**REQUEST FOR INFORMATION FOR**

**Receivables Management Services**

**For the Pennsylvania Office of Attorney General**

**RFI NUMBER**

**RMS - 2018**

**DATE OF ISSUANCE**

**December 13, 2018**

**(Revised December 28, 2018)**

|  |  |  |
| --- | --- | --- |
| **Activity** | **Responsibility** | **Date** |
| Electronic Responses to be received by:**Alecia D. Peddigree, Issuing Officer****Office of Attorney General****14th Floor Strawberry Square****Harrisburg, PA 17120****apeddigree@attorneygeneral.gov** | Vendors | January 16, 2019 at 1:00 p.m. |
| Please monitor website for all communications regarding this Request for Information (RFI) and any future potential procurements:  [www.attorneygeneral.gov/Procurement/](http://www.attorneygeneral.gov/Procurement/)  | Potential Vendors | [TBD](http://www.attorneygeneral.gov/Procurement/)  |

***Summary*:** The Commonwealth of Pennsylvania Office of Attorney General (hereafter, “PA-OAG”) is statutorily charged with collecting all delinquent claims owed to the Commonwealth of Pennsylvania. See, 71 P.S. § 732-204 (c). The types of delinquent claims vary and include but are not limited to: tax, license, grants converted to loans, insurance premiums, tuition and higher education related expenses, pension, and statutory fees. Commonwealth agencies attempt to collect the claims owed through standard dunning cycles prior to referring the delinquent claims to the PA-OAG for collection. The Financial Enforcement Section (hereafter referred to as “PA-OAG-FES”) of the PA-OAG manages a collections program built around a standard dunning cycle comprised of in-house calls, letters, electronic correspondence, lien enforcement, and legal action. If the PA-OAG-FES efforts are unsuccessful, the PA-OAG-FES utilizes the contracted receivables management services of four vendors. Three vendors are first-placement vendors and the fourth vendor presently receives all second placements. PA-OAG-FES is engaged in a complete evaluation of its collections program including the optimal utilization of receivables management vendors.

This request seeks information from which the Commonwealth may formulate specifications, requirements, realistic timeframes, and expense frameworks for its future utilization of receivables management services. PA-OAG has contracts with four receivables management services providers and the current contracts expire in June 2019. The information provided to the PA-OAG in response to this RFI may inform the direction and approach in a future solicitation for receivables management services.

***Background*:** PA-OAG-FES presently utilizes Ontario Systems’ Artiva system as the collections system of record. This tool presents many opportunities for intelligent placement of delinquent claims portfolios with receivables management vendors.

The present PA-OAG-FES in-house dunning cycle is standard with first contacts attempted via letter communication. If communication is not accomplished with the debtor following the first letter, two additional letters may be sent and on select targeted delinquent claims, outbound phone calls may be placed through the letter cycle. Using the Artiva system, PA-OAG-FES refers delinquent claims to first placement vendors for a prescribed timeframe. The minimum dunning cycle utilized by the first placement vendors is contractually prescribed. If the first placement vendor is unsuccessful in collecting the delinquent claims then the claim is recalled to the PA-OAG-FES for placement with the second placement vendor. The first and second placement vendors work the delinquent claims until payment in full is received or the contractual prescribed timeframe for each placement is exhausted. Manual recall of the delinquent claims may occur at any time at the discretion of PA-OAG-FES but, an automated process returns delinquent claims upon the expiration of the contractually prescribed timeframe if the vendor is not successful in the collection efforts.

Receivables management vendors are compensated based on a percentage of collections. Limited reporting by receivables management vendors is provided to the PA-OAG-FES monthly. Placed portfolio analytics are not presently provided by vendors.

***Attachments.*** The following attachments have been included as a part of this RFI in order to assist vendors in developing their responses.

1. Attachment A – Questions

***Issues to Be Addressed.*** The Commonwealth is requesting that firms with expertise in this area send the information set out below. Responses should be succinct, preferably no more than 25 pages.

The following items must be submitted with your response:

1. Cover Letter on Company Letterhead, which includes a point of contact name, phone number and email address.
2. Attachment A – Questions

***Due Dates.*** The Commonwealth is requesting that all responses to this RFI be submitted by 1:00 p.m. on Wednesday, January 16, 2019.

***Disclaimer.*** This RFI is issued solely for information and planning purposes and does not constitute a procurement solicitation. Responses to this notice are not offers and cannot be accepted by the Commonwealth to form a binding contract. No party is bound by the information provided in response to this RFI.

Respondents are solely responsible for all expenses associated with responding to this RFI. Respondents needing confidential treatment for any proprietary information they furnish must clearly identify that in their respective Responses. All information received in response to this RFI that is marked Proprietary will be handled in accordance with applicable law including the Right To Know Law, as amended.

Respondents to this Request shall not provide recommendations as to specific courses of action and shall not be deemed to be an advisor or consultant to the Commonwealth. The Commonwealth will evaluate the information presented and determine any subsequent course of action, which may consist of contracting for implementation of Commonwealth-determined work. Such work may be procured through any procurement method available, and respondents to this Request may be considered for selection to perform such work.

Responses to this RFI will not be returned. Respondents will not be notified of the result of the review, nor will they be provided copies of it.

***Commonwealth Reservation of Rights.*** The Commonwealth reserves the right to consider or reject any and all responses to this Request, to amend and/or reissue this Request and to abandon and then recommence at any time, or not recommence, this process. All costs of any response to this Request and participation in any presentations to the Commonwealth are solely the responsibility of the Respondent and the Commonwealth shall not be liable for payment of any such costs.

***Point of Contact.*** All submissions and contacts concerning this solicitation must be sent to or made with:

Alecia Peddigree, Issuing Officer

Office of Attorney General

Email: apeddigree@attorneygeneral.gov

This office is the sole point of contact.

**Attachment A: Questions**

|  |
| --- |
| **Receivables Management Services RFI: RMS-2018** |
| **Vendor Name:** |  |
| **Contact Name:** |  |
| **Contact Phone #:** |  |
| **Email:** |  |

Please provide a response to **ALL** questions listed below.

If additional space is needed, please provide your response on a separate attachment, which includes your company information and the question you are responding to.

|  |  |  |
| --- | --- | --- |
| **No.** | **Question** | **Answer** |
| **1** | Does your organization use Ontario Systems’ Artiva system? |  |
| **2** | If the answer to (1) is yes, would your organization be technologically capable of transmitting payments and updating accounts directly through PAOAG’s Artiva? |  |
| **3** | What is the optimal shortest time box (length/duration) for placement of delinquent claims?  Does the length of the time box change for first and second placements? |  |
| **4** | What is the optimal length of a receivables management cycle from placement of a delinquent claim with the PAOAG through first placement with your organization?  Through the second placement with your organization? |  |
| **5** | Is your organization’s strength first placement or second placement receivables management? |  |
| **6** | What are the best skip tracing resources/tools available in the market? Why are the resources and tools the best?  What skip tracing tools does your organization use? |  |
| **7** | What is the best approach to promote and sustain competition between receivables management providers? |  |
| **8** | What are the hallmarks and benchmarks for the best compliance management system in the receivables management industry? |  |
| **9** | What pricing model for receivables management services produces the best collections results at the lowest cost? |  |
| **10** | Would your organization, once qualified, likely participate in a reverse auction for receivables management services? |  |
| **11** | Does your organization provide clients a dynamic web based portfolio/inventory dashboard or portal populated with real time data about the placed portfolio/inventory?  If yes, is the dashboard or portal customizable by the client? |  |
| **12** | Does your organization provide clients with a customizable reporting package with performance analytics for the placed portfolio/inventory?  How frequently is the reporting transmitted to the client?  What are the standard attributes of the reporting? |  |
| **13** | Is there a numeric range (principal dollar amount) above or below which your organization is expert in managing receivables? |  |
| **14** | May your organization’s recorded dunning calls be electronically accessed for quality scoring and monitoring by clients? |  |
| **15** | What are the benefits of accepting each payment type, i.e., credit cards, debit cards, one time ACH debit entries or recurring ACH debit entries? |  |
| **16** | What is the receivables management industry standard and/or best practices for the length of first placement?  Second placement? |  |
| **17** | Are 90 day time boxes for placements workable?  Assume the time box automatically extends with payment of the claim. |  |
| **18** | What financial incentives and penalties promote optimal performance in receivables management? |  |
| **19** | What is the receivables management industry standard for accounting for and excluding from payment of contract based commission fees for payments directly received by the Commonwealth after a claim is placed with your organization? |  |
| **20** | What is the present receivables management industry standard for privacy compliance?  Security compliance? |  |
| **21** | What is the present receivables management industry standard for vendor management oversight by clients?  What is the cadence of the oversight?  Is the oversight onsite at the vendor? |  |
| **22** | Would sliding scale fees based on the principal amount of claims placed by number as opposed to the standard percentage commission on collected amounts be acceptable to your organization?   Would it be more acceptable if the sliding scale fees were paid for every claim placed without regard to the success of collection in a prescribed time box? |  |
| **23** | What are receivables management industry standards for complaints management and reporting of complaints? |  |
| **24** | What should be included in the Commonwealth’s performance scorecard for evaluating receivable management vendors? |  |
| **25** | What is the receivables management industry standard timeframe for payment attribution to a vendor following the recall of a placed claim by the client? |  |
| **26** | How should tax amnesty programs be addressed from a fee perspective?  Should participating claims be recalled without payment to the vendor? |  |
| **27** | Is 100% call recording the standard in the receivables management industry?  What is the standard retention period of recorded calls? |  |
| **28** | What is the industry standard for suspending dunning activity following the debtor’s filing of a bankruptcy petition? |  |
| **29** | Describe your organization’s training program, quality program, and operational process improvement. |  |
| **30** | What are the present licensure requirements for receivable management vendors in PA? Outside of PA? |  |
| **31** | What out-of-state (non-PA) litigation and lien enforcement services does your organization provide? |  |
| **32** | What is the optimal interval or cadence of placement of claims? Monthly? Bi-Weekly? Weekly? |  |
| **33** | Describe the most effective dunning cycle and explain why the cycle produces better results. |  |
| **34** | What distinguishes the success of one receivables management vendor’s delivery of services from another? |  |
| **35** | What additional information should the Commonwealth consider in procuring receivables management services? |  |