

<b>AMENDMENT OF SOLICITATION / MODIFICATION OF CONTRACT</b>		1. Solicitation Number CFOPD-23-R-036		Page of Pages 1 Attachments	
		2. Amendment/Modification Number  Amendment No. 1	3. Effective Date  See Box 16C	4. Requisition/Purchase Request No.	5. Solicitation Caption  Delinquent Debt Collection Services
6. Issued by:  Office of the Chief Financial Officer Office of Contracts 1100 4 <sup>th</sup> Street SW Suite E620 Washington, DC 20024		Code	7. Administered by (If other than line 6)		
8. Name and Address of Contractor (No. street, city, county, state and zip code)  ALL POTENTIAL OFFERORS  Code Facility		X	9A. Amendment of Solicitation No. CFOPD-23-R-036		
			9B. Dated (See Item 11) September 25, 2023		
			10A. Modification of Contract/Order No.		
			10B. Dated (See Item 13)		
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS					
<input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers <input checked="" type="checkbox"/> is extended. <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning a <u>1</u> written copy of the amendment: (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) BY separate letter or fax which includes a reference to the solicitation and amendment number. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such may be made by letter or fax, provided each letter or telegram makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.					
12. Accounting and Appropriation Data (If Required)					
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS , IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14					
A. This change order is issued pursuant to (Specify Authority):					
B. The above numbered contract/order is modified to reflect the administrative changes.					
C. This supplemental agreement is entered into pursuant to authority of:					
D. Other (Specify type of modification and authority) Administrative					
<b>E. IMPORTANT:</b> Contractor <input type="checkbox"/> is not <input type="checkbox"/> is required to sign this document and return 1 copy to the issuing office.					
14. Description of Amendment/Modification (Organized by UCF Section headings, including solicitation/contract subject matter where feasible.)  The above referenced solicitation to provide a Delinquent Debt Collection Services is hereby amended to reflect the following changes (Attachment A) and response to inquiries received (Attachment B).  <b>ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED</b>					
Except as provided herein, all terms and conditions of the document is referenced in Item 9A or 10A remain unchanged and in full force and effect.					
15A. Name and Title of Signer (Type or print)			16A. Name of Contracting Officer		
			Drakus Wiggins, CPPO		
15B. Name of Contractor  (Signature of person authorized to sign)		15C. Date Signed	16B. District of Columbia  <i>Drakus Wiggins</i> (Signature of Contracting Officer)		16C. Date Signed  11/08/2023

## **Attachment A**

**The following changes are hereby incorporated into the solicitation.**

- 1. The proposal due date is hereby extended to December 6, 2023, at 2:00 pm.**
- 2. Section L.2 is hereby amended to extend the deadline for vendor inquiries to November 15, 2023, at 2:00 pm.**
- 3. Section H.12 is hereby amended to extend the deadline for waiver requests to November 15, 2023, at 2:00 pm.**
4. Section B.5.3 Option Year 2 table on page 4 of the RFP is hereby amended to correct the language in the last line of the table to read “Option Year Two Total” and not “Option Year One Total.”
5. Section L.3.3.6 is hereby deleted in its entirety and replaced as follows to correct the attachment number:
  - 6) Attachment J.5 Subcontracting Plan Form (The District will reject any bid or proposal that fails to include a subcontracting plan that is required by law, pursuant to Section H.3.)
6. Section C.47.3 is hereby deleted in its entirety and replaced as follows to incorporate a self-certification letter:

C.47.3 The Contractor shall provide the District with a signed letter from a PCI SSC certified Quality Security Assessor that states the Contractor has satisfactorily met the Payment Card Industry Data Security Standard (PCI-DSS) or, if the Contractor qualifies to self-assess under PCI-DSS guidelines, the Contractor shall provide a self-certification letter in lieu of a signed letter from a PCI SSC certified Quality Security Assessor. The letter shall be provided no later than 30 days from Contract award and an updated letter provided annually thereafter.
7. The last sentence of Section C.16.1 is hereby amended to read as follows to replace Friday with Saturday:

The Disaster Recovery Plan shall support CCU personnel’s access to the Contractor’s system to conduct operations during normal business hours; 8:00am to 6:00pm, Monday through Saturday.

## **Attachment B**

### **The following are responses to inquiries received.**

- Question 1. What is the date by which you will answer these questions?
- Response 1. 11/8/2023
- Question 2. Why has this bid been released at this time? Is this procurement a replacement of the RFP entitled "Delinquent Debt Collection Services" that was due 12/28/2016?
- Response 2. Yes.
- Question 3. When is the anticipated contract start date?
- Response 3 April 2024.
- Question 4. When is the anticipated award date?
- Response 4. April 2024.
- Question 5. Are bidders permitted to deviate in any way from any way from any manner of quoting fees you may be expecting? For example, If there is a pricing page in the RFP, can bidders submit an alternate fee structure? If there is no pricing page in the RFP, do you have any preference for how bidders should quote fees or can bidders create their own pricing categories?
- Response 5. No, Offerors are not permitted to deviate from submitting a completed Section B, Pricing Schedule as part of its price proposal per the instructions of Section L.3.3.
- Question 6. Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable.
- Response 6. The current contractor has a satisfactory performance record.
- Question 7. Has the current contract gone full term?
- Response 7. The District has exercised the final option period in the current contract.
- Question 8. Have all options to extend the current contract been exercised?
- Response 8. See Response 7.
- Question 9. Who is the incumbent, and how long has the incumbent been providing the requested services?

Solicitation CFOPD-23-R-036  
Delinquent Debt Collection Services  
Amendment No. 1

Response 9. The incumbent contract is CFOPD-19-C-003. The contract and its information can be downloaded from the following link:

<https://dc.cobblestonesystems.com/public/default.aspx>.

Question 10. To what extent will the location of the bidder's proposed location or headquarters have a bearing on any award?

Response 10. The Offeror's facility location will be evaluated subjectively in conjunction with the response to L.3.2-I.g of the Offeror's Technical Approach.

Question 11 How are fees currently being billed by any incumbents, by category, and at what rates?

Response 11. See Response 9.

Question 12. What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?

Response 12. Payment information to the incumbent contractor, Harris & Harris Ltd. can be accessed from the following link: <https://contracts.ocp.dc.gov/>.

Question 13 To how many vendors are you seeking to award a contract?

Response 13. Per Section M.1.1, the District intends to award a single contract, as a result of this RFP, to the responsive, responsible Offeror whose offer is most advantageous to the District, based upon the evaluation factors specified in the RFP.

Question 14. To what extent are these accounts owed by private consumers versus commercial businesses?

Response 14. The accounts varies by agency.

Question 15. What collection attempts are performed or will be performed internally prior to placement?

Response 15. Prior to placement, all delinquent debt would have been fully adjudicated by the relevant agencies before the delinquent debt is sent to the CCU.

Question 16. What is the total dollar value of accounts available for placement now by category, including any backlog?

Response 16. The District does not categorize the debt, as all debt is collected utilizing the same methods. Currently the total outstanding balance to be collected is \$1.3B.

Solicitation CFOPD-23-R-036  
 Delinquent Debt Collection Services  
 Amendment No. 1

Question 17. What is the total number of accounts available for placement now by category, including any backlog?

Response 17. The total number of accounts available for placements is 9.1M. The District does not categorize the debt.

Question 18. What is the average balance of accounts by category?

Response 18. The district does not categorize the debt. See Response 16.

Question 19. What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category?

Response 19: The District debt is not defined by Category. The following data represents number of accounts and dollar value placed in the last three fiscal years by quarter:

Fiscal Year/Quarter	Number of Accounts Placed	Amount Placed
Fiscal Year 2021, Quarter 1	225,350	\$118,412,698
Fiscal Year 2021, Quarter 2	3550	\$8,215,901
Fiscal Year 2021, Quarter 3	2,087,231	\$286,807,594
Fiscal Year 21, Quarter 4	740,108	\$104,241,635
Fiscal Year 2022, Quarter 1	519,259	\$80,475,916
Fiscal Year 2022, Quarter 2	457	\$589,471
Fiscal Year 2022, Quarter 3	52,474	\$18,644,633
Fiscal Year 2022, Quarter 4	220,594	\$57,089,925

Solicitation CFOPD-23-R-036  
 Delinquent Debt Collection Services  
 Amendment No. 1

Fiscal Year 2023, Quarter 1	242,909	\$58,271,287
Fiscal Year 2023, Quarter 2	234,521	\$55,336,324
Fiscal Year 2023, Quarter 3	203,707	\$51,049,215
Fiscal Year 2023, Quarter 4	264,189	\$64,301,388

Question 20. What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?

Response 20. See Response 19.

Question 21. 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

Response 21. The historical rate of return/liquidation rate is 13%. 20% or higher is expected for the resultant contract based on the industry standard.

Question 22. What billing servicer do you utilize?

Response 22. Each agency utilizes their own billing services.

Question 23. Have all cases been fully adjudicated by the time of placement?

Response 23. Yes.

Question 24. 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?

Response 24. Yes, all accounts will be moved to any new contractor.

Question 25. What is your case management/accounting software system of record?

Response 25. Oracle.

Question 26. Who is your electronic payment/credit card processing vendor?

Solicitation CFOPD-23-R-036  
Delinquent Debt Collection Services  
Amendment No. 1

Response 26. Per C.44.3, Chase Paymentech, a business of JPMorgan Chase, is the District's merchant processor.

Question 27. 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?

Response 27. Unsolicited proposals may be forwarded to the Contracting Officer and may be considered by agencies in order to obtain innovative or unique methods or approaches to accomplishing its mission.

Question 28. How do your current processes and/or vendor relationship(s) systematically determine if the death of a responsible party has occurred?

Response 28. Skip Tracing or family notification.

Question 29. How do your current processes and/or vendor relationship(s) handle the death of a responsible party?

Response 29. If the death has been identified, the account is withdrawn from the contractor and fee does not apply.

Question 30. Do you have a designated process or policies around deceased accounts today, and what is envisioned in the future?

Response 30. See Response 29.

Question 31. Do you currently search and file probated estate claims? Have you considered an automated tool to identify and file probated estate claims?

Response 31. CCU does not currently search and does not utilize or is considering any automated tool to file the claims.

Question 32. Can you please indicate what inbound and outbound contact methods, beyond phone calls or letters (such as email and text), would be permitted by the scope of work?

Response 32. Artificial intelligence (AI) phone calls, text messages and emails.

Question 33. Regarding B.5.3 Option Year 2 table on page 4 of the RFP: Please confirm that the language in the last line of this table should read "Option Year Two Total" and not "Option Year One Total."

Response 33. See Attachment A, Item 4.

Question 34. Regarding C.3.3 on pages 8-9 of the RFP: It appears that exactly two contractors (“the Contractor and another contractor”) will be performing contracts for secondary collections. Can the District confirm this, or otherwise clarify? If two, will the District describe how accounts will be split and assigned to contractors, e.g., alpha split?

Response 34. The District will use the contractor resulting from this RFP to perform Scope A primary collections service with an accounts receivable system and to perform Scope B secondary collections. At a later date, the District plans to procure for an additional contractor to also perform Scope B secondary collections. The assignments of debt is expected to be based on the collection recovery rates of the contractors.

Question 35. Regarding I. Scope A Requirements, C.6 through C.16 on pages 11-18 and II. Scope B Requirements, C.17 through C.50 on pages 19-35 of the RFP, cross-referenced with L.3.2 Technical Proposal > item 3) on page 86 of the RFP: Is the District requiring an itemized response to each of the requirements C.6 through C.50, independent of and in addition to how they have been instructed to prepare their Technical Proposal under L.3.2? OR: Should Offerors regard requirements C.6 through C.50 as information to be considered and incorporated into the responses they are going to provide in the Technical Proposal construct described in L.3.2?

Response 35. Offerors should regard the requirements in Section C as information to be considered and incorporated into the responses to Section L.3.2.

Question 36. Regarding C.41.2 on page 29 of the RFP: Please clarify/confirm that a detailed training plan as described here is not required at the time of submission from all Offerors but will be required of the awarded Contractor.

Response 36. A detailed training plan is not required at the time of submission from all Offerors. A sufficiently detailed description of the Training Plan to meet the requirements in the RFP and call scripts are required at the time of submission per Section L.3.2-I.i. A detailed training plan is required to be submitted for approval within 30 days of the Contract effective date by contractor per C.41.3.

Question 37. Regarding L.3.2 Technical Proposal on page 86 of the RFP: Can an Offeror include a Cover Letter to precede the Technical Approach and Methodology? If so, should this letter be addressed to the contact on the Solicitation, Offer, and

Award form (Carla Roane), OR, to the Contracting Officer named under G.1 on page 42 of the RFP?

Response 37. Yes. The cover letter can be addressed to the point of contact on the Solicitation, Offer, and Award form page.

Question 38. Regarding L.3.2 Technical Proposal on page 86 of the RFP: Can an Offeror include a Table of Contents to precede the Technical Approach and Methodology?

Response 38. Yes.

Question 39. How many Contractors do you plan on selecting for this contract?

Response 39. See Response 13.

Question 40. Regarding L.3.2 Technical Proposal on page 86 of the RFP: Can an Offeror include a tabbed Appendix at the end of their overall Technical Proposal, to include items referenced throughout its proposal, e.g., Sample Reports?

Response 40. Yes.

Question 41. Regarding L.3.3 Price Proposal, item 7 on pages 88-89 of the RFP: Is the District requiring only one of any of these items, or does the District want both a DUNS number and financial statements, as an example?

Response 41. Offerors must provide at least one of the three items – DUNS number, financial statement, or tax filing, but Offerors may provide multiple items.

Question 42. Regarding L.12 Gateway Upload of Proposals on page 91 of the RFP: Is there a file size limit for each of the zipped files to be uploaded?

Response 42. Per Section L.12.4.7, each file size should not be larger than 1GB.

Question 43. Regarding L.12.1 and L.12.3 on page 91 of the RFP: Both of these sections reference and provide direction for labeling a total of three separate files, including one for a redacted proposal.

- a. Is the “redacted proposal” a reference to just the Technical Proposal?
- b. Can an Offeror also redact information from its Price Proposal? If so, will the District authorize a fourth distinct file upload of a redacted Price Proposal,

such that four files comprise an Offeror's total proposal to the District, thus keeping redacted versions of Technical and Price separate?

Response 43. a) The redacted proposal is in reference to the Offeror's entire proposal, both technical and price parts. b) Yes, Offerors may redact information from its Price Proposal. Offeror may upload multiple Zip folders or files organized and conspicuously named in the respective parts.

Question 44. Regarding L.12.6 Redacted Proposal Copy, cross-referenced with L.15 Restriction on Disclosure and Use of Data: In that Offerors who are claiming confidentiality for portions of their proposals are already required to submit a redacted copy of their proposal, will the District clarify whether the covers of the original Technical Proposal and/or the original Price Proposal are exempt from the protocol described in L.15 (given that there is a redacted copy required), OR, whether the covers of both the redacted volumes and the original volumes are equally subject to L.15? Specifically, are the disclaimers provided in L.15 required on the covers (and on the numbered inside pages) of just the original volumes, or the redacted copies, or both?

Response 44. The disclaimers provided in L.15 are applicable to the original volumes and the redacted copies.

Question 45. C.9.1, P. 13 transactions in the Contractor's system are updated into the agency's system in real-time. Typically the contractor system and the client (DC) system have different technologies, databases, and data models. Updating information in real-time is difficult if not impossible in these cases. Would daily batch updates on agreed upon data be sufficient?

Response 45. No, the system updates must be done in real time as defined in Section C.5.10.

Question 46. Will a single contractor be awarded for Scope A to include both system and recovery components, or could contract be awarded separately for those components? (Wondering how to Subcontract 35% of the system requirement).

Response 46. See Response 13. Offeror may use the services of the Department of Small and Local Business Development and (202) 727-3900 and <http://dslbd.dc.gov> in recruiting qualified certified business enterprises.

Question 47. How much will a Bidder's pricing play in your selection for this contract?

Response 47. Per Section M.3.2, price will be worth 20 points maximum.

Solicitation CFOPD-23-R-036  
Delinquent Debt Collection Services  
Amendment No. 1

Question 48. Account Volume: B.4 Requirements Contract Pg. 2 Will account volume assigned to the District's incumbent collection vendor(s) be recalled and reassigned to the winning bidder(s)?

Response 48. See Response 24.

Question 49. Future Flow: B.4 Requirements Contract Pg.2. After the initial account placement, will collection Contractors be assigned "future flow" account placements (perhaps based on their competitive performance)?

Response 49. Yes.

Question 50. Payments: C.12 Contractor's System – Scope A, C.12.Pg. 15 Will CCU personnel be processing/posting payments into Contractors system (DM) and not Contractors payment processing staff.

Response 50. Per Section C.12.4, the Contractor shall provide CCU personnel access to the Contractor's system to allow CCU personnel to accurately process debtor accounts for posting payments, simultaneously with Contractor staff.

Question 51. Cashiering: C.12 Contractor's System – Scope A, C.12.13 Pg.17 Is the OFT Cashiering Unit separate from CCU personnel?

Response 51. Yes. OFT Cashiering Unit personnel, like the CCU personnel, are part of the Banking and Operations Division within the OFT, and work in tandem with the CCU personnel for taking in person or kiosk payments.

Question 52. Payments: C.12 Contractor's System – Scope A, C.12.5 Pg.16 Is this an ACH transaction? Not following what is being done by CCU?

Response 52. If the debtor contacts the CCU directly to discuss resolution of their debt, the CCU will withdraw the debt from the contractor and provide collection services to the debtor in accordance with C.14.7.

Question 53. Installment Plans: C.12 Contractor's System – Scope A, C.14.8 Pg 18 Will Contractor be responsible for the origination of the NACHA file or will the District?

Response 53. It will be the responsibility of the contractor.

Solicitation CFOPD-23-R-036  
Delinquent Debt Collection Services  
Amendment No. 1

Question 54. Recall Parameters: C.17 REQUIREMENTS – SCOPE B, Pg. 19 What are the District organization’s recall parameters (e.g., accounts recalled 180 days post-account assignment with no payment received in the last 90 days)?

Response 54. The Contractor must automatically return files after 180 days of collection activity per Sections C.3.4 and C.3.5. CCU may recall files for debt with no activity after 90 days per Section C.25.

Question 55. Anticipated Fees: C.2 Background, Pg. 7 What are the District’s target or anticipated fee rates for this contract?

Response 55. The District’s independent government estimate remains confidential at this time. Offeror must determine its rates based on Offeror’s best standpoint on price.

Question 56. Contract Award Date: C.2 Background, Pg.7 What is the anticipated contract award date?

Response 56. April 2024

Question 57. Enhancements: C.2 Background, Pg.7 What metrics, results, and/or processes are the District seeking to improve or enhance under this contract?

Response 57. Overall collection, accounting, reporting, and auditing.

Question 58. Go Live Date C.2 Background, Pg 7 What is the expected go live date for this project?

Response 58. Per Section C.48.2, the Contractor’s system and the Contractor’s staff and facility shall be operational and fully prepared 60 days after Contract award.

Question 59. Historical Recovery Rate: C.2 Background, Pg.7 What are the current Contractor’s historical recovery rate (liquidity rates) on accounts over the last three years?

Response 59. 13% is the average for the last three fiscal years.

Question 60. Incumbent: C.2 Background, Pg. 7 Who is the incumbent vendor(s) and how long have they provided services on behalf of the District?

Response 60. See Response 9.

Question 61. Incumbent: C.2 Background, Pg.7 What are the fee rates of your incumbent collection Contractor(s)? How are the fees calculated?

Response 61. See Response 9.

Question 62. Incumbent Fees: C.2 Background, Pg. 7 What are the dollar amounts and contingency fees paid to your incumbent vendor(s) over the last three years (please include by account type if applicable)?

Response 62. See Response 9 and Response 12.

Question 63. Testing Plan: C.2 Background, Pg.7 Is there a testing plan in place for the collection process?

Response 63. There will be a testing plan in place at the time of the award.

Question 64. Reconciliation: C.3 CCU Conversion Approach, Pg. 8 What is the reconciliation process for this project?

Response 64. CCU is currently building it a mirrored database of the incumbent contractor's database system. CCU will use the mirrored system functionality for reconciliation and audit purposes with its collections contractor.

Question 65. Account Transmission: C.9 File Transmission – Scope A, Pg. 13 Is there a testing plan in place for account transmission?

Response 65. There will be a testing plan in place at the time of the award.

Question 66. Data Processing: C.9 File Transmission – Scope A, Pg.13 Do you have a data processing file schedule?

Response 66. Per C.19.1, the data processing must be in real time as define in Section C.5.10.

Question 67. Will you require credit reporting on behalf of any of the agencies' delinquent debt?

Response 67. See Response 76.

Question 68. Account Assignment: I. Scope A Requirements, Pg. 11 What is the total number of delinquent accounts (expressed as number and dollar amount) that will be assigned for collections?

Response 68. . See Response 16.

Question 69. Account Assignment: I. Scope A Requirements, Pg. 11 How often will accounts be assigned with the vendor(s) (e.g., daily, weekly, monthly, quarterly)?

Solicitation CFOPD-23-R-036  
Delinquent Debt Collection Services  
Amendment No. 1

Response 69. Per C.8.1, the frequency will depend on each agency's schedule, which may be daily, weekly, monthly, or quarterly.

Question 70 Account Placement: I. Scope A Requirements, Pg.11 Will the winning bidder(s) receive account placements that were previously assigned with the District incumbent collection agencies?

Response 70. See Response 24.

Question 71. Age of Accounts: I. Scope A Requirements, Pg. 11 What is the average age of accounts that will be assigned for collection (by account type)?

Response 71. Over 90 days when CCU receives them from the agency and are placed with the vendor.

Question 72. Debtor information: I. Scope A Requirement, Pg. 11 What debtor information will be provided (e.g., SSN, telephone, address, amount owed)?

Response 72. Per C.8.2, all identifying information along with agency, debt amount and date debt incurred.

Question 73. Liquidation Rate: I. Scope A Requirements, Pg. 11 On average, how much does your current Contractor collect monthly (expressed as dollars recovered and liquidation rate)?

Response 73. The following data represents dollar value collected quarterly and the liquidation rate:

Fiscal Year/Quarter	Dollar Value Collected
Fiscal Year 21, Quarter 1	\$4,668,962
Fiscal Year 21, Quarter 2	\$5,269,181
Fiscal Year 21, Quarter 3	\$18,542,631
Fiscal Year 21, Quarter 4	\$55,733,440

Solicitation CFOPD-23-R-036  
 Delinquent Debt Collection Services  
 Amendment No. 1

Fiscal Year 22, Quarter 1	\$37,925,251
Fiscal Year 22, Quarter 2	\$6,278,673
Fiscal Year 22, Quarter 3	\$8,018,924
Fiscal Year 22, Quarter 4	\$8,465,831
Fiscal Year 23, Quarter 1	\$8,561,523
Fiscal Year 23, Quarter 2	\$13,376,108
Fiscal Year 23, Quarter 3	\$12,636,017
Fiscal Year 23, Quarter 4	\$8,665,555

Liquidation Rate for the last 3 years is as follows:

Fiscal Year	Liquidation Rate
2021	18.9%
2022	23.1%
2023	8.9%

Question 74. Monthly Placements: I. Scope A Requirements, Pg. 11 On average, how many accounts (expressed as number and dollar amount) does the District anticipate placing with the successful Contractor monthly?

Response 74. See Responses 19 and 73.

Question 75. Updates: I. Scope A Requirements, Pg. 11 How are balances updated on the Contractor's system? Does the District provide a daily update of the entire inventory?

Response 75. Per Section C.9.3, update files will be sent by each agency to the vendor at the agency's frequency. The format from the agency shall be acceptable by the contractor.

Question 76. Credit Bureau Reporting: I. Technical Approach, Pg. 87 The RFP states credit bureau reporting is a scope requirement; however, in 2015, three of the largest Credit Reporting Agencies (Equifax, Transunion, and Experian) determined they would no longer accept trade lines from collection agencies that do not arise from a consumer agreement, including government fines and fees and medical-related debts such as EMS ambulance debts. Please confirm, if the debt type is not accepted by the credit bureaus, that credit bureau reporting will not be required to be performed by Contractors.

Response 76. Confirmed; however, if credit reporting is accepted by the credit bureaus, reporting will be expected.

Question 77. Video: II. System Usability, Pg. 87 Will the District allow for screenshots in lieu of a video for the system usability?

Response 77. No, a video is required.

Question 78. Video: II. System Usability, Pg.87 Can the District provide additional information on what portions of Section C they want to be included in the video?

Response 78. The vendor is expected to provide as much information in Section C as possible about the system functionalities to process debt recovery i.e. searching the account, data entry, system short cuts, other specific functionalities for setting up payment plans, accepting down payments, promise to pay, entering comments etc.

Question 79. Evaluation Committee: M.1 Evaluation For Award, Pg.95 What are the roles of the individuals who comprise the evaluation committee?

Response 79. The Evaluation Committee will comprise of individuals with responsibilities within the Central Collection Unit (CCU).

Question 80. Has the district outsourced previously? If so who were the incumbents?

Response 80. See Response 9.

Solicitation CFOPD-23-R-036  
Delinquent Debt Collection Services  
Amendment No. 1

Question 81. How many staff currently provide collection services in-house? Can the CCU provide current job descriptions and an org chart for the personnel listed Table C.12.9.?

Response 81. There are up to 30 employees in various positions supporting the CCU. The positions in Section C.12.9 are custom roles; no job description or org chart exist.

Question 82. What debt collection system(s) is the District currently using? Is this system used across all agencies?

Response 82. CUBS is currently used as the system of record by CCU. Other District agencies utilize their own different systems and programs.

Question 83. What telephony system is the District currently using?

Response 83. The CCU is utilizing the telephony system by Alvaria, Inc. (f/k/a Aspect Software, Inc.).

Question 84. Since the District mentioned additional agencies being added to the scope what is the anticipated forward flow for volume of accounts and dollar volumes for additional agencies? Which agencies will be added and at what point into Scope A or B? (13 Agencies listed in the RFP only represent 25% of the Districts total Agencies, with a goal that all agencies be participating).

Response 84. The goal is to collect for all District agencies; however, there is no current phase-in plan. See Response 20 for historical data. The pricing structure will remain the same providing additional opportunities for the contractor.

Question 85. Since it is a requirement that 51% of new employees be District residents, can agents work remotely within the District? Are primary contractors required to have a physical location in the District?

Response 85. Agents can work remotely within the District. The prime contractor is not required to have a physical location in the District.

Question 86. Since the District requests all work be performed onsite at the vendor's location, would the District reconsider the 51% requirement for new employees being District residents since our office is not located in Washington, DC?

Response 86. No, the provision shall apply for new hires and jobs in the Washington Metropolitan Statistical Area (as defined in Attachment J.7) created for the

Solicitation CFOPD-23-R-036  
Delinquent Debt Collection Services  
Amendment No. 1

Contract as a result of internal promotions, terminations, and expansions of the contractor's workforce.

Question 87. Can the District provide the number and dollar value of accounts for the FY 2020, 2021, and 2022 broken out by debt type and age of debt?

- a. And provide the number of accounts per agency?
- b. Dollars collected for each year?

Response 87. Refer to C.2.3 and C.2.4. the number of accounts and frequency varies per agency. See Response 20 for historical data. The District does not categorize debt by type.

Question 88. What is the average age of the accounts by agency?

Response 88. See Response 71

Question 89. What is the average account balance?

Response 89. See Response 142.

Question 90. If a prime is a registered Women-Owned business in Sam.gov would that meet the Districts 35% dollar volume to small business requirements?

Response 90. To meet the requirement of Section H.3 regarding 35% certified business enterprise subcontracting, the subcontractor or the prime contractor must be certified by the Department of Small and Local Business Development at the time of proposal submittal.

Question 91. "a. The Offeror should provide a video demonstration of the Offeror's proposed system that presents the extent to which the system will be used by District personnel to perform the tasks in Section C with effectiveness, efficiency, and ease."

- a. Can the District clarify what functions or specific processes they would like to see in the video, as our CRM has hundreds of functions? How should the video be provided as it may be over 1GB? Can we provide a link?

Response 91. See Response 78. Yes, a link to a video(s) can be provided.

Question 92. Should we provide evidence we meet the requirements in L.14 Standards of Responsibility with our proposal? For example “(c) A satisfactory performance record” Would the District like us to provide client scorecards/evaluations?

Response 92. Evidence of meeting the requirements in L.14 is required upon request by the District. Section L.3.2-IV(c) required Offerors to provide at least three (3) client completed Attachment J.4, Past Performance Evaluation Forms from the list of references identified in their response as part of the Technical Proposal.

Question 93. Attachment J.3 seems to have a Yes, No, or Other question on sheet 2 but the question is not visible, can the District provide the question?

Response 93. Sheet 2 of Attachment J.3 does not contain a question. Sheet 2 should be disregarded.

Question 94. Should the First Source Forms Checklists be completed for Attachment J.6 and J.7 and returned with our price proposal?

Response 94. Attachment J.6 Office of Local Business Development Equal Employment Opportunity Information Report and Mayor’s Order 85-85 and Attachment J.7 Department of Employment Services First Source Employment Agreement and Plan are to be completed and submitted with the Offerors Price Proposal. Offerors are to use the included checklists for accuracy in completing the forms. The checklists themselves contain instructions, but there are no fields to complete on the checklist, and the checklist documents are not required to be submitted with the price proposal.

Question 95. Item L.3.3 Price Proposal, Item 6) Attachment J.4 Subcontracting Plan Form is listed to be included but Attachment J.4 is the Past Performance Evaluation Form? Are both forms to be included in the Price Proposal?

Response 95. Attachment J.5 Subcontracting Plan Form (See the correction in Attachment A, Item 6) is to be completed and submitted in the Offeror’s Price Proposal. Attachment J.4 Past Performance Evaluation Form is to be completed and submitted in the Offeror’s Technical Proposal.

Question 96. Can the District provide clarification on the functions of the Kiosk mentioned under Optional Interfaces? Is this a reference to remote worker equipment/functions?

Response 96. The function of the Kiosk is to collect the debtor Payments.

Question 97. Section H. Certificates of Insurance – “The Contractor shall submit certificates of insurance giving evidence of the required coverage as specified in this section prior to commencing work.” Should we submit insurance certificates with our proposal or only upon award?

Response 97. The Certificate of Insurance will be requested from the contractor in the Notice of Contract Award, and is typically due within ten (10) calendar days of the notice.

Question 98. Please confirm that this is only a portal submission and that no hard copy is required by mail? (L.8.1)

Response 98. Confirmed, all responses are to be submitted in accordance with Section L.12 Gateway Upload of Proposals of the solicitation.

Question 99. When will we receive responses to all questions?

Response 99. 11/8/23

Question 100. How many District employees will need to have access to the CRM?

Response 100. Refer to the RFP C.12.9. Between 30 to 35 District resources may need access with potential to add more resources to the list.

Question 101. Per Section C.8.6, can the District confirm that accounts will be placed with no SSNs or EINs? If so, what account identifying information will be provided at placement?

Response 101. SSN and EIN will be provided when available. Refer to C.8.2 for the various fields of account information that may be included in the files.

Question 102. C.50 Option Interfaces explains options that may be exercised at the discretion of the District. Should vendors assume all options will be exercised and price our contingency fee accordingly? Or would the District prefer line item costs for each option? Would the District prefer line item pricing for work such as conversion from Phase A to Phase B?

Response 102. Offerors should not assume all options for optional interfaces will be exercised and the pricing for the optional interfaces should be provided in response to Section B.7 of the Price Schedule. There will be no additional payments to transition from Scope A to Scope B. The existing files will be returned to the District and payment for any funds collected prior to the transition will be made to the contractor.

Question 103. L.14 Standards of Responsibility – are these standards satisfied with the return of completed attachment J.3 Offer Certification Form, or does the District want vendors to supply additional proof that speaks to the standards outlined in L.14?

Response 103. See Response 92.

Question 104. Would the District reconsider subcontracting requirements regarding providing the CRM and its maintenance as part of scope A? We would prefer to maintain our own CRM as it will be more efficient. As such, would the District reconsider the subcontracting requirement for this portion of work and only have the subcontracting requirement pertain to collections work?

Response 104. The Offeror should use its discretion with regards to the subcontracted work to meet the requirements of Section H.3. Section H.3 remains unchanged.

Question 105. How do subcontracting plans affect evaluation of awards?

Response 105. The District will reject any proposal that fails to include a subcontracting plan that is required by law, pursuant to Section H.3. In response to Section L.3.2-III.b, Technical Expertise, Offerors should describe or provide resumes that demonstrate the qualifications of key subcontractors.

Question 106. Can the District provide liquidation rates at day 180 for accounts broken down by age of debt and debt type?

Response 106. CCU may not always receive the debt at 180 days, therefore, the information on the liquidation rates at day 180 is not available.

Question 107. Can the District provide the same information for payment rates/number of debtors who enter into repayment for FY 20, 21, and 22?

Response 107. The number of Payment Plans created are as follows:

FY 20 – 2,024

FY 21 – 1,814

FY 22 – 1,357

Question 108. What is the expected monthly placement volume in by number of and dollar amount of accounts?

Response 108. See Response 20 for historical data.

Solicitation CFOPD-23-R-036  
Delinquent Debt Collection Services  
Amendment No. 1

Question 109. Is the District looking for vendors to credit report on all delinquent type debts, including medical and fines? If not, what debt types is the District looking for vendors to report?

Response 109. Currently not reporting to Credit Bureaus but subject to change.

Question 110. Would the District allow us to use our own payment vendor for a short period of time during our transition to the Chase payment vendor?

Response 110 No, due to contractual obligations.

Question 111. Does the cap on contingency fees only apply to healthcare debt?

Response 111. Yes.

Question 112. What was the total amount of debt owed by agency for FY 2022?

Response 112. See Response 20 for historical data.

Question 113. In C.9.1 it says real-time updates to CCU's system. C.9.3 says the CCU will update vendor daily. However in C.35.4 it refers to the vendor sending a daily payment file (R9). For what system does the "real time statement" apply? Is it the CRM?

Response 113. All three are different. C.9.1 is regarding processing the debt payments in the System of Record (Vendor System). C.9.3 is regarding the Update File coming from the agencies. C.35.4 (R9) is a daily report from the vendor system about all transactions.

Question 114. Would the District consider removing the deposit requirements for payment arrangements? For larger balances, we anticipate many debtors will not be able to meet the deposit requirements.

Response 114. No, C.14.1 remains unchanged. Per C.14.2, if the arrangement is not acceptable, the contractor shall refer the customer to CCU staff.

Question 115. Would the District define the timeframe from account placement when a debtor payment is considered a direct payment?

Response 115. Per C.12.6, a debtor payment is considered a direct payment to CCU at any time if CCU personnel collects the payment from the debtor.

Question 116. Is the District looking for the vendor to provide the telephony platform along with the CRM? If yes, how should that be priced?

Response 116. No, the District is not looking for the contractor to provide the District a telephony system. The District has a telephony system. The contractor is required to have its own telephony system.

Question 117. The District is asking for the Source Code in Escrow. We don't have the core application source code, but we can provide any customizations with the software itself. Would that be sufficient?

Response 117. Per Section I.18, the contractor is required to furnish to the District a copy of the source code for Custom Products created or developed by the Contractor for the District under the contract; not for Existing Products.

Question 118. Can we get more detail on the "Kiosks"? How to integrate?

Response 118. Connectivity with the software for the Kiosks will be to provide account balances. The details for interfacing with the District's kiosk contractor will be provided in collaboration with the contractor during the development of any scope for the optional interface work.

Question 119. Can we net any NSF payments from the Gross daily remit? If not are we to bill at the end of the month?

Response 119. No, per C.33.1, the Contractor shall deposit all gross remittances daily. Per G.3, the contractor will be able to invoice the District monthly for payment of its fees due.

Question 120. C.44.3 Chase Paymentech is not currently a Link vendor. Will the District reimburse for costs to get integrated with that processor?

Response 120. No.

Question 121. Is the District looking to have access to our system to work off of at the same time, or a separate unique system for your own use?

Response 121. Per C.12.4, the Contractor shall provide CCU personnel access to the Contractor's system.

Question 122. If offeror qualifies to self-assess under PCI-DSS guidelines, would the Treasury accept a self-certification in lieu of a signed letter from a PCI SSC certified Quality Security Assessor?

Response 122. Yes, will accept. See Attachment A, Item 6.

Question 123. What are the Treasury's recovery point and recovery time Business Continuity objectives the offeror would be expected to maintain?

Response 123. Monday to Saturday 8:00AM to 6:00PM EST. See Attachment A, Item 7.

Question 124. Please explain what you will be looking for during the conversion period from the system transition?

Response 124. The data that is current with the contractor under Scope A will be returned to the District and payment for any funds collected prior to the transition will be made to the District. The District will evaluate all debt over 180 days prior to transmission of that debt to the Contractor under Scope B. The CCU will utilize its system in Scope B.

Question 125. How should we include our fees for the conversion of the system into the Scope B transition?

Response 125. The cost for conversion is to be included in the contingency fee.

Question 126. Will the district payment portal be completed during Scope A and if so, will that need to be integrated into the Accounts Recoveries System?

Response 126. No, if the District's Payment Portal is completed during Scope A, the contractor will be allowed to continue to use their own payment portal.

Question 127. May we have a list of local Washington D.C. businesses to which we can subcontract collection services in order to meet your requirements listed under H.3? Or, do you have a website where we can identify potential businesses? The link here does not work, unfortunately: [Subcontracting Assistance | dslbd \(dc.gov\)](#). If you do have a website to identify subcontractors, we would appreciate receiving any codes that we may need to identify those focused on collections.

Response 127. See Response 46.

Question 128. Pages 78 and 79, limits of insurance for Cyber and Professional Liability are stated at \$5M; in section 9, \$5M of excess coverage is requested; is the District

Solicitation CFOPD-23-R-036  
Delinquent Debt Collection Services  
Amendment No. 1

requiring \$5M limit total through a combination of an underlying policy and an excess policy or does the District require coverage of \$10M total? If the latter, can the limits be reduced to \$5M total? Similarly, is the District looking for total annual aggregate coverage for Employment Practices Liability of \$7M (\$2M plus \$5M)?

Response 128. In Section I.30, each coverage is prescribed independently with the excess coverage to offer financial protection and higher policy limits if a claim is made that exceeds the limit of an underlying liability policy. Section I.30 remains unchanged. The Employment Practices Liability coverage is \$2M annual aggregate as prescribed.

Question 129. Is Employment Practices Liability coverage required for the contract or optional?

Response 129. Employment Practices Liability coverage is required per Section I.30.

Question 130. For the last 3 years, could the District provide the gross amount collected by the incumbent vendor for each year?

Response 130. Sections C.2.3 and C.2.4 provides the gross amount collected from Fiscal Year 2020 through 2022.

Question 131 For the last 3 years, could the District provide the number and dollar value of debt referred to the incumbent vendor? For the DMV accounts, how many unique plates/customers made up that population?

Response 131.

Fiscal Year	Number of Accounts Referred	\$\$ Value Referred
Fiscal Year 2021	3.06M	\$516M
Fiscal Year 2022	792.79k	\$156.8M
Fiscal Year 2023	945,326k	\$64M

As of now, there are total of 5.27M DMV active accounts.

Question 132. Is the District planning to hire a single vendor to perform both Scope A and Scope B and a separate vendor which will only perform Scope B (2-3 years from now) or will the second vendor to perform Scope B only be hired at a later date through another procurement?

Response 132. See Response 34.

Question 133. If a vendor is only looking to submit a proposal for Scope B services (and is allowed to by the District), for the video demonstration requested on page 87, section II, could the District confirm whether this would be applicable for prospective vendor of Scope B services only?

Response 133. A proposal for Scope B services only would not be eligible for award. See Response 34. The contractor shall pay its staff the DC Living Wage rate (per Section I.1.K) or the US wage rate (per Attachment J.1), whichever is higher. For additional information, contact the DC Department of Employment Services at (202) 724-7000.

Question 135. For the Scope B, Estimated Revenue Collected on pages 4 and 5, why do the figures decline from \$15.2M in Option Year 3 to \$7.6M in Option Year 6? Are these figures total collections and then prospective vendors should assume that actual collections will be half since there will be two vendors?

Response 135. As CCU implements the system in-house, it is anticipated that the CCU's internal team will become more efficient. The assigned debt to the contractor will be only what's not collected by the internal team after 180 days.

Question 136. Page 6, does the District have an anticipated number of hours to be utilized each year?

Response 136. Interface will have to be with the initial system. It is difficult to predict the hours as the technologies may evolve. The interface for Scope B will be minimal as the District will send files as oppose to interfacing with the contractor system.

Question 137. Section C.21.5 on page 21, is it common for customers to pay the CCU directly? Where could a customer who is referred to collections make a payment besides to the collection vendor? Does the DMV accept payment directly at their offices and those would be non-commissionable?

Response 137. Yes, customers can pay the CCU directly and the agency directly. If the payment is as a result of the agreement between the customer and the Contractor, the payment will be commissionable. If any agreement is made between the District and the customer, the payment will be non-commissionable.

Question 138. Section C.19.1, would the District accept a daily batch file exchange?

Response 138. No, the system updates must be done in real time as defined in Section C.5.10.

Question 139. Section C.24.5, will accounts on a payment plan where the customer is current be recalled after 6 months?.

Response 139. No, the account will not be re-called and will stay with the Contractor until the payment plan is paid off as long as it remains current.

Question 140. Section C.37.1, would the District consider reducing the Saturday hour requirements to the morning or 2 PM EST if the vendor offers a 24/7 payment website for customers?

Response 140. Monday thru Saturday 8AM – 6PM

Question 141. Section C.47, if our firm currently performs an annual SSAE16 audit on our entire operation, will that be acceptable or is the District looking for its own custom audit that is specific to this contract only? Would the District accept an audit covering a calendar year (in lieu of the District's fiscal year)?

Response 141. An annual SSAE16 audit on the contractor's entire operation is acceptable.. The annual reporting cycle should be consistent with the District's Fiscal Year i.e. October 1<sup>st</sup> to September 30<sup>th</sup>.

Question 142. What is the estimated size of the existing portfolio (the backlog) in terms of both the number of accounts and the dollar amount outstanding? The average balance owed per account? Per debt type? Per debtor?

Response 142. Number of accounts – 9.1M, and outstanding balance is \$1.3B. The average balance owed per debtor is \$188.00. The District does not categorize the debt by debt type.

Question 143. What is the age of the oldest accounts in each portfolio debt type?

Response 143. By the time the debt is received, it's already 90 days or older.

Solicitation CFOPD-23-R-036  
Delinquent Debt Collection Services  
Amendment No. 1

Question 144. What is the estimated size, in terms of both the number of accounts and dollars outstanding, of annual referrals going forward (i.e. new/future placements) in each portfolio debt type to be referred?

Response 144. See Response 142.

Question 146. If applicable, what is your current collection provider's annual recovery rate (i.e. on accounts placed for one year)?

Response 146. 13%

Question 147. If applicable, what is the contingent fee percentage (e.g. 33% of all monies collected on all referred accounts) charged by your current collection provider?

Response 147. See Response 9.

Question 148. If applicable, how much collection fees were paid to/earned by your current collection provider this past calendar year? The year prior to that?

Response 148. See Response 12.

Question 149. If applicable, how many dollars and what number of accounts were collected by your current collection provider this past calendar year? The year prior to that?

Response 149. \$68.51M for calendar year 2021 and \$63.91M was collected for 2022 calendar year.

Question 150. Will accounts referred to your current collection provider be recalled and re-referred to the collection provider chosen pursuant to this procurement process? And if so, can bidders propose a higher fee percentage for these previously worked accounts (i.e. second placements)?

Response 150. See Response 24. See Response 3; there is no allowance for varied contingency fees.

Question 151. We assume that you do not/will not allow your collection providers to add convenience and/or payment processing fees in addition to their contingency fees? If such fees are allowed, can you clarify that you will require bidders to fully disclose the amounts to be charged so the same can take the same into consideration when evaluating pricing?

Response 151. See Response 3; there is no allowance for additional contractor fees beyond the contingency fee.

Solicitation CFOPD-23-R-036  
Delinquent Debt Collection Services  
Amendment No. 1

Question 152. What is the anticipated award date for this contract?

Response 152. See Response 4.

Question 153. What are your in-house collection methods (e.g. number of mailings, calls, etc.) used on the referred accounts prior to referral to your collection provider?

Response 153. The agencies defer on what collection methods they use prior to sending the debt over to the CCU. The CCU (Scope A) does not have in-house collection activities on debt referred to our collection provider, only debt that is referred from the collection provider back to CCU.

Question 154. How will account/collection information or data be communicated to the successful bidder (i.e. electronic via an FTP site)?

Response 154. Yes, SFTP has been set up for this purpose.

Question 155. Will all account information be transmitted from a single platform or will multiple agencies be sending their accounts for collection to our system?

Response 155. One SFTP site will be utilized for all agencies to transmit files.

Question 156. Will the selected Contractor be required to maintain a facility in the District?

Response 156. No.

Question 157. Is the Bidder/Contractor required to submit a proposal on all agency accounts, or can the Bidder/Contractor bid on specific Agencies' delinquent accounts?

Response 157. Offerors must propose on all agency accounts. Proposals for only specific agency accounts delinquent accounts will be ineligible for award.