**REQUEST FOR PROPOSALS FOR**

**DEBT COLLECTION SERVICES**

**ISSUING OFFICE**

**PENNSYLVANIA OFFICE OF ATTORNEY GENERAL**

**RFP NUMBER**

**6100060755**

**DATE OF ISSUANCE**

**March 28, 2024**

**REQUEST FOR PROPOSALS FOR**

 **DEBT COLLECTION SERVICES**

**RFP# 6100060755**

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**CALENDAR OF EVENTS**

The Commonwealth will make every effort to adhere to the following schedule:

|  |  |  |
| --- | --- | --- |
| **Activity** | **Responsibility** | **Date** |
| Deadline to submit Questions via email to:Alecia Peddigree: apeddigree@attorneygeneral.gov | Potential Offerors | April 18, 20243:00 p.m. |
| Answers to Potential Offeror questions posted to the PAOAG website at [www.attorneygeneral.gov/Procurement/](http://www.attorneygeneral.gov/Procurement/) no later than this date. | Issuing Office | April 30, 2024 |
| Please monitor website for all communications regarding the RFP. [www.attorneygeneral.gov/Procurement/](http://www.attorneygeneral.gov/Procurement/)  | Potential Offerors | ONGOING |
| Electronic proposal must be received by the Issuing Office at:**Mrs. Alecia D. Peddigree****apeddigree@attorneygeneral.gov** | Offerors | May 7, 20243:00 p.m. |

**PART I**

**GENERAL INFORMATION**

1. **Purpose.** This request for proposals (“RFP”) provides to those interested in submitting proposals for the subject procurement (“Offerors”) information sufficient to enable them to prepare and submit proposals for the Pennsylvania Office of Attorney General’s (“OAG”) consideration on behalf of the Commonwealth of Pennsylvania (“Commonwealth”) to satisfy a need for Debt Collection Services (“Project”). This RFP contains instructions governing the requested proposals, including the requirements for the information and material to be included; a description of the service to be provided; requirements which Offerors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFP.
2. **Issuing Office.** ThePAOAG (“Issuing Office”) has issued this RFP on behalf of the Commonwealth. The sole point of contact (“Issuing Officer”) for the Commonwealth for this RFP shall be:

**Alecia D. Peddigree, Issuing Officer**

**Office of Attorney General**

**14th Floor Strawberry Square**

**Harrisburg, PA 17120**

**apeddigree@attorneygeneral.gov**

1. **Overview of Project.** The OAG is charged with the collection of delinquent claims owing to the Commonwealth of Pennsylvania under the Commonwealth Attorneys Act, 71 P.S.§ 732-204(c). Delinquent claims are referred to the OAG by Referring Agencies of the Commonwealth and the claims may include but are not limited to: license fees, past due taxes and non-filed returns, grants to loans, registration fees, insurance premiums, overpayments, and penalties.

1. **Objectives.**
2. **General.** Under the Commonwealth Attorneys Act, the OAG is responsible for the collection of all delinquent claims owed the Commonwealth. The OAG is looking to fill a need for three (3) First Placement Offerors and three (3) Second Placement Offerors to seek payment of delinquent claims owed to the Commonwealth. Further, the OAG has outlined below the award approach for each lot.
	1. Lot 1 – First Placement Offerors
		1. OAG will award this lot to up to (3) three Offerors.
		2. The Commission rate is detailed in Section III.
		3. You are allowed to be considered for both lots, but can only be awarded one (1) lot. Offerors must indicate whether they are submitting their proposal for consideration for the First Placement lot, Second Placement Lot, or both on Appendix A – Proposal Cover Sheet. If submitting for both lots, Offerors must also indicate which lot they prefer to be awarded.

* 1. Lot 2 – Second Placement Offerors
		1. OAG will award this lot to up to (3) three Offerors.
		2. The Commission rate is detailed in Section III.
		3. You are allowed to be considered for both lots, but can only be awarded one (1) lot. Offerors must indicate whether they are submitting their proposal for consideration for the First Placement lot, Second Placement Lot, or both on Appendix A – Proposal Cover Sheet. If submitting for both lots, Offerors must also indicate which lot they prefer to be awarded.
1. **Type of Contract.** It is proposed that if the Issuing Office enters into a contract as a result of this RFP, it will be a Firm Fixed Pricecontractcontaining the Contract Terms and Conditions as shown in **Part VI**. The Issuing Office, in its sole discretion, may undertake negotiations with those Offerors whose proposals, in the judgment of the Issuing Office, show them to be qualified, responsible and capable of performing the Project.
2. **Rejection of Proposals.** The Issuing Office reserves the right, in its sole and complete discretion, to reject any proposal received as a result of this RFP.
3. **Incurring Costs.** The Issuing Office is not liable for any costs the Offeror incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.
4. **Questions & Answers.** If an Offeror has any questions regarding this RFP, the Offeror must submit the questions by email **(with the subject line “RFP 6100060755 Question”)** to the Issuing Officer named in **Part I,** **Section I-2** of the RFP. If the Offeror has questions, they must be submitted via email **no later than** the date indicated on the Calendar of Events. The Offeror shall not attempt to contact the Issuing Officer by any other means. The Issuing Officer shall post the answers to the questions on the OAG website by the date stated on the Calendar of Events**.** An Offeror who submits a question *after* the deadline date for receipt of questions indicated on the Calendar of Events assumes the risk that its proposal will not be responsive or competitive because the Commonwealth is not able to respond before the proposal receipt date or in sufficient time for the Offeror to prepare a responsive or competitive proposal. If questions are submitted after the deadline date for receipt of questions indicated on the Calendar of Events, the Issuing Officer *may* respond to questions of an administrative nature by directing the questioning Offeror to specific provisions in the RFP.  To the extent that the Issuing Office decides to respond to a non-administrative question *after* the deadline date for receipt of questions indicated on the Calendar of Events, the answer must be provided to all Offerors through an addendum.

All questions and responses as posted on the OAG website are considered as an addendum to, and part of, this RFP in accordance with RFP **Part I, Section I-10.** Each Offeror shall be responsible to monitor the OAG website for new or revised RFP information. The Issuing Office shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFP or formally issued as an addendum by the Issuing Office. The Issuing Office does not consider questions to be a protest of the specifications or of the solicitation. The required protest process for Commonwealth procurements is described on the OAG website.

1. **Addenda to the RFP.** If the Issuing Office deems it necessary to revise any part of this RFP before the proposal response date, the Issuing Office will post an addendum to the OAG website. It is the Offeror’s responsibility to periodically check the website for any new information or addenda to the RFP. Answers to the questions asked during the Questions & Answers period also will be posted to the website as an addendum to the RFP.
2. **Response Date.** To be considered for selection, electronic copies of proposals must arrive at the Issuing Office on or before the time and date specified in the RFP Calendar of Events. The Issuing Office will reject late proposals.
3. **Proposal Requirements.**
	1. **Proposal Submission:** 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 proposalwith separate files **for the Technical Submittal for each Lot Offeror is;**  proposing to be considered for award**.** Each Lot will be evaluated separately and awarded its own individual technical score. The final Technical scores for each Lot are determined by giving the maximum number of technical points available to the proposal with the highest raw technical score for that Lot.
		1. The electronic submission must be provided via email to apeddigree@attorneygeneral.gov in PDF format. Each email shall be no larger than 20MB. If the submission is larger than 20MB, the Offeror may submit up to four (4) emails and must number them 1 of X, etc, so that the Commonwealth can ensure it receives the entire submission. The Commonwealth will send an email response acknowledging receipt of the submission.

The email should clearly identify the Offeror and include the name and version number of the virus scanning software that was used to scan the PDF file(s) before it/they were sent. The Offeror shall make no other distribution of its proposal to any other Offeror or Commonwealth official or Commonwealth consultant.  Each proposal page should be numbered for ease of reference.  An official authorized to bind the Offeror to its provisions must sign the proposal. If the official electronically signs the **Proposal Cover Sheet** (**Appendix** A to this RFP) or signs and scans it, the requirement will be met.  For this RFP, the proposal must remain valid for 120 days or until a contract is fully executed.  If the Issuing Office selects the Offeror’s proposal for award, the contents of the selected Offeror’s proposal will become, except to the extent the contents are changed through Best and Final Offers or negotiations, contractual obligations.

Each Offeror submitting a proposal specifically waives any right to withdraw or modify it, except that the Offeror may withdraw its proposal by email notice to apeddigree@attorneygeneral.gov prior to the exact hour and date specified for proposal receipt.  An Offeror may modify its submitted proposal prior to the exact hour and date set for proposal receipt only by submitting a clearly identified revised electronic submission marked as “Revised Proposal” which complies with the RFP requirements.

1. **Proposal Format:** Offerors must submit their proposals in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all proposal requirements. Offerors should provide any other information thought to be relevant, but not applicable to the enumerated categories, as an appendix to the Proposal. All Small Diverse Business and Veteran Business Enterprise cost data should be kept separate from and not included in the Technical Submittal. Each electronic proposal shall consist of the following **three** separate electronic files:
2. Technical Submittal, in response to **Part III**:
3. Complete, sign and include **Appendix A – Proposal Cover Sheet**;
4. Complete and include **Appendix B – Additional Information**
5. Complete, sign and include **Appendix F – Domestic Workforce Utilization Certification**; and
6. Complete, sign and include **Appendix G, Iran Free Procurement Certification Form.**

The Issuing Office reserves the right to request additional information which, in the Issuing Office’s opinion, is necessary to assure that the Offeror’s competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Issuing Office may make investigations as deemed necessary to determine the ability of the Offeror to perform the Project, and the Offeror shall furnish to the Issuing Office all requested information and data. The Issuing Office reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Offeror fails to satisfy the Issuing Office that such Offeror is properly qualified to carry out the obligations of the RFP and to complete the Project as specified.

1. **Economy of Preparation.** Offerors should prepare proposals simply and economically, providing a straightforward, concise description of the Offeror’s ability to meet the requirements of the RFP.

1. **Alternate Proposals.** The Issuing Office has identified the basic approach to meeting its requirements, allowing Offerors to be creative and propose their best solution to meeting these requirements. The Issuing Office will not accept alternate proposals.
2. **Discussions for Clarification.** Offerors may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification. Clarifications may occur at any stage of the evaluation and selection process prior to contract execution.
3. **Prime Contractor Responsibilities.** The selected Offeror must perform at least 50% of the total contract value. Nevertheless, the contract will require the selected Offeror to assume responsibility for all services offered in its proposal whether it produces them itself or by subcontract.  Further, the Issuing Office will consider the selected Offeror to be the sole point of contact with regard to all contractual matters.
4. **Proposal Contents.**
5. Confidential Information.  The Commonwealth is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of Offerors’ submissions in order to evaluate proposals submitted in response to this RFP.  Accordingly, except as provided herein, Offerors should not label proposal submissions as confidential or proprietary or trade secret protected.  Any Offeror who determines that it must divulge such information as part of its proposal must submit the signed written statement described in subsection c. below and must additionally provide a redacted version of its proposal, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.
6. Commonwealth Use.  All material submitted with the proposal shall be considered the property of the Commonwealth of Pennsylvania.  The Commonwealth has the right to use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of a contract.  Notwithstanding any Offeror copyright designations contained in proposals, the Commonwealth shall have the right to make copies and distribute proposals internally and to comply with public record or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.

1. Public Disclosure.  After the award of a contract pursuant to this RFP, all proposal submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq.  If a proposal submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Refer to **Appendix H** of the RFP for a **Trade Secret Confidential Proprietary Information Notice Form** that may be utilized as the signed written statement, if applicable. If financial capability information is submitted in response to Part III of this RFP, such financial capability information is exempt from public records disclosure under 65 P.S. § 67.708(b)(26).
2. **Best and Final Offers (BAFO).**
3. While not required, the Issuing Office reserves the right to conduct discussions with Offerors for the purpose of obtaining “best and final offers.” To obtain best and final offers from Offerors, the Issuing Office may do one or more of the following, in any combination and order:
	* 1. Schedule oral presentations;
		2. Request revised proposals;
		3. Conduct an online auction; and
		4. Enter into pre-selection negotiations.
4. The following Offerors will **not** be invited by the Issuing Office to submit a Best and Final Offer:
	* 1. Those Offerors which the Issuing Office has determined to be not responsible or whose proposals the Issuing Office has determined to be not responsive.
		2. Those Offerors which the Issuing Office has determined in accordance with **Part II, Section II-5** from the submitted and gathered financial and other information, do not possess the financial capability, experience or qualifications to assure good faith performance of the contract.
		3. Those Offerors whose score for their technical submittal of the proposal is less than 75% of the total amount of technical points allotted to the technical criterion.

The Issuing Office may further limit participation in the best and final offers process to those remaining responsible Offerors which the Issuing Office has, within its discretion, determined to be within the top competitive range of responsive proposals.

1. The Evaluation Criteria found in **Part II,** **Section II-4**, shall also be used to evaluate the Best and Final offers.
2. **News Releases.** Offerors shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of the Issuing Office, and then only in coordination with the Issuing Office.
3. **Restriction of Contact.** From the issue date of this RFP until the Issuing Office selects a proposal for award, the Issuing Office is the sole point of contact concerning this RFP. Any violation of this condition may be cause for the Issuing Office to reject the offending Offeror’s proposal. If the Issuing Office later discovers that the Offeror has engaged in any violations of this condition, the Issuing Office may reject the offending Offeror’s proposal or rescind its contract award. Offerors must agree not to distribute any part of their proposals beyond the Issuing Office. An Offeror who shares information contained in its proposal with other Commonwealth personnel and/or competing Offeror personnel may be disqualified.
4. **Issuing Office Participation.** Offerors shall provide all services, supplies, facilities, and other support necessary to complete the identified work, except as otherwise provided in this **Part I, Section I-21.**

1. **Term of Contract.** The term of the contract will commence on the Effective Date and will end five years after the Effective Date. The Issuing Office shall have the option to extend the contract on the same terms and conditions for up to two (2), two-year renewals. The Issuing Office will fix the Effective Date after the contract has been fully executed by the selected Offeror and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The selected Offeror shall not start the performance of any work prior to the Effective Date of the contract and the Commonwealth shall not be liable to pay the selected Offeror for any service or work performed or expenses incurred before the Effective Date of the contract.
2. **Offeror’s Representations and Authorizations.** By submitting its proposal, each Offeror understands, represents, and acknowledges that:
	1. All of the Offeror’s information and representations in the proposal are material and important, and the Issuing Office may rely upon the contents of the proposal in awarding the contract(s). The Commonwealth shall treat any misstatement, omission or misrepresentation as fraudulent concealment of the true facts relating to the Proposal submission, punishable pursuant to 18 Pa. C.S. § 4904.
	2. The Offeror makes its proposal in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
	3. To the best knowledge of the person signing the proposal for the Offeror, the Offeror, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last **four** years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as the Offeror has disclosed in its proposal.
	4. To the best of the knowledge of the person signing the proposal for the Offeror and except as the Offeror has otherwise disclosed in its proposal, the Offeror has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Offeror that is owed to the Commonwealth.
	5. The Offeror is not currently under suspension or debarment by the Commonwealth, any other state or the federal government, and if the Offeror cannot so certify, then it shall submit along with its proposal a written explanation of why it cannot make such certification.
	6. The Offeror has not made, under separate contract with the Issuing Office, any recommendations to the Issuing Office concerning the need for the services described in its proposal or the specifications for the services described in the proposal.
	7. Each Offeror, by submitting its proposal, authorizes Commonwealth agencies to release to the Commonwealth information concerning the Offeror's Pennsylvania taxes, unemployment compensation and workers’ compensation liabilities.
	8. Until the selected Offeror receives a fully executed and approved written contract from the Issuing Office, there is no legal and valid contract, in law or in equity, and the Offeror shall not begin to perform.
	9. The Offeror is not currently engaged, and will not during the duration of the contract engage, in a boycott of a person or an entity based in or doing business with a jurisdiction which the Commonwealth is not prohibited by Congressional statute from engaging in trade or commerce.
3. **Notification of Selection.**
	1. **Contract Negotiations.**  The Issuing Office will notify all Offerors in writing of the Offeror selected for contract negotiations after the Issuing Office has determined, taking into consideration all of the evaluation factors, the proposal that is the most advantageous to the Issuing Office.
	2. **Award.** Offerors whose proposals are not selected will be notified when contract negotiations have been successfully completed and the Issuing Office has received the final negotiated contract signed by the selected Offeror.
4. **Protest Procedure.** The RFP Protest Procedure is on the PAOAG website at <https://www.attorneygeneral.gov/procurement/>. A protest by a party not submitting a proposal must be filed within **seven** days after the protesting party knew or should have known of the facts giving rise to the protest, but no later than the proposal submission deadline specified in the Calendar of Events of the RFP. Offerors may file a protest within **seven** days after the protesting Offeror knew or should have known of the facts giving rise to the protest, but in no event may an Offeror file a protest later than **seven** days after the date the notice of non-section. The date of filing is the date of receipt of the protest. A protest must be filed in writing with the Issuing Office. To be timely, the protest must be received by 4:00 p.m. on the seventh day.
5. **Use of Electronic Versions of this RFP.** This RFP is being made available by electronic means. If an Offeror electronically accepts the RFP, the Offeror acknowledges and accepts full responsibility to ensure that no changes are made to the RFP. In the event of a conflict between a version of the RFP in the Offeror’s possession and the Issuing Office’s version of the RFP, the Issuing Office’s version shall govern.
6. This RFP is subject to the Information Technology Policies (“ITPs”) issued by the Office of Administration, Office for Information Technology (“OA-OIT").  ITPs may be found at <http://www.oa.pa.gov/Policies/Pages/itp.aspx>.

All proposals must be submitted on the basis that all ITPs are applicable to this procurement.   It is the responsibility of the Offeror to read and be familiar with the ITPs.  Notwithstanding the foregoing, if the Offeror believes that any ITP is not applicable to this procurement, it must list all such ITPs in its technical response, and explain why it believes the ITP is not applicable.  The Issuing Office may, in its sole discretion, accept or reject any request that an ITP not be considered to be applicable to the procurement.  The Offeror’s failure to list an ITP will result in its waiving its right to do so later, unless the Issuing Office, in its sole discretion, determines that it would be in the best interest of the Commonwealth to waive the pertinent ITP.

**PART II**

**CRITERIA FOR SELECTION**

1. **Mandatory Responsiveness Requirements.** To be eligible for selection, a proposal must:
2. Be timely received from an Offeror (see **Part I, Section I-10**); and
3. Be properly signed by the Offeror (see **Part I, Section I-11A);** and
4. Respond to all proposal requirements (see **Part I, Section I-11B**).
5. **Technical Nonconforming Proposals.** The four (4) Mandatory Responsiveness Requirements set forth in **Section II-1** above (A-B) are the only RFP requirements that the Commonwealth will consider to be *non-waivable.* The Issuing Office reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformities in an Offeror’s proposal, (2) allow the Offeror to cure the nonconformity, or (3) consider the nonconformity in the scoring of the Offeror’s proposal.
6. **Evaluation.** The Issuing Office has selected a committee of qualified personnel to review and evaluate timely submitted proposals. The Issuing Office will notify in writing of its selection for negotiation the responsible Offeror whose proposal is determined to be the most advantageous to the Commonwealth as determined by the Issuing Office after taking into consideration all of the evaluation factors.

1. **Evaluation Criteria.** The following criteria will be used in evaluating each proposal:

**A. Technical:** The Issuing Office has established the weight for the Technical criterion for this RFP as **100%** of the total points.Evaluation will be based upon the following: **the** Offeror's Qualification, Proposed Personnel Experience, Systems Integration Soundness of Approach, Record Retention, Disaster Recovery and Emergency Preparedness, Privacy and Security, Quality Assurance, Continuous Process Improvement, Training and Compliance Management Systems.

B. Each Lot with be evaluated separately and awarded its own individual technical score. The final Technical scores for each Lot are determined by giving the maximum number of technical points available to the proposal with the highest raw technical score for that Lot.

C. Domestic Workforce Utilization: Any points received for the Domestic Workforce Utilization criterion are bonus points in addition to the total points for this RFP. The maximum amount of bonus points available for this criterion is 3% of the total points for this RFP.

To the extent permitted by the laws and treaties of the United States, each proposal will be scored for its commitment to use domestic workforce in the fulfillment of the contract. Maximum consideration will be given to those Offerors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States or within the geographical boundaries of a country that is a party to the World Trade Organization Government Procurement Agreement. Those who propose to perform a portion of the direct labor outside of the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement will receive a correspondingly smaller score for this criterion. See the following webpage for the Domestic Workforce Utilization Formula:

[RFP Scoring Formula | Procurement Resources | Department of General Services | Commonwealth of Pennsylvania](https://www.dgs.pa.gov/Materials-Services-Procurement/Procurement-Resources/Pages/RFP_SCORING_FORMULA.aspx)

**D. Iran Free Procurement Certific**a**tion and Disclosure.** Prior to entering a contract worth at least $1,000,000 or more with a Commonwealth entity, an offeror must: a) certify it is not on the current list of persons engaged in investment activities in Iran created by the Pennsylvania Department of General Services (“DGS”) pursuant to Section 3503 of the Procurement Code and is eligible to contract with the Commonwealth under Sections 3501-3506 of the Procurement Code; or b) demonstrate it has received an exception from the certification requirement for that solicitation or contract pursuant to Section 3503(e).  All Offerors must complete and return the Iran Free Procurement Certification form, **(Appendix G, Iran Free Procurement Certification Form),** which is attached hereto and made part of this RFP.  The completed and signed Iran Free Procurement Certification form must be submitted as part of the Technical Submittal.

See the following web page for current Iran Free Procurement list:

[Iran-Free Procurement List | Procurement Resources | Department of General Services | Commonwealth of Pennsylvania](https://www.dgs.pa.gov/Documents/Procurement%20Forms/ProposedIranFreeProcurementList.pdf)

1. **Offeror Responsibility.** To be responsible, an Offeror must submit a responsive proposal and possess the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance of the contract.

In order for an Offeror to be considered responsible for this RFP and therefore eligible for selection for best and final offers or selection for contract negotiations:

* 1. The total score for the technical submittal of the Offeror’s proposal must be greater than or equal to **75%** of the **available technical points**; and

* 1. The Offeror’s financial information must demonstrate that the Offeror possesses the financial capability to assure good faith performance of the contract. The Issuing Office will review the Offeror’s previous three financial statements, any additional information received from the Offeror, and any other publicly-available financial information concerning the Offeror, and assess each Offeror’s financial capacity based on calculating and analyzing various financial ratios, and comparison with industry standards and trends.

An Offeror who fails to demonstrate sufficient financial capability to assure good faith performance of the contract as specified herein may be considered by the Issuing Office, in its sole discretion, for Best and Final Offers or contract negotiation contingent upon such Offeror providing contract performance security for the first contract year cost proposed by the Offeror in a form acceptable to the Issuing Office. Based on the financial condition of the Offeror, the Issuing Office may require a certified or bank (cashier’s) check, letter of credit, or a performance bond conditioned upon the faithful performance of the contract by the Offeror. The required performance security must be issued or executed by a bank or surety company authorized to do business in the Commonwealth. The cost of the required performance security will be the sole responsibility of the Offeror and cannot increase the Offeror’s cost proposal or the contract cost to the Commonwealth.

Further, the Issuing Office will award a contract only to an Offeror determined to be responsible in accordance with the most current version of Commonwealth Management Directive 215.9, Contractor Responsibility Program.

1. **Final Ranking and Award.**
2. 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.
3. The Issuing Office will rank responsible Offerors according to the total overall score assigned to each, in descending order.
4. The Issuing Office must select for contract negotiations the Offerors with the three (3) highest overall scores per lot.
5. The Issuing Office has the discretion to reject all proposals or cancel the request for proposals at any time prior to the time a contract is fully executed when it is in the best interests of the Commonwealth. The reasons for the rejection or cancellation shall be made part of the contract file.

**PART III**

**TECHNICAL SUBMITTAL**

Under the Commonwealth Attorneys Act, the OAG is responsible for the collection of all delinquent claims owed the Commonwealth of Pennsylvania.  In discharging the obligations inherent in a robust collection program, the OAG provides leadership, guidance and programming to all Referring Agencies.  The retention, administration, management, and supervision of receivables management PCAs under contract with the OAG requires collaboration between the OAG and all Referring Agencies.  The OAG leads and directs and manages the oversight and supervision of deliverables under the contracts and applicable law.

Both OAG and DOR will refer claims directly to PCAs. Referred Claims by the OAG will include all Delinquent Claims referred to the OAG by any Commonwealth Agency. Referred Claims by DOR will include Delinquent Claims owed to the DOR but not referred for collection to the OAG.  Oversight and management tasks typical under such contracted relationships will be led by the OAG.  Specific reporting, guidance, and communication will be directed by either or both the OAG and the DOR.  Oversight and management of the contracted relationship from a compliance and supervision perspective shall be the responsibility of the OAG.  Selected PCAs should anticipate defined lines of responsibility by the OAG, DOR, and possibly other Referring Agencies as detailed in the specifications below.

OAG reserves the right to authorize other Commonwealth Agencies to directly refer claims to the PCAs. OAG will notify the PCAs when a Commonwealth Agency is authorized to directly refer claims. PCAs shall only accept referred claims directly from a Commonwealth Agency if OAG has provided this authorization. These referred claims shall follow the specifications below as if they had been referred by the OAG, except referrals and recalls will be done through a file transfer through the authorized Commonwealth Agency’s system.

**DEFINITIONS**:

**For the purposes of this RFP, the following definitions will apply:**

**Artiva RM (Artiva)**: Is the system of record provided by Finvi (formerly Ontario Systems) utilized by the OAG for the recordation of collections on behalf of the Commonwealth of PA under the Commonwealth Attorneys Act.

**Commonwealth Attorneys Act:** Is the statute establishing the OAG’s obligation and authority to collect delinquent claims referred to the OAG by agencies, departments, commissions, and institutions of higher education of the Commonwealth of PA. See, 71 P.S. § 732-204(c).

**Commission Fees:** Are the contract fees payable to PCAs under the MSA for the provision of professional receivables management services to the OAG and DOR.

**Complaint:** Is the expression of concern, problem, issue, or dissatisfaction as presented by a Consumer/Debtor/Taxpayer concerning the services provided by the PCA under the MSA.

**Compliance Management System (CMS):** Is the documented and fully implemented system or program through which the PCA ensures, documents, and identifies its compliance with all laws applicable to the PCA’s provision of professional receivables management services under the MSA.

**Compromise:** Is the documented offer by a Consumer/Debtor/Taxpayer to fully satisfy a delinquent claim by payment of an amount less than the full amount due and owing to OAG or DOR.

**Consumer/Debtor/Taxpayer:** Are the individuals responsible for the payment of delinquent claim(s) owing to the OAG or DOR.

**Contract Placement Periods:** Are the defined time box periods during which PCAs will be contractually obligated to provide professional receivables management services to OAG and DOR on Referred Claims.

**Demand Letter:** Is the first written communication demanding repayment of a placed Referred Claim transmitted to a Consumer/Debtor/Taxpayer by a PCA in full compliance with all applicable law.

**DOR:** Is the Pennsylvania Department of Revenue.

**FES Web:** Is the secure OAG web-based portal with secure login through which PCAs will transmit and receive information to and from the OAG about Referred Delinquent Claims under the requirements of the MSA.

**First Placements:** Are the first 120 day time box period during which PCAs will provide professional receivables management services to OAG and DOR on Referred Claims.

**KPIs:** Are key performance indicators used by OAG and DOR as well as PCAs to monitor, track, trend, evaluate, and score PCAs’ delivery of professional receivables management services under the MSA.

**MSA:** Is the definitive master services agreement including any incorporated schedules, exhibits, and statements of work governing the PCA’s delivery of professional receivables management services to the OAG and DOR.

**OAG:** Is the Pennsylvania Office of Attorney General.

**OAG Collections Program:** Is the documented program administered by the OAG for the collection of delinquent claims by Referring Agencies, OAG, DOR, and PCAs.

**Private Collection Agencies (PCAs):** Offerors that are providers of professional receivable management services under an MSA.

**Referring Agencies:** Are the agencies, commissions, departments, boards, and institutions of higher education that refer delinquent claims to the OAG for collection under the Commonwealth Attorneys Act.

**Referred Claims:** Are the delinquent claims referred or placed with a PCA for collection under the MSA.

**Second Placements:** Are the second placement of delinquent claims in a 240 day time box period to PCAs during which PCAs will provide professional receivables management services to OAG and DOR on Referred Claims. Second Placements will only occur following an unsuccessful First Placement to a different PCA by the OAG or DOR.

**Service Level Agreements:** Is a representation or warranty in the MSA provided by a PCA that a component part of the PCA’s delivery of professional receivables management services to OAG and DOR under the MSA will be governed and measured by a standard as agreed to by the parties to the MSA.

**Skiptrace Report:** Is a report prepared and transmitted by a PCA to OAG or DOR as applicable detailing the PCA’s efforts and results of activities to locate accurate contact information including but not limited to: mailing address, permanent address, phone number, cell phone number, email address, web address, or social media accounts for a Consumer/Debtor/Taxpayer.

**Statement of Financial Condition:** Are the OAG and DOR forms to be utilized by PCAs in documenting a Consumers/Debtors/Taxpayers’ financial circumstances including income, expenses, and access to all available funds for the repayment of delinquent claims owed to the Commonwealth of PA.

**Subcontractor:** The term “subcontractor” means any [person or entity contracted](https://www.law.cornell.edu/definitions/uscode.php?width=840&height=800&iframe=true&def_id=12-USC-991716523-351334285&term_occur=999&term_src=title:12:chapter:53:subchapter:V:section:5481) by the Offeror that provides professional receivables management services on OAG and DOR referred claims.

**Voice Analytics:** Are the tools and/or software utilized by PCAs in delivery of professional receivables management services that identify trends, patterns, issues, complaints, and KPIs in the PCA’s delivery of professional receivables management services under the MSA.

**Background:**

The OAG is charged with the collection of delinquent claims owing to the Commonwealth of Pennsylvania under the Commonwealth Attorneys Act, 71 P.S.§ 732-204(c). Delinquent claims are referred to the OAG by Referring Agencies of the Commonwealth and the claims may include but are not limited to: license fees, past due taxes and non-filed returns, grants to loans, registration fees, insurance premiums, overpayments, and penalties.

Additionally, DOR will place claims that represent past due taxes and non-filed returns due the Commonwealth of Pennsylvania. DOR administers over 40 different taxes. PCAs should expect to collect on several taxes, with emphases on the following taxes:

* Personal Income Tax;
* Inheritance Tax;
* Sales and Use Tax;
* Employer Withholding Tax; and,
* Corporation Taxes

Historically, the DOR places more Personal Income Tax accounts with outside collection agencies than any other tax type. However, Sales Tax Referred Claims represent the largest referral of a tax type in terms of amount owed. Referring Commonwealth Agencies including DOR attempt to collect the claims through dunning cycles comprised of calls, letters, and other communications. Upon referral of delinquent claims to OAG from Commonwealth Agencies, the OAG also attempts to collect using a dunning cycle of calls, letters, and other tools. The OAG utilizes Finvi’s receivables management system known as “Artiva.” If the OAG collection efforts are not fruitful then OAG places the delinquent claims with PCAs.

DOR attempts to collect using a dunning cycle of calls, letters, and other tools as described further in Section A(b) below.

The aggregate volume of delinquent claims owed the Commonwealth is presently unknown and will vary based on: 1) the success of Referring Agencies in collecting on the claims, 2) the volume referred to OAG for collection by Referring Agencies, and 3) the success of the OAG in collecting delinquent claims prior to referral to PCAs for collection. Based on historical and present claims inventory volumes, it should be anticipated that over $250 million in aggregate delinquent claims may be assigned to PCAs by OAG and DOR at any given time. The most recent data suggests that 90-95% of the delinquent claims inventory has an initial outstanding balance below $25,000. Many of the delinquent claim types do not have accruing interest. The cost of collection of most delinquent claim types may not be assessed to the debtor. The most notable exception are DOR tax obligations owed to the Commonwealth. As the OAG Collections Program grows in effectiveness, it is anticipated that the portfolio of referred delinquent claims will grow. Nothing in this solicitation document should be construed to guarantee any specific volume of claims referred by OAG and DOR to PCAs.

The OAG and DOR strive to collect obligations due and owing in a professional, respectful, fair, and dignified manner. OAG and DOR expect the same from contracted PCAs. Each consumer, debtor and/or taxpayer referred to PCA shall be treated in a manner indistinguishable from the communication and treatment afforded the consumer, debtor and/or taxpayer by the OAG and DOR. Without limiting the foregoing, this means that at a minimum, consumers, debtors and/or taxpayers shall be afforded an opportunity to receive information and documentation proving the legality of the obligation to be collected and to have a meaningful and fair opportunity to dispute the legal obligation and to ultimately repay the obligation on fair and reasonable terms.

The DOR has just completed a multi-year tax system modernization project. This new, integrated tax system using the FAST (GenTax) platform, replaced all DOR’s legacy tax systems. The DOR projects consistent inventory levels between 7,500 to 15,000 among all placement classes. The estimated projected value of these cases is $100,000,000 to $150,000,000. This is only an estimate, and the DOR does not guarantee that actual volume will meet these estimates.

**STATEMENT OF WORK FOR PCAs**:

Both the OAG and DOR will directly refer claims to the PCAs.

1. REFERRAL PROCESS
	1. Referral by OAG

Prior to referral of a Referred Claim to a PCA, the OAG will:

a. Input all pertinent claim information in the OAG’s Artiva collection system.

1. The information should include the following:

Debtor name

Debtor address

Debtor docket number (Artiva Number)

Legally liable name (if applicable)

Legally liable address (if applicable)

Original and present balance

Basis of liability

Referring Agency

Referring Agency contact person

Referring Agency phone number

b. Send at least one dunning notice for each Referred Claim with a current address prior to OAG’s referral of the Referred Claim to PCA.

c. Placements of Referred Claims to PCAs will be made twice monthly on the 1st and 15th day of each month via file transfers by OAG.

* 1. Referral by DOR

All PCAs will be required to exchange files with the DOR via secure FTP. This will be the only method that PCAs will receive Referred Claims from DOR, balance updates, and have claims recalled by DOR. The DOR will not refer or recall Referred Claims via the OAG’s Artiva system or the OAG’s FES Web Portal.

Standard DOR Process

Generally, the DOR follows the following collections process:

Day 1 – An assessment is issued.

Day 2 through Day 60 – DOR customer service calls are placed to the taxpayer regarding the assessment. The taxpayer may appeal the assessment during this 60 day period.

Day 61 to Day 151 – Collection calls and dunning notices are sent via the DOR’s delinquent call center. During this time, the taxpayer’s sales tax license may be revoked, a lien may be filed or the taxpayer may be referred for levy (wage or bank).

Day 152 to Day 242 – If the liability is not resolved in the DOR call center, the case will move to a field collector. Field collectors may conduct field visits, file citations and refer, if applicable, a taxpayer to PA Liquor Control Enforcement.

Day 243 – If the liability is not resolved by the DOR in the field, the case will move to a PCA.

Exceptions to Standard DOR Process

Exceptions are made for small dollar liabilities. Those cases may be referred directly to a PCA in lieu of routing to a DOR field office. Also, cases may be sent to the OAG for enforcement at any time during the collections process.

The DOR reserves the right to place referred claims with a PCA at any time during the collections process. In addition, the DOR continually evaluates the collections life cycle mentioned above as DOR needs and resources change. PCAs should be aware that the DOR anticipates referring more claims earlier in the collections process than what is described above. However, PCAs should not assume this to be a given.

In addition to liability Referred Claims, the DOR will place non-filed returns for collection with PCAs as well. PCAs will attempt to collect the non-filed returns on behalf the DOR. Non-filers will be clearly indicated on the placement file. The PCAs will receive a commission on payments associated with the non-filed returns received within 30 days of the return filing date. Payments received either by the DOR or the PCAs during this 30-day period will be considered eligible for a fee.

The DOR reserves the right to place Referred Claims with a PCA at any time during the DOR collections process.

The DOR will provide a placement file of Referred Claims to the PCAs via a secure FTP on a weekly basis. This placement of Referred Claims will occur on every Saturday and will include the following information from DOR on each Referred Claim:

1. Name
2. Address (including City, State and Zip Code)
3. Telephone Number (if available)
4. Federal Identification Number (FEIN or SSN)
5. DOR Account Number(s)
6. Tax Type
7. Tax Amount Owed
8. Interest Amount Owed
9. Penalty Owed
10. Fees Owed
11. Liability Period
12. Non-Filer Indicator
13. Federal Tax Information (FTI) Indicator

Balance updates to DOR’s previously referred Referred Claims will also be included in this file.

1. PCA CONTACT WITH CONSUMER/DEBTOR/TAXPAYER

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. Thereafter, PCA shall attempt communication with the Consumer/Debtor/Taxpayer via telephone contact, text, email, or social media mediums within five (5) calendar days of the transmission of the Demand Letter. Once contact is made with the Consumer/Debtor/Taxpayer, PCA shall attempt to collect full payment of the obligation. If payment in full is not possible because of Consumer/Debtor/Taxpayers’ financial situation, a mutually agreed upon partial payment arrangement should be established. PCA shall employ a progressive collections methodology. Prior to establishing monthly payments, the PCA shall attempt to collect a lump sum payment in the range of 25% to 30% of the original Referred Claim balance. All payment arrangements shall amortize the outstanding balance pursuant to the following parameters:

|  |
| --- |
| **Monthly Payment Agreements** |
| **Balance** | **Repayment Period Range** |
| Up to $10,000 | Up to 12 Months |
| Between $10,001 to $20,000 | No More Than 18 Months |
| Between $20,001 to $30,000 | No More Than 24 Months |
| Between $30,001 to $70,000 | No More Than 36 Months |
| Between $70,001 to $100,000 | No More Than 48 Months |
| $100,000 and Above | No More Than 60 Months |

PCAs shall be afforded reasonable flexibility to exercise professional judgment in the establishment of payment arrangements, but every effort should be made to follow the guidelines set forth in the table. The OAG and the DOR reserve the right to adjust these parameters.

All standard correspondence regardless of method of transmission (mail, email, fax, etc.) must be approved by the OAG and DOR prior to use.

No written correspondence regardless of method of transmission (mail, email, fax, etc.) may contain a Social Security Number or Federal Identification Number. All such numbers must be entirely redacted prior to transmission.

1. DEBTOR UNABLE TO PAY

During collection efforts, it may be determined that Consumers/Debtors/Taxpayers take responsibility for the indebtedness and wish to repay the obligation, but the Consumers/Debtors/Taxpayers may be unable to do so at the present time. Referred Claims in this category should be categorized and reported as, "Unable to Pay at Present." Thorough documentation from the Consumer/Debtor/Taxpayer is required of the Consumer/Debtor/Taxpayer's current condition resulting in the inability to pay. Periodically, PCA shall systematically check Referred Claims in this status. If it is determined that the Consumer/Debtor/Taxpayer’s status remained unchanged during the placement period of one hundred and twenty (120) days for First Placements or two hundred and forty (240) days for Second Placements, the Referred Claims shall be returned to OAG or DOR with the status," All Efforts Exhausted-Unable to Pay at Present" and sent back to OAG or DOR. In returning any Referred Claim to OAG for Debtor being unable to pay, all Closing Reports must cross-reference all Artiva Claim Numbers to the Claim Name.

1. BANKRUPTCY AND INSOLVENCY

When PCA identifies that the Consumer/Debtor/Taxpayer has filed for bankruptcy protection, the PCA shall immediately cease any collection activity and effectuate the return of the claim to OAG or DOR as applicable. Every effort should be made by the PCA to return any documentation about the Consumer/Debtor/Taxpayer’s bankruptcy in the return of the claim to OAG or DOR.

1. CONSUMER/DEBTOR/TAXPAYER OFFER TO PAY COMPROMISED AMOUNT

PCA shall submit written documentation outlining any request received by PCA from Consumer/Debtor/Taxpayer offering a Compromise to the OAG or DOR. This shall include documentation from the Consumer/Debtor/Taxpayer evidencing the Consumer/Debtor/Taxpayer’s financial circumstances on Compromise Form A or the DOR compromise forms. The OAG’s or DOR’s Statement of Financial Condition as applicable must be included with the documentation. When transmitting the documentation to the OAG or DOR, PCA shall clearly indicate the PCA’s professional assessment of the Compromise including but not limited to: the economic analysis of the proposed Compromise, the risks inherent in collecting the Referred Claim, whether the Compromise is in the best interest of the OAG or DOR and whether the Compromise is fair to the Consumer/Debtor/Taxpayer based on the documented circumstances. For OAG Referred Claim, OAG’s written approval of any offered payment of a compromised amount shall be required. For DOR Referred Claims, DOR’s written approval of any offered payment of a compromised amount shall be required.

1. DEBTOR REFUSED TO PAY

If a Consumer/Debtor/Taxpayer refused to cooperate in paying the Referred Claim during the Placement Period, the PCA shall return the Referred Claim to OAG or DOR with any recommendation as to next collection activity. In returning any Referred Claim to OAG for Debtor refusing to pay, all Closing Reports must cross-reference all Artiva Claim Numbers to the Claim Name.

1. DEBTOR NOT LOCATED

PCAs will provide Skiptrace Reports on a weekly basis to the OAG and DOR for all Referred Claims in an active skiptrace status. In returning any Referred Claim to OAG for Debtor not being located, all Closing Reports must cross-reference all Artiva Claim Numbers to the Claim Name

1. NO DELINQUENCY

If the PCA is advised or determines that a Referred Claim is, in fact, not in a delinquent status or is advised by the OAG or DOR that a valid debt does not exist, the PCA will immediately:

 1. Record data pertinent to the situation,

 2. Stop any and all collection activity,

 3. Return the Referred Claim to the OAG or DOR,

 4. No Commission Fees will be paid under these circumstances,

5. In returning any Referred Claim for no delinquency to OAG, all Closing Reports must cross-reference all Artiva Claim Numbers to the Claim Name.

1. RECALLS

The OAG and DOR reserve the right to recall any Referred Claim at any time and for any reason or no reason. If Referred Claims are not liquidated during the Contract Placement Period, the claims will be automatically recalled via Artiva or the DOR taxing system as applicable. Referred Claims must be returned to the OAG and DOR upon request to the PCA no more than 15 calendar days from the recall notice. Commission is payable to the contracted PCAs for 14 calendar days from the notice of recall. In the instance of any recalls requested prior to a system scheduled recall date, commissions may not be payable.

1. CANCELLATIONS

1. Cancellation of a Referred Claim will occur automatically in any of the following situations:

a. If after working Referred Claims for the Contract Placement Periods (one hundred and twenty (120) days for First Placements and two hundred and forty (240) days for Second Placements) Referred Claims are not collected, no payment arrangements have been made, and the PCA has not received an authorized extension from the OAG or DOR.

Exception to 1(a): Upon written request, the OAG or DOR may grant an extension to PCA for PCA to retain a Referred Claim, provided the Consumer/Debtor/Taxpayer has made a firm promise to pay or will begin repayment of the Referred Claim within 30 days of the PCA’s request for extension. This request must be in writing to the OAG or DOR. This request may only be made no earlier than thirty (30) days of the end of the applicable Contract Placement Period. The extension will be equal in length to the original Contract Placement. OAG and DOR, at their sole discretion, will only grant one request for extension per Referred Claim.

b. Prudent collection judgment dictates the PCA should discontinue collection activity before the Contract Placement Period expires.

c. The PCA determines and confirms with the OAG or DOR the Referred Claim is current and no liability exists.

d. The OAG or DOR advise the PCA to cease receivables management services on a Referred Claim for any reason.

e. Any other legitimate reason to discontinue receivables management services.

2. Upon determining that one of the above conditions exists, the PCA will immediately discontinue all professional receivables management services and will follow normal cancellation procedures. The PCA will report all cancellations processed to the OAG or DOR on a weekly basis by file transfer and hard copy.

3. In returning any Referred Claim for non-payment, complete documentation of all professional receivables management services must be available to the OAG or DOR upon request. All documentation will be retained by the PCA for three years from the closing date of the Referred Claim.

1. COMPLAINTS

The PCAs will provide detailed explanation of their process for the reporting of CFPB, Office of Attorneys General, or FTC complaints within the Technical Submittal. All Consumer/Debtor/Taxpayer complaints will be forwarded to the OAG on all DOR and OAG Referred Claims and to DOR on all DOR Referred Claims as applicable within forty-eight hours of PCA’s receipt of the complaint. The complaints must be reviewed, investigated, and a copy of the PCA’s response forwarded to the OAG on all DOR and OAG Referred Claims and to DOR on all DOR Referred Claims within 10 calendar days of the PCA’s receipt of the Complaint. Additionally, on no less than a quarterly basis, PCA shall engage in a teleconference with OAG and DOR vendor management staff to discuss Complaints reporting and the presentation of any continuous process improvement modifications adopted, documented, and implemented by PCA. Complaint reporting must include, at a minimum, the following fields:

* Entry point of complaint;
* Complaint categorization – nature of complaint;
* Date of complaint;
* Details of complaint;
* Complaint resolution;
* Date of resolution; and
* Complaint validity (i.e. substantiation).
1. NAME AND ADDRESS CHANGES

Any Referred Claim on which there is an address or responsible party change will require a change at the time the new name and/or address is discovered. The PCA must notify the OAG or DOR as applicable by the 25th day of each month of any changes made to any Referred Claims. The update shall be made on OAG Referred Claims through FES Web and on DOR Referred Claims by a file transmission through a secure FTP exchange.

1. PAY DIRECTS

Direct Payments made to any State Agency, Department, Bureau, University, or the OAG on Referred Claims will be reported to the PCA on a weekly basis. The Referred Claim is to be updated on the PCA’s records to reflect the direct payments. DOR will report Direct Payments to PCAs on a monthly basis.

The PCA will be paid the contract commission for pay directs pursuant to the terms of the MSA. If OAG or DOR received pay directs on any Referred Claim for three consecutive months, OAG and DOR reserve the right to require PCA to return the claim to OAG or DOR and no additional commission will be paid to PCA for said claim.

1. PENNSYLVANIA OFFICE PREFERRED

PCAs must maintain a single point of contact (operations manager or collections manager) for any issues arising under the contracted delivery of services. This single point of contact shall not be a sales professional and must be directly engaged in operations. Similarly, PCAs must maintain a single point of contact (information technology manager) for any information technology issues arising under the contracted delivery of services. This single point of contact for information technology shall not be a sales professional and must be directly engaged in operations.

Although operations in Pennsylvania are not mandatory, having a Pennsylvania office is preferred. All work must be completed within the United States.

1. TELEWORK

Telework will be permitted provided all work is completed within the United States i.e. all employees reside within the United States and is in compliance with all IT requirements, including IRS Pub 1075.

1. LICENSING

PCA shall maintain in good standing licenses required for PCA to engage in business and to collect debts as placed by OAG and DOR for receivables management services in any jurisdiction in which a Consumer/Debtor/Taxpayer of a Referred Claim resides. The cost of maintaining said licensure shall be borne completely by the PCA. It is the continuing obligation of the PCA to remain current in all required licensing requirements. The contract will include PCA’s covenant to maintain all required licensure.

1. COMPLIANCE MANAGEMENT SYSTEMS

PCAs shall provide detailed documentation of its CMS including but not limited to: 1) Documentation evidencing the applicability and implementation of the system from compliance governing body/executive management down to the lowest level of PCA’s workforce, 2) System diagrams detailing how change is detected, 3) System documentation including detail about compliance testing, self-assessments, and remediation of findings, 4) Compliance training program, 5) Name, title, and number of years of service with PCA of the executive responsible and accountable for PCA CMS, 6) Resume or CV of the executive responsible and accountable for PCA’s CMS, and 7) written detailed description of any CMS findings in the last ten years from any source so derived: self-assessments, client testings, audits, certifications processes, consultants, etc.

PCA shall provide CMS reporting on a monthly basis to OAG and DOR including any risk management analytics. The initial documentation of the PCA’s CMS shall include a detailed narrative description of the CMS model including control points, organizational implementation, compliance system of record, and artifacts repository. Thereafter, on no less than a quarterly basis, OAG will review with PCA the status, health, and identified opportunities for improvement of the PCA’s CMS. An initial emphasis of the review will be on change management artifacts.

Compliance training artifacts shall be provided no less than annually demonstrating the organizational commitment to PCA’s CMS. Any material changes to the CMS in between annual reporting shall be provided to OAG and DOR within 30 calendar days of the implementation of change. Annual training must be documented with all of PCA’s employees successfully completing scored testing following training.

The DOR may require specific training including training on information security as it relates to DOR data and systems.

Compliance with IRS Pub. 1075 and state confidentiality laws will be required of all PCAs. The PCAs will be solely responsible for any and all costs required to maintain IRS Pub. 1075 compliance including, but not limited to, finger printing and training. PCAs will be subject to an IRS Pub. 1075 onsite review once every 36 months conducted by the DOR. The IRS also may require an onsite review conducted by the IRS. The PCAs agree to the conditions set forth in IRS Pub. 1075 Safeguarding Contract Language. A copy of this document is attached.

The OAG and DOR require each PCA to provide an initial Service Organization Control 2 (“SOC-2 Type 2”) report prior to OAG and DOR placing claims with PCA. In addition, the OAG and DOR shall annually receive a copy of PCA’s SOC-2 Type 2 report within thirty calendar days of issuance to the PCA.

The PCA will be required to follow all PA Office of Administration Information Technology Policies (“ITPs”) located at <https://www.oa.pa.gov/Policies/Pages/itp.aspx>.

All employees of the PCA with access to OAG and DOR data will be subject to the confidentiality provisions of the Commonwealth and will be required to sign both the OAG and DOR Confidentiality Agreements.

1. STATEMENTS AND REPORTS

PCAs will transmit statements, payment file transfer, closed file transfer, and inventory file transfer to the OAG, and DOR on DOR placements, no later than the sixth day of each month. When the sixth day falls on a Saturday, the transmittal will be submitted by the fifth day. When the sixth day falls on a Sunday, the transmittals will be submitted by the seventh day. The OAG and DOR reserve the right to change or modify the cadence of PCA’s transmission of all statements and reports upon thirty (30) days prior written notice to the PCA. OAG and DOR reserve the right to require the PCAs provide additional reporting not made available through the PCA’s dashboard as mutually agreed upon by the parties.

PCAs shall collaborate with OAG and DOR on a customizable reporting package to be presented to OAG and DOR no less frequently than monthly. OAG and DOR shall provide a list of KPIs and standard reporting and will collaborate with the PCA to refine the reporting package. The KPIs and standard reporting will evolve over time as OAG refines the OAG vendor management program and more is known about the referred claims portfolio. Examples of KPIs include: 1) Average Speed of Answer (“ASA”), 2) Call Abandons (Count), 3) Social Media Contacts (Count), 4) Emails Generated (Count), 5) Emails Received (Count), 6) Letters Sent (Count-Segmented by Type), 7) Letters Received (Count-Segmented by Type), 8) Complaints (Count), 9) Payments Received (Count-Segmented), 10) Documented Payment Agreements (Count), 11) Liquidated Claims (Count), and 12) Comparison of Expected Monthly Receivables Against Actual Collections.

Additionally, OAG is interested in the use of Voice Analytics and other artificial intelligence in the delivery of receivables management services and desires to work with PCAs utilizing these techniques in the development of meaningful reporting.

1. ACCESS TO PCA’S SYSTEM, REPORTING, AND WEB PORTAL

PCA shall provide OAG and DOR real time uninterrupted web based access to PCA’s collection system of record for due diligence, vendor management, and service observation within 90 days of contract execution. The PCA shall warrant a Service Level Agreement (“SLA”) for PCA’s systems uptime equating to no less than 99.4% availability. The system access may, at the discretion of OAG and DOR, be through a real time web based dashboard. The web based dashboard must include configurable query points and reporting analytics as defined by the OAG and DOR in collaboration with PCA. PCAs shall provide OAG access to data for all Referred Claims including those referred by DOR. PCAs shall provide DOR access to data for DOR’s Referred Claims; the access to data PCAs provided to DOR shall be limited to only those Referred claims placed by DOR. If the dashboard pulls from a data warehouse, the data must be refreshed no less frequently than once every 24 hours. Potential data points and analytics required from the dashboard include: 1) total referred volume in number of Referred Claims and outstanding balance of Referred Claims, 2) status of all Referred Claims presented by the number of Referred Claims in the status, the total dollar amount of assigned Referred Claims per status, 3) number of Referred Claims in skip trace, 4) number of Referred Claims in repayment, 5) average monthly payment per Referred Claim, 6) number of broken promises for payments, 7) number of Referred Claims in litigation, 8) number of Referred Claims being paid through garnishment, 9) number of contacts on the number of Referred Claims in a defined period, 10) number of Referred Claims with no contact since placement, and 11) analytics in a heat map styled presentation.

PCAs must promptly respond to any requests from the OAG or DOR for status reports within two business days of the request.

1. **CALL RECORDING**

PCA **must** make recordings of **all** calls (inbound and outbound) electronically accessible to OAG and DOR during the term of the agreement. PCAs shall provide OAG access to recordings for all Referred Claims including those referred by DOR. PCAs shall provide DOR access to recordings for DOR’s Referred Claims; the access to recordings that PCAs provide to DOR shall be limited to only those Referred claims placed by DOR. Retention of recordings is mandatory for as long as the PCA is under contract to provide OAG and DOR professional services, subject to applicable legal restrictions on retention of recorded calls. The recording of the calls shall be in full compliance with applicable law including the requisite consent to record the call and retention schedule of the recorded call. Recordings of Calls will primarily be used for the following purposes: 1) random service observation and evaluation/scoring, 2) to research Complaints, and 3) as evidence in the defense of third party claims litigation against the OAG or DOR.

1. **LITIGATION SUPPORT-THIRD PARTY CLAIMS OR REGULATOR EXAMINATION**

Upon reasonable notice and request by OAG and/or DOR, PCA shall at no expense to the OAG or DOR provide any and all litigation support services including but not limited to: testimony, discovery, and affidavits required for the defense of any third party claims filed against the OAG or DOR or in the event any regulator examines PCA involving any claims placed with PCA by the OAG or DOR.

1. **VENDOR MANAGEMENT**

PCA shall report all data and provide unfettered access to OAG to PCA’s books and records, systems and premises for the purpose of fulfilling the requirements of the OAG vendor management program. Cooperation and collaboration in this regard is essential to the efficient delivery of professional services under the contract. Additionally, OAG reserves the right to complete an on-site, or remote review at the OAG’s discretion, of PCA’s center on no less than an annual basis.

1. REQUEST FOR DATA

All requests for information regarding Referred Claims, unless otherwise directed, will be directed by PCAs to:

Office of Attorney General

Financial Enforcement Section

15th Floor, Strawberry Square

Harrisburg, PA 17120

Attn: Business Manager

(717) 787-1179
FINVEN@attorneygeneral.gov

Pennsylvania Department of Revenue

Enforcement Division

7th Floor, Strawberry Square

Harrisburg, PA 17128

Attn: Judicial Review Section Supervisor

(717) 772-3837

All requests must be in writing to the OAG and DOR.

1. CONTACT WITH COMMONWEALTH

General correspondence should be directed to:

Office of Attorney General

Financial Enforcement Section

15th Floor, Strawberry Square

Harrisburg, PA 17120

Attn: Business Manager
FINVEN@attorneygeneral.gov

Pennsylvania Department of Revenue

Alternate Actions Division

7th Floor, Strawberry Square

Harrisburg, PA 17128

Legal correspondence should be directed to:

Office of Attorney General

Chief Deputy Attorney General

Financial Enforcement Section

15th Floor, Strawberry Square

Harrisburg, PA 17120
FINVEN@attorneygeneral.gov

Pennsylvania Department of Revenue

Office of Chief Counsel

10th Floor, Strawberry Square

Harrisburg, PA 17128

1. AUDIT RIGHTS

The OAG and DOR reserve the right to audit or effectuate the audit by an OAG and/or DOR designee of PCA’s CMS, systems, records, financials and procedures at any time upon prior provision of reasonable notice for compliance and/or vendor management purposes.

PCA shall cause an annual financial audit of the PCA to be completed and a copy of the audit report to be presented to the OAG no later than the end of the quarter following the PCA’s fiscal year end. The audit report shall be presented to the OAG at no cost or expense to the OAG.

1. CONTRACT PLACEMENT PERIODS

First Placements shall be for 120 days. Second Placements shall be for 240 days. Referred Claims not on an established payment arrangement at the end of each placement period shall be automatically recalled through Artiva for OAG Referred Claims or through a Secure File Transfer Protocol (“SFTP”) transmission for DOR placements. If claims are established on a payment plan, the placement will continue.

1. METHODOLOGY FOR PLACEMENTS

It is OAG’s and DOR’s intention to place delinquent claims with contracted receivables management PCAs on an equal proportionate amount during the contract. Because the OAG collects delinquent claims for the entire Commonwealth, it is not possible to place identical delinquent claims per referral to contracted PCAs.

The OAG and DOR shall have the right but not the obligation to place allocated Referred Claims volume with PCAs for the provision of professional receivables management services. 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. The OAG and DOR reserve the right to use any of the awarded PCAs for professional receivables management services and the First or Second Placement of allocated claims volume shall not be exclusive to any one PCA.

1. INVOICING AND RECONCILATION/PAYMENTS

PCAs shall upload a payment file to OAG or DOR, based on which agency placed the Referred Claim, including: 1) payment amount, and 2) a roster of claims (Artiva Number-OAG or Reference Number-DOR) against which payments should be credited on a monthly basis. The payments collected must be deposited by the PCA in an interest bearing segregated account with no commingled funds. Any bad checks or NSF payments shall be reported separately and PCA agrees any earned commission credited on the bad payment shall be immediately reversed with interest. Payments shall be deposited no later than forty eight hours of PCA’s receipt of the payment. Any collected funds must remain in a financial institution which has nexus with Pennsylvania. OAG and DOR are entitled to all interest accrued in the segregated account identified above and said interest shall be identified and remitted to OAG and DOR monthly.

For OAG referred claims, PCA shall transmit a payment file weekly based upon the prior week’s collections. Within the first five business days of the succeeding month in which payments are received, each PCA is required to provide DOR a payment file based upon the prior month’s collections. The PCA is expected to indicate the application for each payment collected including the tax type and period. The DOR may deny commissions if payments are placed on incorrect periods. The file must include the following information:

1. Name
2. Federal Identification Number (FEIN or SSN)
3. DOR Account Number
4. Tax Type
5. Payment Amount
6. Period

**For OAG placed Referred Claims:**

The PCA must remit net amount collected (gross amount less PCA commission amount) to OAG via ACH on a weekly basis. PCA must provide summary reporting to the OAG outlining the number of transactions, gross amount collected, projected commission earned, and expected ACH transfer amount to OAG. In addition, the OAG will prepare and transmit a monthly directs report and payment to PCA.

**For DOR placed Referred Claims:**

All monies collected by the PCAs on behalf of the DOR must be transmitted to the DOR bimonthly. The first payment is to be received by the 15th of each month unless the 15th is a weekend or holiday. In the case of a weekend or holiday, the first payment must be received the first business day after the 15th. The second payment is due the first business day after the last day of the month. All payments sent to the DOR must be made via Electronic File Transfer.

The PCA must then invoice the DOR on a monthly basis to facilitate the payment of the PCA’s Commission. This invoice must be sent no later than the fifth day of each month for the preceding month. A copy of the invoice shall also be delivered to the OAG. When the fifth day falls on a weekend or holiday, the invoice shall be submitted by the first business day after the weekend or holiday.

The invoice shall contain the appropriate supporting documentation in order to substantiate the request for payment.

1. COMMISSION

Referrals by OAG

First Placement PCAs shall be paid a commission rate of 16% on all funds collected on Referred Claims that are placed with the PCA by OAG. Second Placement vendors shall be paid a commission rate of 21% on all funds collected on Referred Claims placed by OAG.

Referrals by DOR

The DOR shall pay to PCAs a 15% flat fee rate on the actual collections amount for First Placements and 20% for Second Placements. On DOR Referred Claims, the commission paid by the DOR under the contract constitutes a cost of collection which is added to the amount of the taxpayers’ liabilities.

The following formula will be used to calculate the fee for DOR First Placements:

Amount Collected – (Amount Collected/1.15) = Fee Owed

The following formula will be used to calculate the fee for DOR Second Placements:

Amount Collected – (Amount Collected/1.20) = Fee Owed

In the case of a compromise, the formula will not be used and the PCA will receive the flat rate contingent fee based upon the compromise amount and not the original full liability amount.

The DOR will only pay a Second Placement Commission for those claims that have been assigned to Second Placement PCAs after the First Placement assignment of the Referred Claim has been closed or recalled.

Non-payment of Commission by OAG and/or DOR

The OAG and DOR will not pay a commission in the following scenarios:

* Payments received after 120 days for First Placements or after 240 days for Second Placements unless an extension has been granted; or
* Payments that overpay the Referred Claim; or
* Payments received on a Referred Claim previously paid to a prior PCA; or
* Payments on a Referred Claim placed in error as determined by the OAG or DOR; or
* Payments received by PCA for a claim not assigned to that PCA; or
* Payments received on a claim that has been recalled or returned to OAG or DOR; or
* Offset payments received by the OAG or DOR including, but not limited to Treasury Offset Payments (“TOP”), PA Lottery winnings and Commonwealth Contractor Responsibility Program Payments (“CCRP”); or
* Payments received on Referred Claims that are currently under appeal or that have appeal rights to execute; or
* Existing credits applied to liabilities placed with PCA; or
* Payments received from sheriff or county tax sales; or
* Legal actions taken by the OAG or DOR including, but not limited to, lien releases; or
* Payments derived exclusively from claims against a license issued by the Pennsylvania Liquor Control Board; or
* Payments received on estimated or jeopardy assessments.

If a tax amnesty program is enacted, no commissions will be paid on tax amnesty payments made by taxpayers on Referred Claims to a PCA.

1. PCAs AGREE TO DELIVER ALL SERVICES IN FULL COMPLIANCE WITH ALL APPLICABLE LAW

PCAs agree to deliver all professional receivable management services in full compliance with all applicable federal, state, and local laws, regulations, ordinances, and requirements arising from the delivery of the services.  PCAs will provide contractual warranties of compliance with all applicable laws including but not limited to:  Fair Debt Collections Practices Act (“FDCPA”) (15 U.S.C. § 1692 et seq.), Truth in Lending Act (“TILA”) (15 U.S.C.A. § 1601 et seq.), Fair Credit Reporting Act (“FCRA”) (15 U.S.C. §§ 1601 note, 1692-1692p (2018).), Gramm-Leach-Bliley Act (“GLBA) (15 U.S.C. § 6801 et seq.), PA Unfair Trade Practices and Consumer Protection Law (73 P.S. § 201-1 et seq.), Electronic Fund Transfer Act (“EFTA”) (15 U.S.C. § 1693 et seq.), US Bankruptcy Code (11 U.S. Code Title 11), Health Insurance Portability and Accountability Act (“HIPAA”) (Pub.L. 104–191, 110 Stat. 1936, enacted August 21, 1996), Federal Privacy Act (5 U.S.C. § 552a), Family Educational Rights and Privacy Act (“FERPA”) (20 U.S.C. § 1232g), Payment Card Industry (“PCI”) Security Standards Council Requirements , Consumer Financial Protection Bureau (“CFPB”) Guidance and Requirements  (12 U.S.C.A. § 5491 a), Wiretapping and Electronic Surveillance Control Act (18 Pa.C.S. § 5701 et seq .), and Electronic Communication Privacy Act (18 U.S.C. § 2510 et seq.).

1. RECORD RETENTION

PCAs shall retain any and all records related to receivables management services for no less than three years after the earlier of the following: 1) recall of a claim, 2) payment in full of the claim, or 3) termination of the PCA’s contract. If the Agreement is terminated, DOR may instruct the PCA to immediately purge all DOR data, including any data, that may reside with a subcontractor.

**III-1 STATEMENT OF THE PROJECT.**

State in succinct terms your understanding of the project presented or the service required by this RFP.

*Offeror Response*

**III-2 QUALIFICATIONS:**

1. **PCA OVERVIEW:**

Please provide a company overview including but not limited to: corporate structure and ownership, number of employees and/or contractors, executive team members, years in business, locations, audited financial statements for the last three fiscal years, jurisdictions in which PCA is licensed and jurisdictions in which business is transacted. A detailed chart showing corporate owners with ownership interests of five percent (5%) or more must be included.

*Offeror Response*

1. **PRIOR EXPERIENCE:**

For the last ten years, please provide a detailed summary of PCA’s provision of receivables management services for states or state agencies including a description of the debts placed for collection and annual collections performed (liquidations). PCAs should detail any and all experience in the collection of state taxes.

Describe your company’s previous experience in providing these services for government customers, specifically Attorneys General, or state revenue agencies, if available. Referenced experience should be work performed by individuals who will be assigned to this project as well as that of your company. References must include the name of the customer, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

*Offeror Response*

1. **PERSONNEL:**

Please provide a detailed summary of executive and key personnel including those professionals to be designated the points of contact for OAG and DOR. Please provide complete resumes for all executive and key personnel including tenure with PCA and total number of years of experience in the receivables management industry.

Offerors must name a Project Manager who will be the point of contact for all PAOAG personnel. Offerors must describe the qualifications of this person through a resume or similar document. Offerors must provide the names and qualifications of every individual that the Offeror deems essential to the project. Individuals designated in the proposal and allocated more than 80% to the project will be deemed by the PAOAG as essential personnel. Offerors must provide a 15 business day notice prior to the departure of any essential personnel during the course of the project. Offerors must provide the responsibilities that each individual will have on this project and how long each has been with your company.

*Offeror Response*

1. **SUBCONTRACTORS:**

The use of subcontractors requires prior written approval from the OAG and DOR. Please provide a company overview for each subcontractor including but not limited to: description of products or services provided by the subcontractor, length of PCA’s utilization of subcontractor for the products or services, whether there is an existing contract between PCA and subcontractor, corporate structure and ownership of the subcontractor, number of employees and/or contractors of subcontractor, subcontractor’s executive team members, subcontractor’s years in business, locations, audited financial statements for the last three fiscal years, jurisdictions in which subcontractor is licensed and jurisdictions in which subcontractor’s business is transacted. A detailed chart showing subcontractor’s corporate owners with ownership interests of five percent (5%) or more must be included.

*Offeror Response*

1. **ARTIVA USAGE OR INTERFACE:**

PA OAG utilizes the Finvi receivables management system known as “Artiva,” as the collection system of record for all delinquent claims assigned to the OAG for collection. Accordingly, PCAs must demonstrate the use of “Artiva,” or an ability to interface with “Artiva,” for operational and reporting purposes. Minimally, the demonstrated operational capability must include uploading of payments, collection records, and receiving reporting from “Artiva.”

*Offeror Response*

1. **REVENUE SYSTEM USAGE/INTERFACE – SECURE EXCHANGE OF FILES (SFTP)**

The secure exchange of files with DOR will be accomplished via the SFTP protocol and the server must be available and accessible 24 hours per day and seven days per week. PGP encryption is required for all files. The payment file will be picked up at 9:00 AM on the 6th of every month. The DOR may provide limited, read-only access to the DOR’s tax system.

*Offeror Response*

1. **PA OFFICE PREFERRED:**

PCAs shall provide details about the offices they expect to maintain in Pennsylvania including but not limited to: 1) address, 2) whether PCA owns or leases the office, 3) square footage and seat capacity of the office, 4) length of time PCA has operated from this location, and 5) description and documentation of physical security. PCAs shall also 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.

 *Offeror Response*

1. **MINIMUM DUNNING REQUIREMENTS:**

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

1. 1st Placement

*Offeror Response*

1. 2nd Placement

*Offeror Response*

1. **COMPLIANCE MANAGEMENT SYSTEMS**

PCAs shall provide detailed documentation of its CMS minimally including an executive summary, examples of artifacts of the result of the CMS, theory of the CMS, how change is detected, when and how the efficacy of the CMS is evaluated.

Offeror Response

1. **CONSUMER COMPLAINTS:**

PCAs shall describe and provide documentation of an enterprise Complaints management system including but not limited to: 1) definition of Complaint, 2) categories and subcategories of Complaints, 3) root cause analysis methodology, 4) correlated action and remediation methodology, and 5) enterprise reporting on no less than a monthly basis regarding Complaints on any Referred Claims placed with PCA by OAG or DOR.

*Offeror Response*

1. **ACCESS TO PCA’S SYSTEM, REPORTING, AND WEB PORTAL:**

Please provide a detailed summary of the access OAG and DOR will be provided as well as the reporting and web portal capabilities of the PCA. Please include a mockup of all dashboards and standard reporting capabilities.

*Offeror Response*

1. **CALL RECORDING:**

Provide description of what system PCA utilizes for call recording. Provide a description of how OAG and DOR may access PCA’s system for recorded calls. Describe PCA’s present retention standards for recorded calls including any exceptions to those standards.

*Offeror Response*

1. **LITIGATION SUPPORT-THIRD PARTY CLAIMS OR REGULATOR EXAMINATION:**

Please identify who would be point of contact for this support detailing his or her experience including the number of years of providing such support and identifying the jurisdictions in which the point of contact has testified and/or been deposed including the number of instances.

*Offeror Response*

1. **VENDOR MANAGEMENT:**

Describe how PCA would support OAG’s vendor management program. Identify who the key personnel would be for this purpose including during an onsite review. Submit a resume of the key personnel including years of experience.

*Offeror Response*

1. **QUALITY ASSURANCE (“QA”) AND CONTINUOUS PROCESS IMPROVEMENT:**

PCA shall submit documentation of its enterprise QA and continuous process improvement methodology and program. This documentation is required by the OAG vendor management program and will be utilized in the analysis of PCA’s performance. Minimally, PCA shall provide access to monthly scorecard reporting of PCA’s QA/KPI measures.

Describe PCA’s enterprise QA and continuous process improvement methodology and program including any documents or reports from the PCA’s program. Identify the PCA point of contact for this purpose and provide a resume for the point of contact including years of experience.

*Offeror Response*

1. **VOICE ANALYTICS:**

PCA shall describe what Voice Analytics capabilities are available and how PCA is implementing them. PCA shall present to OAG and DOR on no less than a monthly reporting basis documentation of any voice analytics employed by PCA in the delivery of professional services under the MSA. This documentation is required for OAG’s vendor management program and continuous evaluation of PCA’s CMS.

*Offeror Response*

1. **PRIVACY/SECURITY:**

PCA shall provide a detailed summary and documentation of its appropriately documented and implemented privacy and information security program.  The personally identifiable information of the residents of the Commonwealth of PA must be protected and PCA will be responsible for safeguarding any information shared with the PCA during the placement of the claims for collection.  The privacy and information security program shall include a reporting package regarding incidents, an incident response program including timely reporting to OAG/DOR of any compromise or breach under applicable law.  PCA shall be responsible for the cost of full compliance with applicable privacy and information security laws.  On an annual basis, or more frequently, PCA shall provide to OAG and DOR unredacted copies of audits, reports, and examinations conducted and prepared by external auditors and vendors testing against the PCA’s privacy and information security program.  Such testing shall minimally include penetration testing and an SSAE18 and component parts examination.  PCAs shall provide OAG and DOR certification of the PCA’s compliance with applicable IRS Publication 1075, NIST and FISMA information security and privacy standards and requirements.  In the event of a breach, or any information technology incident, of the PCA’s information security and privacy program, the PCA shall immediately notify the OAG and DOR in addition to any additional notifications required by applicable law.  The cost of remediation for any information security or privacy breach shall be completely borne by the PCA.

*Offeror Response*

1. **CONSUMER/DEBTOR/TAXPAYER PORTAL:**

PCA shall provide an overview and description of any debtor portal functionality including: payment functionality, multi-media for contacting the PCA, information about payments remitted and due as well as payment in full information, and addresses and contact information for the PCA.

*Offeror Response*

1. **LICENSING:**

PCA shall provide a list of the jurisdictions in which it is licensed including the date that the license was first granted. PCA shall provide any supporting documents demonstrating compliance with specific licensure requirements in all jurisdictions in which it is licensed.

*Offeror Response*

1. **INVOICING AND RECONCILATION/PAYMENTS TO OAG and dor:**

PCA shall provide a detailed description of PCA’s process for invoicing and reconciliation meeting the requirements above.

1. For OAG Referred Claims:

*Offeror Response*

1. For DOR Referred Claims:

*Offeror Response*

1. **RECORD RETENTION:**

PCA shall provide a detailed description of its retention program including retention schedules and the type of software utilized to store the electronic images of the retained records.

*Offeror Response*

1. **SKIPTRACING:**

PCA shall provide an overview of the documented waterfall of skiptracing approaches utilized to discover accurate demographic information for any consumer/debtor/taxpayer with a claim placed with the PCA for receivables management services. OAG shall be entitled to benefit from the results of the skiptracing activities and any new demographic or contact information obtained through skiptrace shall be provided to OAG and DOR as part of the professional receivables management services.

*Offeror Response*

1. **DUNNING LETTERS FOR DEBTORS/CONSUMERS/TAXPAYERS:**

PCA shall provide copies of all dunning letters regularly used in the PCA’s dunning cycle that would be utilized in provision of receivables management services to the Commonwealth of PA.

*Offeror Response*

1. **ONBOARDING:**

PCAs will have specific criteria for onboarding before working OAG and DOR Referred Claims Placements. The onboarding requirements will include, but may not limited to the following:

* File exchange testing
* Onsite reviews at the PCA’s PA location conducted by OAG and DOR staff
* Classroom training on DOR taxes, policies and procedures.

PCA shall provide three narratives describing successful onboarding initiatives within the last twenty-four months.

 *Offeror Response*

**III – 3** **TRAINING:**

PCA shall provide detailed documentation of its knowledge management system documenting training of its employees. The OAG will review the artifacts of the knowledge management system on an annual basis as part of the OAG’s vendor management review. Training on new requirements as a product of the PCA’s CMS change management process may be reviewed more frequently than annually.

PCA shall provide a detailed description of its training process.

*Offeror Response*

**III – 4 OTHER REQUIREMENTS:**

1. **Disaster Recovery.**

PCA shall submit a summary document detailing the PCA’s disaster recovery plan and the most recent annual testing of the disaster recovery and business continuity planning. Said documentation shall be initially provided to the OAG for review and upon the award of a contract shall be provided annually and updated when any material changes are made to the planning. On no less than an annual basis, the planning should be tested and documentation in the form of a summary of the annual testing shall be presented to OAG for review.

*Offeror Response*

1. **Emergency Preparedness.**

To support continuity of operations during an emergency, including a pandemic, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential contracts that provide critical business services to the Commonwealth have planned for such an emergency and put contingencies in place to provide needed goods and services.

* + 1. Describe how you anticipate such a crisis will impact your operations.
		2. Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:
1. Employee training (describe your organization’s training plan, and how frequently your plan will be shared with employees)
2. Identified essential business functions and key employees (within your organization) necessary to carry them out
3. Contingency plans for:
	1. How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.
	2. How employees in your organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.
4. How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.
5. How and when your emergency plan will be tested, and if the plan will be tested by a third-party.

*Offeror Response*

**III – 5 OBJECTIONS AND ADDITIONS TO STANDARD CONTRACT TERMS AND CONDITIONS.** The PCA will identify which, if any, of the terms and conditions (contained in **Part VI**) it would like to negotiate and what additional terms and conditions the PCA would like to add to the standard contract terms and conditions. The PCA’s failure to make a submission under this paragraph will result in its waiving its right to do so later, but the Issuing Office may consider late objections and requests for additions if to do so, in the Issuing Office’s sole discretion, would be in the best interest of the Commonwealth. The Issuing Office may, in its sole discretion, accept or reject any requested changes to the standard contract terms and conditions. The PCA shall not request changes to the other provisions of the RFP, nor shall the PCA request to completely substitute its own terms and conditions for **Part VI**. All terms and conditions must appear in one integrated contract. The Issuing Office will not accept references to the PCAs, or any other, online guides or online terms and conditions contained in any proposal.

Regardless of any objections set out in its proposal, the PCA must submit its proposal on the basis of the terms and conditions set out in **Part VI**. The Issuing Office will reject any proposal that is conditioned on the negotiation of the terms and conditions set out in **Part VI or to other provisions of the RFP as specifically identified above**.

**PART IV**

**COST SUBMITTAL**

**This is a Professional Services RFP where the cost is pre-determined by the Office of Attorney General, see Section III Technical Submittal specifically CC. Commission. There is no cost associated with this RFP.**

**PART V**

**CONTRACT TERMS AND CONDITIONS**

Please see attached