



CITY OF HOUSTON

Annise D. Parker

Mayor

P.O. Box 1562
Houston, Texas 77251-1562

Telephone - Dial 311
www.houstontx.gov
<http://purchasing.houstontx.gov>

December 4, 2014

SUBJECT: Letter of Clarification No. 4
Debt Management Solution for the Municipal Courts Department

REFERENCE: Request for Proposal - No. S51-T25246

TO: All Prospective Proposers

This Letter of Clarification is issued for the following reason(s):

• **To answer the following questions:**

No.	Questions:	COH Response:
1	Is there a preference for hosted vs. on premise deployment?	No.
2	How many collectors/agents and administrators will be using the system?	25+
3	Will IT be managing the system or the business?	IT will monitor the system and be the primary point of contact, but the vendor will be responsible for system support.
4	Is the project budgeted and fully funded?	Yes.
5	What is the City's anticipated budget for the program?	We are looking to our bidders to provide a solution that can be developed for under \$200K.
6	It is indicated that the project start date is approximately January 8th. Does the city have an anticipated project duration that they would like to stay within?	The solution needs to be in place and interfacing seamlessly with the new Case Management System upon go-live of Phase 2 (date TBD). We are currently awaiting the go-live of Phase I.
7	2.2 Criteria Evaluation – Can the City elaborate on the scoring methodology of the criteria, is it point based, % based on each criterion and what is the weighting scoring that will be used?	The Solution Matrix gives a detailed description of what the evaluation will be based upon and the A, H, O categories within which each falls.
8	3.16 Financials – For publicly traded companies will our previous 3 years of our public Financial Statements meet this requirement?	Yes.

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No.	Questions:	COH Response:
9	If the final responses to questions are given with less than 2 weeks to the RFP submission deadline, would the City consider extending the deadline to give vendors 2 weeks to complete, print, and submit the responses?	Questions are due December 1st; proposals are due December 18th. The City will make every effort to provide prompt responses to questions by December 5th so that vendors have close to the two weeks requested.
10	How many workflows will be required?	Currently in development; initially twelve strategies with capacity to expand.
11	How many strategies will be required?	Currently in development; initially six strategies with capacity to expand.
12	Is there a one-time data conversion from previous systems?	No.
13	If yes, how many?	N/A
14	If yes, how many active versus inactive cases will need to be converted?	N/A
15	How many agencies do you place cases with?	When this goes live, there will be 3 agencies.
16	What percentage of cases will be placed?	All cases delinquent more than 90 days will be placed.
17	Do you place with any attorneys?	No.
18	If yes, how many attorneys?	N/A
19	Do you use a predictive Dialer?	Yes, but not material to this RFP.
20	If yes, which one?	N/A
21	Will you require the system vendor to integrate with this Dialer for your new system?	No.
22	Do you require a data warehouse extract?	Yes. But this will not be an initial requirement.
23	Will you use our reporting tools to build your own ad hoc reports or do you want the system vendor to build?	The preference would be for standard reports along with a user-friendly interface that allows us to build our own ad hoc reports using the standard set of data.
24	If yes, how many reports?	TBD.
25	How many interfaces (i.e. connections to other systems) are required?	One additional interface will be needed for use by the three outside vendors to distribute case load as a data push-pull.
26	How many systems?	The same interface will be used for the three outside vendors.

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27	Will you develop the required interfaces or do you want the system vendor to develop?	Vendor will work with HITS to develop interface(s).
28	How many interfaces will need to be real-time/near real-time?	All.
29	How many interfaces will need to be batch?	TBD.
30	Do you integrate with any other vendors? Skip, letter, etc.?	No.
31	Does the system need the ability to accrue/post interest on individual accounts?	No.
32	Will the collections system be the system of record?	No.
33	4.3 CSAMRT – Bullet 9 indicates other interfaces and ways to access CSMART. Can the city elaborate if those are just other ways to access CSMART as indicted only, or does the new Debt Management Solution also need to interface with those systems as well?	The solution will only need to interface with CSMART.
34	Are there any interfaces outside of CSMART that the solution needs to interface with?	One interface that will operate with the three outside collection vendors.
35	What is the anticipated number of cases on the system upon go-live?	Estimated 1.6M - 3M.
36	What is the average number of new cases on a monthly basis?	In-House: 200; Outside vendors: 18,000
37	What is the expected annual growth rate of the number of cases on the system?	Our cases are based on citations written by law enforcement agencies. Over the last several years we have seen a decline in cases filed, but this is not a trend we expect to continue.
38	What is the anticipated number of concurrent users on the system upon go-live?	13
39	What is the maximum number of concurrent users on the system at any given time?	25
40	What is the planned growth rate of users for the next 3 to 5 years?	10-15% over the next 3-5 years.
41	What is the average number of cases per debtor?	2-3
42	On average, how long in months will a case be worked or kept open?	No limit.
43	How many payments will there be for each case on average ?	There is no set average. The number of payments can vary depending on agreement with the defendant.
44	Do you create scheduled payments (scheduling payments or promises to pay from debtors into the future)?	Yes.

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45	If yes, what percentage of payments falls into this category?	Cannot quantify. This varies depending on agreements made with defendants.
46	Do you plan to send correspondence (i.e. letters/notices) to debtors through the collections system?	No.
47	If yes, how many do you anticipate will be sent per case?	N/A
48	How often do you move cases among different groups of collectors to distribute workload?	TBD.
49	How many cases will be worked on average in a day by all collectors?	80 per collector per day.
50	What is the average delinquent balance for all cases?	N/A. Not material to this RFP.
52	What value should be used as the Date of Report for Exhibit II	Date of the Report is the date the form is completed.
53	Is the City able to provide the exhibits and forms that need to be completed by the bidder in a format that can be electronically completed?	No.
54	Does the City want financial information in both 3.16 and 3.18.2? It seems redundant	3.16 is part of the item order in which the proposal should be arranged and 3.18.22 is part of the required forms that must be included in the proposal. The two sections may overlap.
55	Does the City want information in both 3.15 and 3.18?	3.15 is part of the item order in which the proposal should be arranged and 3.18.3 is part of the required forms that must be included in the proposal. The two sections may overlap.
56	Once the new debt management system is operational, how many outside collection vendors does the Court intend to contract with in order to meet the Court's multiple vendor / champion challenger environment?	Currently, there are 3 vendors who will participate in the multiple vendor environment.
57	How many collectors do you currently have in place at the in-house collections unit for the 1-90 day-old delinquent cases?	25+
58	What is the average balance of cases managed by the in-house collections unit?	N/A. Not material to this RFP.
59	What is the number and dollar value of cases that are currently being worked by the Court's in-house collection unit?	N/A. Not material to this RFP.
60	Is the Court currently utilizing third-party collection services for its delinquent cases? If so, who are your current outside collection vendors?	Yes. Linebarger.

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No.	Questions:	COH Response:
61	If yes to # 5 - How long have your current outside vendors provided collection services for your organization?	Multiple years.
62	If yes to # 5 - At what timeframe (day or age of a case) does the Court refer accounts to contracted outside collection vendors?	Day 91+
63	If yes to # 5 - What is the total number of delinquent accounts (including dollar amount) that are currently with any outside collection vendors? Over what period of time were these accounts placed with these vendor (s).	N/A. Not material to this RFP.
64	If yes to # 5 - What is the average age of accounts that are currently with outside collection vendors?	N/A. Not material to this RFP.
65	If yes to # 5 - What is the average balance of cases that are managed by your outside collection vendor (s)?	N/A. Not material to this RFP.
66	If yes to # 5 - Of the account types identified in section 4.3 on page 18, can the Court please identify the top three types of cases currently being referred to outside collection vendors?	Traffic cases.
67	If yes to #5 - What are the fees utilized by your current outside collection vendor (s)?	As stated in the RFP, fees are established by the State of Texas, are assessed on Day 61 and are an additional 30% above the amount due.
68	If yes to # 5 - Do these fees vary by age of debt?	No.
69	If yes to # 5 - Would the Courts consider paying a higher contingency fee rate to enhance the collection of older cases currently being serviced by existing outside collection vendors in order to maximize recoveries?	As stated in the RFP, fees are established by the State of Texas.
70	What areas, processes and/or results are you looking to improve or enhance under this new system?	As stated in the RFP, we are looking to automate and streamline the collection processes for both in-house and outside vendor collections.
71	Once the new debt management system is in place does the Court intend to refer cases to its contracted outside collection vendors based on their competitive performance on the contract?	That is the eventual plan.
72	Would the Court consider providing a settlement strategy, particularly for the older cases accepting less than the full amount owing in order to enhance collection recovery for these cases (waiver of penalty, interest, and / or a portion of base amount owed)?	N/A. Not material to this RFP.

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No.	Questions:	COH Response:
73	On average, how much does your current outside collection vendor collect on a monthly basis?	N/A. Not material to this RFP.
74	How frequently do you place accounts with your outside collection vendor (daily, weekly, monthly, etc.)?	There are daily updates provided to the vendor.
75	On average, how many accounts (including dollar amount) do you place with your outside collection vendor on a monthly basis?	As stated in the RFP, approximately 18,000 monthly.
76	What are the current outside collection vendor's historical recovery percentages (liquidity) on accounts over the last three years?	N/A. Not material to this RFP.
77	What is the dollar amounts/contingency fees paid to your current outside collection vendors over the last three years (please include by account type if applicable)?	N/A. Not material to this RFP.
78	Are you satisfied with the current fee structure in place with your current outside collection vendor (s)?	N/A. Not material to this RFP.

When issued, Letter(s) of Clarification shall automatically become a part of the proposal documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. All revisions, responses, and answers incorporated into the Letter(s) of Clarification are collaboratively from both the Strategic Purchasing Division and the applicable City Department(s). It is the responsibility of the proposers to ensure that it has obtained all such letter(s). By submitting a proposal on this project, proposers shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into this proposal.

If you have any questions or if further clarification is needed regarding this Request for Proposal, please contact me at 832-393-8707.

Chatauqua Allen

Chatauqua Allen
Procurement Specialist