



WASHTENAW COUNTY FINANCE DEPARTMENT

Purchasing Division

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November 17, 2010

Addendum #1

RFP No. 6583

Title: Collections Program for Washtenaw County
14A District Court

Due Date: Wednesday, November 24, 2010 at 2:00 PM

This addendum is generated due to various vendor questions at the Pre-Proposal Conference held on November 16, 2010.

The RFP states that there are \$15M in outstanding court fines and fees-is this total dollar amount to be submitted for collections to the successful vendor? Can you provide details on the portfolio? **\$15 million is the outstanding receivables reported to the State of Michigan as of July 1, 2010. These debts date back to the early 1990's.**

How old are the cases? **See above.**

What is the average age of the cases? **5 years.**

What is the average balance of the cases? **Average balance of a civil infraction case is approximately \$250.00 (fines/costs plus any additional financial sanctions such as late fee, show cause fee, warrant fee, suspension fee, etc.). Criminal misdemeanor assessments are determined by each individual judge and are dependent upon circumstances, nature of case, if the case is referred to probation, etc. Generally, our civil misdemeanor assessments range from \$200 to \$2,000. We currently have approximately \$4,000,000 in unpaid criminal misdemeanor assessments.**

What are the different case types? **Civil infraction (general traffic/moving violations) and misdemeanor criminal cases (DWI, Domestic Violence, Driving on Suspended License, etc).**

What internal processes have been performed before the cases will be turned over for collections? **We have attempted to collect the outstanding monies via mailings and show cause hearings. Failure to appear at a show cause hearing results in Judge ordering a warrant for the defendants arrest.**

Can you explain in more detail under Sections II: Proposal Specifications: Will the point of contact for the contract be billed for all services after the cases are submitted? How will the County handle implementation and file set up and testing that are required for electronic submissions? Will the County plan to submit cases electronically? Will MSB be charged for those services to set up the new client implementation processes?

1. Yes
- 2 & 3. As stated in the RFP, we are limited on the information our case management system will provide. Best case scenario, we would be able to provide an electronic report that offers: Defendant's name/address/date of birth, offense, amount due, date of license suspension, date of warrant. We cannot assure you will be provided: drivers license number, vehicle information or social security number. Again, our case management system makes collecting/reporting this information challenging.
4. Vendor would not be charged for initial informational data.

The County mentions a local office where the work will be conducted. MSB has one office located in Austin, Texas, where we service all of our Court clients throughout the nation. Will this be acceptable to the County? Yes.

Why is the contract out to bid at this time? Staffing levels coupled with increased pressures to collect revenues has made it difficult to effectively/efficiently collect financial assessments of the court.

Can you please provide a greater description of the specific kind of receivables to be placed for collection? Court ordered fines/costs on criminal/misdemeanor/civil infraction cases.

When is the anticipated contract start date? January 1, 2011

Are there any contract renewal options and, if so, how many? None

To how many vendors are you seeking to award a contract? 3 vendors have expressed interest, one vendor will be awarded the contract.

Who are the incumbents, and how long have the incumbents been providing the requested services? No incumbents.

Has the current contract gone full term? No current contract.

Have all options to extend the current contract been exercised? N/A

Will accounts be primary placements, not having been serviced by any other outside collection agency, and/or will you also be referring secondary placements? If so, should bidders provide proposed fees for secondary placements also? Primary placements. All collections efforts to date have been handled 'in house'.

What collection attempts are performed or will be performed internally prior to placement? Mailings, show cause hearings, payment plans, license suspensions, warrants.

What is the total number of accounts available for placement now by category, including any backlog? From 2004 to present, approximately 19,000 civil infraction cases, unable to estimate number of criminal misdemeanor cases.

What is the average balance of accounts by category? Average balance of a civil infraction case is approximately \$250.00 (fines/costs plus any additional financial sanctions such as late fee, show cause fee, warrant fee, suspension fee, etc.). Criminal misdemeanor assessments are determined by each individual judge and are dependent upon circumstances, nature of case, if the case is referred to probation, etc. Generally, our civil misdemeanor assessments range from \$200 to \$2,000. We currently have approximately \$4,000,000 in unpaid criminal misdemeanor assessments.

What current contingency fees or other fees are currently being billed by any incumbent(s), by category? N/A

What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category? 5 – 7 years.

What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)? N/A

What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category? 500 cases, including both civil infraction and criminal misdemeanor.

What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category? \$65,000

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? Minimum of \$10,000 per month expected.

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? N/A

To what extent will the location of the bidder's call center and/or corporate headquarters have a bearing on any award(s)? This is covered in the RFP, proposal letter, paragraph 'F'.

Have all cases been fully adjudicated by the time of placement? No

Please define what is meant by the evaluation criterion that is worth 35 points. A possible score of 35 points may be given to the bidder that offers the highest percentage of dollars Washtenaw County receives over a 12 month period.

Can the court determine/report the actual number of misdemeanor criminal cases? Answer, per the Court's IT department: It is not easy for me to separate the receivables into misdemeanor and civil infraction, it would take writing a new report that would take a couple of days.

In what format will the information be transferred to the vendor? Answer per the Court's IT department: I'm not sure what information they will want, but anything provided will come from a report that I design and then you can run whenever you want to and export it to any format supported by Crystal – CSV, Excel etc... Keep in mind that the information will be cumulative, not just what has been updated since last time.

Issue of contingency fees, who will assess? Vendor will invoice court for these fees.

Court's expected recovery rate? Industry standard.

If a defendant is picked up on a warrant and the case has previously been referred to vendor, will contingency fee be paid? Will be handled on a case by case basis, but vendor would be required to prove contact had been made with defendant and collections efforts commenced.

Will the Court refer restitution issues to vendor? No.

\$25 hourly fee, what does this include? Any information over & above the initial communication of information, but not limited to a clerk pulling file/review documents/make copies, etc. Court appearances, witness testimony, etc.

You anticipated \$65,000 in new referrals each month. Does this figure include parking, civil infractions & misdemeanor Offenses? Does the \$250 average balance apply to this figure? Would like to determine the # of accounts that will be potentially placed each month. The \$65,000 in monthly referrals includes all case types. The \$250 average balance applies only to civil infraction cases.

Are warrants issued on the civil infractions and parking tickets? How will the vendor be able to verify if a warrant has been issued? Yes, warrants are issued. The case management system/reports will indicate if a warrant has been ordered on a case.

Will warrants be cancelled automatically when the account is paid in full? Can the warrant be cancelled if a current payment arrangement is in place? Yes. Warrant cancellation for payment plans is standard practice.

Is there a statute of limitations on the parking tickets, civil infractions, misdemeanor offenses, etc as far as the county is concerned? We are able and intend to submit files dating back to approximately 1992.

Robert G. Devault C.P.M.
Purchasing Manager

cc: RFP 6583