

RAILROAD COMMISSION OF TEXAS

CONTRACT MANAGMENT

ADDENDUM #1

DATE: 08/15/2024

IFB#: 455-24-1024

TITLE: Debt Collection Services

RESPONSE DEADLINE: Friday, August 30 at 2:00 PM Central Time

The purpose of this Addendum is to publicize submitted questions with answers.

No.	QUESTIONS	ANSWERS
1	Can you please provide greater details on how proposals will be evaluated and how the selected vendor(s) will be chosen?	See Section 2.10. (Proposed Evaluation and Contract Award) for details on the evaluation process.
2	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	Respondents are allowed to submit an alternate fee structure and/or create their own pricing categories.
3	Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable.	RRC is not at liberty to disclose.
4	If this is a term contract subject to renewal, what is the term and the maximum number of option periods?	This contract shall be effective from November 1, 2025 and the contract includes three (3) additional one (1) year renewals.
5	Has the current contract gone full term?	Yes, the current has gone full term. The current contract expires October 31, 2024.
6	Have all options to extend the current contract been exercised?	Yes
7	To what extent will the location of the bidder's proposed location or headquarters have a bearing on any award?	There is no bearing on the location of the bidder as long as it is in the United States.
8	How are fees currently being billed by any incumbent(s), by category, and at what rates?	The current fee is 10.9%.
9	What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?	\$14,815.50

10	What collection attempts are performed or will be performed internally prior to placement?	None. The Respondent has 30 days to pay, and then it goes to the OAG or the debt collector—depending on the amount.
11	Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval?	RRC does not have the answer for this question.
12	What is the total dollar value of accounts available for placement now by category, including any backlog?	Unknown. We do not have a backlog. We usually process about 600-800 cases per month—some of which will be sent to the debt collector.
13	What is the total number of accounts available for placement now by category, including any backlog?	We do not have a backlog. We usually process about 600-800 cases per month—some of which will be referred to the debt collector.
14	What is the average balance of accounts by category?	\$1,500.00-\$2,000.00
15	What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?	30 days.
16	What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category?	This will vary. It could be zero or a hundred.
17	What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?	Each account will be between \$250-\$5,000.
18	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?	Approximately, 5%.
19	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?	No accounts from the previous vendor will transfer to the newly awarded contractor.
20	What is your case management/accounting software system of record?	The State of Texas uses Centralized Accounting and Payroll/Personnel System (CAPPS), and a Salesforce based docket-management system.
21	Who is your electronic payment/credit card processing vendor?	The State of Texas uses Centralized Accounting and Payroll/Personnel System (CAPPS)
22	Can you please indicate what inbound and outbound contact methods, beyond phone calls or letters (such as email and text), would be permitted by the scope of work?	See Section 2.3.(Prohibited Communications; Sole Point of Contact) which will provide the POC and the contact information.
23	What is the estimated size of the existing portfolio (the backlog) in terms of both the number of accounts and the dollar amount outstanding? The average balance owed per account? Per debtor?	. We do not anticipate any referrals over \$5,000.00. The average balance will be \$1,500-\$2,000. All referrals are made after the Order has been in effect for 30 days without payment. There is currently no backlog.
24	What is the age of the oldest accounts in the portfolio?	We do not anticipate any referrals for violations taking place over four years ago. All orders will be referred if no payment is made within 30 days.

25	What is the estimated size, in terms of both the number of accounts and dollars outstanding, of annual referrals going forward (i.e. new/future placements)?	Under \$5,000, and could vary from 0-100 per month. Legal Enforcement refers an average of 50 cases per year. Other business areas may also utilize the vendor, so a total amount is unknown.
26	Who is your current collection provider and how long have they been under contract?	We have worked with Access Receivables for three years.
27	What is your current collection provider's annual recovery rate (i.e. on accounts placed for one year)?	Approximately, 5-6%
28	What is the fee percentage charged by your current collection provider?	The current fee is 10.9%.
29	How much collection fees were paid to/earned by your current collection provider this past calendar year? The year prior to that?	Legal Enforcement paid approximately \$1,629.705 in collection fees.
30	How many dollars and what number of accounts were collected by your current collection provider this past calendar year? The year prior to that?	Approximately, \$14,815.50 was collected last year from \$69,845.35 referred.
31	Will accounts referred to your current collection provider be recalled and re-referred to the collection provider chosen pursuant to this procurement process?	Please see Question 19.
32	What are your in-house collection methods (e.g. number of mailings, calls, etc.) used on the referred accounts prior to referral to your collection provider?	We do not utilize in-house collection methods. Respondents are given 30 days from the date of the order before the debt is referred for collection.
33	How will account/collection information or data be communicated to the successful bidder (i.e. electronic via an FTP site)?	RRC does not have the answer for this question.
34	Will all account information be transmitted from a single platform or will multiple agencies be sending their accounts for collection to our system?	There will be multiple business divisions from the same agency making referrals.
35	For the accounts to be placed, what percentage represent debt that is owed by Texas governmental entities?	Less than 2% is estimated. There may be an occasional municipality in debt.
36	Please provide historical 12-month liquidation rate.	Approximately, 5%.
37	Will RRC consider allowing services to be provided offshore, or are services required to be conducted within the United States?	Services will be conducted within the United States.

38	Please provide the following stats for 2021, 2022 and 2023: # of accounts assigned to collection agency partner \$ amount of accounts assigned \$ amount of fees earned by collection agency partner	For Legal Enforcement:2021: 44 accounts; \$63,000; 2022: 62 accounts; \$1,240,000; 2023: 40 accounts; \$203,000
39	Please provide current fee rate of incumbent partner.	10.9%
40	Please confirm the % goal for HUBZone participation	26%
41	Will accounts assigned be primarily consumer or business accounts?	100% Business accounts
42	How many accounts does the RRC typically place on an annual basis? A. At what frequency does the RRC typically place accounts? Monthly, Quarterly? Etc	Legal Enforcement refers approximately 50 per year. Referrals are made on a monthly basis.
43	What is the average balance and/or total amount of dollars that the RRC typically places?	RRC does not anticipate sending referrals over \$5,000. Legal Enforcement refers approximately 50 referrals a year.
44	Will there be any backlog of accounts that will be placed by the RRC? If there is a backlog, what is the estimated amount of accounts and dollar amount? What is the age of these accounts? Will these accounts have previous collection activity by a different agency?	There is currently no backlog of accounts to refer.
45	At what age are accounts typically placed for collection? (90 days, 180 days, etc)	Referrals will be made if no payment is made 30-days after the entry of a final order.
46	How many accounts will be placed monthly?	It will vary. It could be anywhere from 0-100.
47	What is the average balance of the accounts placed?	Approximately, \$1,500-\$2,000.
48	What is the dollar amount of placements on a monthly and annual basis?	Please refer to Question 38 above.
49	Is the collection agency fee amount added to the amount of the debt to be collected?	Yes.

50	What is the current contingency fee rate charged by current/past collection agency contractors?	10.9%
51	What was the total amount paid to collection agency contractors for each year of the current/past contract term?	Please see above and question 38. In 2024, the vendor collected \$14,815.50 of \$69,845.35, and received a 10.9% fee or \$1,614.00.
52	What is the percentage recovered by current/past collection agency contractor(s) (amount collected / amount placed for collection) for the past contract term?	Please refer to Question 38 above.

All other aspects of the **RFP #455-24-1024** remain as is.

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ADDENDUM #1 OF RFP #455-24-1024