



City of Cheyenne - Purchasing  
2101 O'Neil Avenue, Room 309  
Cheyenne, WY 82001  
307-773-1045  
[tbarttelbort@cheyennecity.org](mailto:tbarttelbort@cheyennecity.org)

## ADDENDUM NUMBER ONE RFP 3-22

To: All Prospective Proposers and all others concerned

From: City of Cheyenne, Purchasing Manager, TJ Barttelbort

Date: September 7, 2021

**Subject: Addendum Number One to Request for Proposal 3-22 for the Collection Agency Services Project**

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The changes, clarifications, omissions, additions, and/or alterations in, on, and to the proposal information and specifications shall apply to the Request for Proposal submitted for and to the project indicated above. Except as modified by this Addendum Number One, all of the terms and provisions of the Request for Proposal for the above listed project remain in full force and effect. This Addendum Number One supersedes all previous instructions pertaining to the items listed:

### CLARIFICATIONS:

C1: II. SCOPE OF SERVICES, Page 5, Item 16., is updated as follows:

16. Agency shall be ~~HIPPA (Health Insurance and Portability and Accountability Act of 1996)~~ **HIPAA (Health Insurance Portability and Accountability Act)** compliant and maintain compliance throughout the term of the contract.

C2: VII. FORMAT OF PROPOSAL, Page 10, Qualifications & Experience, Items 3 & 4, are updated as follows:

3. List all businesses owned or controlled by yourself (applicant) or business manager doing similar business in ~~California~~ **Wyoming** under another name. List business name and address and specify who owns or controls the business (e.g., self, business manager, etc.).
4. List all businesses for which you or your business manager is or was an officer, director, or partner doing similar business in ~~California~~ **Wyoming** under another name. List business name and address, title, date(s) in position; specify who was in position (e.g., self, business manager, etc.).

C3: Included with this Addendum One via this reference, are three (3) excel sheets with data exports pertaining to the current status of City of Cheyenne accounts residing with the current contracted Collection Agency.

Proposers are advised that the data presented may not represent all accounts that could potentially be placed with a new proposer, and is not a guarantee of the dollar amount of potential available placements. The City does not have any other available data on historical rates of return, amounts paid, potential dollar value or quantity of new accounts, or account balances. The City can recall any accounts not currently receiving payments via the incumbent collection agency. The City intends to place any accounts that can be recalled with the selected Proposer.

Proposers are instructed to use the provided data at their own risk, for the purposes of preparing Proposal Submittals.

## QUESTIONS AND RESPONSES

Q1: Why has this bid been released at this time?

A1: The City is interested in exploring new providers at this time.

Q2: Are bidders permitted to deviate in any way from any manner of quoting fees you may be expecting? For example, if there is a pricing page in the RFP, can bidders submit an alternate fee structure? If there is no pricing page in the RFP, do you have any preference for how bidders should quote fees or can bidders create their own pricing categories?

A2: Proposers shall submit cost proposals in accordance with Page 12 “Cost Proposal”.

Q3: Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable.

A3: The City declines to provide a response to this question.

Q4: Has the current contract gone full term?

A4: The City currently is in a Contract that shall be terminated in accordance with the terms of the agreement, if a proposer is selected as a result of this RFP.

Q5: Have all options to extend the current contract been exercised?

A5: Please see A4.

Q6: Who is the incumbent, and how long has the incumbent been providing the requested services?

A6: Professional Finance Company. Most previous contract was executed in September of 2015.

Q7: To what extent will the location of the bidder's proposed location or headquarters have a bearing on any award?

A7: Location will not be a selection criteria. See **Section VIII. Selection Criteria.**

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

A8: A 25% Fee is charged on any funds recovered.

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

A9: See Clarification C3 above, for information relating to this question.

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

A10: The City intends to select one (1) proposer to provide these services.

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

A11: The percentage split is unknown. There is a mixture of private and commercial, but primarily private.

Q12: Will accounts be primary placements, not having been serviced by any other outside collection agency, and/or will you also be referring secondary placements? If so, should bidders provide proposed fees for secondary placements also?

A12: Most account will be primary placements, unless the City pursues further in-house collection efforts on a limited basis.

Q13: What collection attempts are performed or will be performed internally prior to placement?

A13: Phone calls, e-mails, letters, placement on an internal City "Cash Only" List, and ceasing certain services if allowed.

Q14: Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval?

A14: Yes.

Q15: What is the total dollar value of accounts available for placement now by category, including any backlog?

A15: There is no current back log, all accounts are placed on collections as they become over 90 days delinquent.

Q16: What is the total number of accounts available for placement now by category, including any backlog?

A16: See A15.

Q17: What is the average balance of accounts by category?

A17: See Clarification C3 above, for information relating to this question.

Q18: What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?

A18: Over 90 Days past due.

Q19: What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category?

A19: 5 to 10 accounts, per month. This amount fluctuates on a monthly basis.

Q20: What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?

A20: See Clarification C3 above, for information relating to this question.

Q21: What has been the historical rate of return or liquidation rate provided by any incumbent(s), and/or what is anticipated or expected as a result of this procurement?

A21: The City does not have data to release on the historical rate of return, but is hoping to select a proposer that can quantify this data. The City seeks to improve the rate of return or liquidation rate from past collection efforts. See Clarification C3 above, for information relating to this question.

Q22: Have all cases been fully adjudicated by the time of placement?

A22: Yes.

Q23: If applicable, will accounts held by any incumbent(s) or any backlog be moved to any new vendor(s) as a one-time placement at contract start up?

A23: The City can recall any accounts not currently receiving payments via the incumbent collection agency. The City intends to place any accounts that can be recalled with the selected Proposer.

Q24: What is your case management/accounting software system of record?

A24: Harris Innoprise Customer Information System.

Q25: Who is your electronic payment/credit card processing vendor?

A25: Paymentus, World Pay, TSYS, Clover.

Q26: What process should a vendor follow, or which individual(s) should a vendor contact, to discuss budget-neutral services outside of the scope of this procurement, but related to it, designed to recover more debt prior to outside placement and lower collection costs?

A26: Correspondence **unrelated** to this Request for Proposal shall be directed to the City Treasurer, after the City has made final selection of a proposer. Proposers shall submit all questions **relating** to this Request for Proposal to the City Purchasing Manager.

Q27: How do your current processes and/or vendor relationship(s) systematically determine if the death of a responsible party has occurred?

A27: If the City is made aware of a death, the City makes notification to the current collection agency.

Q28: How do your current processes and/or vendor relationship(s) handle the death of a responsible party?

A28: Please see A27. The debt is discharged from the City of Cheyenne's records but collection efforts may continue at the Collection Agency level.

Q29: Do you have a designated process or policies around deceased accounts today, and what is envisioned in the future?

A29: No there is not a process or policy to address this. The City would like to improve this process.

Q30: Do you currently search and file probated estate claims? Have you considered an automated tool to identify and file probated estate claims?

A30: No there is not a process or policy to address this. The City would like to improve this process.

Q31: Total number of accounts and dollar amount submitted for collections during the previous year?

A31: See Clarification C3 above, for information relating to this question.

Q32: Total number of accounts and dollar amount collected on accounts during the previous year?

A32: See Clarification C3 above, for information relating to this question.

Q33: Who is the current / previous vendor for this contract?

A33: See A6 Above.

Q34: What is your level of satisfaction with your current vendor(s).

A34: See A3 Above.

Q35: What is the fee being charged by your current vendor?

A35: See A8 Above.

Q36: What is the average balance of accounts by category?

A36: See Clarification C3 above, for information relating to this question.

Q37: What is the average age of accounts at placement?

A37: See A18 Above.

Q38: Please provide any historical success rate data from your current vendor for each of the departments listed in this RFP.

A38: The City does not have data to release on the historical rate of return, but is hoping to select a proposer that can quantify this data. The City seeks to improve the rate of return or liquidation rate from past collection efforts. See Clarification C3 above, for information relating to this question.

Q39: What actual dollars were paid last year, or last quarter to any incumbent(s)?

A39: See Clarification C3 above, for information relating to this question.

Q40: What has been the historical rate of return?

A40: The City does not have data to release on the historical rate of return, but is hoping to select a proposer that can quantify this data. The City seeks to improve the rate of return or liquidation rate from past collection efforts. See Clarification C3 above, for information relating to this question.

Q41: Will accounts assigned to your previous vendor be transferred to a new vendor upon award or will they remain with the previous vendor?

A41: See A23 Above.

Q42: What is the total dollar value of accounts available for placement now by category?

A42: None available for placement at this time. See A15 Above for detail.

Q43: Does the creditor generally take back accounts after a fixed time period? If so, when?

A43: The City of Cheyenne does not typically take back accounts. However, the City reserves the right to recall accounts if desired.

Q44: May the collection agency report unresponsive debtors to the credit bureaus?

A44: Yes.

Q45: Who are the incumbents currently providing these services to/for the city?

A45: See A6 Above.

Q46: How long have the incumbents been providing these services for the city?

A46: See A6 Above.

Q47: What are the most common debt types or departments that refer or have referred accounts under the current, previous and/or future contract (i.e., Utilities, fire, parking, court, etc.)?

A47: See RFP. The data is not available by breakout. The City believes the most common is Sanitation, Recreation, and Nuisance.

Q48: What is/are the current rates being charged / added onto the debts by the current incumbent(s)?

A48: See A8 Above.

Q49: What is the TOTAL volume, both dollar value and number count of accounts eligible for referral now, by department or debt type?

A49: None available for placement at this time. See A15 Above for detail.

Q50: With what frequency will accounts be referred (i.e., weekly, monthly, etc.)?

A50: Monthly.

Q51: What is the estimated number and dollar value of these regular, ongoing referrals (e.g., 25 accts for \$5000 monthly)?

A51: See above.

Q52: With what frequency will the city provide update/payment files to the contractor (i.e., daily, weekly, etc.)?

A52: City will provide updates immediately as they are available.

Q53: What is the average age of ongoing placements?

A53: See A18 Above.

Q54: Will the inventory currently assigned to existing agencies be pulled and sent to any new agencies awarded? If yes, what is the estimated volume (# and \$ value) and the average age of the accounts to be re-referred to a new agency?

A54: See Clarification C3 above, for information relating to this question. See A23 Above.

Q55: What percentage of accounts will have a judgment in place at the time of referral, if any?

A55: Very few accounts will have a judgement.

Q56: What collection activities take place on the accounts, by the city, prior to referral to the agencies?

A56: See A13 Above.

Q57: Will the City continue any collection efforts on accounts after referral to the agencies? If yes, please describe those efforts?

A57: No.

Q58: Page 6, Section II, Item #26: Will the balances referred contain interest, fees, or penalties at the time of referral? If yes, will the City continue to accrue those fees/interest after referral to the collection agency? Or, does the city require the agency to accrue interest after referral?

A58: Yes. The City does not continue to accrue the fees after they have been sent to collections. The City will reevaluate this process in the future to improve the process for charging interest fees.

Q59: Page 6, Section II, Item #27: Under what circumstances and with what frequency does the city anticipate recalling accounts? And, if the agency has a promise-to-pay or a payment plan in place, will the agency receive credit for those payments, even if the account is recalled?

A59: There will be very few accounts that may be recalled, and the agency will continue to receive credit for those payments.

Q60: Has the current contract gone full term?

A60: See A4 Above.

Q61: Have all options to extend the current contract been exercised?

A61: See A4 Above.

Q62: Who is the incumbent, and how long has the incumbent been providing the requested services?



A62: See A4 Above.

Q63: How are fees currently being billed by any incumbent(s), by category, and at what rates?

A63: See A8 Above.

Q64: What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?

A64: See Clarification C3 above, for information relating to this question.

Q65: Please describe your level of satisfaction with your current vendor(s), if applicable.

A65: See A3 Above.

Q66: Will accounts be primary placements, not having been serviced by any other outside collection agency, and/or will you also be referring secondary placements? If so, should bidders provide proposed fees for secondary placements also?

A66: See A12 Above.

Q67: What collection attempts are performed or will be performed internally prior to placement?

A67: See A13 Above.

Q68: What is the total number of accounts available for placement now by category, including any backlog?

A68: See A15 Above.

Q69: What is the average balance of accounts by category?

A69: See Clarification C3 above, for information relating to this question.

Q70: What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?

A70: See A18 Above.

Q71: What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category?

A71: See Clarification C3 above, for information relating to this question.

Q72: What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?

A72: See Clarification C3 above, for information relating to this question.

Q73: What has been the historical rate of return or liquidation rate provided by any incumbent(s), and/or what is anticipated or expected as a result of this procurement?

A73: The City does not have data to release on the historical rate of return, but is hoping to select a proposer that can quantify this data. The City seeks to improve the rate of return or liquidation rate from past collection efforts. See Clarification C3 above, for information relating to this question.

Q74: Have all cases been fully adjudicated by the time of placement?

A74: See A22 Above.

Q75: If applicable, will accounts held by any incumbent(s) or any backlog be moved to any new vendor(s) as a one-time placement at contract start up?

A75: See A23 Above.

Q76: What computer software system do you use to manage your accounts/inventory?

A76: See A24 Above.

Q77: Do you have any plans of changing that system in the future, and why/why not?

A77: The City does not intend to change software systems at this time, but reserves the right to switch vendors in the future.

Q78: Do you subscribe to any offset programs?

A78: No.

Q79: I don't see anywhere within the instructions of the RFP, the volumes of accounts placed by month, or year. Can you share that and the average balance and whether there are any historical liquidation results as well?

A79: The City does not have data to release on the historical rate of return, but is hoping to select a proposer that can quantify this data. The City seeks to improve the rate of return or liquidation rate from past collection efforts. See Clarification C3 above, for information relating to this question.

Q80: What is the collection success rates (recovery rates/liquidation percentages) of the current incumbents or the city, by department or debt type?

A80: The City does not have data to release on the historical rate of return, but is hoping to select a proposer that can quantify this data. The City seeks to improve the rate of return or liquidation rate from past collection efforts. See Clarification C3 above, for information relating to this question.

Q81: Typically, if a collection fee is added on to an account, any partial payments received are equally applied to that fee and the principal. Is this method of payment application acceptable to The City?

A81: Yes.

Q82: Does The City require confirmation in the proposal as to the agency's acceptance of the Scope of Work (Section II) requirements specified by the City? If so, where in the proposal would you like for this to be shown and how would you like this presented? (i.e. a basic acceptance statement in the cover letter, listed out with a "yes" or "no" response to each individual requirement, etc.).

A82: The City's assumption is that if you are submitting a proposal your firm has accepted the City's Scope of Work requirements. Any areas that a Proposer is unable to meet the terms of the RFP shall be clearly identified for review by the City.

Q83: Do you have a breakdown of anticipated account volume (# of accounts and \$ amount) by account type?

A83: See Clarification C3 above, for information relating to this question.

Q84: In section VII (Format of Proposal), in the Qualifications and Experience section, questions both 3 and 4 refer to business in California. Is this accurate, or are you referring to Cheyenne, Wyoming?

A84: See C2 Above.

**ADDENDUM ONE ACKNOWLEDGED:**

BY \_\_\_\_\_ TITLE \_\_\_\_\_

(Addendum **must** be signed and returned with proposal or receipt of the addendum **must** be acknowledged within the submitted Proposal).