

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

**RFP No. 17-09
Supplemental Debt Collection Services
Addendum One**

To: See Email Distribution List

From: Mary Wheeler
Manager of Contract Administration

Date: April 14, 2017

No Pages: 5

This addendum is issued on April 14, 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

- Question:** Please clarify whether litigation services is a requirement of contract award?

Response: Yes, either directly or through counsel retained by the collection firm and approved by the Authority.
- Question:** What parking company and what red light camera provider are being used?

Response: The parking tickets are issued by Parking Enforcement Officers employed by the Philadelphia Parking Authority. Conduent (formerly Xerox) is currently contracted for the back-end parking management and the red light camera program.
- Question:** Under the requirements section, Item B, existing agreements, the fourth item, that part reads, each offeror to this RFP should anticipate a change of this nature and must be prepared to adjust collection services, that's in reference to your existing agreements with the subcontractor? Is there an intention to renegotiate those time periods with this RFP release?

Response: There is a possibility that the support contractor and contract terms will change for both parking management and the red light camera program during the contract period resulting from this RFP.
- Question:** Has the contract with Conduent gone full term, or is there another reason for the cancellation of that contract?

Response: The Conduent (Red Light) contract will expire in September of 2017.

5. **Question:** The proposal makes reference, which was reinforced during the meeting, that the current contract with the service contractor will be going to RFP in roughly 6-8 months and that the contractor should expect that change during the duration of this contract. Will the successful bidder of this contract be precluded from bidding on that RFP to be the service contractor, assuming that does happen?

Response: The award of a contract pursuant to this RFP alone will not preclude a vendor from participation in the RFP process for a red light camera vendor.

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

Response: Debt Litigation for Red Light Violations, Linebarger for Parking Violations they are both currently under contract.

7. **Question:** What are the current vendor's liquidation rates, by parking and red light camera debt type?

Response: 88% - Parking

58% - Red light

8. **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, backlog will be moved to new vendor(s) at the start of a contract. The Authority cannot estimate the total dollar value of the accounts to be transferred to each vendor at this time.

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

Response: Average of \$100,000 a month to Linebarger, Average \$30,000 a month to Debt Litigation.

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

Response: Debt Litigation 40%, Linebarger 34%

11. **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.

12. **Question:** What is the monthly number and dollar value of accounts expected to be placed with the vendor(s), by debt category?

Response: It varies – but on average we assign 7,800 tickets/\$781,000 value per month.

13. **Question:** What is the number of accounts in backlog and value of accounts?

Response: Supplied in RFP.

14. **Question:** Will the Authority be choosing only one Contractor for both red light camera and parking debts?

Response: No.

15. **Question:** 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 collection fee?
Response: Less than 1% of are as a result of seizures and therefore not eligible for collection fee.
16. **Question:** What percentage of accounts is historically litigated, by debt category?
Response: In the past 2 years 0%.
17. **Question:** Is the current vendor utilizing MBE/WBE/DBE/DSE subcontractors? If so, can you provide names of the current subcontractors?
Response: Debt Litigation is in itself Disabled/Disadvantaged. Information is not available for Linebarger.
18. **Question:** RFP instructions page 4, item 15 last paragraph states there are no participation ranges projected for this Proposal. Will bidders who proposed DM-DBE/ DW-DBE/ADS-DBE subcontractors receive additional points in the scoring evaluation? If so, what is the maximum points that can be achieved?
Response: Disadvantaged business participation is encouraged but not a requirement for this solicitation.
19. **Question:** Regarding RFP Requirements, pages 6-8 Insurance and Indemnification Requirements, are bidders required to complete this document and include it with their proposal in Tab H?
Response: Please refer to Instructions to Bidders, #24.
20. **Question:** Regarding RFP Requirements, pages 9-17 Agreement for Supplemental Debt Collection Services, are bidders required to complete/sign this document and include it with their proposal?
Response: No. This is a sample agreement for reference only.
21. **Question:** Per the solicitation instructions on Page 1: "Proposal must be sealed and delivered via certified mail, return receipt requested, or hand-delivery..." Will the Authority allow bidders to send their proposals via FedEx, as bidders will receive a shipping and delivery confirmation?
Response: Yes.
22. **Question:** For the purposes of this RFP, please define "subcontractor."
a. Does the term "subcontractor" apply only to other collection firms contacting consumers?
b. Does the term "subcontractor" apply to vendors performing periphery services – i.e. letter vendors, skip tracing vendors, shredding vendors, etc.
Response: a. "Subcontractor" refers to any business entity working directly for the Contractor to provide the services outlined in this RFP.
b. Yes.
23. **Question:** Do subcontractors meeting MBE/WBE/DBE/DSE qualifications need to be registered under a Philadelphia/Pennsylvania-specific database?
Response: That is not a requirement of this RFP.
24. **Question:** Are bidders required to have already retained an attorney licensed to practice in Pennsylvania?

- a. Would it be acceptable to retain an attorney licensed to practice in Pennsylvania upon contract award?

Response: Bidders should identify in their offer the attorney they have retained in anticipation of the award of a contract through this RFP.

25. **Question:** Do you have a current vendor? If so, please provide the following:

- Name of vendor
- Fee charged
- Recovery rate
- Commission paid in the last 12 months

Response:

- Name of vendor: Linebarger for parking and Taxicab and Limousine tickets, Debt Litigation for red light camera violations
- Fee charged: 34% Linebarger, 40% Debt Litigation
- Recovery rate – Information is not available at this time.
- Commission paid in the last 12 months – Linebarger - average of \$100,000/month
Debt Litigation - average of \$30,000/month

26. **Question:** Please provide the following information about your current backlog, and the anticipated future forward flow:

- Approximate number of accounts for each of the two debt types
- Average balance of accounts for each of the two debt types

Response: Information is not available at this time. If the information becomes available we will issue another addendum.

27. **Question:** Will all Debt Collection Agencies/Vendors, that are not law firms and do not have in-house counsel that conduct litigation on their behalf, be required to identify, as part of the RFP process, the subcontractor law firm that they intend to use for litigation and comply with providing information on those firms, including staff and law firm experience?

Response: Please refer to #8 of the Technical Requirements in the RFP document.

28. **Question:** Will Debt Collection Agencies/Vendors, that are not law firms and do not have in-house counsel that conduct litigation on their behalf, be required to provide proof, through the RFP process, that the subcontractor law firm that they intend to use complies with all requirements of RFP 17-09 including, but not limited to, the following: (1) That the subcontractor law firms are PCI Compliant as required by Penndot to receive confidential driver information necessary for debt collection efforts under RFP 17-09 and (2) proof that subcontractor law firms have, or can receive, applicable insurance requirements?

Response: No. Proof of all qualifications will be required at the time of contracting. The use of any subcontractor that fails to comply with the requirement of this RFP at any time will inhibit completion of the contract and will be cause for immediate cancellation of the contract if determined thereafter.

29. **Question:** Conversely, will law firms that intend to subcontract to outside debt collection agencies/firms be required to identify those agencies through the RFP process, and show that these agencies are PCI Compliant and meet the insurance requirements of RFP 17-09?

Response: Please refer to #8 of the Technical Requirements in the RFP document.

30. **Question:** Approximately what percentage of delinquent accounts are collected internally by the PPA through booting, towing, DMV suspension etc.?

Response: Less than 1% of are as a result of seizures and therefore not eligible for collection fee.

31. **Question:** For both parking and red light fines, how many tickets on average does each violator have?

Response: The information is not available at this time. If the information becomes available we will issue another addendum.

32. **Question:** Would it be possible for the PPA to breakout the inventory of outstanding accounts listed on page 5 by year of issuance?

Response: The information is not available at this time. If the information becomes available we will issue another addendum.

END OF ADDENDUM ONE