:** In the evaluation, will any preference be given for vendors that propose to use a call center located in California, as opposed to a call center located in another state? If yes, how many points is a California-based call center worth in the evaluation, compared to a call center located outside of California? See 2.4 Evaluation Criteria.

**AOC Response:** **No, the solicitation does not state any requirements regarding a call center, and we do not have points associated with a call center. See Section 2.4 of RFP for the evaluation criteria and weighting.**

**Question 22:** A. How is each of the debt-type categories in Appendix A – Pricing Proposal weighted for evaluation purposes? Or are they all weighted equally?  
B. How is each of the age categories (i.e., Newly Delinquent, Up to 1 Year Old, 1 to 2 Years Old, etc., weighted for evaluation purposes? Or are they all weighted equally? See 2.4 Evaluation Criteria

**AOC Response:** **We will weigh prices for electronically submitted accounts at a higher percentage than for manually submitted accounts to reflect the differences in volumes for each. We will also weight the costs for the different fees based on the differences in volumes for each. In the past we have weighted the costs due to age equally; however, that has not yet been decided for this solicitation, and will be finalized no later than the proposal due date. The AOC does not plan on publishing the weighting factors other than what is stated in Section 2.4.**

**Question 23:** In the Executive Summary it states: “The description must list all of its California locations...” QUESTIONS: A) Is there any requirement that the call center work be performed in California? B) Are vendors with California locations favored over contractors that do not have a California location(s)? See 3.3.1 Executive Summary.

**AOC Response:** **No, the RFP does not state any requirements for a call center to be located in any particular place. Proposers will be evaluated solely based on the evaluation criteria listed in Section 2.4.**

**Question 24:** How many Participating Entities required on-site personnel under the current MSA? Which counties or superior courts currently require on-site personnel? See 4.2 On-Site Personnel (At Option of Participating Entity).

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

**Question 25:** By county, how many FTEs on-site personnel did Participating Entities require? See 4.2 On-Site Personnel (At Option of Participating Entity).

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

**Question 26:** We note that the “Programs and Vendors List” shows some collection agencies that, to our knowledge, do not have current MSAs. Are Participating Entities free to contract with collection agencies outside of this MSA? See Programs and Vendors List.

**AOC Response:** **Yes. Use of the Master Agreements resulting from this solicitation is not mandatory for any judicial branch entity.**

**Question 27:** Per Penal Code section 1463.007, one of the components of a comprehensive collection program is “(a) Monthly bill or account statements to all debtors.”  
QUESTIONS: A) We assume this component applies only to those debtors with valid addresses and those on payment plans. Is that correct? B) Do any Participating Entities currently require monthly bill or account statements to all debtors? See 2.3.3 Minimum Qualifications, #1.

**AOC Response:** **(A) PC 1463.007 has been amended; one of the five mandatory components requires that program (B) *Notifies delinquent debtors for whom the program has an address in writing of their outstanding obligation within 95 days of delinquency.* As part of the optional selection, programs are required to (E) *Sends monthly bills or account statements to all delinquent debtors.***

**(B) Yes, there are Participating Entities currently requiring monthly bill or account statements be mailed to all debtors.**

**Question 28:** Will Participating Entities be placing accounts with judgments? If yes, are there any fees associated with executing a judgment in the form of wage or bank garnishment? If so, can the fees be added to the judgment amount? See Appendix E, section 14. B. ANTI-TRUST CLAIMS

**AOC Response:** **Yes, Participating Entities will be placing accounts with judgments. Please refer to the Enforcement of Judgment Laws, which is codified at California Code of Civil Procedure, sections 680.-10-724.260, and which governs virtually all monetary judgments in California. Note: The reference to Appendix E, section 14.B. ANTI-TRUST CLAIMS appears to be incorrect as it relates to the question.**

**Question 29:** For vendors that are awarded Master Agreements, are they then responsible for marketing / soliciting their services to the various Participating Entities in order to be awarded Participating Agreements with specific Participating Entities? See 4.8 Procurement Process – Use of Master Agreement.

**AOC Response:** **Participating Entities interested in outsourcing collection services have traditionally asked for presentations from 3 or more Master Agreement holders before selecting a firm.**

**Question 30:** Appendix F – Form of Master Agreement, section 6.3 Child Support Compliance Act, page F-6 and F-7, states that “Contractor provides the names of all new employees to the New Hire Registry maintained by the California Department of Labor and Industry.” QUESTION: Our company submits the names of all new employees to the New Hire Registry maintained by the Pennsylvania Department of Labor and Industry, which then distributes the names to the New Hire Registry in the appropriate states, including California. Is that process acceptable?

**AOC Response:** **Yes, this process is acceptable.**

**Question 31:** (m) on RFP p. 9 – “Percent of turnover of client service staff in the division or department that would be responsible for the services described in this RFP during each of the last three (3) years...” QUESTION: Can you please define “client service staff” as used in this sentence? (Does this include collection staff, too?)

**AOC Response:** **As stated in (m), we’re requesting the turnover for client service staff who are “responsible for the services described” in the RFP.**

**Question 32:** 4.7 (b) under “Transition Services” in the RFP states that “Upon expiration or termination of a Master Agreement or Participating Agreement, Contractor will delete all electronic account information from its computer systems, including backup copies.”

In Appendix F – Form of Master Agreement, 7.6 says: “Return of Client Data. From time to time and upon the Participating Entity’s request, Contractor will return, in a form acceptable to the Participating Entity, or destroy Client Data.”

Also in Appendix F – Form of Master Agreement, 10.1 states: “Upon expiration or termination of a Master Agreement or Participation Agreement, Contractor shall provide to the Participating Entity proof of destruction of hard copy information of accounts transferred to Contractor for collection; all electronic account information must be deleted from Contractor’s computer systems, including backup copies.”

QUESTION: Due to regulatory requirements, our company may retain electronic account information backups beyond contract expiration or termination. Our company’s practices and policies with regard to destruction of data are that information sent to our company by a client in an intangible or electronic format cannot be removed, erased or otherwise deleted from archival systems (also known as “computer or system back-ups”) but that such information will continue to be protected under the confidentiality requirements contained in the MSA. Our position is that

the receiving party may retain an archival copy of any document for its permanent records to the extent required by applicable law or regulation or the receiving party's document retention policy. The rights and obligations of the parties under the Agreement will survive any return, destruction or retention of Confidential Information.

Would this be acceptable to the AOC as it applies to the RFP section 4.7 (b) and MSA sections 7.6 and 10.1?

**AOC Response:** Yes, if there is an applicable law or regulation which requires retention of the electronic record longer than that required by Appendix F. Proposers who are taking exception to this requirement should submit the specific law or regulation in their proposal.

**Question 33:** What is the estimated size of the existing portfolio (the backlog) in terms of number of accounts and the dollar amount outstanding? What is the age of the oldest accounts in the portfolio?

**AOC Response:** This information is unknown. Please see Section 4.9, Historical Data.

**Question 34:** What is the estimated size (accounts/dollars) of annual referrals going forward (new/future placements)?

**AOC Response:** This information is unknown. Please see Section 4.9, Historical Data.

**Question 35:** Who is the current vendor?

**AOC Response:** See Programs and Vendors List.

**Question 36:** If applicable, how long has the current vendor been under contract?

**AOC Response:** We don't have the length of contracts for agreements outside of the existing Master Agreements. The term of the current Master Agreements is the same as the proposed term. See Section 1.1, third paragraph which states, "The Master Agreement(s) will be for an initial two-year term with three one-year options to extend the agreement(s)."

**Question 37:** If applicable, what is the current vendor's overall recovery rate?

**AOC Response:** This is not applicable as there are multiple vendors providing collection services (see Programs and Vendors List) and we have not created a definition of "recovery rate."

**Question 38:** If applicable, what is the fee (%) charged by the current vendor?

**AOC Response:** There are multiple vendors providing collection services (see Programs and Vendors List). Fees charged by existing Master



Agreement holders vary, and are at  
<http://www.courts.ca.gov/partners/collections.htm>

**Question 39:** If applicable, how much has been paid annually to the current vendor in fees (dollars) for their services since contract inception?

**AOC Response:** This is not applicable as there are multiple vendors providing collection services (see Programs and Vendors List). See Response to Question 5.

**Question 40:** How many dollars have been collected by the current vendor and over what period of time?

**AOC Response:** See Section 4.9, Historical Data.

**Question 41:** Will accounts held by the current vendor (backlog) be moved to the selected vendor?

**AOC Response:** A current Participating Entity may or may not decide to move accounts to a new Master Agreement holder.

**Question 42:** Why are proposals being sought at this time?

**AOC Response:** Current Master Agreements are at the end of their term and all available extensions have been exhausted.

**Question 43:** At what point in time (e.g. 60 days past due) will new/future accounts be placed with the selected Service Provider?

**AOC Response:** Varies by Participating Entity. See fourth paragraph of Section 1.1 of the RFP.

**Question 44:** Does the current vendor provide legal/litigation services? Are those services desired?

**AOC Response:** There are several "current vendors" (see Programs and Vendors List). The services required are those specified in the RFP.

**Question 45:** What is the anticipated start-up date for the contract?

**AOC Response:** The anticipated start date for the new Master Agreements is the first week of February.

**Question 46:** What is the anticipated award date for the contract?

**AOC Response:** See Section 2.1 of the RFP.



**Question 47:** What are the in-house collection methods (e.g. number of mailings) used on the referred accounts prior to turnover to the selected vendor?

**AOC Response:** **Methods vary by Participating Entity. See fourth paragraph of Section 1.1 of the RFP.**

**Question 48:** How will account/collection information or data be communicated to the successful bidder, i.e.- electronic to a secure FTP site, email, paper files, etc.?

**AOC Response:** **This varies by Participating Entity. Most information is transmitted electronically; however, some Participating Entities may transmit paper copies.**

**Question 49:** Please identify each participating entity that requires on-premise staffing/personnel.

For each participating entity identified, please state the number of staff/personnel and the job function of each person.

**AOC Response:** **This varies by Participating Entity; we do not collect this data.**

**Question 50:** Section 3.3.2, Financial Viability and Stability, item (j), requests financial information that we consider proprietary and confidential. Can one copy of this confidential financial information be provided in hard copy format only?

**AOC Response:** **No. At a minimum, the financial information needs to be provided in an Adobe pdf format.**

**Question 51:** What are the alternatives to submitting the entire gross collections if a participating entity case management system cannot accept gross revenue and pay commission costs? See Page 14- 4.1.1 (h)-Required Account Services

**AOC Response:** **If the Participating Entity agrees, net collections may be remitted. However, gross collections should be submitted along with an invoice for commission fees. Participating Entities shouldn't be put in the position of having to request that funds be submitted because of an error in a Master Agreement vendor calculating the "net".**

**Question 52:** Page 15 4.3 FTB Transfer Services: if for both, are the contractors/vendors expected to remain responsible for adjusting, canceling, as well as answering inquires? Is it expected that the same % fee for transferring to both FTB programs be indicated on page A2?

**AOC Response:** **Yes, upon referral of an account to the FTB, the contractor/vendor remains responsible for canceling and adjusting all accounts.**

**Yes, the proposed percent of commission fee or the flat fee for FTB Transfer Services should be included in A-2.**

**Question 53:** Do the statements regarding reporting mean participating entities that are not courts only require one report? See Page 16 Reporting Requirements (c).

**AOC Response:** **No, the number of reports will vary from entity to entity.**

**Question 54:** Does the term bail and/or fine in this and other sections refer to the total base bail or base fine, including all penalties and assessments, but not including civil assessment? See Page 16-4.5.1 Account Payment History (c).

**AOC Response:** **The term “bail and/or fine” as referred to in section 4.5.1 does not include civil assessment.**

**Question 55:** The daily adjustment report section states that the adjustment reason code is 2-3 characters. Is there a standard code? See Page 18 Daily Adjustment Code 4.5.4-Assigned to Public Work Service (3) - adjustment reason code.

**AOC Response:** **No, there is no standard adjustment reason code. The Participating Entity may amend sample reports to fit their reporting needs.**

**Question 56:** Who at the AOC shall be notified? The Project Manager? See Page 19 4.5.9- Notification.

**AOC Response:** **Yes, the AOC Project Manager shall be notified.**

**Question 57:** Does assessment in the fourth column refer to "civil assessment?" See Page C3.

**AOC Response:** **The fourth column titled, “Assessments,” may refer to civil assessment or any state assessment. The Participating Entity may amend sample reports to fit their reporting needs.**

**Question 58:** This document states that newly delinquent accounts are, “Accounts not fully paid 30 days past its stated due date.” Are the participating entities

allowed to change their definition of newly delinquent? For example, could it be the day after a bail or fine is due? See Appendix A.

**AOC Response:** **For the purpose of the Pricing Proposal only, the definition CANNOT be changed. However, a Participating Entity may change the time frame in which newly delinquent accounts are referred to collections through its Participating Agreement.**

**Question 59:** Page A2 indicates, "Collection of this debt is not at the option of the Contractor." What is this referring to? The commission fee is not at the option of the Contractor, or the collection of the debt is for victim restitution fine or direct restitution to the Victim is not at the option of the Contractor? See Appendix A, page A2

**AOC Response:** **Contractor's fee for the collection of Victim Restitution Fines is set by law at 10% and is not negotiable. Contractor's fee for the collection of Direct Restitution to the Victim is set by law at 15% and is not negotiable.**

**Question 60:** Which forms in Appendix C are samples that can be changed by a participating entity? Which ones are mandatory and have been approved by the Judicial Council? See Appendix C

**AOC Response:** **The reports have to be in the form noted in Appendix C unless a Participating Entity agrees otherwise in its Participation Agreement. See Section 4.5 (b) of the RFP.**

**Question 61:** Can the AOC please provide additional information as to the average gross recovery rate (collection rate) of current collection contractors for the two most recent reporting years? We are most interested in getting a better understanding as to the collection metrics for the existing contractor's area of responsibility compared to the overall gross recovery rate for the individual courts, which may include collections through other means such as through the DMV and/ or FTB. See Section 4.9 Historical Data, page 21

**AOC Response:** **The only information the AOC has is listed in Section 4.9, Historical Data.**

**Question 62:** On average, what percent of the account volume managed by contractors are collected through the DMV and FTB tax intercept program?

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

**Question 63:** Approximately what percent of the courts require on-site staffing and, on average, how many staff are typically required to meet their service needs?

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

**Question 64:** Where should cost for optional on-site personnel be included?

**AOC Response:** **The costs for on-site personnel may be included as part of the percentage commission fee or a time and material cost and submitted on the Pricing Form (Appendix A) or submit on a separate form if based on an hourly rate.**

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