

May 8, 2019

**ADDENDUM #2
INVITATION FOR BIDS #Y19-1096-AV**

COLLECTION AGENCY SERVICES FOR UTILITIES

This Addendum is hereby incorporated into the bid documents of the project referenced above. The following items are clarifications, corrections, additions, deletions, and/or revisions to and shall take precedence over the original documents; Additions are indicated by underlining and deletions via ~~strikethrough~~.

A. Opening date remains unchanged, Thursday, May 23, 2019, at 2:00PM (local time)

B. Revisions to this IFB are as follows:

Scope of Services, Section 3. TECHNICAL REQUIREMENTS AND SUBMITTALS Paragraph C. Reports to be provided shall include, but not be limited to: 1.f., has been revised as follows:

- f. The Contractor shall prepare an invoice for the fee on the bid response form. In addition to other information required by the County. The Contractor's weekly invoices shall indicate, at a minimum, contract number, gross amount collected last ~~month~~ week and fee according to the contract. The Contractor shall provide one consolidated invoice listing the gross amount collected for each County Office by account.

C. Questions and Answers:

- 1. **Question:** I have a question regarding the Bid Response Form. Our services include all letters and calls at a contracted contingency fee. Can you explain how Orange County Board of County Commissioners would like this communicated on the Bid Response Form?

Answer: Bidders shall respond using the Bid Response Form provided without modifying it. Your best and final bid price shall include all items and overhead corresponding to the bid response line item.

- 2. **Question:** Please reconfirm the due date for this procurement by providing it in response to answers to questions.

Answer: The due date for IFB #Y19-1096-AV is Thursday, May 23, 2019, at 2:00PM (local time)

- 3. **Question:** Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable.

Answer: The recent vendor's performance was satisfactory.

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

Answer: See attachment 1 for Addendum #1 for fiscal year 2017/2018 County payments to Contractor by line item.

5. **Question:** What collection attempts are performed or will be performed internally prior to placement?

Answer: The County generates a final bill to the customer once the County terminates the account. The customer has 23 days to pay the final bill. Once the customer fails to pay the final bill the account goes into collections.

6. **Question:** Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval?

Answer: This is not part of the scope requirements in IFB Y19-1096-AV.

7. **Question:** What is the total dollar value of accounts available for placement now by category, including any backlog?

Answer: In the past fiscal year 2017/2018, Water/Wastewater category per month was approximately \$39,600. Mandatory Refuse category per month was approximately \$400.

8. **Question:** What is the average balance of accounts by category?

Answer: As stated on page 29, General Requirements, A. Estimated Requirement (Delinquent Accounts) of the IFB #Y19-1096-AV, the approximate total value is \$40,000.00 per month and the approximate number of accounts per month is 250.

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

Answer: Refer to page 29, of the IFB #Y19-1096-AV, General Requirements, B. Accounts shall remain with the Contractor until such time as the account is paid in full. Orange County Utilities will turn new accounts over to the contractor at 45 calendar days old.

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

Answer: Approximately 250 accounts monthly are expected to be placed with the vendor.

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

Answer: The total monthly dollar value is approximately \$40,000.00.

12. **Question:** 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?

Answer: The historical rate of return is approximately 20% to 25%.

13. **Question:** If applicable, will accounts held by any incumbent(s) or any backlog be moved to any new vendor(s) as a one-time placement at contract start up?

Answer: No. The new Contractor will receive new accounts.

14. **Question:** What is your case management/accounting software system of record?

Answer: Orange County Utilities uses Oracle's Customer Care and Billing (CC&B) Customer Information System (CIS), Advantage is used by the Orange County Comptroller's office.

15. **Question:** Who is your electronic payment/credit card processing vendor?

Answer: First Data's PayPoint is the electronic payment/credit card processing vendor used by the current Contractor.

16. **Question:** What process should a vendor follow, or which individual(s) should a vendor contact, to discuss budget-neutral services outside of the scope of this procurement, but related to it, designed to recover more debt prior to outside placement and lower collection costs?

Answer: Inquiries regarding services outside of the scope of this procurement may be directed to Ana Villalona, Purchasing Agent, at Ana.Villalona@ocfl.net

17. **Question:** How do your current processes and/or vendor relationship(s) systematically determine if the death of a responsible party has occurred?

Answer: Please refer to page 31 of the IFB #Y19-1096-AV, 3. Technical Requirements and Submittals, 2.c., A **Cancellation Report** shall be provided by account number showing the reason for return to the County and outstanding balance. This report shall include legal action recommendations, bankruptcy, deceased, or accounts recalled. If debtor is bankrupt, the bankruptcy case number shall be indicated. If deceased, an indication as to the status of estate shall be indicated. The report shall indicate if collection activity has stopped for any other reason than those outlined above. All original bankruptcy paperwork shall be forwarded to Orange County Utilities within twenty-four (24) hours of receipt. Delivery shall be from a courier using next day service.

18. **Question:** How do your current processes and/or vendor relationship(s) handle the a death of responsible party?

Answer: See above response to question #17.

19. **Question:** Do you have a designated process or policies around deceased accounts today, and what is envisioned in the future?

Answer: See above response to question #17.

20. **Question:** Do you currently search and file probated estate claims? Have you considered an automated tool to identify and file probated estate claims?

Answer: No, we do not search and file probated estate claims. No, we have not considered an automated tool.

21. **Question:** To how many agencies does the County intend/anticipate awarding under this IFB?

Answer: The County will select one responsive and responsible bidder.

22. **Question:** Who is the incumbent or incumbents currently providing the listed services?

Answer: The previous contract was Y15-107 and may be found online at the following link: <http://apps.ocfl.net/OrangeBids/Termcontracts/listtermcontract.asp?submitted=1>

23. **Question:** What are the current contingency rates and letter rates charged by the incumbent(s) to perform the listed services?

Answer: The previous contract was Y15-107 and may be found online at the following link: <http://apps.ocfl.net/OrangeBids/Termcontracts/listtermcontract.asp?submitted=1>

24. **Question:** What are the collection success rates (recovery rates/liquidation percentages) of the current incumbent and does it meet the 'satisfactory performance measurement of, at least, 25% of gross collections (as required in Scope of Services Section 2, Item #7, Page 30 and Section 5, Item H, Page 34 of this IFB)?

Answer: The collection success rates are typically 25% of gross collections.

25. **Question:** Please provide actual dollar amounts of monies paid last year to any incumbent(s).

Answer: See attachment 1 for Addendum #1 for fiscal year 2017/2018 County payments to Contractor by line item.

26. **Question:** What is the estimated volume (both dollar value & number count) and age of ongoing referrals?

Answer: The estimated dollar and approximate age of ongoing referrals are \$40,000.00 monthly. The age of ongoing referrals are 24 days or older.

27. **Question:** With what frequency will accounts be referred (i.e. weekly, monthly, etc.)?

Answer: Orange County Utilities will transmit a file daily (excluding weekend and holidays).

28. **Question:** Is there currently a backlog of accounts either residing with the incumbent or ready for referral now? If yes, please provide the volume (# and \$) as well as the age of this backlog volume.

Answer: No. The new Contractor will receive new accounts.

29. **Question:** What collection activities are taken/pursued by the County on cases prior to referral?

Answer: The County generates a final bill to the customer.

30. **Question:** With what frequency will the County provide account/balance updates to the contractor (i.e. daily, weekly, etc.)?

Answer: We currently transmit a file daily.

31. **Question:** Page 4, Section “General Terms and Conditions”, Item #1 “General Information”: Please identify the exact pages/forms that constitute the ‘Bid Response Page(s)...’, as listed in the second sentence of this paragraph. Does this specifically mean all pages (items 5-17) in the checklist found on page 37 & 38 of the IFB? Or, does this definition include other responses beyond those forms listed? It is unclear what the County considers to be “bid responses page(s)” for the purposes of a proper response.

Answer: Refer to IFB #Y19-1096-AV, page 37 through 38, Bid Package Requirements items 1 through 17.

32. **Question:** Page 8, Section “General Terms and Conditions”, Item #18 “Bid Forms”: This section states that “All bids shall be submitted on the County’s Bid Response Form”. Does this reference specifically the actual ‘Bid Response Form’ on pages 39-41 of the IFB or does this requirement include additional forms/pages? If it includes additional pages for completion beyond pages 39-41, then please advise exactly which pages are included in this requirement.

Answer: Page 8, General Terms and Conditions, 18. Bid Forms corresponds to the Bid Response Form on page 39.

33. **Question:** Page 8, Section “General Terms and Conditions”, Item #18 “Bid Forms”: Are bidders only required to submit the listed forms in response to this IFB or does the County desire bidders to respond to the Scope of Work, specifically Sections 2-5 on Pages 29-34? Please advise.

Answer: Refer to IFB #Y19-1096-AV, page 37 through 38, Bid Package Requirements items 1 through 17.

34. **Question:** Page 10, Section “General Terms and Conditions”, Item #25 “Subcontracting”: Is it mandatory that the bidder subcontract any portion of the work? If yes, what is the required percentage of work that must be subcontracted?

Answer: No, subcontracting is not required, but please respond with not applicable on the form if you will not subcontract.

35. **Question:** Page 10, Section “General Terms and Conditions”, Item #25 “Subcontracting”: If it is not mandatory and the bidder is not planning on subcontracting any portion of the work, is it necessary to complete and submit the Schedule of Subcontracting Form”? If yes, how would the County like that form submitted (i.e. with n/a listed throughout or simply left blank)?

Answer: No, subcontracting is not required, but please respond with not applicable on the form if you will not subcontract.

36. **Question:** Page 15, Section “General Terms and Conditions”, Item #45 “Confidential Information”: If the Bidder identifies Confidential information within its proposal response, should they simply mark that section/portion as confidential or can/should we provide that data in a separate, sealed envelope along with a redacted version of our bid?

Answer: Please follow the instructions in Page 15, General Terms and Conditions, 45. Confidential Information and provide a redacted digital copy.

37. **Question:** Page 19, Section “Special Terms and Conditions”, Item #1 “Licenses and Permits”: If the bidder is located outside of Orange County (or out of State) and the work will be formed outside of Orange County, is an Orange County business license required?

Answer: The vendor must provide a license that authorizes the firm to conduct business in Orange County, Florida.

38. **Question:** Page 27, Section “Special Terms and Conditions”, Item #19 “Bid Preference”: Is there a mandatory requirement for subcontracting to MWBE or SDV companies? If yes, what percentages of work must be subcontracted, by category?

Answer: Refer to IFB #Y19-1096-AV Section title BID PREFERENCE

BID PREFERENCE

In accordance with the Minority Women Owned Business Enterprise (MWBE) Ordinance, award of a contract resulting from this Invitation for Bids may be made to the lowest responsive and responsible Orange County certified MWBE bidder provided that the bid does not exceed the overall lowest responsive and responsible bidder by the following percentages for the bid amounts listed:

- A. 8% - Bids Up To \$100,000
- B. 7% - Bids Greater Than \$100,000 to \$500,000
- C. 6% - Bids Greater Than \$500,000 to \$750,000
- D. 5% - Bids Greater Than \$750,000 to \$2,000,000
- E. 4% - Bids Greater Than \$2,000,000 to \$5,000,000

F. 3% - Bids Greater Than \$5,000,000

In accordance with the Registered Service Disabled Veteran Business Ordinance, award of a contract resulting from this Invitation for Bids may be made to the lowest responsive and responsible registered prime Service Disabled Veteran bidder provided that the bid does not exceed the overall lowest responsive and responsible bidder by the following percentages for the bid amounts listed:

- A. 8% - Bids Up To \$100,000**
- B. 7% - Bids Greater Than \$100,000 to \$500,000**
- C. 6% - Bids Greater Than \$500,000 to \$750,000**
- D. 5% - Bids Greater Than \$750,000 to \$2,000,000**
- E. 4% - Bids Greater Than \$2,000,000 to \$5,000,000**
- F. 3% - Bids Greater Than \$5,000,000**

In the event of a tie between an M/WBE and a registered prime SDV with all else being equal, the award shall be made to the firm with the lowest business net worth.

39. Question: Page 29, Section "Scope of Services", Item #1(E): The last statement in this section states "Billing is done by Orange County Utilities". Please clarify in what context this pertains to the services provided in this IFB? For example, that mean that the County continues billing consumers even after the account is sent to collections and the vendor is also sending collection letters? We are unsure what this means with regard to the scope of services required by the contractors.

Answer: This scope of work is for delinquent account collection services. Initial billing prior to an account being referred to collection is done by Orange County Utilities.

40. Question: Page 29, Section "Scope of Services", Item #2(5): This section states that "...100% of the monies collected shall go to Orange County Utilities". Does that mean that our 1st and 2nd letter should direct the consumers/debtors to pay OC Utilities directly? Or, does this simply mean that no contingency percent will be paid to the agency and 100% of all dollars collected AT the agency will be remitted to OC Utilities? Please clarify.

Answer: The letter directs any payments and communications to the Contractor. REFER to IFB # Y19-1096-AV page 29 scope of service, section 2B, General requirements. During this entire time frame, and up to and including thirty (30) calendar days after the second letter, 100% of the monies collected shall go to Orange County Utilities.

On the thirty-first (31st) calendar day after the second letter, the Contractor shall begin its usual and customary active collection process and continue active collections for a percentage of the debt for each account as stipulated in the contract until such time as the account is paid in full.

41. Question: Page 29, Section "Scope of Services", Item #2(5): Are the 1st and 2nd letter (mailed by the bidder), sent in the collection agency's name (i.e. collection letters) or are these letters sent in the County's name and considered 'early-out' or soft collections done in the name of the OC Utilities?

Answer: The 1st and 2nd letter which the selected vendor will mail is sent in the collection agency's name.

42. **Question:** Page 30, Section "Scope of Services", Item #3(C)(1)(f): This section seems to contradict itself unless there is a typo. The second sentence states that we are to submit WEEKLY INVOICES that include the gross amount collected for the last ~~MONTH~~ WEEK. Please clarify if this should state "gross amounts collected for the last WEEK".44

Answer: The weekly invoices include gross amounts collected for the past WEEK. This section has been revised in Addendum #1,

43. **Question:** Page 32, Section "Scope of Services", Item #4(E): Does the incumbent currently perform legal services? If yes, on how many cases in the last fiscal year did the incumbent take legal action after authorization from the County?

Answer: No legal services are required as part of IFB# Y19-1096-AV.

44. **Question:** What percentage of your accounts require Caribbean collections, typically?

Answer: These metrics are not available.

45. **Question:** What percentage of your accounts require Canadian collection, typically?

Answer: These metrics are not available.

46. **Question:** Please confirm that vendors are required to send two letters within the first 60 days, but cannot collect a contingency for funds collected during those 60 days.

Answer: Yes, the Contractor is required to send two letters within the first 60 days. The vendor can invoice the county weekly.

47. **Question:** What is the average liquidation rate in the first 60 days, based on historical data?

Answer: Approximately 20% to 25% of the total debt is the average liquidation rate.

All other specifications, terms and conditions remain the same

ACKNOWLEDGEMENT OF ADDENDA

- a. The bidder shall acknowledge receipt of this addendum by completing the applicable section in the solicitation or by completion of the acknowledgement information on the addendum. Either form of acknowledgement must be completed and returned no later than the date and time for receipt of the bid or proposal.

- b. Receipt acknowledged by:

Authorized Signer

Date Signed

Title

Name of Bidder

ATTACHMENT 1

Master Agreement - Commodity Report For MA # 043 - Y15-107-DG

Vendor: 429910 - PENN CREDIT CORPORATION

Description: Collection of Delinquent Water Wastewater, Mandatory Refuse

COMMODITYLINE #	DETAILED DESCRIPTION	PAID AMOUNT
1	% of Gross Collection of Delinquent Water, Wastewater, Mandatory Refuse and other Miscellaneous Billed Accounts	\$ 22,053.12
2	1st Letter	\$ 6,122.00
3	2ND Letter	\$ 2,460.00