

**Delaware Department of Transportation**  
**QUESTIONS AND ANSWERS**  
**Collection Services**  
**Agreement 1960**  
**Friday, November 08, 2019**

Q#	Question	Answer
1	<p>Section 3.2 Collection Procedures / Paragraph 3.2.6 / Page 8            "The vendor shall work with the agencies E-ZPass/Violations vendor in order to collect monies owed to the agency. This may include an electronic interface that will allow agencies E-ZPass/Violation vendor to accept payments on behalf of the collections vendor."</p> <p>QUESTION: Please provide more information on the relationship between the EZPass vendor and collection agency. What are the technical requirements for the electronic interface? Under what circumstances would the EZPass vendor accept payments attributable to the collection agency's efforts?</p>	<p>The Department is looking for ways to make it easier for our customers to make collections payments...either to the Collections vendor or to our EZpass vendor. Technical requirements will be addressed with the selected vendor.</p>
2	How many contracts do you intend to award?	Up to one agreement may be awarded.
3	What are the number and dollar value of accounts currently held by the current Vendor?	1,421,919 violations with a dollar value of approximately \$112,714,152
4	What is the historical rate of return achieved by your current Vendor?	8.65%
5	<p>For FY18, please provide the following:</p> <p>Amount and dollar value of accounts referred to Vendor</p> <p>Total (non-litigation) dollars recovered by Vendor</p> <p>Total (non-litigation) fees paid to Vendor</p> <p>Total (litigation) dollars recovered by Vendor</p> <p>Total (litigation) fees paid to Vendor</p>	<p>FY18:</p> <p>Referred: 600,911; \$49,408,763.49 (not incl closed accounts)</p> <p>Recovered: \$2,153,648.68</p> <p>Fees Paid: \$299,193.00</p> <p>no litigation</p> <p>no litigation</p>

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6	<p>Second line under “COLLECTION SERVICES” on first page of RFP, Page 1 of 14:  “One agreement may be awarded from this solicitation.”</p> <p>QUESTION: Please confirm, how many collection agencies do you plan to contract with as a result of this RFP?</p>	One Collection Agency will be contracted as a result of this RFP.
7	Has the current contract gone full term, including all option periods?	Yes.
8	With which collection agency(ies) are you currently contracted?	Duncan Solutions aka/fka Law Enforcement Systems, LLC
9	In the most recent fiscal year, what dollar amount did each of your current contractors retain in fees?	Refer to Answer 5
10	Does the Department notify debtors that their past-due toll violations may be referred to a collection agency?	Yes.
11	<p>1. OVERVIEW AND AUTHORITY / 1.1 Purpose / p. 1 of 14:  “These efforts will primarily be for the collection of toll violations and E-ZPass Customer Service Center receivables, but may include other receivables owed to the Department.”</p> <p>QUESTION: Will the types of toll violations referred include those in which the debtor has a transponder as well as those toll violators who do not have a transponder (i.e., toll-by-plate)?</p>	Yes.

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12	<p>1. OVERVIEW AND AUTHORITY / 1.1 Purpose / p. 1 of 14:            “These efforts will primarily be for the collection of toll violations and E-ZPass Customer Service Center receivables, but may include other receivables owed to the Department.”</p> <p>QUESTIONS:</p> <p>1) Can you provide any further details as to what types of “other receivables” are owed to the Department that may be referred for collection services?</p> <p>2) What percentage of the dollar volume of placements do these “other receivables” represent?</p> <p>3) What percentage of total number of accounts do these “other receivables” represent?</p>	<p>1) Currently, toll violations and E-Zpass Customer Service Center receivables are all that are collected.</p> <p>2) 0%</p>
13	<p>3.2 Collection Procedures / p. 8 of 14:            What time period (how long) does the Vendor have to collect on an account?</p>	<p>The Vendor must stop collection attempts upon contract expiration.</p>
14	<p>Section 3.2 Collection Procedures, Paragraph 3.2.6, p. 8 of 14:            “The vendor shall work with the agencies E-ZPass/Violations vendor in order to collect monies owed to the agency. This may include an electronic interface that will allow agencies E-ZPass/Violation vendor to accept payments on behalf of the collections vendor.”</p> <p>QUESTION: As used above, can you please clarify what “agencies” you are referring to?</p>	<p>This refers to DelDOT only.</p>
15	<p>3.3 Volume of Current Accounts, Page 8 of 14:            “The Department anticipates forwarding on a monthly basis to collection agencies, individual violations notices of approximately 37,000 each with an anticipated annual value of \$3.3 million each.”</p> <p>QUESTION: After initial placements, will new toll charges be added to the existing account or will an entirely new account be assigned for the new charge?</p>	<p>Subsequent notices combine debts together unless a violation has already been included on a previous notice.</p>

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16	<p>3.3 Volume of Current Accounts, Page 8 of 14:            “The Department anticipates forwarding on a monthly basis to collection agencies, individual violations notices of approximately 37,000 each with an anticipated annual value of \$3.3 million each.”</p> <p>QUESTION: Just to confirm, the 37,000 accounts mentioned above refers to annual placement volumes, correct?</p>	<p>The Department anticipates forwarding approximately 37,000 violation notices with an approximate value of \$3.3 million to collection agencies on a monthly basis.</p>
17	<p>3.3 Volume of Current Accounts, Page 8 of 14:            “The Department anticipates forwarding on a monthly basis to collection agencies, individual violations notices of approximately 37,000 each with an anticipated annual value of \$3.3 million each.”</p> <p>QUESTION: At what age will accounts be referred to the collection agency?</p>	<p>6 months</p>
18 & 19	<p>3.3 Volume of Current Accounts, Page 8 of 14:            “Any backlog of accounts held by the current incumbent will be placed with the vendor(s) selected under the new contract.”</p> <p>QUESTION: What is the estimated size of the current inventory held by the incumbent, including number of accounts and total dollar value?</p>	<p>Number of Accounts: 600,911            Total Dollar Value: \$49,408,763.49</p>
20	<p>3.3 Volume of Current Accounts, Page 8 of 14:            “The Department anticipates forwarding on a monthly basis to collection agencies, individual violations notices of approximately 37,000 each with an anticipated annual value of \$3.3 million each.”</p> <p>QUESTION: What is the average age of the accounts you will refer for collections?</p>	<p>Refer to Answer 17</p>
21	<p>3.3 Volume of Current Accounts, Page 8 of 14:            What is the age of the oldest accounts you will refer for collections?</p>	<p>At the end of the contract, all uncollected notices are turned over to the new collection agency for action. The age of those accounts will vary.</p>

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22	<p>3.6 Fee Schedule, Page 9 of 14:            “Firms may submit, in their proposal, multiple commission fees covering different levels of collection efforts.”</p> <p>QUESTION: Since backlog accounts transferred from the incumbent to a new collection agency will have been previously worked by another collection agency, can vendors quote a separate price for Secondary Placements?</p>	Yes
23	<p>3.6 Fee Schedule, Page 9 of 14:            “It is expected that the fee schedule (commission fee) is guaranteed and fixed for the duration of the contract period and that no payment for services will be made unless and until funds are deposited in the State account pursuant to section 3.4 above. Firms may submit, in their proposal, multiple commission fees covering different levels of collection efforts.”</p> <p>QUESTION: What is the current contingency fee rate for each current collection agency?</p>	13.9%
24	<p>3.9 Start-Up Date on Page 9 of 14 (also Section 1.8 Procurement Schedule on Page 2 of 14):            “The Department of Transportation expects a start-up date as soon as possible after agreement execution. The Vendor or agencies must state the expected start-up date.</p> <p>QUESTION: What is the target date for contract award?</p>	1/1/2020

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25	<p>PROPOSAL REQUIREMENTS / 4. Expression of Interest / B. Experience, Page 11 of 14:            “The Vendor shall submit information demonstrating experience in similar debt collection services for a state/local government agency.”</p> <p>QUESTION: The sentence above refers to experience with “state/local agency” while the “RATING CRITERIA” on page 13 of 14 refers to “State or Federal Government Collection Experience.” Will local government experience count toward the evaluation?</p>	Yes.
26	<p>PROPOSAL REQUIREMENTS / 4. Expression of Interest / D. Methods of Collection, item #7, Page 11 of 14: “Expected recovery rates based on historical data.”</p> <p>QUESTION: What is the overall historical liquidation rate / recovery rate achieved by the incumbent(s)?</p>	Refer to Answer 4.
27	<p>PROPOSAL REQUIREMENTS / 4. Expression of Interest / G. Legal Action, Page 11 of 14:            “A statement of whether legal/litigation capabilities exists in the firm and how and when the firm would indicate to Department and the debtor that it desires to proceed with legal action.”</p> <p>QUESTION: In the most recent fiscal year or most recent 12 months, on how many accounts did the current contractor pursue legal action?</p>	None.

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28	<p>PROPOSAL REQUIREMENTS / 4. Expression of Interest / J. Assurance, Page 12 of 14:            “The basis for assurance that your firm can meet the bonding requirements, Delaware State Law, and professional performance requirements of the Fair Debt Collection Practices Act.”</p> <p>QUESTION: The FDCPA applies to debts that arise for personal, family, or household purposes. The types of debts assigned by the Department, specifically toll violations, have generally been excluded from the FDCPA definition of debt. Please clarify whether the Department intends that the Proposer comply with the spirit of the FDCPA, or comply only with the actual applicable federal requirements.</p>	<p>Follow the spirit of the FDCPA practices.</p>
29	<p>PROPOSAL REQUIREMENTS / 4. Expression of Interest / N. Stipulations/Exceptions, Page 12 of 14: “A listing of any and all stipulations or exceptions taken to any item in this proposal. The Department reserves the right to reject any stipulations and/or exceptions taken.”</p> <p>QUESTION: If Proposer identifies any exceptions or wants to suggest alternate/new language, will such submitted exceptions result in the rejection of a proposal or weigh negatively in the consideration of a proposal?</p>	<p>The Department would most likely reject 'new language'. The Department would review alternate language for acceptance if the result of the language change would meet the overall requirements of the RFP. Depending on the type of change, or volume of the change(s) requested, it could negatively effect the 'Vendors Ability to Meet the Project Requirements' and/or 'Overall quality and completeness of submissions to include clarity, readability, and presentation of material' selection criteria.</p>
30	<p>“RATING CRITERIA,” Page 13 of 14:            In which of the six rating “categories” will client references be counted?</p>	<p>Client references could effect the 'State or Federal Government Collection Experience' , and/or 'Vendors Ability to Meet the Project Requirements' selection criteria.</p>
31	<p>Section 2.2.10,page 4 of 14.            Are Insurance requirements negotiable?            Would the Department allow for a lesser amount in coverage?</p>	<p>Insurance requirements may be negotiable, as long as the Department's collection of funds, and liabilities are fully covered.</p>

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32	<p>Section 3.3, page 8 of 14.</p> <p>Can you provide further clarification on anticipated volume? Are we correct in saying that the departments places 37,000 accounts in collections each year totaling \$3.3 million If not, can you provide anticipate volume of number of accounts and total dollar value placed in collections each month?</p>	Refer to Answer 16
33	<p>Section 4.H, page 12 of 14.</p> <p>Are financial statements required to be audited?</p>	They are not required to be audited, however, the financial statements and whether they have been audited would effect the 'Quality Systems' criteria.
34	<p>Section 4.I, page 12 of 14.</p> <p>Is a SOC2 or PCI Certification required, or will in house auditing reports be accepted?</p> <p>Are you able to share the success rate your current agency performs at on accounts placed by the Department?</p> <p>Are you able to share your current agency's current cost for the proposed services?</p>	<p>A SOC2 or PCI is not required, in house auditing reports are acceptable, however, the financial statements and whether they have been audited would effect the 'Quality Systems' criteria.</p> <p>Refer to Answer 5</p> <p>Refer to Answer 23</p>
35	Does the Department want Vendors to report debts to the credit bureaus?	No.
36	Would you please provide detail regarding the file layout format for the placement files?	Will be addressed with the selected vendor.
37	Would you please provide the file layout format for the balance adjustment file for review?	Will be addressed with the selected vendor.
38	Section 3.2.6 For required system connectivity/interaction between collection vendor's system and EZPass/Violations vendors' system(s) would you please provide additional information regarding the technical requirements?	Will be addressed with the selected vendor.
39	Section 3.9 requires we state a startup date. Please provide file layouts, system connectivity and related technical requirements so collection vendor may make a determination as to a startup date.	For the purposes of this RFP, vendors are to assume a 3 week time period for data exchange.
40	Section 3.4 Does an active repayment arrangement automatically grant an extension of placement, or must collection vendor request an extension on a per account basis?	A payment arrangement would grant an extension of placement.



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41	Section 3.6 Will you confirm the collection vendor will receive its commission fee on payments made directly to Delaware or through Delaware's EZPass/Violations vendors, where the account was placed with the collection vendor and collection activity had commenced?	That is the intent, this will be addressed with the selected vendor.
42	Section 2.2.17 Please clarify what would constitute "full and adequate justification" that all persons connected with the State's account will be sufficiently bonded in amounts deemed satisfactory for the nature of this contract.	Performance or similar bond, this will be addressed with the selected vendor.
43	2.2.3 Please identify the fee structures of the current collections vendor(s).	Refer to Answer 23
44	Section: 3.2.2. Paragraph 1, Page 8: "All accounts or customer information obtained in the course of referred account collection efforts shall be confidential and shall not be released to any person, firm, or Vendor other than the referring Department." Question: Are we not allowed to send data through our letter vendor or skip-trace vendors for automated processing?	Yes skip tracing/forwarding to mailing vendor is allowed.
45	Section: 3.2.4. Paragraph 1, Page 8: "Additionally the Department will also provide in electronic format a file that lists account balance changes due to adjustments (not payments) to accounts." Question: Will these be debit adjustments (balance increases)?	Yes
46	Section: 3.2.6. Paragraph 1, Page 8: "The vendor shall work with the agencies E-ZPass/Violations vendor in order to collect monies owed to the agency." Question: Who is the current E-ZPass vendor?	TransCore L.P.
47	Is offshore collection permitted? Is offshore back office/administrative permitted? Is letter on contact acceptable or is letter on placement required? Is credit reporting required? Who will supply validation of debt documents?	It may be possible with stipulations. Further review will be needed. This may be possible, further discussion required. Will be addressed with the selected vendor. Credit reporting is required at certain times. Will be addressed with the selected vendor.
48	Please confirm the referral figures on page 8, section 3.3 are monthly and not annually.	Refer to Answer 16

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49	What is the average balance for each toll violation? Does DelDOT anticipate increasing fines or penalties during the contract term?	Approximately \$60. The Department does not currently anticipate increasing fines or penalties during the contract period, however, this is determined by the legislature.
50	Approximately what percentage of violations are from out-of-state drivers?	<i>response forthcoming...</i>
51	Will DelDOT refer accounts to collection where the vehicle owner is unknown? If yes, will DelDOT selected firms to obtain vehicle owner information through its resources and databases? Would DelDOT allow a separate cost item for this service?	No.
52	How many vendors does DelDOT anticipate hiring through this procurement?	Refer to Answer 6
53	Would DelDOT consider hiring multiple vendors to benchmark performance and create competition (a practice used by the Delaware Division of Revenue)?	Not at this time.
54	How long will the selected vendor be able to retain accounts and attempt collection?	Refer to Answer 13
55	Would DelDOT consider a second referral collection program for accounts that remain uncollected after 9-12 months at the primary vendor? If yes, can vendors propose separate pricing for these more challenging to collect accounts (a practice used by the Delaware Division of Revenue)?	Refer to Answer 53  Refer to Answer 22
56	What is the incumbent vendor's recovery/success percentage rate at 6 and 12 months?	Refer to Answer 26
57	Section 2.3.2, Paragraph 1, Page 7 – Department Responsibilities: Providing available name, address, license plate number for each collection Account form state motor vehicle registration files, or other customer data bases. Can the Department please provide sample file layouts?	Will be addressed with the selected vendor.

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58	Section 3.2.3, Paragraph 1, Page 8 - The Department will provide referred accounts to the Vendor in electronic format. The file will be in the format that is exported from the billing system and no modifications to this file will be made. Can the Department please provide sample file layouts?	Will be addressed with the selected vendor.
59	Section 3.2.5, Paragraph 1, Page 8 – The agency is to provide collection procedures to achieve maximum possible recovery from the debtor. These will include a reasonable number of telephone calls; direct mailing efforts and some skip tracing procedures, as well as other procedures outlined by the agency. The agency may undertake legal action only when authorized by the Department. Can the Department please describe “other procedures outlined by the agency”?	Will be addressed with the selected vendor.
60	Section 3.2.6, Paragraph 1, Page 8 – The vendor shall work with the agencies E-ZPass/Violations vendor in order to collect monies owed to the agency. This may include an electronic interface that will allow agencies E-ZPass/Violation vendor to accept payments on behalf of the collections vendor. Can the Department please provide name of current E-Z Pass/Violations vendor?	Refer to Answer 46

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61	<p>Section 3.3, Paragraph 1, Page 8, – Volume of Current Accounts: The Department anticipates forwarding on a monthly basis to collection agencies, individual violations notices of approximately 37,000 each with an anticipated annual value of \$3.3 million each. The volume for the selected firm(s) will vary depending on the number of firms selected, and the Department's satisfaction with the performance of the selected firm(s). Any backlog of accounts held by the current incumbent will be placed with the vendor(s) selected under the new contract.</p> <p>A. Can the Department please provide liquidation #'s at 30, 60, 90, 180, 365 days?</p> <p>B. Can the Department please provide average balance per person/license plate?</p> <p>C. Can the Department please provide fees broken out by month paid to current vendor for 2017, 2018, and 2019?</p> <p>D. Can the Department please provide average mail return percentage?</p>	<p>A. This data is not currently reported</p> <p>B. This data is not currently reported</p> <p>C. No, refer to Answer 5</p> <p>D. The average mail return percentage in 2019 is 12.07%</p>
62	<p>Section H, Paragraph 1, Page 12 – Financial Statements: Financial statements from the previous two fiscal years, which also adequately portray the financial position of collection operations (if the operation is a portion of other financial services of the firm). We consider our financial statements to be confidential, trade secrets of the firm. Since this is an electronic submission, would the Department accept an alternative method for reviewing our financials, such as a third-party secure website (SmartRoom) that would host these documents and allow only the Department's authorized reviewers to access the files?</p>	<p>Yes.</p>
63	<p>Please provide a copy of all Interface Control Documents (ICD).</p>	<p>Refer to Answer 1</p>

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64	<p>3.6 Page 9 Fee Schedule</p> <p>What is the toll structure (toll/admin fee/collection fee) for delinquent accounts?</p> <p>Is the commission calculated as a percentage of the entire toll structure?</p> <p>If not, what portion of the toll structure is the commission based upon?</p>	<p>In addition to the toll, a Violation Notice has a \$25 Administrative Fee, \$10 Ambulance Company Fund Fee, and a \$15 fee to Combat Violent Crimes. A Toll Violation Final Notice is issued if the Violation Notice has not been paid within 30 days. The Toll Violation Final Notice adds a Civil Penalty of \$25 and a Civil Penalty Surcharge of \$12.50 to the fees listed on the first Notice of Toll Violation. If the Toll Violation Final Notice is not paid, it will be subject to registration hold, collection activities or legal action.</p> <p>Yes.</p>
65	<p>3.4 Page 9 Remitting Collections</p> <p>Please clarify if payments are to be made payable to the subcontractor and then forwarded to the Department or are payments to be payable to the Department and deposited directly into Department bank account.</p>	<p>Currently, violation payments are made payable to the collection agency. The collection agency then makes payment to the Department minus the fee. We may at some point change the payee. Will be addressed with the selected vendor.</p>
66	<p>In the last 12 months, how many accounts have been recalled?</p>	<p>This data is not currently reported</p>
67	<p>3.8 Page 9 Payment</p> <p>What was the amount paid to each collection vendor (subcontractor) per month for calendar year 2018 and year-to-date for 2019?</p>	<p>Refer to Answer 5</p>
68	<p>Please define how the liquidation rate is calculated.</p> <p>A. Is it dollars collected compared to the turnover rate?</p> <p>B. Are discounts included in the liquidation rate?</p> <p>C. Are accounts which are identified as uncollectable (such as deceased owners or owners in active bankruptcy) included in the liquidation rate?</p>	<p>A. The liquidation rate is calculated by dollars collected divided by dollars assigned less any amounts recalled</p> <p>B. Yes.</p> <p>C. Deceased, Bankrupt, Litigious, and Recalled are removed from the liquidation rate</p>
69	<p>3.2.5 Legal Action</p> <p>Will you require vendor to pursue the debt via administration hearing/litigation in judicial courts?</p>	<p>We have not pursued litigation with the collection agency at this time. Do not include litigation costs in your response.</p>

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70	3.2.5 Collection Procedures Can the vendor negotiate discounts? If so, what is the criteria?	Currently, we are not negotiating discounts on non-commercial accounts.
71	3.2.5 Page 8 Collection Procedures Can the vendor offer payment agreements?	Yes, with Department pre-approval.
72	3.3 Page 8 Volume A. How are the transactions bundled for referral to collections? B. What is the average number of transactions per violation notices referred to collections?	A. Will be addressed with the selected vendor. B. There is an average of 2.7 transactions per violator
73	Section number: 3.3 Volume of Current Accounts Paragraph number: Page: 8 of 14 Text of passage being questioned: The Department anticipates forwarding on a monthly basis to collection agencies, individual violations notices of approximately 37,000 each with an anticipated annual value of \$3.3 million each. Question: The above passage seems to indicate a monthly placement of 37,000 accounts with an average balance of \$89 per account. Please clarify if the volume of 37,000 accounts will be placed monthly or is that a total of annual placements?	Refer to Answer 16