

QUESTIONS AND RESPONSES

REQUEST FOR PROPOSALS NO. 037-NN10 – COLLECTION AGENCY SERVICES

1. Who is the incumbent vendor for this contract?
RESPONSE: NCO Financial Systems, Inc.
2. Why is the contract out to bid at this time?
RESPONSE: The current contract will expire in August, 2013.
3. When is the anticipated contract start date?
RESPONSE: August 25, 2013.
4. To how many vendors are you seeking to award a contract?
RESPONSE: One (1).
5. Has the current contract gone full term?
RESPONSE: Yes.
6. Have all options to extend the current contract been exercised?
RESPONSE: Yes.
7. What is the total dollar value of accounts available for placement now by category, including any backlog?
RESPONSE: \$977,000 Salary Overpayments to former employees
8. What is the total number of accounts available for placement now by category, including any backlog?
RESPONSE: 2400 Salary Overpayments to former employees
9. What is the average balance of accounts by category?
RESPONSE: avg \$435.00 per individual account

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

RESPONSE: 20% of amount collected

11. 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?

RESPONSE: avg 15 %, net of fee to collection agency

12. Do you have a current vendor? If so, please answer:
Name of the company: NCO Financial Systems, Inc
Fees charged by category: 20% of amount collected
Recovery rate: avg 15%
Commission paid in the last 12 months or calendar year: n/a, 20% of amount collected is retained by the collection agency

RESPONSE:

13. The RFP lists the backlog of accounts available for collection. Can you please provide information on the estimated future flow (daily, weekly, monthly, etc) of accounts including the number, dollar value, and average dollar amount?

RESPONSE: Annually, approx. 100-200 accounts, avg \$435.00 per individual account

14. What does the current AR portfolio consist of?

RESPONSE: Salary overpayments to former employees

15. What is the historical liquidation rate (last three years)?

RESPONSE: avg 15%

16. What is the breakdown the number of accounts per delinquent status and average balance of each category?

RESPONSE: Salary Overpayments to former employees, avg \$435.00 per individual account.

17. Please explain the in-house collection activity performed prior to placing the account for collection.

RESPONSE: Once an employee is terminated, they are sent 3 collection notices over a period of 90 days.

18. What percent of files placed for collection have working telephone numbers?

RESPONSE: last phone # of record is provided

19. What percent of the accounts are skips?

RESPONSE: not known

20. What liquidation rate do you expect for accounts placed in collection?

RESPONSE: avg 15-25%

21. What is most important to you? Please list in order of importance: Recovery, Rate, and Service.

RESPONSE: all 3 of even importance

22. Will we be provided with the questions asked by other vendor participants as well as the RFP Requestor's answers to the same?

RESPONSE: Yes.

23. 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?

RESPONSE: Both primary and secondary placements, one fee structure is desired

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

RESPONSE: Yes

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

RESPONSE: Annually, approx. 100-200 new accounts, salary overpayments to former employees

26. 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?

RESPONSE: Yes

27. To what extent will the location of the bidder's call center and/or corporate headquarters have a bearing on any award(s)?

RESPONSE: no direct bearing

28. Why would the Public Schools have a need for Collection Services?

RESPONSE: There is no department to serve as a collection agency for the School District.

29. Are there signed contracts for the liability/amount owed?

RESPONSE: Bargaining unit contract has clause on salary overpayments

30. What is the average balance?

RESPONSE: Avg \$435.00 per individual account

31. What is the average age of the debt(s)? (ie: 90 days to 360 days or more that 3 years etc...)

RESPONSE: 10% within 1 year, 12 % between 1-3 years, the balance beyond 3 years.

32. How many RFP's are you expecting?

RESPONSE: Unknown.

33. Why would someone or some entity owe the school money?

RESPONSE: Salary overpayments to former employees.

34. Volume estimate either monthly or annually in # of accounts or \$ amount?

RESPONSE: Annually, approx. 100-200 new accounts.