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| **Date of Issuance:** | 4/22/21 | | **Solicitation No.** | | 6950000626 | | |
| **Requisition No.** | 6950010926 | | **Amendment No.** | | 2 | | |
| Hour and date specified for receipt of offers is changed: | | | No | Yes, to: |  | CST | |
| Pursuant to OAC 260:115-7-30(d), this document shall serve as official notice of amendment to the solicitation identified above. Such notice is being provided to all suppliers to which the original solicitation was sent.  Suppliers submitting bids or quotations shall acknowledge receipt of this solicitation amendment prior to the hour and date specified in the solicitation as follows:  (1) Sign and return a copy of this amendment with the solicitation response being submitted; or,  (2) If the supplier has already submitted a response, this acknowledgement must be signed and returned prior to the solicitation deadline. All amendment acknowledgements submitted separately shall have the solicitation number and bid opening date printed clearly on the front of the envelope. | | | | | | | |
| **ISSUED BY and RETURN TO:** | | | | | | | |
| **U.S. Postal Delivery or Personal or Common Carrier Delivery:**  OMES Central Purchasing Will Rogers Building  ATTN: Teresa Terry  2401 N. Lincoln Blvd., Ste. 116  Oklahoma City, OK 73105 | | Teresa Terry | | | | |  |
|  | | Contracting Officer | | | | |  |
|  | | (405) 521-2432 | | | | |  |
|  | | Phone Number | | | | |  |
|  | | Teresa.terry@omes.ok.gov | | | | |  |
|  | | E-Mail Address | | | | |  |
| **Description of Amendment:** | | | | | | | |
| a. This is to incorporate the following: | | | | | | | |
| On behalf of the State of Oklahoma, the Office of Management and Enterprise Services (OMES) gives notice of the following questions concerning this solicitation, received during the Wiki QA period, which closed on . All questions and procurement/agency responses are detailed below:  Q - Attachment A under the “Purpose” section states OTC seeks an agency to perform “first placement debt collection and civil litigation services…” whereas Exhibit 1 – Contract Specifications in Section 1A states that OTC seeks an agency to perform “second placement debt collection and civil litigation services…” All references throughout the solicitation documents seem to reflect “first placement” services. Please confirm that the “second placement” reference in Exhibit 1 is inaccurate and that the services sought by OTC under this solicitation are for first placement services.  A - “Second” should be First – An Amendment has been posted.  Q- In Exhibit 1 – Contract Specifications, Scope of Services Section 2B it is stated that accounts referred “will remain with the Supplier for a period of twelve (12) months for successful collection efforts.” On the same page, in Section 2D it is stated that accounts “…shall be retained by the Supplier until such delinquent tax account is collected or a period of time agreed to between the Supplier and the OTC has expired…” Please confirm that the specific twelve(12) month period in 2B is intended to control over the more general time period in 2D. In other words, please confirm that the contracted collection supplier will retain accounts for a maximum of 12 months, unless the parties agree to a shorter time period as allowed by 2D.  A- The account will remain with the Supplier for a minimum of 12 months for successful collection. Successful collection would include, but not limited to, payment in full, pay plan, or wage/bank levy garnishment. The account may stay beyond the 12-month mark IF the account is in an active pay plan/garnishment and receiving monthly payments. If there are no successful collections, after 12 months, the account will migrate to the next level of collections. The OTC does reserve the right to recall an account at any time, so there may be occasion where an account is pulled back prior to the 12-month mark.  Q- Is the contract to be awarded under this solicitation and the services to be provided under the contract intended to a continuation of services currently provided to OTC under the contract awarded in 2015 pursuant to solicitation #6950000548?  A- Not sure if I fully understand what is being asked? Prior solicitations should not be referenced or considered for this bid. This is a continuation of services, however, all relevant specifications to be considered are included in this current bid, Solicitation #6950000626.  Q- Please provide the name of all collection suppliers providing first placement collection and civil litigation services to OTC.  A-Harris & Harris, LTD.  Q- Please provide the contracted fee details relating to all collection suppliers providing first placement collection and civil litigation services to OTC.  A- Harris & Harris, LTD - Their current collection fee is within the statute guidelines of less than 35%. The current first placement vendor does not currently provide civil litigation services.  Q- For each of the past three calendar (or fiscal) years, please provide the following: Q- Total number of accounts referred to the first placement vendor for collection. A-FY 2018 112,705 accounts placed. A-FY 2019 141,169 accounts placed. A- FY 2020 114,625 accounts placed.  Q- Total dollar amount of accounts referred to the first placement vendor for collection. A- FY 2018 $69,844,652 dollar amount placed. A- FY 2019 $79,932,092 dollar amount placed. A- FY 2020 $101,785,524 dollar amount placed.  Q- Total dollars actually collected by first placement vendor on behalf of OTC. Please note: The following totals reflect “net collected” on items the vendor receives a fee on. A- FY 2018 $17,906,083 dollars collected. A- FY 2019 $20,652,937 dollars collected. A- FY 2020 $28,368,288 dollars collected.  Q- Total dollars collected by first placement vendor on behalf of OTC thru civil litigation.  A- No information available as first vendor did not perform civil litigation on a consistent basis throughout the length of the contract. Please review the expectation for civil litigation on the current bid.  Q- Bidder Instructions Document, Item 8, G (6) - Please confirm the submittal of 2020 audited financials will meet this requirement.  A - Item 8, G(6) does not exist. If the reference is to 8.1.G.6 - it does not ask for an "audited" financial statement, only "current."  Q-   Bidder Instructions Document, Item 8, H - Please confirm OTC expects letter and skip trace vendors to be included as “third-party vendors”.  A - Paper vendors and skip tracing are not considered “third-party vendors.” They are considered sub-contractors. The selected bidder will be required to have all sub-contractors follow FTI Guidelines and complete annual FTI Disclosure Awareness Training as per IRS Publication 1075.  Q- Bidder Instructions Document, Item H, ii - Please confirm if a VPAT is required.  If so, upon award or with Bidder’s response.  A – Supply with bidder response.  Q- Bidder Instructions Document, Item H, iii - Please confirm if a Security Certification and Accreditation Assessment is required.  If so, upon award or with Bidder’s response.  A – Supply with bidder response.  Q- Exhibit 1, Contract Specifications, Item A - How many entities does OTC anticipate receiving an award under this Solicitation?  A - One  Q- Exhibit 1, Contract Specifications, Item 1, C - Appreciate OTC providing the approximate initial placement volume and value amount.  However, historical data is also of interest.  For FY18, FY19 and FY20, please provide the following:   * Volume and dollar value assigned to collection vendor.   A - FY 2018 - 112,705 accounts placed. $69,844,652 dollar amounts placed. FY 2019 141,169 accounts placed. $79,932,092 dollar amounts placed. FY 2020 -114,625 accounts placed. $101,785,524 dollar amounts placed   * Total dollars collected by collection vendor.   A - Please note: The following totals reflect “net collected” on items the vendor receives a fee on. FY 2018 - $17,906,083 dollars collected. FY 2019 - $20,652,937 dollars collected. FY 2020 - $28,368,288 dollars collected.   * Total fees paid to collection vendor.   A - FY 2018 - $803,983 collection fee paid. FY 2019 - $927,317 collection fee paid. FY 2020 - $1,267,101 collection fee paid.   * Liquidation rate achieved by collection vendor   A - Average of 18% over the contract period.  Q- Exhibit 1, Contract Specifications, Item 2, C - What percentage of accounts were litigated by existing collection vendor during the life of the contract?  A - The current first placement did not provide civil litigation services throughout the length of the contract.  Q-Bidder Instruction Doc, Item 8(C)iii: When asking 'how communications will occur...", please confirm that the OTC means communications between the contracted agency and the OTC vs. communications with a taxpayer.  A - For clarification, this is in reference to communication between the Vendor and OTC.  Q-Bidder Instruction Doc, Item 8(C)iv: This section requires submission of training materials. Training materials consist of hundreds of pages of documents and videos, which are not easily shared. Is it acceptable for bidders to summarize the training process/materials and provide the actual materials/links upon request?  A - All information will need to be submitted electronically as specified in 8.2.H. Bidder may summarize the training process/materials if they wish to do so, but understand that it is a rated response.  Q-Bidder Instruction Doc, Item 8(D): What is/are the current rates being charged / added onto the debts by the current incumbent(s)?  A - The current collection fee is within the statute guidelines of less than 35%.  Q-Bidder Instruction Doc, Item 8(D): Are penalties and interest included in the balance at the time of referral or are agencies expected to accrue interest after referral?  A - Penalties and interest are included in the balance, as well as tax lien penalties and filing fees. The OTC will provide electronic updates to balances as interest accrues monthly on tax liabilities.  Q- Bidder Instruction Doc, Item 8(D): Do the incumbents pursue legal under the current contract? If yes, how many accounts were pursued through legal action in the last FY? Can bidders submit separate pricing for legal accounts?  A - The current first placement did not provide civil litigation services throughout the length of the contract. Please see Section 8, D for specifics in pricing.  Q-Bidder Instruction Doc, Item 8(G)6: Is this 'financial statement synonymous with (and duplicative of the request for) audited financials required in Section 8.1E? If the OTC requires something different in this section, please clarify.  A - These are not synonymous with each other. Section 8.1.G.6. requires a current financial statement while Section 8.1.E. requires 3 additional years of audited financials.  Q-Bidder Instruction Doc, Item 8.2: Confirm that bidders MUST comply with the bid format as listed in Section 8.2 vs. 8.1. Please also confirm that in our responses to Section 8.2, we should ensure that we have addressed all items listed in 8.1, correct?  A – 8.1 list items that should be in the bid packet in addition, 8.2 lists the format and any additional information.  Q-Bidder Instruction Doc, Item 8.2(C)5: Do we place our full confidential data ONLY in this section and no where else in the response? If yes, then do we simply defer to this section when asked about confidential data in other places and is that considered compliant in our response? For example, audited financials are asked for in 2 other sections, yet these would be considered confidential. Do we only place that data in this section and not in the other places?  A – Yes, only place confidential data in the confidential section and in the other sections reference to the confidential section.  Q-Bidder Instruction Doc, Item 8.2(H)i: Please identify the exact Acquisition specifications and requirements that we must address in this section (i.e., which mandatory requirements, including section #'s.).  A - No  Q-Bidder Instruction Doc, Item 8.2(H)iv & v: Please confirm if a proposed Service Level Agreement and/or a Statement of Work are required? If yes, please describe the detail required in response to these sections.  A – This is not required  Q-Bidder Instruction Doc, Item 8(K): Please define 'associated information" required in this section?  A - This would include, but not limited to balance sheets, income statements, cash flow statements.  Q-Bidder Instruction Doc, Item 8(N): Please define what the OTC considers a third-party vendor. Would mail-house/letter vendors, etc. be considered a third-party OR is this referencing only those subcontractors/third-parties that perform a substantial portion of the collection service work?  A - Paper vendors and skip tracing are not considered “third-party vendors.” They are considered sub-contractors. The selected bidder will be required to have all sub-contractors follow FTI Guidelines and complete annual FTI Disclosure Awareness Training as per IRS Publication 1075. A 3rd party would be considered as an entity being used by the vendor to conduct actual collection efforts.  Q - Bidder Instruction Doc, Item 9.2: Is there a file size limitation for bids to get through the OTC servers/firewalls when being emailed, as required?  A - Please note that it is possible a Bidder’s email system may have limitations on the size of outgoing email attachments and plan accordingly. May be submitted by zip file.  Q - Requirement 8.1.D reads, “the debt collection agency shall add the fee amount to the amount of delinquent taxes, including accrued penalties and interest collected from the taxpayer.” Would OTC consider adding the agreed-upon collection fee prior to placement? Past case law has left private collection agencies legally liable for adding their own fees to existing debts, since the PCA has no debt agreement with the citizen.  A - Our system is automatically programmed to assess the collection fee at the time the liability migrates to the Vendor. As payments are applied to the OTC system, it calculates and apportions the collection fee as a separate transaction. The collection fee is paid to the vendor monthly via invoicing.  Q - The scope of work reads, “The Supplier shall be prepared to accept cases in a hard copy format in some instances.” How often does this occur, based on historical data?  A - This clause remains part of the document should we need to work with a hardcopy. This seldom occurs and may not occur during the course of the contract. For reference, this did not occur during the last contractual period.  Q - How many winners does OTC expect to award?  A - One  Q - We understand there will be an initial placement of $78.4M. What is the anticipated monthly volume of debts to be placed on an ongoing basis, both in number of accounts and total dollar value?  A - (Averaging from FY 2020 data); monthly averages of placement is 9,552 accounts with an average monthly dollar totaling $8,482,127  Q - Regarding the monthly forward flow of debt referenced in the above question, what is the average age of the debt at the time of placement?  A - The average age of the debt in most cases will be 6-9 months.  Q - Historically, what percentage of accounts ultimately require legal action (including garnishment) to effect collections?  A - The current first placement did not provide civil litigation services throughout the length of the contract.  Q - Please confirm that compliance with CJIS Standards is required for this RFP.  Emailed vendor - Need clarification: Is the bidder referencing the Criminal Justice Information Service database?  Q - Can you please provide greater explanation of your expectations related to any required subcontracting to minority-owned, women-owned, or other types or categories of small or disadvantaged businesses? For example, what is required with the proposal, and what is required to comply during the term of the contract?  A - Refer to Contract Attachment B – State General Terms  Q - Can you please provide greater details on how proposals will be evaluated and how the selected vendor(s) will be chosen?  A - Refer to Bidder Instructions  Q - Are bidders permitted to deviate in any way from any manner of quoting fees you may be expecting? For example, if there is a pricing page in the RFP, can bidders submit an alternate fee structure? If there is no pricing page in the RFP, do you have any preference for how bidders should quote fees or can bidders create their own pricing categories?  A - Refer to Bidder Instructions  Q - Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable.  A - Not applicable for bidding process.  Q -Has the current contract gone full term?  A – Open records request  Q - Have all options to extend the current contract been exercised?  A – Open records request  Q -Who is the incumbent, and how long has the incumbent been providing the requested services?  A – Open records request  Q -To what extent will the location of the bidder’s proposed location or headquarters have a bearing on any award?  A - None  Q -How are fees currently being billed by any incumbent(s), by category, and at what rates?  A – Open records request  Q -What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?  A – Open records request  Q - To how many vendors are you seeking to award a contract?  A -One  Q -Can you please provide a greater description of the specific kind of receivables to be placed for collection?  A – Refer to Exhibit 1  Q -To what extent are these accounts owed by private consumers versus commercial businesses?  A - None  Q -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?  A – Primary placement  Q -What collection attempts are performed or will be performed internally prior to placement?  A-Refer to Exhibit 1 [1.D.] To clarify, the OTC will send monthly billing notices each month for a period no longer than 3 months, the account may remain with OTC for an unspecified amount of time for possible wage garnishment or other collection activity. After the OTC issues a tax lien due to non-payment, the account will be referred to the bidder.  Q -What is the average balance of accounts by category?  A-(Averaging from FY 2020 data); monthly average dollar is approximately $8,482,127. Please note that the average balance of business taxes (such as, but not limited to, sales and use tax, withholding tax) are currently unavailable, however the $8,482,127 represents approximately 98% Oklahoma Individual Income Tax.  Q -What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?  A-Average age of debt is anywhere from 6-9 months at initial placement. Upon award, accounts can range anywhere from 6 -24 months depending on how long the current vendor has had it.  Q -What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category?  (Averaging from FY 2020 data); monthly averages of placement is 9,552 accounts.  Q -What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?  A-(Averaging from FY 2020 data); average monthly dollar totaling $8,482,127  Q -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?  A- Average of 18% over the contract period.  Q -Have all cases been fully adjudicated by the time of placement?  A- After the liability completes the OTC billing cycle (3 monthly billing statements), the OTC will issue a tax lien to secure the debt prior to placement with the Vendor. Liabilities may be subject to audit/assessment if additional information is received.  Q -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?  A- Following set-up and testing, the accounts held by the incumbents will be placed with the selected Vendor.  Q -What is your case management/accounting software system of record?  A - Open records request  Q -Who is your electronic payment/credit card processing vendor?  A – Not applicable for this bid  Q -What process should a vendor follow, or which individual(s) should a vendor contact, to discuss budget-neutral services outside of the scope of this procurement, but related to it, designed to recover more debt prior to outside placement and lower collection costs?  A – Not Applicable for this bid  Q -How do your current processes and/or vendor relationship(s) systematically determine if the death of a responsible party has occurred?  A- The account is documented, and a death certificate is requested. While we may recall an account in this case, they are traditionally left with the vendor to determine if there are any assets.  Q -How do your current processes and/or vendor relationship(s) handle the death of a responsible party?  A- The account is documented and a death certificate is requested. While we may recall an account in this case, they are traditionally left with the vendor to determine if there are any assets that may be payable by tax lien.  Q -Do you have a designated process or policies around deceased accounts today, and what is envisioned in the future?  A- The account is documented, and a death certificate is requested. While we may recall an account in this case, they are traditionally left with the vendor to determine if there are any assets and liability paid by tax lien. There are no short-term plans to revisit our policy but we are open to any suggestions from a vendor.  Q -Do you currently search and file probated estate claims? Have you considered an automated tool to identify and file probated estate claims?  A- Irrelevant to this solicitation.  Q -Do you plan on releasing a bidder's scorecard or proposal evaluation sheet after the award?  A – This would be an open records request  Q -It is indicated that the backlog of accounts represents approximately 60,000 accounts for $78,000,000.  Could you please provide an aging of these accounts?  For example, how many of these accounts and what dollar amount are for debts from 2020, 2019, 2018, etc  A- Average age of debt is anywhere from 6-9 months at initial placement. Upon award, accounts can range anywhere from 6 -24 months depending on how long the current vendor has had it.  Q -Is the OTC willing to negotiate on the automobile insurance policy coverage amount requirement ($5,000,000), due to the nature of our business being call center related services?  A – Refer to Bidder Instructions – Exceptions to Terms  Q -Would an umbrella policy in the amount of $5,000,000 be sufficient to cover the insurance requirements specified in this RFP for Commercial Liability and Automobile coverage?  A – Refer to Bidder Instructions – Exceptions to Terms  Q -What kind of legal collection avenues do you and the incumbent collection pursue for collections (i.e. wage assignment, property lien, bank levy, etc  A- The current vendor does not pursue legal action. The OTC has recently begun a wage garnishment initiative that will be further developed.  Q -What is the anticipated monthly average number of new account placements and the dollar amount that represents?  A- (Averaging from FY 2020 data); monthly averages of placement is 9,552 accounts with an average monthly dollar totaling $8,482,127  Q -What are your background check requirements for collection agency staff that would be working this portfolio?  A- The agency relies on the IRS required Oklahoma State Bureau of Investigation/FBI Background and Fingerprinting requirements for anyone potentially having access or exposure to FTI.  Q -What is your current collection agency recovery rate, not including off-sets?  A- Average recovery rate of 18% over the contract period.  Q -What is your current recovery rate percentage, and what percentage of those recoveries are commissionable?  A- Average recovery rate of 18%. We do not have the percentage of those recoveries that are commissionable. Very few items; i.e. tax lien court filing/release fee, return check, and credits from offsets are not fee able items.  Q -Are all debtor letters/correspondence mailed by the agency after the account is placed, or is there any type of correspondence that is mailed directly out of the OTC database (i.e. intent to levy letters, etc.) when the account is with the collection agency?  A – Refer to Exhibit 1  Q -What happens to account placements after they have been returned by the agency at one year from the placement date?  A- Irrelevant to this solicitation.  Q -Regarding **8.1 Preparation of Bid, item A** on numbered page 4 of the Bidder Instructions: “Except for items listed in Section Three of the Bid Packet… the Bid should not contain duplicative content.” Please confirm that for any and all information for which a claim of confidentiality is made (e.g., financial statements), that there should be **two** copies presented in a Bidder’s proposal: one in the section in which it is being requested, and one placed in Section Three.  A - You do not need two copies. Place confidential information in Section Three: Bid Portions Requested to be Held Confidential. In the other section i.e. Section Eleven: Financial Information simply put "Financial Information can be found in Section Three Confidential Information." or something similar.  Q -Regarding **8.1 Preparation of Bid, item B** on numbered page 4 of the Bidder Instructions: Is there a weight or hierarchy to the best value criteria presented here?  A - This information cannot be provided to maintain integrity of the bidding process.  Q -Regarding **8.1 Preparation of Bid, item G** on numbered page 6 of the Bidder Instructions: Should the resumes required in response to sub-item 3 be placed within Section Thirteen: Additional Company Information, or can they instead be placed in an Appendix (if allowed) at the end of a proposal?  A - Appendix is fine.  Q -Regarding **8.2 Bid Packet Format** on numbered page 7 of the Bidder Instructions: Are Bidders permitted to include a Table of Contents to precede Section One: Cover Page?  A - Yes  Q -Regarding **H. Section Eight: Response to Specifications and Requirements**, **item i** on page 10 of the Bidder Instructions: Will OTC confirm (or otherwise clarify) that the response sought and required here is a bidder’s response to 2. Scope of Work, items A thru O; 3. Reporting / Monitoring, items A thru F; and 4. Transition Plan, items A and B?  A - Correct  Q -Regarding **H. Section Eight: Response to Specifications and Requirements**, **item ii** on page 10 of the Bidder Instructions: Is an IT VPAT required to be submitted with this procurement? If so, if a current Supplier already has one on file with OTC, can a Supplier state as much in response and be exempt from providing a new one?  A - A new one is required  Q -Regarding **H. Section Eight: Response to Specifications and Requirements**, **item iii** on page 10 of the Bidder Instructions: Is an IT Security Certification and Accreditation Assessment required to be submitted with this procurement? If so, if a current Supplier already has one on file with OTC, can a Supplier state as much in response and be exempt from providing a new one?  A - A new one is required  Q -Regarding **H. Section Eight: Response to Specifications and Requirements**, **item iv** on page 10 of the Bidder Instructions: Is a Service Level Agreement required to be submitted for this procurement?  A -Not required  Q -Regarding **H. Section Eight: Response to Specifications and Requirements**, **item v** on page 10 of the Bidder Instructions: Is a formal Statement of Work required to be submitted for this procurement? Or, instead, is this where a Bidder is to provide their responses to 2. Scope of Work, items A thru O; 3. Reporting / Monitoring, items A thru F; and 4. Transition Plan, items A and B?  A -Not Required  Q -Regarding **H. Section Eight: Response to Specifications and Requirements**, **item v** on page 10 of the Bidder Instructions: Is a formal Statement of Work required to be submitted for this procurement? Or, instead, is this where a Bidder is to provide their responses to 2. Scope of Work, items A thru O; 3. Reporting / Monitoring, items A thru F; and 4. Transition Plan, items A and B?  A -Not Required  Q -Regarding **9. Submission of Bid > 9.2**: Will OTC provide to Bidders any file size limitations for the email address of [OMESCPeBID@omes.ok.gov](mailto:OMESCPeBID@omes.ok.gov) to which Bidders will be submitting their proposals?  A - Please note that it is possible a Bidder’s email system may have limitations on the size of outgoing email attachments and plan accordingly. May be submitted by zip file.  Q -Regarding **9. Submission of Bid > 9.2**: Will OTC provide to Bidders any file size limitations for the email address of [OMESCPeBID@omes.ok.gov](mailto:OMESCPeBID@omes.ok.gov) to which Bidders will be submitting their proposals?  A - Please note that it is possible a Bidder’s email system may have limitations on the size of outgoing email attachments and plan accordingly. May be submitted by zip file.  Q -Regarding **Vendor/Payee Form**: Will OTC confirm that for this new procurement this form is NOT required of current suppliers that are already registered with OMES Vendor Management?  A - This form is not required if already registered.  Q -Re: Bidder Instructions, section 15. Award of Contract, Page 15 of 16: With how many collection agencies do you plan to contract as a result of this RFP?  A - One  Q -With which collection agency(ies) are you currently contracted?  A- Harris & Harris  Q -What is the current contingency fee rate for the OTC’s current first placement collection agency?  A- The current collection fee is within the statute guidelines of less than 35%.  Q -Re: Exhibit 1 – Contract Specifications, section 1. Introduction, paragraph C, Page 1 of 6: Subsequent to the initial placement described in Exhibit 1, 1.C., on a going forward basis, per month, what is the overall volume of accounts (number of accounts and total dollar value of accounts) that the OTC anticipates referring to the contracted vendor for collections?  A- (Averaging from FY 2020 data); monthly averages of placement is 9,552 accounts with an average monthly dollar totaling $8,482,127  Q -Re: Exhibit 1 – Contract Specifications, section 1. Introduction, paragraph C, Page 1 of 6: Regarding the initial placement described in Exhibit 1, 1.C., what is the average age of the accounts to be placed for collections?  A- Average age of debt is anywhere from 6-9 months at initial placement. Upon award, accounts can range anywhere from 6 -24 months depending on how long the current vendor has had it.  Q -Re: Exhibit 1 – Contract Specifications, section 1. Introduction, paragraph C, Page 1 of 6: What is the age of the oldest accounts you will refer for collections?  A- Average age of debt is anywhere from 6-9 months at initial placement. Upon award, accounts can range anywhere from 6 -24 months depending on how long the current vendor has had it.  Q -Re: Exhibit 1 – Contract Specifications, section 1. Introduction, paragraph C, Page 1 of 6: Subsequent to the initial placement described in Exhibit 1, 1.C., on a going-forward basis, at what age will accounts be placed for collection services?  A- Average age of debt is anywhere from 6-9 months at initial placement. Upon award, accounts can range anywhere from 6 -24 months depending on how long the current vendor has had it.  Q -Re: Bidder Instructions, 15. Award of Contract, Page 15 of 16: What is your target date for contract award?  A- Once bid is closed it will go to evaluation. A targeted date is not determined at this time.  Q -What is the overall historical liquidation rate / recovery rate achieved by the incumbent?  A- Average recovery rate of 18% over the contract period.  Q -In each of the three past fiscal years, what dollar amount did your current contractor retain in fees?  A- FY 2018 -$803,983 collection fee paid; FY 2019 -$927,317 collection fee paid; FY 2020 - $1,267,101 collection fee paid.  Q -Re: Exhibit 1, paragraph 2.C., p. 2 of 6: “All attorney fees, and other expenses incurred with civil litigation proceedings shall be at the Supplier’s expense. The Supplier shall pay any incurred court costs upon filing of any legal documents.” QUESTION: Is the collection agency/firm allowed to recoup attorney fees and expenses AFTER payment to the OTC (via a fee added to the taxpayer’s balance)?  A- (Averaging from FY 2020 data); monthly averages of placement is 9,552 accounts with an average monthly dollar totaling $8,482,127  Q -Re: Bidder Instructions, 8.1. D., p. 5 of 16: Are agencies allowed to propose a separate (higher) fee for civil litigation?  A- Agencies are not allowed to propose a separate (higher) fee for civil litigation. For clarification: The agency/firm may use the initial payment(s) to cover all court costs and attorney fees prior to applying the payment to the taxpayer's liability.  Q -Re: Exhibit 1, section 2, paragraph C., p. 2 of 6: The Supplier shall initiate legal proceedings on an account when deemed appropriate by the Supplier and the OTC.”  A- The current vendor does not pursue legal action. The OTC has recently begun a wage garnishment initiative that will be further developed.  Q- On how many accounts has the incumbent collection agency initiated legal proceedings in each of the three past fiscal years?  A- The current vendor does not pursue legal action. The OTC has recently begun a wage garnishment initiative that will be further developed.  Q -Bidder Instructions, section 8.1 B., p. 4 of 16: What weight or point value will each of the evaluation criteria be worth?  A- Refer to Bidder Instruction - Section 11. Required Bid Structure [11.1.B.]  Q -Bidder Instructions, section 8.1 G. #6, p. 6 of 16: G.6., on p. 6 of 16, says, “The bidder shall submit a current financial statement.” Meanwhile, section 8.1 paragraph E. on p. 5 of 16 says, “As referenced in subsection 8.2.K, three years of audited financial statements are required to be included in the Bid.” QUESTION: Please confirm how many years of audited financial statements are required to be submitted with the proposal.  A- Current financial statement required by 8.1.G.6. - 3 years audited statements required by 8.1.E.  Q - Bidder Instructions, Section 9.2 p. 11 of 16: QUESTIONS: 1) What file size limitation does the OMES email system have for email attachments? 2) If our proposal and/or financial statements exceed the file size limitation for attachments for either OMES or our own email system, is it acceptable to split our proposal into more than one file and submit each file in a separate email?  A- Please note that it is possible a Bidder’s email system may have limitations on the size of outgoing email attachments and plan accordingly. May be submitted by zip file.  Q -Bidder Instructions, section 8.2, paragraph H. ii, p. 10 of 16:“ii. If an information technology VPAT is required, the URL link to the Bidder’s VPAT shall be inserted in this section at a Bid Packet page referencing the VPAT.” QUESTION: Please confirm whether a VPAT (Voluntary Product Accessibility Template) is required to be submitted with the proposal, or upon contract award.  A-With the proposal  Q -Bidder Instructions, section 8.2, paragraph H. iii, p. 10 of 16, “iii. If an information technology Security Certification and Accreditation Assessment is required, the completed Assessment shall be inserted in this section at a Bid Packet page referencing the Security Accreditation Assessment. The Assessment is located online at https://omes.ok.gov/sites/g/files/gmc316/f/SecurityCertification-R\_0.xlsx.” QUESTION: Please confirm whether a completed Security Certification and Accreditation Assessment is required to be completed and submitted as part of the proposal, or whether this assessment is to be completed upon contract award. (We note that Attachment D, Appendix 1, section C. “Security Assessment,” includes the following sentence: “Supplier submitted to the review and met the State’s minimum security standards at time the Contract was executed.”  A- With the proposal  Q -Bidder Instructions, section 8.2, paragraph H. iv., p. 10 of 16, we assume this paragraph is not applicable, since we find no mention of service level agreements in this RFP. Is this correct?  A- Not applicable  Q - Bidder Instructions, section 8.2, paragraph H. iv., p. 10 of 16, we assume this paragraph is not applicable, since the RFP does not ask the Bidder to provide a Statement of Work. Is this correct?  A- Not applicable  Q -What number of accounts placed with outside collection agencies were approved for civil litigation services in 2019 and 2020 and what was the amount of money collected by the contracted collection agencies through civil litigation services?  A- The current vendor does not pursue legal action. The OTC has recently begun a wage garnishment initiative that will be further developed.  Q -Are there currently incumbent vendors performing tax collection work for the state?  A- Open records request  Q -How much did the state pay (contract value) pay to the incumbents for collection services over the past 12 months?  A- FY 2020 $1,267,101 collection fee paid.  Q -Can you please provide a description of all the various taxes and or other accounts that will be placed for collection?  A- Refer to Bidder Instructions – Exhibit 1 (Introduction)  Q -What are the average balances for each type of collection account to be placed?  A- (Averaging from FY 2020 data); monthly averages of placement is 9,552 accounts with an average monthly dollar totaling $8,482,127  Q -Please detail what percentage each tax or other accounts are of the total portfolio.  A- Please detail what percentage each tax or other accounts are of the total portfolio.  Q -Are you going to select vendors for multiple tiers?  Primary, Secondary, Warehouse?  A- One, Primary  Q -Can you please provide the historical liquidation/collection percentages currently being achieved broken down by type of tax and or other account placed for collection?  Also, if multiple tiers are currently in place, can you provide the liquidation percentages by tax or other account for each tier?  A- Average recovery rate of 18% over the contract period.  Q -Do you plan to move the existing inventory/backlog and place these accounts to the selected vendor? If so, what is the current total amount of backlog accounts and dollars associated with the procurement?  What is the average age of accounts in the backlog?  A-Refer to Bidder Instructions - Exhibit 1(Introduction). (Averaging from FY 2020 data); monthly averages of placement is 9,552 accounts with an average monthly dollar totaling $8,482,127  Q -If you plan to move the backlog of existing inventory to the selected vendors, will the state consider a separate rate for the older accounts?  A- Refer to Bidder Instructions - Exhibit 1(Introduction). (Averaging from FY 2020 data); monthly averages of placement is 9,552 accounts with an average monthly dollar totaling $8,482,127  Q -Can you provide the average number of new accounts and the associated dollar volume placed each month broken down by tax/account category?  A- (Averaging from FY 2020 data); monthly averages of placement is 9,552 accounts with an average monthly dollar totaling $8,482,127  Q -What is the anticipated amount of forward flow accounts and dollars that will be placed over the next 12 months?  A- (Averaging from FY 2020 data); monthly averages of placement is 9,552 accounts with an average monthly dollar totaling $8,482,127  Q -What is the current collections fee percentages being charged by the incumbent?  If the fees vary by type of tax/account can you provide fee rates by account type?  A- Open Records Request  Q -If tiers are currently utilized, can you provide the current fee rates by tier?  A- Open Records Request  Q -What collections processes does the State of Oklahoma attempt before accounts are placed with the vendor?  A- Prior to an account migrating to the vendor, the OTC does send out 3 billing letters (for income tax accounts). If the account is not paid in full at the end of this period, it may be reviewed for in-house wage garnishment and/or a tax lien is filed and the account is scheduled to migrate to the vendor.  Q -On forward flow ongoing placements, how old, (average number of days delinquent) are the accounts at time of placement.  If tiers are being utilized, what is the average placement age by tier?  A- The average age of the debt in most cases will be 6-9 months.  Q -If tiers are not being utilized, how long will the selected vendors keep the accounts?  A- Refer to Bidder Instruction - Exhibit 1, 2.B.  Q -Is it required for the vendor to litigate accounts on behalf of the state as part of this procurement?  A- Refer to Bidder Instructions - Exhibit 1, 2.C.  Q -Over the past year, what percentage of all collections accounts placed through the Oklahoma Tax Commission involved litigation? During the last 12 months, how many cases in total involved litigation?  A- The current vendor does not pursue legal action. The OTC has recently begun a wage garnishment initiative that will be further developed.  Q -What is the average balance of the accounts that were litigated?  A- The current vendor does not pursue legal action. The OTC has recently begun a wage garnishment initiative that will be further developed.  Q -Of the accounts that were litigated, what percentage of those accounts were recovered in full?  A- The current vendor does not pursue legal action. The OTC has recently begun a wage garnishment initiative that will be further developed.  Q -On accounts that are placed for litigation, does the state pay a higher contingency fee?  Can you provide the current fee percentages being charged for litigation?  A- The current vendor does not pursue legal action. The OTC has recently begun a wage garnishment initiative that will be further developed. Open Records Request for inquiry fee percentages.  Q -How many vendors does the state plan to award this contract to?  A-One  Q -Pertaining to Section 3.2 Clarification Questions, Section 8 Required Bid Structure, D. Collection Fees: What is the historical recovery rate on similar account type’s year 1 and year 2 after placement?  A- Average recovery rate of 18% over the contract period.  Q - Pertaining to Section 3.2 Clarification Questions, Section 8 Required Bid Structure, D. Collection Fees: Are we able to present a rate for agency collections and a separate rate once the account is placed with an attorney? (Contingency fee rate)  A- Agencies are not allowed to propose a separate (higher) fee for civil litigation. For clarification: The agency/firm may use the initial payment(s) to cover all court costs and attorney fees prior to applying the payment to the taxpayer's liability.  Q -What does OTC anticipate for placements to be on a monthly basis after the initial placements have been made?  A- (Averaging from FY 2020 data); monthly averages of placement is 9,552 accounts with an average monthly dollar totaling $8,482,127  Q - Does OTC place past due balances only and is the option for acceleration of these accounts at the discretion of OTC?  A- Only past-due balances are referred. Any acceleration fo the accounts would be up to the discretion of the OTC.  Q - What is the volume of past due placements and full accelerated placements?  A- FY 2018-112,705 accounts placed. $69,844,652 dollar amounts placed. FY 2019 141,169 accounts placed. $79,932,092 dollar amounts placed. FY 2020-114,625 accounts placed. $101,785,524 dollar amounts placed  Q - Does OTC have any placement amounts related to those entities that are able to utilize this contract?  A- FY 2018-112,705 accounts placed. $69,844,652 dollar amounts placed. FY 2019 141,169 accounts placed. $79,932,092 dollar amounts placed. FY 2020-114,625 accounts placed. $101,785,524 dollar amounts placed  Q - What are the current fee rates and collection agencies contracted in last contract period?  A- Open records request  Q - According to Attachment B, Page 8, “Maintenance of Insurance, Payment of Taxes, and Workers’ Compensation,” in regards to the bond requirement, is the overall insurance coverage considered in place of the bond?  A- In addition, the vendor shall have a $100,000 surety bond in place.  Q -How many delinquent accounts do you average per customer/taxpayer?  A- Data not available  Q -What percent of debt has the incumbent firm been able to recover (liquidation rates)?  A- Average recovery rate of 18% over the contract period.  Q -Are there any geographic restrictions from where the services must be performed (i.e. on-shore, near-shore, off-shore) including back office support?  A-FTI and PII is not to be transmitted to facilities outside of the United States.  Q -Are there any minimum diversity spend requirements (i.e. percentage of contract value required to subcontract to a WBE or MBE)?  A- None  Q -In the Bidder Instructions Section 8, there is conditional language about required documents. Which of the referenced documents will be required (VPAT, Security Certification and Accreditation Assessment, Service Level Agreements) with the proposal submission as opposed to post award?  A- At time of proposal submission  Q -What is the collection software used by the OTC?  A- Gentax  Q -What is the total amount paid to vendor(s) for each year under the current contract?  A.- FY 2018- $803,983 collection fee paid. FY 2019 -$927,317 collection fee paid. FY 2020 $1,267,101 collection fee paid.  Q -In response to 8.1.G.8, bidders are asked to provide a complete list of government clients including inventory information. We represent thousands of government entities. Is it acceptable to provide the requested information for a limited number of clients and provide a listing of all government client (names only)?  A.- The list must include all State, Federal or Large Municipalities that currently have or had a contractual agreement with the bidder.  Q -In the past 5 years, what vendors have represented the OTC in the collection of any of its outstanding receivables?  A-Open records requests  Q -How many civil litigation cases have been filed on behalf of the OTC under this procurement in 2016, 2017, 2018, 2019 and 2020?  A- The current vendor does not pursue legal action. The OTC has recently begun a wage garnishment initiative that will be further developed.  Q -With regard to the 2021 Bidder Instructions:   1. The first page of the request for proposal indicates Information Technology Bidder Instructions are applicable.  Why are the Information Technology Bidder Instructions applicable to this collections contract?   A-There are IT components in the specifications   1. The first page has fields for sensitive data that will be included in the Contract, including but not limited to HIPAA, CJIS, FERPA, and IRS Publication 1075.  None of these fields were marked.  Would you please indicate all fields which will apply to this contract?   A-CJIS and IRS Publication 1075   1. Section 8.1 - What are the weighting factors used in the evaluation for the three evaluation factors of (a) Organization Qualifications; (b) Technical Competency; and (3) Collection Fee?   A- The OTC does not provide our point breakdown, just the criteria that will be evaluated.   1. Sections 8.1.D and 8.2.1 - Are we able to bid a different fee rate for legal accounts as opposed to the regular collection accounts?   A- Agencies are not allowed to propose a separate (higher) fee for civil litigation. For clarification: The agency/firm may use the initial payment(s) to cover all court costs and attorney fees prior to applying the payment to the taxpayer's liability.   1. Section 8.2(vi) - Please clarify who is considered a vendor versus a subcontractor: we utilize various companies for mailing and processing letters; skip trace vendors; vendors for scoring accounts (recovery purposes). These types of entities provide a service but do not interact with debtors and are considered by us as vendors and not subcontractors. We consider an entity to be a subcontractor if it is involved in the collection of accounts and interacting with the debtors.   A- Paper vendors and skip tracing are not considered “third-party vendors.” They are considered sub-contractors. The selected bidder will be required to have all sub-contractors follow FTI Guidelines and complete annual FTI Disclosure Awareness Training as per IRS Publication 1075. A 3rd party would be considered as an entity being used by the vendor to conduct actual collection efforts.  Q -With regard to Exhibit 1 - Contract Specifications   1. Section 1.B - Will the current supplier be allowed to hold on to assigned accounts past the expiration date of the current contract? If so, how long will these accounts remain with the supplier and under what circumstances are they allowed to hold on to these accounts?   A- Upon expiration of the contract, all collection efforts will cease and all accounts will be recalled by the OTC during the phase-out plan.   1. Section 1.C - The OTC has provided portfolio backlog information, what is the anticipated monthly and annual forward flow of placements (number of accounts, total dollar value of accounts, and average balance)?   A- (Averaging from FY 2020 data); monthly averages of placement is 9,552 accounts with an average monthly dollar totaling $8,482,127   1. Section 1.C - What is the anticipated breakdown across the stated tax types (Individual Income Tax, Corporate Income Tax, Medical Marijuana Tax, Sales Tax and Withholding Tax)?   A- A breakdown of the anticipated stated tax types (such as sales, withholding tax) is not available. Please refer to Exhibit 1 - Contract Specifications [1.C.]   1. Section 1.D - Prior to placing accounts with the supplier, what collection efforts are performed by the OTC? On average, how many days old is an account before being placed with the supplier?   A Refer to Exbibit 1 [1.D.] To clarify, the OTC will send monthly billing notices each month for a period no longer than 3 months, the account may remain with OTC for an unspecified amount of time for possible wage garnishment or other collection activity. After the OTC issues a tax lien due to non-payment, the account will be referred to the bidder.-  Q -With regard to Attachment B - State of Oklahoma General Terms   1. Section 8.1.D - Does insurance section 8.1.D (copied below) apply to this collections RFP? This is not an Information Technology Services RFP?   A-There are IT components. Refer to bidder instructions for exception requests.  "Directors and Officers Insurance which shall include Employment Practices Liability as well as Consultant’s Computer Errors and Omissions Coverage, if information technology services are provided under the Contract, with limits not less than $5,000,000 per occurrence;"   1. Section 14 - Are background and criminal history checks required of all Supplier and subcontractor employees? See requirements below:   A- The agency relies on the IRS required Oklahoma State Bureau of Investigation/FBI Background and Fingerprinting requirements for anyone potentially having access or exposure to FTI.  "Prior to the commencement of any services, background checks and criminal history investigations of the Supplier’s employees and subcontractors who will be providing services may be required and, if so, the required information shall be provided to the State in a timely manner." | | | | | | | | |

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| b. All other terms and conditions remain unchanged. | | | | |
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| Supplier Company Name (**PRINT**) | | |  | Date |
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| Authorized Representative Name (**PRINT**) |  | Title |  | Authorized Representative Signature |