

**PENNSYLVANIA OFFICE OF ATTORNEY GENERAL**  
**DEBT COLLECTION SERVICES**  
**RFP# 6100060755**

**Questions and Answers**

**Q1:** Please reconfirm the due date for this procurement by providing it in response to answers to questions.

**A:** **Please see Calendar of Events in the RFP (May 7, 2024 at 3:00 P.M.)**

**Q2:** 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:** **This question is not germane to the RFP. Please see Addendum 1 to the RFP.**

**Q3:** 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:** **No.**

**Q4:** Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable.

**A:** **This question is not germane to the RFP.**

**Q5:** Has the current contract gone full term?

**A:** **This question is not germane to the RFP.**

**Q6:** Have all options to extend the current contract been exercised?

**A: This question is not germane to the RFP.**

**Q7:** Who is the incumbent, and how long has the incumbent been providing the requested services?

**A: Arcadia Recovery Bureau LLC 10+ years and Linebarger Goggan Blair & Sampson LLP 10+ years**

**Q8:** How are fees currently being billed by any incumbent(s), by category, and at what rates?

**A: Contracts are contingency fee based with first placement retaining 13%, and second placement retaining 21% of dollars recovered.**

**Q9:** What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?

**A: In fiscal year 2023, approximately \$200,000 was paid across both First and Second placement.**

**In fiscal year 2022, approximately \$430,000 was paid across both First and Second placement.**

**In fiscal year 2021, approximately \$1.8 million was paid across both First and Second placement.**

**In fiscal year 2020, approximately \$3.7 million was paid across both First and Second placement.**

**The DOR suspended collection agency placements four years ago to support the development and deployment of the new, integrated tax system. Historically, the DOR has paid approximately \$3,000,000 per year in total commissions to all collection agencies in service.**

**Q10:** To how many vendors are you seeking to award a contract?

**A: Refer to I-4A of the RFP.**

**Q11:** To what extent are these accounts owed by private consumers versus commercial businesses?

**A: The OAG volume skews heavily toward private consumers. Approximately 97% of all claims are for individual, private debtors. The DOR receives more than 6,000,000 personal income tax returns per year and has roughly**

**700,000 active business tax accounts. The distribution of placements is expected to follow this ratio.**

**Q12:** What is the total dollar value of accounts available for placement now by category, including any backlog?

**A:** **The OAG has historically averaged approximately 1,000 placed claims per month for 1<sup>st</sup> placement totaling approximately \$2.4 million. OAG presently anticipates initial placement of 8,000 claims for 2<sup>nd</sup> placement upon commencement of the contract totaling approximately \$15 million.**

**Please see page 21 of the RFP for DOR expected volume.**

**Q13:** What is the total number of accounts available for placement now by category, including any backlog?

**A:** **See answer to question 12 above.**

**Q14:** What is the average balance of accounts by category?

**A:** **OAG first placement average is approximately \$2,400 and OAG second placement average is approximately \$2,000. DOR placements are anticipated to average approximately \$3,000.**

**Q15:** What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?

**A:** **The age for both first and second placements vary significantly. First placement follows OAG attempts to collect and may occur as quickly as 90 days from initial referral to OAG. Second placement follows first placement and may occur as quickly as 180 days from initial referral to OAG. DOR placements will also have varying degrees of age. Accounts may be placed as early as 75 days after assessment to over a year after assessment.**

**Q16:** What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category?

**A:** **See answer to question 12 above.**

**Q17:** What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?

**A: See answer to question 12 above.**

**Q18:** 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: OAG First Placements – Approximately 5.03%, OAG Second Placements Approximately 2.80%. The DOR has experienced liquidation rates between 5% to 20%.**

**Q19:** What billing servicer do you utilize?

**A: Neither the OAG nor the DOR utilize a billing servicer.**

**Q20:** Have all cases been fully adjudicated by the time of placement?

**A: No.**

**Q21:** 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: See RFP.**

**Q22:** What is your case management/accounting software system of record?

**A: OAG utilizes Artiva RM as its system of record for case management and account purposes. The DOR's utilizes GenTax, FAST Enterprises integrated tax system.**

**Q23:** Who is your electronic payment/credit card processing vendor?

**A: OAG does not currently have an electronic payment/credit card processing vendor. The DOR utilizes ACI through DOR's public facing portal, myPaTH.**

**Q24:** 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: This question is not germane to the RFP.**

**Q25:** How do your current processes and/or vendor relationship(s) systematically determine if the death of a responsible party has occurred?

**A:** **This question is not germane to the RFP.**

**Q26:** How do your current processes and/or vendor relationship(s) handle the death of a responsible party?

**A:** **This question is not germane to the RFP.**

**Q27:** Do you have a designated process or policies around deceased accounts today, and what is envisioned in the future?

**A:** **The portion pertaining to how things are done today are not germane to the RFP. The portion pertaining to future expectations, please see the RFP.**

**Q28:** Do you currently search and file probated estate claims? Have you considered an automated tool to identify and file probated estate claims?

**A:** **This question is not germane to the RFP.**

**Q29:** Can you please indicate what inbound and outbound contact methods, beyond phone calls or letters (such as email and text), would be permitted by the scope of work?

**A:** **PCAs are expected to utilize a variety of contact mediums consistent with their individual collections methodology and in their efforts are in compliance with various federal/state/local rules and regulations.**

**Q30:** The use of vendors for services such as skip tracing and letter service are customary in the collection industry. For the purposes of this RFP, does the OAG deem these types of service providers as sub-contractors? To what extent are these accounts owed by private consumers versus commercial businesses?

**A:** **Refer to Definition Section beginning on Page 19 in the RFP for the definition of sub-contractor. See response to question 11 above for private consumers versus commercial businesses.**

**Q31:** Please provide historical 12-month liquidation rate for each of the following categories:

- OAG First Placements
- OAG Second Placements
- DOR First Placements
- DOR Second Placements

**A:** See response to question 18 above.

**Q32:** I-11, B. Proposal Format (page 8) states that proposals "...shall consist of the following three separate electronic files: 1. Technical Submittal, in response to Part III:" and then lists the four (4) separate appendices. Can clarification be provided as to what the three (3) separate electronic files need to be and what they should consist of?

**A:** See RFP and Addendum 1.

**Q33:** Performance Bond - Section II-5 Offeror Responsibility B. – Page 15

Is there a Performance Bond requirement for this RFP? If so, what are the conditions and amounts?

**A:** The Performance Bond would be required if the Offeror's financial documentation fails to demonstrate that the Offeror possesses the financial capability to assure good faith performance of the contract, AND the issuing office, in its sole discretion, determines further security of Offeror is warranted.

**Q34:** Technical Submittal - Section I.II Proposal Requirements, item B – Page 8

This section states: "...Each electronic proposal shall consist of the following three separate electronic files..." Please confirm what separate files Offerors need to include.

**A:** See response to question 32 above.

**Q35:** Registrations & Licenses - Appendix B – Additional Information – Page 1

Please provide a list of registrations and licenses that PAOAG requires Offerors to have.

**A:** Offeror shall provide a list of the jurisdictions in which it is licensed along with supporting documents demonstrating compliance with specific licensure requirements in all jurisdictions in which it is licensed.

**Q36:** III-2 Qualifications - PA Office Preferred – Page 39

This section states PCAs shall provide details about the offices they expect to maintain in PA and that PCAs also must "identify the single points of contact by: 1) name, 2) years served with PCA, 3) higher education degrees and certifications, and 4) total years of experience in the collections industry. PCAs shall also submit a copy of the single points of contacts' resumes or CVs."

Please confirm the PAOAG requires single points of contact and resumes or CVs only from points of contact that will be in the Pennsylvania office.

**A: Please see RFP.**

**Q37:** I-4 Objectives - A. General – Page 5

In the past 4 years, what is the commission paid to incumbent PCAs?

**A: See response to question 9 above.**

**Q38:** I-4 Objectives - A. General – Page 5

What is the current backlog of accounts for first and second placements?

**A: For OAG there is not a backlog. Also, see response to question 21 above.**

**Q39:** I-4 Objectives - A. General – Page 5

Per the RFP, the state intends to have 3 PCAs for first collections and 3 for second collections. Will the state be using a champion challenger model to determine future placements, or will future placements be distributed equally among the PCAs?

**A: This question is not germane to the RFP.**

**Q40:** What is the annual volume and average balance for primary accounts for the OAG and DOR respectively? What is the annual volume and average balance for secondary accounts for the OAG and DOR respectively?

**A: See answer to question 12 above.**

**Q41:** What is the historical liquidation rate for accounts for the OAG and DOR respectively at 12 months?

**A: See answer to question 18 above.**

**Q42:** What is your future annual recovery or liquidation goal for each placement tier and category on the new contract?

**A:** **100%**

**Q43:** Does the OAG and DOR have specific criteria for approving legal action on an account?

**A:** **Approval of legal action is rare and each account/claim/situation is different. There is no single set of guidelines. PCA would work through established channels with relevant OAG officials.**

**Q44:** What percentage of accounts require litigation?

**A:** **It is not anticipated that PCAs will undertake litigation.**

**Q45:** Does the predetermined commission for OAG and DOR accounts include legal collections, or should the vendor propose a separate fee for legal?

**A:** **See responses to questions 43 and 44 above.**

**Q46:** Approximately what percent of accounts have email addresses? Can you break this down by category?

**A:** **OAG does not maintain the requested data.**

**For DOR, a majority of the business tax accounts should have an email address. Personal tax accounts have fewer email addresses.**

**Q47:** Approximately what percentage of accounts have a cell phone number?

**A:** **OAG does not maintain the requested data.**

**For DOR, many personal income tax accounts should have cell phone numbers.**

**Q48:** Approximately what percent of accounts require bilingual communication?

**A:** **OAG does not maintain the requested data. Vendors are encouraged to utilize translation services to provide the broadest possible service.**



**Q49:** Section: Calendar of Events Page Number: 4

What is your target date for contract award?

**A: The third quarter of 2024.**

**Q50:** Section: Calendar of Events Page Number: 4

What is the latest date by which you will issue any addendum related to this RFP?

**A: May 6, 2024.**

**Q51:** Section: General question Page Number: N/A

In the most recent fiscal year, what dollar amount did each of your current contractors retain in fees?

**A: See response to question 9 above.**

**Q52:** Section: Section I-4 Objectives Page Number: 5 and 33

RFP Section I-4 Objectives states that the OAG will award First Placements to three Offerors and Second Placements to three Offerors. Meanwhile, Section AA. METHODOLOGY FOR PLACEMENTS, on p. 33, says, "OAG and DOR intend to utilize more than one First Placement PCA and more than one Second Placement PCA to promote the highest value delivery of professional services and to promote competition amongst PCAs."

Question: Will both OAG and DOR use three First Placement contractors and three Second Placement contractors? If not, please clarify.

**A: See RFP.**

**Q53:** Section: I-11. Proposal Requirements, A. Proposal Submission Page Number: 7

"To be considered, Offerors should submit a complete response to this RFP to the Issuing Office, using the format provided in Section I-11B, providing a single electronic proposal with separate files **for the Technical Submittal for each Lot Offeror is;** proposing to be considered for award."

QUESTION: Just to confirm, is the preceding sentence saying that if an Offeror is applying for both Lot 1 and Lot 2, the Offeror needs to provide TWO separate Technical proposals? If not, please clarify.

**A: If the Offeror is submitting a proposal for both 1<sup>st</sup> and 2<sup>nd</sup> placement AND the services are different, the Offeror should submit TWO separate submissions.**

**If the Offeror's services would be identical between first and second placement then a single submission adhering to the requirements of the RFP will be sufficient. Offeror must indicate their preference for first, second or both on Attachment A.**

**Q54:** Section: I-11. Proposal Requirements, A. Proposal Submission Page Number: 7

“To be considered, Offerors should submit a complete response to this RFP to the Issuing Office, using the format provided in Section I-11B, providing a single electronic proposal with separate files **for the Technical Submittal for each Lot Offeror is;** proposing to be considered for award.”

QUESTION: Was something omitted after the semi-colon, or is the semi-color a typographical error?

**A: The semicolon is a typographical error.**

**Q55:** Section: I-11. Proposal Requirements, B. Proposal Format Page Number: 8  
...

Each electronic proposal shall consist of the following **three** separate electronic files:

Technical Submittal, in response to **Part III:**

- a. Complete, sign and include **Appendix A – Proposal Cover Sheet;**
- b. Complete and include **Appendix B – Additional Information**
- c. Complete, sign and include **Appendix F – Domestic Workforce Utilization Certification;** and
- d. Complete, sign and include **Appendix G, Iran Free Procurement Certification Form.**

QUESTION: Would the Offeror actually be submitting at least FIVE separate electronic files, namely, 1) Technical Submittal (response to Part III); 2. Appendix A – Proposal Cover Sheet; 3) Appendix B – Additional Information; 4) Complete, sign and include Appendix F – Domestic Workforce Utilization Certification and 5) Appendix G – Iran Free Procurement Certification Form? And if separate PDF files are required for Lot 1 and Lot 2, would that be six separate electronic files?

**A: See response to question 32 above.**

**Q56:** Section: II-4. Evaluation Criteria, A. Technical Page Number: 14

II-4. Evaluation Criteria, A. Technical –

What is the weight or number of points to be assigned to each of the criteria specified in this paragraph?

**A: Please see RFP.**

**Q57:** Section: II-6. Final Ranking and Award, paragraph A. Page Number: 16

“After any best and final offer process conducted, the Issuing Office will combine the evaluation committee’s final technical scores and the domestic workforce utilization scores, in accordance with the relative weights assigned to these areas as set forth in this Part.”

QUESTION: Is this sentence implying that a best and final offer may still be used, even though the fee rates are being set by the OAG, per the STATEMENT OF WORK FOR PCAs, section CC. COMMISSION on RFP Page 34?

**A: Please see RFP.**

**Q58:** Section: III-2. QUALIFICATIONS, B. PRIOR EXPERIENCE Page Number: 37

How many client references are required with the proposal?

**A: Three references minimum.**

**Q59:** Section: STATEMENT OF WORK FOR PCAs, B. PCA CONTACT WITH CONSUMER/DEBTOR/TAXPAYER Page Number: 23 and 21

“The PCA’s collection efforts shall commence with sending to the Consumer/Debtor/Taxpayer a Demand Letter in full compliance with applicable law including but not limited to the requirements for initial letters as set forth in the Fair Debt Collection Practices Act (“FDCPA”) within forty-eight (48) hours of placement.”

QUESTION: The debt types to be referred for collection are not subject to the FDCPA and if the Contractor was to send an Initial Placement Notice (IPN) as outlined in Regulation F, we would require additional information in order to comply with itemization requirements. In the Statement of Work, Section A. REFERRAL PROCESS on page 21, in the list of data elements to be included in each Referred Claim, we are not seeing the required itemization information that we would need to comply with Regulation F. Will the itemization data elements be added to the Referral File? Or is the intent here to follow the spirit of the FDCPA?

**A: An Offeror will be provided with all the necessary information to fulfill its obligations in compliance with applicable law.**

**Q60:** Section: H. MINIMUM DUNNING REQUIREMENTS: Page Number: 39

“PCA shall provide copies of its procedures detailing how it will deliver services consistent with the requirements of the Statement of Work. Please note these standards establish minimum requirements and OAG and DOR desire to review detailed explanations of how PCAs will meet and/or exceed these minimum standards.”

QUESTION: Is this response specific to STATEMENT OF WORK FOR PCAs, section B. PCA CONTACT WITH CONSUMER/DEBTOR/TAXPAYER? Or are Offerors to address the entire Statement of Work?

**A:** **Entire Statement of Work.**

**Q61:** Section: III-1 STATEMENT OF THE PROJECT, section S. LICENSING Page Number: 42

“PCA shall provide any supporting documents demonstrating compliance with specific licensure requirements in all jurisdictions in which it is licensed.”

Question: Can you please clarify what you mean by “supporting documents demonstrating compliance with specific licensure requirements ...”? Please provide examples.

**A:** **See response to question 35 above.**

**Q62:** Page 7, I-11.A Proposal Submission: please clarify what needs to be submitted twice if a vendor is proposing for both 1<sup>st</sup> and 2<sup>nd</sup> placement lots (e.g. Appendix A, Appendix B, Appendix F, Appendix G, Trade secret form etc.).

**A:** **See response to question 53 above.**

**Q63:** Page 8, I-11.B: the proposal format paragraph has the following statement which did not appear in the Commonwealth’s previous procurement for this service in 2022, “All Small Diverse Business and Veteran Business Enterprise cost data should be kept separate from and not included in the Technical Submittal.”

- Can the Commonwealth provide specific details on the subcontracting goals or requirements for this contract to Small, Diverse, and Veteran Business enterprises? Given the extensive amount of information being requested for proposed subcontractors and if the Commonwealth is assigning specific subcontracting goals or requirements to these businesses, we request a 3 week proposal due date extension to allow ample time to perform an outreach, select subcontractors and obtain the needed qualifications, history, financials etc. from these firms.

**A:** Please see Addendum 1. The response date is same as set forth in the RFP.

**Q64:** Page 8, I-11.B: the proposal format paragraph has the following statement which did not appear in the Commonwealth's previous procurement for this service in 2022, "All Small Diverse Business and Veteran Business Enterprise cost data should be kept separate from and not included in the Technical Submittal."

- To meet the Commonwealth's subcontracting goals (if applicable), would an Offeror be permitted to subcontract debt collection services to Commonwealth certified Small, Diverse, or Veteran Business enterprises or would only support services be allowed?

**A:** Please see Addendum 1.

**Q65:** Page 8, I-11.B.1: "Three separate electronic files" are requested though only the 4 appendices are listed for the response items, would the Commonwealth allow a vendor to submit all of the appendices/forms in 1 PDF and the response/supporting documents for Part III-1 and III-2 (Statement of the Project and Qualifications) in a separate PDF?

- Please confirm that if vendors are responding to both 1<sup>st</sup> and 2<sup>nd</sup> placement lots, 2 unique responses for Part III-1 and III-2 (Statement of the Project and Qualifications) are needed.

**A:** See response to question 53 above.

**Q66:** Page 14, II-2, the first sentence mentions 4 mandatory responsiveness requirements, please confirm there are only three (A, B, and C in II-1).

**A:** See response to question 32 above.

**Q67:** Could you provide historical recovery rates for inventory previously placed under Lot 1 and Lot 2 criteria?

**A:** See response to question 18 above.

**Q68:** Anticipated start of contract?

**A:** See response to question 49 above.

**Q69:** What agencies are currently working this contract?

**A:** See response to question number 7 above.

**Q70:** Will competitive data be shared between the PCAs showing their performance against each other?

**A:** No.

**Q71:** Document: IT Terms and Conditions, Section: Subcontracting  
For the purpose of this RFP are letter or skip trace vendors considered subcontractors or are subcontractors defined as those parties who will partake in the collection of debts assigned to the prime contractor?

**A:** See response to question 30 above.

**Q72:** Part I: I-11 B - Proposal Format Paragraph states "Each electronic proposal shall consist of the following three separate electronic files:" but there are four files listed.  
Confirming that all four appendixes (A, B, F, and G) should be submitted.

**A:** See response to question 32 above.

**Q73:** Part III: G - Debtor Not Located  
What constitutes an account to be in an active skiptrace status? No phone number, no contact, no address?

**A:** All of the above.

**Q74:** Part I: I-21 Terms of Contract  
The IT Contract Terms and Conditions document outlines "Extension of Contract Term" (Section 4) as an extension of the contract for up to three (3) months. The RFP lists the extension as up to two (2), two-year extensions. Does the RFP clause supercede the IT one.

**A:** See RFP.

**Q75:** Regarding **Part I – General Information > I-9 Addenda to the RFP** on page 7 of the *Debt Collection Services RFP* document: Are Offerors required to formally acknowledge any addenda issued for this solicitation, e.g., in a Cover Letter, or sign and return each addendum in an Offeror's proposal, etc., OR, instead, is

acknowledgement/acceptance of an addendum inherent in an Offeror's submission of a proposal?

**A: Inherent.**

**Q76:** Regarding **Part I – General Information > I-11 Proposal Requirements > B. Proposal Format** on page 8 of the *Debt Collection Services RFP* document: Offerors are advised to submit “three separate electronic files”, but there are actually four listed. Please confirm that this should be four, and that each of the listed four is to be emailed separately to the named contact.

**A: See response to question 32 above.**

**Q77:** Regarding **Part II – Criteria for Selection > II-1 and II-2** on page 14 of the *Debt Collection Services RFP* document: Language in II-2 references four mandatory non-waivable requirements, but there are only three in II-1. Please confirm that there are only three, OR, please provide the fourth mandatory requirement.

**A: See response to question 32 above.**

**Q78:** Regarding **Statement of Work for PCAs** on pages 21-36 of the *Debt Collection Services RFP* document: Please confirm that items A through EE do not require itemized individual response in addition to the information required, BUT that understanding and related description of said statement of work information should be included in the respective relevant areas of the prescribed response structure described in III-2 Statement of Qualifications, e.g., A. PCA Overview, B. Prior Experience, C. Personnel, etc.

**A: See RFP.**

**Q79:** Regarding overall response structure of proposal: Please confirm that Offerors can include a tabbed **Table of Contents** to precede their proposal.

**A: Yes, provided it otherwise complies with the RFP.**

**Q80:** Regarding overall response structure of proposal: Please confirm that Offerors can include a tabbed **Cover Letter** to precede their proposal.

**A: Yes, provided it otherwise complies with the RFP.**

**Q81:** Regarding overall response structure of proposal: Please confirm that Offerors can include a tabbed **Attachments** (to follow the tab for **III-5 Objections and Additions to Standard Contract Terms and Conditions**) to include many of the requested proposal supplements such as sample reports, sample implementation plan, etc.

**A:** **Yes, provided it otherwise complies with the RFP.**

**Q82:** Regarding **Appendix H Trade Secret Confidential Property Info Notice**: Unless the Commonwealth would prefer to have it included elsewhere in a proposal, please confirm that Offerors can include the completed and signed copy of Appendix H in an Attachments tab.

**A:** **Yes, provided it otherwise complies with the RFP.**