

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

**RFP No. 20-02
Supplemental Debt Collection Services 2020
Addendum One**

To: See Email Distribution List

From: Mary Wheeler
Manager of Contract Administration

Date: February 24, 2020

No Pages: 6 plus email attachment

This addendum is issued on February 24, 2020 prior to the bid due date to add, delete, modify, clarify and/or to respond to questions submitted by prospective offerors regarding the work included in the above referenced solicitation.

ADDITIONAL INFORMATION, CHANGES AND CLARIFICATIONS TO THE RFP DOCUMENT

1. The Question Due Date has been extended to March 10, 2020 at 2:00 PM.
2. The Proposal Due Date has been extended to March 20, 2020 at 2:00 PM.
3. Appendix B is attached to the email delivering this addendum as a word file.

QUESTIONS

1. **Question:** Are you able to provide the average balance for each of the debt types?
Response: Almost all red light tickets have an amount due of \$175 when assigned. Average parking ticket amount due is \$104.
2. **Question:** Do you have the current liquidation rate?
Response: It should be noted that our current contracts include assigned parking tickets aged > 4 years. Contracts awarded under this RFP will include parking tickets aged > 1 year. For our current contracts, the liquidation or recovery rate for parking tickets averages 9%. For red light tickets the rate averages 21%.
3. **Question:** Are you able to provide the current fee being paid?
Response: Average fee paid to current vendors is 18.25%.
4. **Question:** Would the Philadelphia Parking Authority be open to signing an NDA in regards to our financial statements only?
Response: The Authority will not agree to sign an NDA without first reviewing its terms.
5. **Question:** With proposed amendments allowed, is it possible to receive a Microsoft word version of Appendix B Sample Contract, in order to redline?

Response: Yes, the word file will be attached to the email delivering this addendum.

6. **Question:** Regarding Page 13 Section 2.1 §12, upon receipt of payment of any Violation debt or portion of such debt, the Contractor will inform the Authority that day through the Support Contractor’s electronic reporting system applicable to the debt at issue. Question - Can this be accomplished through batch files at the end of the business day (one for each system?) Will this reporting also satisfy the daily report requirement listed in 2.1 §7?

Response: Yes

7. **Question:** Regarding Sample Contract –Section 1 §H page 2 – Web Portal; will access to one web portal but two different systems (1 for reporting, 1 for account access) within the portal suffice to meet this requirement?

Response: Yes

8. **Question:** Regarding Sample Contract – Section 8 §A Maintenance of Records – Assuming the contract runs for the full term including all possible extensions (1 + 4 years), is the expectation that records for accounts assigned in year 1 of the contract still available 11 years later (the 4 option years + 7 year requirement)?

Response: Records must be preserved for 7 years.

9. **Question:** Regarding Appendix E – Data Sharing Agreement with PennDOT, Section 13 §e Compliance Audit; what is the average cost paid by the existing contractors for this audit last year to PennDOT?

Response: The Authority will respond in Addendum #2.

10. **Question:** Regarding Appendix E – Data Sharing Agreement with PennDOT, Section 13 §g Payment; what is the estimated cost (monthly or annually) that the existing contractors are paying to PennDOT?

Response: The Authority will respond in Addendum #2.

11. **Question:** Regarding Appendix E – Data Sharing Agreement with PennDOT, Section 13 §h Positive Account Balance Requirement; what account balance is this section referencing?

Response: The Authority will respond in Addendum #2.

12. **Question:** Regarding Appendix E - Data Sharing Agreement with PennDOT, Section 13 §g Performance Security; Please confirm that the minimum bond amount is \$300,000. What bond amount do the existing contractors have in place (based on payments due in the immediate preceding year if greater than \$300,000).

Response: The Authority will respond in Addendum #2.

13. **Question:** Regarding Appendix F – Vendor Record Business Partner & End User Agreement; Section 1 incorporates by reference “Appendix A” as part of the Agreement with Duncan Solutions Inc (Duncan), but it appears that Appendix A is not included as part of Appendix F. Can you provide “Appendix A” referenced by the Duncan agreement?

Response: Appendix A is the Data Sharing Agreement attached to the RFP as Appendix E.

14. **Question:** Regarding Appendix F – Vendor Record Business Partner & End User Agreement; Section 9 indicates that Compensation may be payable to Duncan if an amount is filled out; Have there been any compensation paid by the existing contractors to Duncan as part of this Agreement? If so, can you share on average (monthly or annually) what that cost has been?

Response: No compensation has been paid to Duncan as part of this provision.

15. Question: Regarding Appendix F – Vendor Record Business Partner & End User Agreement; Insurance, section 24 indicates \$10MM minimum limit for Professional Liability which includes cyber liability coverage; would it be acceptable to maintain a \$10MM cyber liability coverage separate from the Professional Liability coverage? And if so, could the Professional liability coverage be reduced to \$5MM?

Response: The Authority will respond in Addendum #2.

16. Question: In regards to the question and answer period, if on the 25th there's an inordinate amount of questions and it takes longer to answer than expected, would the due date of March 6th be extended, or is that firm?

Response: The Authority will extend the due date if necessary. There will always be 7 days between the release of the final addendum and the due date.

17. Question: The statement was made that proposals would not be accepted from an Offeror who does not have a minimum of SOC 2 Type 2 or SOC 2 Type 3, correct? That is a hard stop on that?

Response: Correct. Please refer to Part IV, 2.2.3 of the RFP.

18. Question: When would any current supplemental debt collection contracts be terminated?

Response: This will be done when new contracts are awarded and the vendors have successfully completed working with Duncan testing and implementing an electronic interface.

19. Question: When would the PPA and Duncan actually be ready to commence assigning supplemental debt collection accounts to the successful bidder of this RFP?

Response: This will be done when new contracts are awarded and the vendors have successfully completed working with Duncan testing and implementing an electronic interface.

20. Question: Regarding number 5, Auto PROCESS and several other violation functions, can you elaborate on this?

Response: This is the proprietary violation processing system provided by our support vendor Duncan. Functions include automated tracking and scheduling of next step actions including fines, penalties, and notices. The system also posts and tracks hearings, dispositions, payments, adjustments, correspondence, temporary suspends, and other pertinent functions.

21. Question: You indicated the data fields that are coming over, are there any sort of historical records on how many of the accounts have historically required skip tracing when placed?

Response: This varies widely from file to file. Overall, we estimate that 10% would require skip tracing.

22. Question: What are your parameters for determining the extensions by one year?

Response: Extension of contracts will be predicated on satisfactory performance of all assigned functions including collections, customer service, reporting and procedural compliance.

23. Question: At a minimum, how many supplemental debt collection vendors does the Authority anticipate it needs to conduct the supplemental debt collection identified in this RFP? If there's ten qualified, would you just take anyone that's qualified?

Response: This has not yet been determined.

24. Question: The financial statement requirement for the three years, our company won't receive our 2019 financials until about April, so will you accept 2016, 2017 and 2018?

Response: Yes

- 25. Question:** If we haven't been in existence for three years, will you accept the last two?
Response: Yes
- 26. Question:** For the integration with AutoPROCESS, is there any like communication protocols or anything that's available just to get a gauge on what the integration work will be or until?
Response: Regular file exchanges will be performed in a secure, electronic and encrypted fashion. Participating vendors will work with Duncan to develop mutually satisfactory file formats.
- 27. Question:** For the SOC 2 audit requirement, does the audit need to be complete as of the date of submission or by the date of award?
Response: Please refer to Part IV, 2.2.3 of the RFP.
- 28. Question:** For the SOC 2 audit requirement, If the Contractor is in their observation period at the time of submission and complete by the time of award, is that acceptable?
Response: Please refer to Part IV, 2.2.3 of the RFP.
- 29. Question:** If you select more than one Contractor, how will you divide the work between the Contractors?
Response: We select alphabetical ranges by the last name of the debtors. Contractors are assigned specific letter ranges.
- 30. Question:** Can a Contractor submit a response to part of the requirements but not all (e.g. all collections up to litigation but not including litigation)?
Response: The Authority will respond in Addendum #2.
- 31. Question:** Is it possible for two Contractors to submit a joint response? If so, please provide any guidance on how that response should be submitted.
Response: Yes, one contractor must assume responsibility as a prime contractor. Another would be designated as a subcontractor. Both must meet the SOC requirements and be approved by PennDOT.
- 32. Question:** Does a Small Business designation and a Small Diverse business designation carry the same 5% (e.g. Are they each worth 5% weight in the evaluation process or is one worth more than the other)?
Response: Only 5% is available for this category. If you are a small business and a small diverse business 5% will be awarded.
- 33. Question:** What was the revenue collected from parking tickets over 1yr old for FY18 & FY19 separately?
Response: For parking tickets estimated \$9.7 million for FY 18 and \$11.3 million for FY 19.
- 34. Question:** What was the revenue collected from RLC over 180 days for FY18 & FY19?
Response: For Red Light tickets estimated \$4.2 million for FY 18 and 4.7 million for FY 19.
- 35. Question:** What criteria will be used to determine whether or not the contract will be extended after the initial term?
Response: Extension of contracts will be predicated on satisfactory performance of all assigned functions including collections, customer service, reporting and procedural compliance.

- 36. Question:** Regarding Part 4, Section 2.2, #4, does Support Contractor have a specific file format they use for encrypted file transfers referenced?
Response: **Our Support Contractor, Duncan will work with each selected firm to develop, test and finalize a mutually satisfactory file format.**
- 37. Question:** Regarding Part 4, Section 2.2, #5 what are the communication protocols used by AutoPROCESS (i.e. REST, Direct DB, SOAP, etc.)?
Response: **Our process is a nightly batch file transferred via SFTP so this is not germane.**
- 38. Question:** Regarding Part 4, Section 2.2, #5, are the communication protocols used by AutoPROCESS the same for Read and Write access?
Response: **Our process is a nightly batch file transferred via SFTP so this is not germane.**
- 39. Question:** Regarding Part 4, Section 2.1 #15, is the Authority using other collection methods such as phone calls, mailings, etc. to resolve outstanding debt that is under the Contractor's Scope of Work?
Response: **When tickets are assigned to collection contractors the Authority ceases mailing debt collection letters with the exception of boot warning notices where applicable. We do not make outbound phone calls. The only Authority initiated efforts would be in connection with booting, towing and registration suspension.**
- 40. Question:** Regarding Part 4, Section 2.1 #17, approximately how many Authority users need access to the web portal?
Response: **There will be a small number of authorized employees.**
- 41. Question:** Regarding Part 4, Section 2.1 #17, are there any special user account rights that are required? (i.e. do certain users need to be restricted from certain information?)
Response: **No**
- 42. Question:** Regarding Part 4, Section 2.1 #17, do users only need "read access" or will they need the ability to edit information via the portal?
Response: **Read access only will suffice.**
- 43. Question:** Regarding Appendix B, 1. Scope of Services, G, does the phrase "24 hours of being collected..." refer to when the Contractor has received the payment from debtor (i.e. payment processing complete), or when the debtor has submitted payment (i.e. payment submitted for processing)?
Response: **Payment processing complete**
- 44. Question:** Please provide the fee rate paid to the current contractor(s).
Response: **Average fee is 18.25 %**
- 45. Question:** Please provide the current liquidation rate of the current contractor(s).
Response: **It should be noted that our current contracts include assigned parking tickets aged > 4 years. Contracts awarded under this RFP will include parking tickets aged > 1 year. For our current contracts, the liquidation or recovery rate for parking tickets averages 9%. For red light tickets the rate is 21%.**
- 46. Question:** Please provide the dollars paid in fee to the incumbent(s) contractor annually for the past 3 years.
Response: **\$1,547,303**
- 47. Question:** Would the support contractor refer debtors to pay the vendor should the account already be placed with the vendor but the payment is not a result of a boot and tow?

Response: Our support contractor provides a violation processing system for the Authority and does not deal directly with customers. When a ticket is assigned to collections our customer service personnel will refer debtors to pay the vendor. If a debtor pays the Authority directly the vendor will still receive credit for the payment and it will be commissionable provided it is not the result of a seizure or registration suspension.

48. Question: Will the vendor have access to copies of the tickets to resolve disputes in real time?

Response: If the vendor is requested by a debtor to provide a copy of the ticket, the vendor can email a designated Parking Authority employee who will provide this to the vendor.

49. Question: Would The Parking Authority allow either back end administrative processes or collection activities be performed off shore?

Response: Yes

50. Question: Please provide the number of accounts and the liquidation rate of successful tow and boot processes annually of cases that had been forwarded to the incumbent for collections.

Response: This information is not available.

51. Question: Will either the Parking Authority or the Support Contractor continue any collection activities other than boot and tow once the account is transferred to the collection service vendor. IE: outbound calls & letters?

Response: In addition to boot and tow, the Authority will implement registration suspensions.

52. Question: Per Section 2.1 #11, upon receipt of payment of any debt or portion of such debt, the Contractor must electronically transfer that payment to an account designated by the Authority within 24 hours and send the file associated with the collected debt shall be electronically transferred to the Authority's Support Contractor by 9:00 a.m. the following work day. Would the Authority allow the vendor to transfer payments daily within 24 hours of posting of the payment?

Response: Yes

END OF ADDENDUM ONE