

## **ADDENDUM NO. 5**

This Addendum No. 5 is issued for the Request for Proposal (RFP) for Statewide Collection Services for Court-Ordered Debt, which was issued on April 30, 2004.

Summary of this Addendum:

- Item 6 of the Procurement Schedule, “Proposal Due Date and Time”, has been postponed one week;
- List additional questions asked after the Deadline for Vendor Requests for Clarifications, Modifications or Questions with answers.

The Administrative Office of the Courts has issued each page in this Addendum package to allow for full replacement of existing pages in the RFP document. Changes or additions to the text are in red-lined form for easy identification.

The following pages of the RFP are hereby replaced: 3

**II PROCUREMENT AND EVALUATION PROCESS**

**2.1 Procurement Schedule and General Instructions**

The AOC has developed the following list of key events from RFP issuance through contract negotiations. All deadlines are subject to change at the AOC’s discretion.

<u>No.</u>	<u>EVENTS</u>	<u>KEY DATES</u>
1	Issue RFP	April 30, 2004
2	Letter of Intent from <del>Bidder-Proposer</del> to Participate in Pre-Proposal Conference	May <del>14</del> <u>21</u> , 2004, 5 pm
3	Pre-Proposal Conference	June 2, 2004, 10:00 am – 12:00 pm
4	Deadline for Vendor Requests for Clarifications, Modifications or Questions	June 11, 2004, 5 pm
5	Clarifications, Modifications and/or Answers to Questions posted on Courtinfo website noted in <u>Section 2.1.1</u>	June <del>24</del> <u>28</u> , 2004, 5 pm
6	Proposal Due Date and Time	July <del>13</del> <del>20</del> <u>27</u> , 2004, 1 pm (Pacific Time)
7	Negotiations (estimated)	July & August 2004
8	Notice of Intent to Award (estimated)	August 23, 2004
9	Notice of Award (estimated)	August 27, 2004

**2.1.1** The RFP and any addenda that may be issued will be available on the following websites:

<http://www.courtinfo.ca.gov/reference/rfp/> (“Courtinfo website”)

**2.1.2 RFP Not a Contract**

The RFP does not constitute a contract or an offer for employment. In addition, any contract awarded as a result of this RFP is subject to any additional restriction, limitation, or condition enacted by the Legislature or established by the Judicial Council of California or a County Board of Supervisors that may affect the provisions, funding, or terms of the contract in any manner. The AOC reserves the right to make one award, multiple awards, or to reject all proposals, in whole or in part, submitted in response to this RFP. The AOC further reserves the right to make no award, and to modify or cancel, in whole or in part, this RFP.

**QUESTIONS SUBMITTED AFTER THE DEADLINE FOR VENDOR REQUESTS FOR  
CLARIFICATIONS, MODIFICATIONS OR QUESTIONS  
WITH ANSWERS:**

QUESTION	ANSWER
<p>1. It was understood from discussions at the bidders conference that the dollar ranges to be proposed along with corresponding contingency rates would be based on an estimated average of the monthly dollar amount of account placements by an individual county / court and that unless the average monthly placement volumes changed, the contingency rate to be charged to the county / court would remain constant over the contract term. The response to question 35 in Addendum No. 3 states that the collection fee is variable and “is calculated on a monthly basis prior to issuance of an invoice to a Court or County and is based on the volume of all accounts, per category, assigned as of that date to the Contractor”. This response would indicate that the cumulative placements by a Court or County would be considered in determining the applicable current month contingency rate versus the average monthly placement amount. If the cumulative placements are considered, the results would be that the applicable commission rate would continually decrease over the contract term as account placements accumulate.</p> <p>Please clarify whether the proposed rates and dollar ranges should be based on an average monthly basis or a cumulative basis.</p> <p>Additionally, please clarify that the rates are based on a County or Court by County or Court basis and not an accumulation of all Counties or Courts that have accounts placed under a Master Agreement. If the proposed rates and ranges are to be based on a monthly average, please clarify how</p>	<p>The proposed rates and dollar ranges should be based on a cumulative basis.</p> <p>The rates are based on an accumulation of all Counties or Courts that have accounts placed under a Master Agreement.</p> <p>The age of the account is determined at the date of placement and remains fixed.</p>

QUESTION	ANSWER
<p>the monthly average will be calculated (e.g., an average of actual prior 6 months of placements).</p> <p>If the proposed rates and ranges are to be based on a cumulative basis, how will collections, adjustments, non-commissionable collections or resolutions and account cancellations impact the calculation of “accounts assigned as of that date”.</p>	
<p>2. Please clarify how the Cost / Pricing Factors will be evaluated. Considering that there has been no estimate of placement volumes communicated (except for the partial listing included in Appendix D) there are likely to be significant inconsistencies in the dollar amount of account placement volumes where any particular Vendor’s commission fee changes and that there is almost an infinite number of rate scenarios that may be proposed; how will the “best value” of the Cost / Pricing Factors be determined? For example, based on the low and high rate within one or across all debt types, based on some formula considering the dollar ranges and rates within one or across all debt types, based on some weighted average formula of rates within or across one or all debt types, etc. If a formula is to be used, will you provide it to the proposing Vendors?</p>	<p>The Cost/Pricing Factor will be evaluated based on a formula. The formula will not be provided to the proposing Vendors.</p>
<p>3. With respect to the optional services to be bid with respect to section 4.11, please clarify as to whether the contingency rate to be bid, should include or exclude the rate charged by the FTB. For example, if the rate to be bid was designed to result in a 10% payment to the Contractor for collections made by the FTB and the FTB commission rate is 15%, would the Contractor bid 10% or 25%?</p>	<p>The rate charged a Court or County by the FTB is part of an agreement between the Court or County and the FTB, is not handled by the Contractor and does not impact the Contractor’s rate.</p> <p>If the rate to be bid was designed to result in a 10% payment to the Contractor for collections made by the FTB, the proposing Vendor should bid 10%.</p>

QUESTION	ANSWER
<p>4. With respect to the age ranges to be bid on Appendix A-1, is the age of the account to be determined at the date of placement or at the end of the month when an invoice is being issued? That is, if a newly delinquent account was placed and 13 months later was collected, would the account be commissionable at the newly delinquent rate or the 1 to 2 year old rate?</p>	<p>The age of the account is determined at the date of placement and remains fixed.</p> <p>For example, if a newly delinquent account was placed and 13 months later was collected, the account would be commissionable at the newly delinquent rate.</p>
<p>5. With respect to the dollar ranges to be proposed on Appendix A-2 for Part Two services, please clarify whether the dollar ranges are for a per placement basis or whether they are cumulative by Court or County. For example, if a Court placed \$10 million of accounts and 1 year later placed another \$10 million of accounts, would collection after the second placement be based on the rate quoted for \$10 million and under or over \$10 million?</p>	<p>The dollar ranges are cumulative by all Courts and Counties.</p> <p>For example, if a Court or County placed \$10 million of accounts and 1 year later another Court or County placed another \$10 million of accounts, the rate for collection would be based on the rate quoted for over \$10 million if the total uncollected accounts exceed \$10 million.</p>
<p>6. Please clarify the two debt descriptions between Part One and Part Two services. For example, if an account has been worked aggressively internally for a period of up to 5 years and is then assigned to the vendor, would this account be considered a Part One or Part Two services debt?</p> <p>Would accounts eligible for referral under Part Two services be restricted to only those accounts assigned that had been worked by either the Franchise Tax Board and/or another private collection agency?</p>	<p>Part Two services are separate from Part One services and are considered to be a one-time service.</p> <p>For example, if an account has been worked aggressively internally for a period of up to 5 years and is then assigned to the Contractor, this account would be considered a Part One services debt.</p> <p>Accounts eligible for referral under Part Two services are not restricted to only those accounts assigned that had been worked by either the Franchise Tax Board (FTB) and/or another private collection agency. Many Courts and Counties have accounts that have been discharged or are about to be discharged and have not utilized either the FTB and/or a private collection agency.</p>