

**The Philadelphia Parking Authority
Mellon Independence Center
701 Market Street, Suite 5400
Philadelphia, PA 19106**

**RFP No. 17-01
Debt Collection Law Firm Services
Addendum One**

To: See Email Distribution List

From: Mary Wheeler
Manager of Contract Administration

Date: March 15, 2017

No Pages: 4

This addendum is issued on March 15, 2017 prior to the due date to add, delete, modify, clarify and/or to respond to questions submitted by prospective bidders regarding the work included in the above referenced solicitation.

QUESTIONS

1. **Question:** Who is/are your current vendor (vendors)? Has the current contact gone full term and have all the extensions been exercised?

Response: Linebarger for parking and Taxicab and Limousine Division tickets, Debt Litigation for Red Light Camera violations. Both contracts are on a month to month basis.

2. **Question:** What are the current vendor's liquidation rates, by debt type?

Response: That information is not available.

3. **Question:** 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? If so, what is the total number and dollar value of accounts to be transferred to the new contractor?

Response: Yes, refer to the debt volume information in the RFP document.

4. **Question:** How much has the Authority paid to the incumbent(s) for services?

Response: Easier to say by month, they have both been our collection service for approximately ten years. Linebarger receives an average of \$100,000 per month, Debt Litigation \$30,000 per month.

5. **Question:** What is/are the commission rate(s) charged by the current contractor(s)?

Response: Linebarger 34%, Debt Litigation 40%

6. **Question:** What is the average balance of accounts to be placed, by debt category?

- Response:** Average balance for parking tickets is \$148.00. No information is available for RLC tickets at this time.
7. **Question:** What is the monthly number and dollar value of accounts expected to be placed with the vendor(s), by debt category?
- Response:** Parking tickets: \$930,000
8. **Question:** Regarding RFP Instructions, page 4 Item 15, MBE/WBE/DBE/SDE participation, is the current vendor utilizing MBE/WBE/DBE/DSE subcontractors? If so, can you provide names of the current subcontractors utilized for this project and the services they provide?
- Response:** Debt Litigation is in itself Disabled/Disadvantaged. Information is not available for Linebarger.
9. **Question:** RFP Instructions, page 4 item 16 requires vendor to include a description of warranty provisions and preventive maintenance operations, if applicable. Can the Authority please clarify if these are required as part of this procurement? If so, what form of warranty and/or maintenance program are expected by the Authority?
- Response:** This provision is not applicable to this solicitation.
10. **Question:** RFP Requirements, page 1 A) Background and Scope Item 2, states "Offerors to the RFP are all law firms comprised of attorneys licensed to practice law in the Commonwealth of Pennsylvania ..." Is the Authority only accepting proposals from attorney (law) firms, or is this procurement open to collection agencies that can also provide qualified attorney representation through partnership agreements?
- Response:** Law firms only.
11. **Question:** RFP Requirements, page 1A) Background and Scope Item 3, states that offerors must provide debt collection services for both on-street parking and the RLC violations. Will the Authority be choosing only one Contractor?
- Response:** The Authority reserves the right to choose multiple contractors.
12. **Question:** RFP Requirements, page 5 Cost Item 4, states that parking and RLC tickets forwarded to the contractor, but actually collected by the Authority, shall not be subject to the collection fee. Based on annual historic debt volume, what percentage of accounts, by number/dollars, are collected by the Authority after placement per year and thus not subject to the Contractor collection fee?
- Response:** The Authority seizes approximately 20 vehicles which are attached to assigned accounts per month that would not be subject to the collection fee.
13. **Question:** What percentage of accounts is historically litigated, by debt category?
- Response:** The Authority does not have the actual percentage, but it is very low.
14. **Question:** Will Contractors be reimbursed for filing/court fees associated with legal action?
- Response:** No.
15. **Question:** Reviewing the Request for Proposal No. 17-01, the PPA is requiring financial statements for the past (3) years (2014-2016) which have been audited or reviewed by an Independent Certified Public Accountant who is not an employee of our firm. Because it is tax season and the approaching corporate deadline, completing the review process by March 20, 2017 appears to be highly difficult. Accordingly, I am formally inquiring whether the PPA would allow an extension to submit financial statements after March 20, 2017?
- Response:** In the event that 2016 financial statements have not been completed, please submit financial statements for the three previous years (2013-2015).

16. **Question:** I am recognized by the federal government as a disabled veteran. In speaking with the Office of Economic Opportunity of the City of Philadelphia, I was advised that they no longer do certifications in regards to the MBE / WBE / DBE / DSE program themselves; however, I was referred to a number of external Pennsylvania agencies that do certifications that are accepted by the City. These include SEPTA, Penndot, etc. After contacting these organizations, they advised they only certify disadvantaged business and not disabled business enterprises (DBEs). The Office of Economic Opportunity that has advised me since they have stopped doing the certifications in-house, they have not registered a disabled business enterprise. Will the PPA accept supporting documentation from the federal government in lieu of the above certification? Just in case, please forward a Request for Waiver/Reduction of Participation form in regards to the MBE / WBE / DBE/ DSE Program to my attention?

Response: A request for waiver form is attached to this addendum.

17. **Question:** Based upon the RFP and the meeting today, can you confirm that only law firms which were represented at today's Mandatory Meeting are eligible to be the primary entity bidding, and collection agencies that are not law firms are excluded from bidding, even if they were present?

Response: Confirmed.

18. **Question:** Are all fees and costs for administrating this proposal beyond commission fees on collected revenue excluded from this proposal?

Response: Commission fees on collected revenue is the only consideration (or reimbursement) that the Authority will provide for collection services.

19. **Question:** How old are the citations that are being referred as part of the proposal?

Response: Please refer to the RFP document.

20. **Question:** Regarding this instruction: "Proposals must be sealed and delivered via certified mail, return receipt requested (to include commercial delivery services)," does this mean Fed Ex delivery is acceptable, with their proof of delivery serving as our return receipt?

Response: Yes.

21. **Question:** Regarding this instruction: "Whether mailed or hand delivered, all envelopes must display the vendor name and must be boldly and clearly marked (*not* typewritten) "Debt Collection Law Firm Services - RFP No. 17-01". We typically use the label below for our sealed submissions. Would you prefer that information be handwritten?

Response: Yes, handwritten as identified in the Instructions.

22. **Question:** The other question is I would assume that means I, myself, disabled veteran, that I wouldn't have to submit a paper saying I'm employing somebody else that is disabled or a minority?

Response: We are seeking to apply the same standards that would be considered in any other MBE/WBE/DBE/DSE program scenario.

23. **Question:** Is the contract open to collection agencies with in-house attorneys, or only attorney's offices that function as a collection agency, as well

Response: Only law firms.

24. **Question:** I believe I heard you state that any monies brought in from red light camera tickets, parking tickets through the Parking Authority efforts including towing, those will be excluded from the commission fees, even if there were tickets assigned to the law firm at the time?

Response: Correct. The Authority seeks supplementary collection services. The Authority is continually involved in its own collection efforts.

25. **Question:** Would the Authority allow a law firm to partner with a third-party debt collection agency as a subcontractor, in which the agency would perform some automated collection functions such as high volume notices and phone calls?

Response: Yes. The subcontractor will must adhere to all of the same requirements as the contracted law firm as outlined in this RFP.

26. **Question:** Would the Authority accept bids from an experienced, licensed third-party debt collection agency that is not a law firm?

Response: Law firms only.

END OF ADDENDUM ONE