

**STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE**

January 10, 2014

TO: ALL OFFERORS

FROM: SHARON FERRARA
[COLLECTIONS MANAGER]

SUBJECT: **ADDENDUM TO REQUEST FOR PROPOSAL NO. FIN 25-06-011101
SECOND REFERRAL COLLECTION SERVICES**

ADDENDUM # 2

This addendum is provided in response to the vendor questions that have been received for the solicitation to Contract No. FIN 25-06-011101.

Questions 1: Would the State allow a 'grace period' upon award of a contract to obtain ISO certification and a SAS 70 audit?

As stated in the RFP, we will accept a SAS 70 statement of auditing or an **equivalent statement** so you may still respond to the RFP if you do not have a SAS 70.

Question 2: What percentage of accounts placed are "other state receivables"?

We currently have 5200 accounts placed and 19 of them are other state receivables

Question 3: What types of accounts comprise the "other state receivables" to be placed with the selected agency?

The other state receivable accounts consist of student loan and tuition accounts and DNREC accounts.

Question 4: What percentage of accounts are in-state individuals and businesses; and what percentage of accounts are out-of-state individuals and businesses?

We do not have this information readily available for businesses.
Approximately 72% of the Personal Income Tax Accounts have Delaware addresses.

Question 5: What percentage of accounts are individuals; and what percentage of accounts are businesses?

Approximately 21% of the 5200 accounts that are at second referral collections are business accounts.

Question 6: To how many agencies does the DOR anticipate awarding contracts as a result of this RFP?

We will award the contract to one or two agencies.

Question 7: With which agencies is the DOR currently contracted for the collection services covered by this RFP?

We currently have a contract with Progressive Financial Services Inc.

Question 8: Please provide the current contingency fees for the DOR's incumbent Agencies

The current contingency rate is 14.9%
25% for litigation accounts

Question 9: Please provide the historical recovery rates for the DOR's incumbent agencies, if available.

The current gross recovery rate is 1.34889%

Question 10: In order to ensure the availability of our references, please provide the time period during which the DOR anticipates contacting references included in the response.

We anticipate contacting the references between February 18th and March 7th.

Question 11: If we are in the process of completing a Statement of Management Standards using the ISO 9000-2001 as a guideline but not yet completed, can we still receive points for this evaluation item?

If we do not receive any information supporting your management standards then no points will be given for this category.

All other terms and conditions remain the same.

S:\ Addendum to proposal