

**REQUEST FOR PROPOSALS FOR**

**Monetizing and Collecting Delinquent Accounts Receivable**

**ISSUING OFFICE**

**Pennsylvania Turnpike Commission**

**Finance and Administration Department**

**RFP NUMBER**

**RFP 15-10320-5122**

**DATE OF ISSUANCE**

**January 9, 2015**

**REQUEST FOR PROPOSALS FOR**  
**Monetizing and Collecting Delinquent Accounts Receivable**

**TABLE OF CONTENTS**

<b>Part I</b>	<b>- GENERAL INFORMATION FOR PROPOSERS</b>	<b>page 1</b>
<b>Part II</b>	<b>- INFORMATION REQUIRED FROM PROPOSERS</b>	<b>page 7</b>
<b>Part III</b>	<b>- CRITERIA FOR SELECTION</b>	<b>page 10</b>
<b>Part IV</b>	<b>- WORK STATEMENT</b>	<b>page 12</b>

APPENDIX A – PROPOSAL COVER SHEET

APPENDIX D – MINIMUM INSURANCE REQUIREMENTS

APPENDIX E – DIVERSE BUSINESS (DB) REQUIREMENTS

APPENDIX F – NON-DISCLOSURE FORM

***COPIES OF THE APPENDICES LISTED BELOW WILL BE PROVIDED BY WRITTEN REQUEST ONLY. SEND REQUESTS FOR APPENDICES TO [RFP-O@paturnpike.com](mailto:RFP-O@paturnpike.com) WITH RFP 15-10320-5122 IN THE SUBJECT LINE. REQUEST MUST INCLUDE YOUR COMPANY NAME, CONTACT PERSON, MAILING ADDRESS, EMAIL ADDRESS, PHONE NUMBER AND SIGNED NON-DISCLOSURE FORM APPENDIX F.***

APPENDIX B – LISTING OF DELINQUENCIES AS OF OCTOBER 2014

APPENDIX C – DESCRIPTION OF COLLECTION PROCESS

## PART I

### GENERAL INFORMATION FOR PROPOSERS

**I-1. Purpose.** This request for proposals (RFP) provides interested Proposers with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Turnpike Commission (Commission) to satisfy a desire to monetize and collect portions of its delinquent accounts receivable.

**I-2. Issuing Office.** This RFP is issued for the Commission by the Finance and Administration Department.

**I-3. Scope.** This RFP contains instructions governing the proposals to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each proposal.

**I-4. Problem Statement.** The Commission is seeking proposals to explore opportunities to monetize and collect portions of its delinquent accounts receivable. A work statement is provided in Part IV.

**I-5. Type of Contract.** It is proposed that if a contract is entered into as a result of this RFP, it will be for an upfront lump sum payment from one provider for the right to collect a specified lot of the Commission's delinquent accounts receivable. Based on the collection results, additional lots of delinquent accounts receivable may be provided for monetization and collection. The Commission may in its sole discretion undertake negotiations with Proposers whose proposals as to price and other factors show them to be qualified, responsible and capable of performing the work.

**I-6. Rejection of Proposals.** The Commission reserves the right to reject any and all proposals received as a result of this request, or to negotiate separately with competing Proposers.

**I-7. Subcontracting.** Any use of subcontractors by a Proposer must be identified in the proposal. During the contract period, use of any subcontractors by the selected Proposer, which were not previously identified in the proposal, must be approved in advance in writing by the Commission.

A firm that responds to this solicitation as a prime may not be included as a designated subcontractor to another firm that responds to the same solicitation. **Multiple responses under any of the foregoing situations may cause the rejection of all responses of the firm or firms involved.** This does not preclude a firm from being set forth as a designated subcontractor to more than one prime contractor responding to the project advertisement.

**I-8. Incurring Costs.** The Commission is not liable for any costs the Proposer incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of contract.

**I-9. Questions and Answers.** Written questions may be submitted to clarify any points in the RFP which may not have been clearly understood. Written questions should be submitted by email to [RFP-Q@paturndpike.com](mailto:RFP-Q@paturndpike.com) with **RFP 15-10320-5122** in the Subject Line to be received no later than **12:00 PM local time on Monday, January 26, 2015**. All questions and written answers will be posted to the website as an addendum to and become part of this RFP.

**I-10. Addenda to the RFP.** If it becomes necessary to revise any part of this RFP before the proposal response date, addenda will be posted to the Commission's website under the original RFP document. It is the responsibility of the Proposer to periodically check the website for any new information or addenda to the RFP.

The Commission may revise a published advertisement. If the Commission revises a published advertisement less than ten days before the RFP due date, the due date will be extended to maintain the minimum ten-day advertisement duration if the revision alters the project scope or selection criteria. Firms are responsible to monitor advertisements/addenda to ensure the submitted proposal complies with any changes in the published advertisement.

**I-11. Response.** To be considered, proposals must be delivered to the Pennsylvania Turnpike Commission's Contracts Administration Department, Attention: Wanda Metzger, on or before **2:00 PM local time on Tuesday, February 17, 2015**. The Pennsylvania Turnpike Commission is located at 700 South Eisenhower Boulevard, Middletown, PA 17057 (Street address). Our mailing Address is P.O. Box 67676, Harrisburg, PA 17106.

**Please note that use of U.S. Mail, FedEx, UPS, or other delivery method, does not guarantee delivery to the Contracts Administration Department by the above listed time for submission.** Proposers mailing proposals should allow sufficient delivery time to ensure timely receipt of their proposals. If the Commission office location to which proposals are to be delivered is closed on the proposal response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open. Unless the Proposers are otherwise notified by the Commission, the time for submission of proposals shall remain the same.

**I-12. Proposals.** To be considered, Proposers should submit a complete response to this RFP, using the format provided in PART II. Each proposal should be submitted in five (5) hard copies of the Technical Submittal, two (2) hard copies of the Small Diverse Business (SDB) participation submittal, and five (5) hard copies of the Payment Proposal. In addition to the hard copies of the proposal, two complete and exact copies of the entire proposal (Technical, Payment and SDB submittals, along with all requested documents) on CD-ROM or Flash Drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the hard copy. Proposer should ensure that there is no payment information in the technical submittal. The CD or Flash drive should clearly identify the Proposer and include the name and version number of the virus scanning software that was used to scan the CD or Flash drive before it was submitted. The Proposer shall present the proposal to the Contracts Administration Department only. No other distribution of proposals will be made by the Proposer. Each proposal page should be numbered for ease of reference.

An official authorized to bind the Proposer to its provisions must sign the proposal. If the official signs the Proposal Cover Sheet (Appendix A to this RFP) and the Proposal Cover Sheet is attached to the proposal, the requirement will be met. For this RFP, the proposal must remain valid for at least 120

days. Moreover, the contents of the proposal of the selected Proposer will become contractual obligations if a contract is entered into.

Each and every Proposer submitting a proposal specifically waives any right to withdraw or modify it, except as hereinafter provided. Proposals may be withdrawn by written or fax notice (fax number (717) 986-8714) received at the Commission's address for proposal delivery prior to the exact hour and date specified for proposal receipt.

Overnight Delivery Address:  
Contracts Administration Department  
Attn: Wanda Metzger  
PA Turnpike Commission  
700 South Eisenhower Blvd.  
Middletown, PA 17057

US Mail Delivery Address:  
Contracts Administration Department  
Attn: Wanda Metzger  
PA Turnpike Commission  
P.O. Box 67676  
Harrisburg, PA 17106

However, if the Proposer chooses to attempt to provide such written notice by fax transmission, the Commission shall not be responsible or liable for errors in fax transmission. A proposal may also be withdrawn in person by a Proposer or its authorized representative, provided his/her identity is made known and he/she signs a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for proposal receipt. A proposal may only be modified by the submission of a new sealed proposal or submission of a sealed modification which complies with the requirements of this solicitation.

**I-13. Economy of Preparation.** Proposals should be prepared simply and economically, providing a straightforward, concise description of the Proposer's ability to meet the requirements of the RFP.

**I-14. Discussions for Clarification.** Proposers who submit proposals may be required to make an oral or written clarification of their proposals to the Issuing Office through the Contract Administration Department to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office through the Contract Administration Department will initiate requests for clarification.

**I-15. Best and Final Offers.** The Issuing Office reserves the right to conduct discussions with Proposers for the purpose of obtaining "best and final offers." To obtain best and final offers from Proposers, the Issuing Office may do one or more of the following: a) enter into pre-selection negotiations; b) schedule oral presentations; and c) request revised proposals. The Issuing Office will limit any discussions to responsible Proposers whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award.

**I-16. Prime Proposer Responsibilities.** The selected Proposer will be required to assume responsibility for all services offered in its proposal whether or not it produces them. Further, the Commission will consider the selected Proposer to be the sole point of contact with regard to contractual matters.

**I-17. Proposal Contents.** Proposals will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. All material submitted with the proposal becomes the property of the Pennsylvania

Turnpike Commission and may be returned only at the Commission's option. Proposals submitted to the Commission may be reviewed and evaluated by any person other than competing Proposers at the discretion of the Commission. The Commission has the right to use any or all ideas presented in any proposal. Selection or rejection of the proposal does not affect this right.

In accordance with the Pennsylvania Right-to-Know Law (RTKL), 65 P.S. § 67.707 (Production of Certain Records), Proposers shall identify any and all portions of their Proposal that contains confidential proprietary information or is protected by a trade secret. Proposals shall include a written statement signed by a representative of the company/firm identifying the specific portion(s) of the Proposal that contains the trade secret or confidential proprietary information.

Proposers should note that "trade secrets" and "confidential proprietary information" are exempt from access under Section 708(b)(11) of the RTKL. Section 102 defines both "trade secrets" and "confidential proprietary information" as follows:

Confidential proprietary information: Commercial or financial information received by an agency: (1) which is privileged or confidential; **and** (2) the disclosure of which would cause substantial harm to the competitive position of the person that submitted the information.

Trade secret: Information, including a formula, drawing, pattern, compilation, including a customer list, program, device, method, technique or process that: (1) derives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; **and** (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The term includes data processing software by an agency under a licensing agreement prohibiting disclosure.

65 P.S. §67.102 (emphasis added).

The Office of Open Records has determined that a third party must establish a trade secret based upon factors established by the appellate courts, which include the following:

- the extent to which the information is known outside of his business;
- the extent to which the information is known by employees and others in the business;
- the extent of measures taken to guard the secrecy of the information;
- the value of the information to his business and to competitors;
- the amount of effort or money expended in developing the information; and
- the ease of difficulty with which the information could be properly acquired or duplicated by others.

*See Crum v. Bridgestone/Firestone North Amer. Tire.*, 907 A.2d 578, 585 (Pa. Super. 2006).

The Office of Open Records also notes that with regard to "confidential proprietary information the standard is equally high and may only be established when the party asserting protection shows that the information at issue is either 'commercial' or 'financial' and is privileged or confidential, and the disclosure **would** cause substantial competitive harm." (emphasis in original).

For more information regarding the RTKL, visit the Office of Open Records' website at [www.openrecords.state.pa.us](http://www.openrecords.state.pa.us).

**I-18. Debriefing Conferences.** Proposers whose proposals are not selected will be notified of the name of the selected Proposer and given the opportunity to be debriefed, at the Proposer's request. The Issuing Office will schedule the time and location of the debriefing. The Proposer will not be compared with other Proposers.

**I-19. News Releases.** News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

**I-20. Commission Participation.** Unless specifically noted in this section, Proposers must provide all services to complete the identified work. The Commission will provide an updated list of delinquent accounts receivable that will include the name, license plate information, date of occurrence, amount and last known address. A listing of delinquencies as of October 2014 is provided in Appendix B. Identifying information has been removed for this RFP. Once a contract is executed, an updated listing that includes the identifying information will be provided to the selected Proposer. The Commission will also provide a summary of the collection efforts undertaken to date. (See Appendix C.)

**I-21. Payment Proposal.** The payment proposal shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the technical submittal.

**I-22. Term of Contract.** The term of the contract will commence on the Effective Date (as defined below) and will continue for a period of three years. The Commission shall fix the Effective Date after the contract has been fully executed by the Contractor and by the Commission and all approvals required by Commission contracting procedures have been obtained.

**I-23. Proposer's Representations and Authorizations.** Each Proposer by submitting its proposal understands, represents, and acknowledges that:

- a. All information provided by, and representations made by, the Proposer in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement, omission or misrepresentation shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa. C.S. 4904.
- b. The payment amount of this proposal has been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.
- c. The payment amount of the proposal, nor the approximate payment amount of this proposal, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed on or before the proposal submission deadline specified in the response section of this RFP.
- d. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal lower than this proposal, or to submit any intentionally low or noncompetitive proposal or other form of complementary proposal.

- e. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- f. To the best knowledge of the person signing the proposal for the Proposer, the Proposer, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the Proposer in its proposal.
- g. To the best of the knowledge of the person signing the proposal for the Proposer and except as otherwise disclosed by the Proposer in its proposal, the Proposer has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Proposer that is owed to the Commonwealth.
- h. The Proposer is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Proposer cannot certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.
- i. The Proposer has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.
- j. Each Proposer, by submitting its proposal, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.

**I-24. Indemnification.** The Proposer shall be responsible for, and shall indemnify, defend, and hold harmless the Commission and its Commissioners, officers, employees, and agents from any claim, liability, damages, losses, causes of action, and expenses, including reasonable attorneys' fees, arising from damage to life or bodily injury or real or tangible personal property caused by the negligence or other tortious acts, errors, and omissions of Proposer, its employees, or its subcontractors while engaged in performing the work of this Agreement or while present on the Commission's premises, and for breach of this Agreement regarding the use or nondisclosure of proprietary and confidential information where it is determined that Proposer is responsible for any use of such information not permitted by this Agreement. The indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Contractor or its subcontractors under Workmen's Compensation Acts, Disability Benefits Acts, or other Employee Benefit Act.

**I-25. Insurance.** Proposer will comply with the Insurance requirements as described in Appendix D – Insurance Specification.



## PART II

### INFORMATION REQUIRED FROM PROPOSERS

Proposals must be submitted in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. All payment data relating to this proposal and all Diverse Business cost data should be kept separate from and not included in the Technical Submittal. Each proposal shall consist of three separately sealed submittals:

1. Technical Submittal, which shall be a response to RFP **Part II, Section II-1, A-G**;
2. Diverse Business Participation Submittal, in response to RFP **Part II, Section II-1, H**; and
3. Payment Proposal, in response to RFP **Part II, Section II-2**.

The Commission reserves the right to request additional information which, in the Commission's opinion, is necessary to assure that the Proposer's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Commission may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish to the Issuing Office all such information and data for this purpose as requested by the Commission. The Commission reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Proposer fails to satisfy the Commission that such Proposer is properly qualified to carry out the obligations of the agreement and to complete the work specified.

#### **II-1 Technical Submittal.**

- A. Proposal Cover Sheet (See Appendix A)  
Show the name of your firm, Federal I.D. number, address, name of contact person, contact person's email and telephone number date and the subject: **Monetizing and Collecting Delinquent Accounts Receivable, RFP 15-10230-5122**. Appendix A must be signed by an individual who is authorized to negotiate terms, render binding decisions and commit your firm's resources. In addition it is required that all information requested in Appendix A be provided including information pertaining to location of office performing the work, contact information, listing of all Pennsylvania offices and total number of Pennsylvania employees, and location of company headquarters.
- B. Cover Letter and Executive Summary  
Summarize your understanding of our organization, your understanding of the work to be done and make a positive commitment to perform the work necessary. This section should summarize the key points of your submittal. (Limit to two pages.)
- C. Table of Contents  
Include a clear identification of the material by section and by page number.

D. Firm Overview

Provide a brief history and description of your firm's business organization and its delinquent accounts receivable collections expertise and experience as it relates to the requirements discussed in Part IV of this RFP. Include the location of offices and the number and types of consultants or other relevant professional staff in each office. Discuss your firm's presence in and commitment to the Commonwealth of Pennsylvania. Include a discussion of the specific expertise and services that distinguish your firm.

E. Personnel

Provide the names, proposed roles, background and experience, current professional licenses, office location and availability of the consulting personnel that would perform the delinquent accounts receivable collection services as described in Section IV of this RFP. Specifically identify the primary person(s) who will be responsible for managing the relationship with the Commission during this endeavor. Proposer must submit a current resume for all proposed staff listing relevant experience and applicable professional affiliations.

F. Relevant Experience and Expertise

Provide a narrative statement regarding your expertise and experience with delinquent accounts receivable collections services as it relates to Part IV of this RFP. Additionally include a statement regarding your understanding of the requirements as outlined in this RFP and your ability to provide delinquent accounts receivable collections services in accordance with the same.

Describe your firm's experience in providing similar delinquent accounts receivable collections services to other clients, especially other governmental entities and/or similar public/private sector transportation organizations.

Provide a list of three references of clients for which your firm has performed similar work, as described in this RFP, within the past three years.

Include a statement regarding any other specialized accounts receivable collections services your firm may offer.

G. Approach

Provide a detailed description of the methods/approach utilized in the delinquent accounts receivable collection process including, but not limited to, sample scripts for all planned verbal and written communications with customers. Include in this section any other tasks that will be performed.

Provide a description of all of the reports and/or deliverables that you will provide as an output of the project, including samples and, at a minimum, a table of contents for each deliverable. Provide relevant samples of deliverables from similar projects that your firm was primarily responsible for producing.

H. Diverse Business (DB) Requirements (Appendix E). The Commission's Diverse Business (DB) Requirements for this procurement and a resulting contract are identified in Appendix E. There is no minimum participation level (MPL) for DBs established for this contract. However, the utilization of DBs are encouraged and will be considered as a criteria in the

evaluation of proposals and may be considered as a factor in the Commission's selection of a firm for this contract.

The proposer must include in its DB participation submittal that it meets the requirements set forth in the Commission's DB Requirements - Appendix E. In addition, the DB participation submittal shall indicate the amount of DB participation incurred in the proposal in terms of dollars committed or percentage of total contract amount.

## **II-2 Payment Proposal**

The information requested in this section shall constitute your cost submittal. The Payment Proposal shall be placed in a separate sealed envelope within the sealed proposal, and on a CD-ROM or Flash Drive, separate from the technical submittal.

- Provide a calculation and total lump sum payment (based on the listing in Appendix B) to be provided to the Commission for the monetization of the selected delinquent accounts receivable. This calculation will be used for the final contract payment amount.

The Commission does not intend to be assuming any costs.

The selected Proposer shall only perform work on this contract after the Effective Date is affixed and the fully-executed contract sent to the selected Proposer. The Commission shall issue a written Notice to Proceed to the selected Proposer authorizing the work to begin on a date which is on or after the Effective Date. The selected Proposer shall not start the performance of any work prior to the date set forth in the Notice to Proceed and the Commission shall not be liable to pay the selected Proposer for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No Commission employee has the authority to verbally direct the commencement of any work under this Contract.

## PART III

### CRITERIA FOR SELECTION

**III-1. Mandatory Responsiveness Requirements.** To be eligible for selection, a proposal shall be (a) timely received from a Proposer; (b) properly signed by the Proposer.

**III-2. Technical Nonconforming Proposals.** The two (2) Mandatory Responsiveness Requirements set forth in Section III-1 above (a&b) are the only RFP requirements that the Commission will consider to be non-waivable. The Issuing Office reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformities in the proposal, (2) allow the Proposer to cure the nonconformity, or (3) consider the nonconformity in the evaluation of the proposal.

**III-3. Proposal Evaluation.** Proposals will be reviewed, evaluated, and rated by a Technical Evaluation Team (TET) of qualified personnel based on the evaluation criteria listed below. The TET will present the evaluations to the Professional Services Procurement Committee (PSPC). The PSPC will review the TET's evaluation and provide the Commission with the firm(s) determined to be highly recommended for this assignment.

The Commission will select the most highly qualified firm for the assignment or the firm whose proposal is determined to be most advantageous to the Commission by considering the TET's evaluation and the PSPC's determination as to each firm's rating. In making the PSPC's determination and the Commission's decision, additional selection factors may be considered taking into account the estimated value, scope, complexity and professional nature of the services to be rendered and any other relevant circumstances. Additional selection factors may include, when applicable, the following: geographic location and proximity of the firm, firm's Pennsylvania presence or utilization of Pennsylvania employees for the assignment; equitable distribution of work; diversity inclusion; and any other relevant factors as determined as appropriate by the Commission.

Award will only be made to a Proposer determined to be responsive and responsible in accordance with Commonwealth Management Directive 215.9, Contractor Responsibility Program.

**III-4. Evaluation Criteria.** The following criteria will be used, in order of relative importance from the highest to the lowest, in evaluating each proposal:

1. Payment  
While this area is weighted heavily, it will not necessarily be the deciding factor in the selection process. The Commission reserves the right to select a proposal based upon all the factors listed below, and will not necessarily choose the firm offering the highest payment. The Commission will select the firm with the proposal that best meets its needs, at the sole discretion of the Commission.
2. Approach
  - a. Understanding of the Commission's needs and scope of work.
  - b. Soundness of proposed approach, methodology, and deliverables for collecting delinquent accounts receivable as it relates to the requirements discussed in Part IV of this RFP.
  - c. Quality, completeness and applicability of sample deliverables provided.

- d. Responsiveness, organization, and clarity of Proposal.
3. Proposer and Personnel Qualifications and Experience
    - a. Proposer's relevant experience and expertise in collecting delinquent accounts receivable as it relates to the requirements discussed in Part IV of this RFP.
    - b. Qualifications, experience and competency of professional personnel who will be assigned to the contract by the Proposer including tenure with firm, length of time in the industry and type of experience.
    - c. Response of references if the Commission elects to solicit them.
  4. Commitment to Diversity and Inclusion. This refers to the inclusion of DB firms, as described in Part II-1-H. Participation may be measured in terms of percentage of total contract to certified DB firms.

## PART IV

### WORK STATEMENT

**IV-1. Objectives.** The Commission is seeking to monetize and collect portions of its delinquent accounts receivable. Additionally, the Commission wants to ensure that customers are treated fairly and with superior customer service throughout the collection process.

**IV-2. Nature and Scope of the Project.** The Commission is seeking proposals to explore opportunities to monetize and collect portions of its the delinquent accounts receivable. For monetizing, the Commission is expecting an upfront payment from the Proposer for the right to collect, during the term of the contract, a specified lot of its delinquent accounts receivable for the remainder of each violation notice's statute of limitations period, which is typically four years. The Commission is requiring that collections activities must comply at all times with all applicable Federal, State, and local laws, rules and regulations as well as be handled in a manner that ensures customers are treated fairly and with premier customer service practices. Due to the increased scrutiny of government organizations, the Commission will approve all collection methods in advance and monitor collection results on a regular basis. Based on the collection results, additional lots of delinquent accounts receivable may be provided for monetization and collection during the term of the contract.

**IV-3. Requirements.** The Proposer will be expected to provide a calculation and total lump sum payment (based on the listing provided in Appendix B) to the Commission for the monetization of the delinquent accounts receivable. The Proposer will be expected to provide a detailed description of their methods utilized in the collection process. The Commission is requiring that collections activities must comply at all times with all applicable Federal, State, and local laws, rules and regulations as well as be handled in a manner that ensures customers are treated fairly and with premier customer service practices. These collection methods must be approved by the Commission prior to contacting customers. The Commission also will maintain the right to settle all disputes.

**IV-4. Tasks and Reports.** The Proposer will be expected to perform the following tasks, at a minimum:

- a. Provide a calculation and total lump sum payment (based on the listing in Appendix B) to be provided to the Commission for the monetization of the selected delinquent accounts receivable. This calculation will be used for the final contract payment amount.
- b. Pursue collection of delinquent accounts receivable using the methods/process approved by the Commission during the term of the contract.
- c. Provide monthly progress reports to the Commission detailing collection efforts, disputes, resolutions and results. In the event of disputes, the Commission reserves the right to settle all disputes. Based on the collection results, additional lots of delinquent accounts receivable may be provided for monetization and collection during the term of the contract.

**APPENDIX A – PROPOSAL COVER SHEET  
 Pennsylvania Turnpike Commission**

**MONETIZING AND COLLECTING DELINQUENT ACCOUNTS RECEIVABLE**

**RFP# 15-10230-5122**

**Enclosed in three separately sealed submittals is the proposal for the Proposer identified below for the above referenced RFP:**

<b>Proposer Information:</b>	
Proposer Name	
Proposer Mailing Address	
Proposer Website	
Proposer Contact Person/Title	
Contact Person's Phone Number	
Contact Person's Fax Number	
Contact Person's Email Address	
Proposer Federal ID Number	
Location of Headquarters	
Location of Office(s) Performing the Work	
Listing of all Pennsylvania Offices and Total Number of Pennsylvania Employees	

**Submittals Enclosed and Separately Sealed:**

<input type="checkbox"/> Technical Submittal <input type="checkbox"/> Diverse Business Participation Submittal <input type="checkbox"/> Payment Proposal
<b>Signature</b>
Signature of an official authorized to bind the Proposer to the provisions contained in the Proposer's proposal: _____
Print Name
Title

**FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM WITH THE PROPOSAL MAY RESULT IN THE REJECTION OF THE PROPOSAL.**

**The Pennsylvania Turnpike Commission**

Prior to the commencement of any work and until completion and final payment is made for the work / final acceptance of the work, the Financial Services Firm will provide and maintain the following minimum levels of insurance at Financial Services Firm's own expense. The cost of the required insurance shall be included in the Financial Services Firm's bid price and no adjustment shall be made to the contract price on account of such costs unless such approval is provided. The term Financial Services Firm shall include all Firms, Contractors, Subcontractors and Sub-Subcontractors of every tier utilized by the Financial Services Firm in the performance of this contract. Financial Services Firm shall furnish Certificates of Insurance evidencing and reflecting the effective date of coverage as outlined below. In no event shall Work be performed until the required evidence of Insurance is provided in accordance with these Contract Documents and is approved by the Pennsylvania Turnpike Commission (the "Commission"). If found to be non-compliant, the Commission may purchase the required insurance coverage(s) and the cost will be borne by the Financial Services Firm through direct payment/reimbursement to the Commission or the Commission may withhold payment to the Financial Services Firm for amounts owed to them.

- a) All insurance shall be procured from insurers permitted to do business in the State in which the project is taking place and having an A.M. Best Rating of at least "A-, Class VIII".
- b) Financial Services Firm shall not have a Self Insured Retention (SIR) on any policy greater than \$25,000, which is the responsibility of the Financial Services Firm. If Financial Services Firm's policy(ies) has a Self Insured Retention exceeding this amount, approval must be received from the Commission prior to starting work. In the event any policy includes an SIR, the Financial Services Firm is responsible for payment within the SIR of their policy(ies) and the Additional Insured requirements specified herein shall be offered within the SIR amount(s).
- c) All insurance required herein, with the exception of the Professional Liability Insurance, shall be written on an "occurrence" basis. Claims-Made coverage must include:
  - i. The retroactive date must be on or prior to the start of work under this contract; and
  - ii. The Financial Services Firm must purchase "tail coverage/an extended reporting period" or maintain coverage for a period of three years, subsequent to the completion of their work / final payment.
- d) The Financial Services Firm's insurance carrier (s) shall agree to provide at least thirty (30) days prior written notice to the Commission in the event coverage is canceled or non-renewed. In the event of cancellation or non-renewal of coverage(s), it is the Financial Services Firm's responsibility to replace coverage to comply with the Contract requirements so there is no lapse of coverage for any time period.

In the event the insurance carriers will not issue or endorse their policy(s) to comply with the above it is the responsibility of the Financial Services Firm to



**The Pennsylvania Turnpike Commission**

report any notice of cancellation or non-renewal at least thirty (30) days prior to the effective date of this notice.

- e) Financial Services Firm shall provide the Commission with Certificates of Insurance, evidencing the insurance coverages listed below, ten days prior to the start of work of this Project and thereafter upon renewal or replacement of each coverage. The Financial Services Firm shall not begin any work until the Commission has reviewed and approved the Certificate of Insurance. The required insurance shall not contain any exclusions or endorsements, which are not acceptable to the Commission.

Failure of the Commission to demand such certificate or other evidence of full compliance with these insurance requirements or failure of the Commission to identify a deficiency from evidence that is provided shall not be construed as a waiver of Financial Services Firm's obligation to maintain such insurance.

With respect to insurance maintained after final payment in compliance with a requirement below, an additional certificate(s) evidencing such coverage shall be provided to the Commission with final application for payment and thereafter upon renewal or replacement of such insurance until the expiration of the time period for which such insurance must be maintained.

- f) The Commission, (including the Commission's Parent, Subsidiaries, and Affiliates) shall be added as ADDITIONAL INSUREDS on all liability policies (except Workers' Compensation and Professional Liability Policy, where applicable), for ongoing operations and completed operations on a primary noncontributory basis. Coverage to include ongoing and completed operations using ISO Endorsements CG 2010 and CG 2037, or their equivalents. Each of the Additional Insured's respective members, employees, agents and representatives shall also be afforded coverage as an Additional Insured. Coverage should be provided for a period of three years subsequent to the completion of work/final payment.

If you are operating in a state that has implemented the "Anti-Indemnity" Additional Insured Endorsements, you are required to provide the state specific additional insured endorsements for ongoing and completed operations. These states include but are not limited to: Montana, New Mexico, Oregon, Colorado, Kansas, California, Louisiana, and Texas.

The Commission reserves the right to require Financial Services Firm to name other parties as additional insureds as required by the Commission.

There shall be no "Insured versus Insured Exclusion" on any policies; all policies will provide for "cross liability coverage".

- g) Waiver of Rights of Subrogation: Financial Services Firm shall waive all rights of recovery against the Commission and all the additional insureds for loss or

**The Pennsylvania Turnpike Commission**

damage covered by any of the insurance maintained by the Financial Services Firm.

- h) The amount of insurance provided in the aforementioned insurance coverages, shall not be construed to be a limitation of the liability on the part of the Financial Services Firm.
- i) The carrying of insurance described shall in no way be interpreted as relieving the Financial Services Firm of any responsibility or liability under the contract.
- j) Any type of insurance or any increase in limits of liability not described above which the Financial Services Firm requires for its own protection or on account of statute shall be its own responsibility and at its own expense.
- k) Financial Services Firm shall promptly notify the Commission and the appropriate insurance company(ies) in writing of any accident(s) as well as any claim, suit or process received by the insured Financial Services Firm arising in the course of operations under the contract. The Financial Services Firm shall forward such documents received to his insurance company(ies), as soon as practicable, or as required by its insurance policy(ies).

**REQUIRED COVERAGES - the following may be provided through a combination of primary and excess policies in order to meet the minimum limits set forth below:**

**1. Workers' Compensation and Employer's Liability:**

Provided in the State in which the work is to be performed and elsewhere as may be required and shall include:

- a) Workers' Compensation Coverage: Statutory Requirements
- b) Employers Liability Limits not less than:
 

Bodily Injury by Accident:	\$1,000,000 Each Accident
Bodily Injury by Disease:	\$1,000,000 Each Employee
Bodily Injury by Disease:	\$1,000,000 Policy Limit
- c) USL&H, and FELA Coverage, if applicable.
- d) Includes sole proprietorships and officers of corporation who will be performing the work.
- e) Where applicable, if the Financial Services Firm is lending or leasing its employees to the Commission for the work under this contract (e.g. crane rental with operator), it is the Financial Services Firm's responsibility to provide the Workers Compensation and Employer's Liability coverage and to have their policy endorsed with the proper Alternate Employer Endorsement.

**2. Commercial General Liability:**

Provided on ISO form CG 00 01 12 07 or an equivalent form including Premises - Operations, Independent Contractors, Products/Completed Operations, Broad Form

**The Pennsylvania Turnpike Commission**

Property Damage, Contractual Liability, and Personal Injury and Advertising Injury.

- a) Occurrence Form with the following limits:
    - (1) General Aggregate: \$2,000,000
    - (2) Products/Completed Operations Aggregate: \$2,000,000
    - (3) Each Occurrence: \$1,000,000
    - (4) Personal and Advertising Injury: \$1,000,000
  - b) Products/Completed Operations Coverage must be maintained for a period of at least three (3) years after final payment / completion of work (including coverage for the Additional Insureds as set forth in these Insurance Requirements).
  - c) The General Aggregate Limit must apply on a **Per Project basis**.
  - d) No sexual abuse or molestation exclusion.
  - e) No amendment to the definition of an "Insured Contract".
3. **Automobile Liability:**
- a) Coverage to include All Owned, Hired and Non-Owned Vehicles (or "Any Auto"), if you do not have any Owned Vehicles you are still required to maintain coverage for Hired and Non-Owned Vehicles as either a stand alone policy or endorsed onto the Commercial General Liability policy above
  - b) Per Accident Combined Single Limit \$1,000,000
  - c) For Financial Services Firm(s) involved in the transportation of hazardous material, include the following endorsements: MCS-90 and ISO-9948.
4. **Commercial Umbrella Liability:**
- a) Policy(ies) to apply on a Following Form Basis of the following:
    - (1) Commercial General Liability,
    - (2) Automobile Liability, and
    - (3) Employers Liability Coverage.
  - b) Minimum Limits of Liability
 

Occurrence Limit:	\$5,000,000
Aggregate Limit (where applicable):	\$5,000,000
5. **Professional Liability Insurance:**
- a) Minimum Limits of Liability
 

Per Claim Limit:	\$5,000,000
Aggregate Limit:	\$5,000,000
  - b) The Definition of "Covered Services" shall include the services required in the scope of this contract.
  - c) Coverage shall be extended to cover "Green Building", if applicable.

The Pennsylvania Turnpike Commission

6. **Crime Insurance:**

- a) Include the Employee Theft and Theft, Disappearance and Destruction coverage parts.
- b) The Employee Theft Coverage part shall include the Clients' Property Endorsement (ISO Form CR 04 01, or its equivalent).
- c) Coverage may be provided in the form of a Financial Institution Bond.
- d) Minimum Limits of Liability:  
Per Occurrence: \$1,000,000

7. **Privacy Liability:**

- a) Financial Services Firm shall maintain coverage for third party liability arising out of breach of privacy, inclusive of confidential and proprietary business information, HIPAA violations and other breaches of personally identifiable information and/or protected health information that may arise from their work with this contract.
- b) Minimum Limits of Liability:  
Per Claim: \$1,000,000  
Aggregate: \$1,000,000
- c) Privacy Breach Notification and Credit Monitoring: \$250,000 Per Occurrence

8. **Owned, Leased, Rented or Borrowed Equipment or Property:**

- a) Financial Services Firm shall maintain Property Coverage for their owned, leased, rented or borrowed equipment, tools, trailers, etc. for the full replacement cost of the equipment.
- b) Coverage to be provided on an Agreed Amount Basis with no Coinsurance
- c) Coverage to be provided on an All Risk basis.

## APPENDIX E

### Pennsylvania Turnpike Commission DIVERSE BUSINESS (DB) REQUIREMENTS

**Diverse Business Participation.** The Commission is committed to Diverse Business (DB) participation on competitive contracting opportunities. Firms or entities that have not previously performed work or provided services to the Commission are encouraged to respond to the solicitations. RFPs may include DB participation as part of the criteria for the evaluation of proposals, and the Commission may consider DB participation as a selection factor.

**Minimum Participation Level (MPL).** The minimum participation level (MPL) for the inclusion of DBs will be established in the RFP/advertisement as a percentage.

**(a) General Requirements.** Section 303 of Title 74 of the Pennsylvania Consolidated Statutes, 74 Pa.C.S. § 303, requires proposer on contracts funded pursuant to the provisions of Title 74 (Transportation) and 75 (Vehicle Code) administered and issued by the Commission to make Good Faith Efforts to solicit subconsultants that are Diverse Businesses (DBs) as defined in Section 303. The DB requirements of Section 303 apply to this contract.

Section 303 requires proposers to make Good Faith Efforts, as described below, to solicit subconsultants that are DBs during the proposal process to maximize participation of DBs in competitive contracting opportunities.

The Commission is committed to participation by DBs and will enforce the requirements of Section 303 and this section. Failure to make Good Faith Efforts and demonstrate such Good Faith Efforts in the solicitation of subconsultants may result in the proposer being declared ineligible for the contract.

Proposers shall document and submit to the Commission all Good Faith Efforts, as described in this section, to solicit subconsultants that are DBs during the solicitation process.

Proposers are encouraged to utilize and give consideration to consultants offering to utilize DBs in the selection and award of contracts.

Proposers shall not discriminate on the basis of gender, race, creed or color in the award and performance of contracts in accordance with 62 Pa.C.S. §3701.

Failure to comply with the requirements of Section 303 or this specification may result in the imposition of sanctions as appropriate under section 531 of the Procurement Code, 62 Pa.C.S. § 531 relating to debarment and suspension.

The Commission's Director of the Office of Diversity and Inclusion, or designee, is designated the Responsible Official who shall supervise the DB program and ensure that the Commission complies with the DB program.

**(b) Definitions.** The following definitions apply to terms used in this specification:

**1. Disadvantaged Business** – A business that is owned or controlled by a majority of persons, not limited to members of minority groups, who are subject to racial, social, ethnic prejudice or cultural bias.

**2. Diverse Business** – A disadvantaged business, minority-owned or women-owned business or service-disabled veteran-owned or veteran-owned small business that has been certified by a third-party certifying organization.

**3. Minority-owned Business** – A business owned and controlled by a majority of individuals who are African Americans, Hispanic Americans, Native Americans, Asian Americans, Alaskans or Pacific Islanders.

**4. Professional Services** – An industry of infrequent, technical or unique functions performed by independent contractors or consultants whose occupation is the rendering of the services, including: (1) design professional services as defined in 62 Pa.C.S. § 901 (relating to definitions); (2) legal services; (3) advertising or public relations services; (4) accounting, auditing or actuarial services; (5) security consultant services; (6) computer and information technology services; and (7) insurance underwriting services.

**5. Pro Forma Effort**-The act of completing a form or document identifying efforts to solicit DBs for a project in order to satisfy criteria with little or no expectation that the DBs contacted or identified will perform any of the work.

**6. Service-Disabled Veteran-Owned Small Business** – A business in the United States which is independently owned and controlled by a service-disabled veteran(s), not dominant in its field of operation, and employs 100 or fewer employees.

**7. Subconsultant**- Any individual, partnership, firm, or corporation entering into a contract with the prime consultant for work under the contract, including those providing professional and other services.

**8. Third-party Certifying Organization** – An organization that certifies a small business, minority-owned business, women-owned business or veteran-owned small business as a diverse business. The term includes: (1) the National Minority Supplier Development Council; (2) the Women’s Business Development Enterprise National Council; (3) the Small Business Administration; (4) The Department of Veteran Affairs; (5) the Pennsylvania Unified Certification Program.

**9. Veteran-owned Small Business** –A small business owned and controlled by a veteran or veterans.

**10. Women-Owned Business** – A business owned and controlled by a majority of individuals who are women.

**(c) Actions Required by Proposer during the procurement/consultant selection phase**

**1. Submission Requirements – Consultant Responsiveness.**

- a. **Minimum Participation Level (MPL) Documentation** - If the documentation submitted with the proposal demonstrates that the proposer has identified DBs sufficient to meet the MPL established for this contract, the proposer will be deemed to have satisfied the DB requirement during this phase. The proposer is required to provide the business name and business address of each DB and supporting documentation that includes proof of certification.

If the consultant’s proposal demonstrates the consultant’s inability to meet the MPL established for this contract, the proposer shall demonstrate Good Faith Efforts with its proposal. Failure to submit the required documentation demonstrating Good Faith Efforts as further described below with the proposal may result in a rejection of the proposal.

- b. If no MPL has been established for this contract, the proposer is required to either provide a statement of intent that it will self-perform 100% of the work for the agreement, or demonstrate Good Faith Efforts to solicit subconsultants that are DBs. In either case documentation shall be provided with the proposal.

Failure to submit the required information identified above with the proposal may result in a rejection of the proposal.

**2. Good Faith Effort Requirements:** The documentation of Good Faith Efforts must include the business name and business address of each DB considered. Supporting documentation must also include proof of certification and any explanation of Good Faith Efforts the proposer would like the Commission to consider. Any services to be performed by a DB are required to be readily identifiable to the agreement. Good Faith efforts are demonstrated by seeking out DB participation in the project given all relevant circumstances. The Commission requires the proposer to demonstrate more than Pro Forma Efforts. Evidence of Good Faith Efforts includes, but is not limited to:

- a. Consultant solicits through all reasonable and available means the interest of all certified DBs with the capacity to perform the scope of work set forth in the agreement.
- b. The proposer must provide written notification at least 5 business days before proposals are due to allow the DBs to respond to the solicitation.
- c. The proposer must determine with certainty if DBs are interested by taking appropriate steps to follow up initial solicitations.
- d. The proposer must make efforts to select portions of the work to be performed by DBs to include, where appropriate, breaking out contract work into economically feasible units to facilitate DB participation;
- e. It is the proposer's responsibility to make a portion of the work available to DBs and, to select those portions of the work, so as to facilitate DB participation.
- f. The proposer shall provide evidence of such negotiations that include the names, addresses, and telephone numbers of DBs considered; A description of the information provided regarding the required work and services for the work selected for subconsultants; and evidence as to why additional agreements could not be reached for DBs to perform the work.
- g. Proposers cannot reject or withhold solicitation of DBs as being unqualified without sound reasons based on a thorough investigation of their capabilities.
- h. The DB's standing within its industry, membership in specific groups, organizations or associations and political or social affiliations (for example union v. non-union employee status) are not legitimate causes for the rejection or non-solicitation of proposals in the proposer's efforts to meet the Good Faith Efforts requirement.
- i. Efforts to assist interested DBs in obtaining bonding, lines of credit or insurance.

**3. Actions Taken by the Commission.** As part of the proposal review process, the Commission will review the submissions to determine whether the proposer has complied with Section 303 and this requirement in the selection of DB subconsultants. The Commission will determine whether the proposer has either met the MPL or provided acceptable documentation as noted above. The Commission reserves the right to contact proposers for clarification during the review and negotiation process.

If the Commission determines that the proposer has failed to either meet the MPL or provide acceptable documentation as noted above, the proposal may be rejected.

**(d) Consultant Requirements During Performance of Services.**

**1. Replacement of a DB Subconsultant.** Consultant must continue good faith efforts through completion of the contract. The obligation to make Good Faith Efforts to solicit subconsultants for any type of service extends to additional work required for any service which is identified to be performed by a DB. If at any time during the performance of the work, it becomes necessary to replace or add a subconsultant that is a DB, the consultant, as appropriate, shall immediately notify the Commission and seek approval in writing in accordance with the Agreement of the need to replace the DB, which notice shall include the reasons for the replacement. If a prime consultant who originally indicated that it would self-perform all work subsequently decides to use a subconsultant for any work under the contract, the consultant must submit documentation of all Good Faith Efforts as to the work for which a subconsultant is obtained.

**2. Records.** Maintain project records as are necessary to evaluate DB compliance and as necessary to perform the reporting function addressed below. Maintain all records for a period of 3 years following acceptance of final payment. Make these records available for inspection by the Commission, its designees or agents. These records should indicate:

**2.a.** The number of DB and non-DB subconsultants and the type of services performed on or incorporated in this project.

**2.b.** The progress and efforts made in seeking out DB subconsultant organizations and individual DB consultants for work on this project to increase the amount of DB participation and/or to maintain the commitments made at the time of the proposal to DBs.

**2.c.** Documentation of all correspondence, contacts, telephone calls, and other contacts made to obtain the service of DBs on this project.

**3. Reports.** Maintain monthly reports and submit reports as required by the Commission concerning those contracts and other business executed with DBs with respect to the records referred to in subsection (e)2. above in such form and manner as prescribed by the Commission. At a minimum, the Reports shall contain the following:

**3.a** The number of Contracts with DBs noting the type of services provided, including the execution date of each contract.

**3.b** The amounts paid to each DB during the month, the dates of payment, and the overall amounts paid to date. If no payments are made to a DB during the month, enter a zero (\$0) payment.

**3.c** Upon request and upon completion of individual DB firm's work, submit paid invoices or a certification attesting to the actual amount paid. In the event the actual amount paid is less than the award amount, a complete explanation of difference is required.

**4. Subconsultant Contracts**

**4.a.** Subcontracts with DB firms will not contain provisions waiving legal rights or remedies provided by laws or regulations of the Federal Government or the Commonwealth of Pennsylvania or the Commission through contract provisions or regulations.

**4.b.** Prime consultant will not impose provisions on DB subconsultants that are more onerous or restrictive than the terms of the prime's contract with non-DBs.



**4.c.** Executed copies of subcontracts/purchase orders are to be received by the Commission before the commencement of work by the DB.

**5. Payments to DB Subconsultants.** Payments to DBs are to be made in accordance with the prompt payment requirements of Chapter 39, Subchapter D of the Procurement Code, 62 Pa.C.S. §3931 et seq. Performance of services by a DB subconsultant in accordance with the terms of the contract entitles the subconsultant to payment.

**(e) Actions to be Taken by Commission After Performance of Services.** Following completion of the Consultant's services, the Director of the Commission's Office of Diversity and Inclusion or his/her designee will review the overall DB participation to assess the Consultant's compliance with Section 303 and this contract. Appropriate sanctions may be imposed under 62 Pa.C.S. § 531 (relating to debarment or suspension) for a Consultant's failure to comply with Section 303 and the requirements of the contract.

**NONDISCLOSURE AGREEMENT**

\_\_\_\_\_ (“VENDOR”) acknowledges that the delinquent accounts receivable listing and collection processes of the Pennsylvania Turnpike Commission are confidential and extremely sensitive. Therefore, VENDOR agrees not to disclose, copy, sell, or give away such information to anyone except those persons designated by the Commission and VENDOR as having a need to know all or part of the information, and then only to the extent of that person’s need to know. VENDOR agrees to treat the information in the same way VENDOR treats its own most confidential information and to inform each such person of these provisions. VENDOR shall make reasonable efforts to ensure that each such person shall abide by these provisions. VENDOR shall also identify to the Commission the names of the specific individuals [including VENDOR employees] to whom it has given the delinquent accounts receivable listing and collection process information.

VENDOR agrees to indemnify the Pennsylvania Turnpike Commission for all loss to the Commission [including damages, costs, and legal fees resulting from any legal actions brought against the Commission] resulting from the disclosure of the delinquent accounts receivable listing and collection process information.

VENDOR agrees to immediately notify the Commission of any information which comes to its attention which does or might indicate that there has been any loss of confidentiality or information. VENDOR further agrees not to refrain from any action, where such inaction may result in unauthorized disclosure of information to any person or entity.

The Pennsylvania Turnpike Commission has also entered into agreements regarding the use of and nondisclosure of proprietary and confidential information. VENDOR agrees that it will not in any way disclose or use for itself proprietary or confidential information that VENDOR knows or has reason to know is subject to any agreement to which the Pennsylvania Turnpike Commission is a signatory. VENDOR agrees to indemnify the Pennsylvania Turnpike Commission for all damages, costs, and legal fees resulting from any legal actions brought against the Pennsylvania Turnpike Commission for breach of agreements regarding the use of nondisclosure of proprietary and confidential information where it is determined that VENDOR is responsible for any use of such information not permitted by such agreements.

By \_\_\_\_\_  
NAME:  
TITLE:  
  
ADDRESS:

## **Addendum No. 1**

RFP # 15-10320-5122

Monetizing and Collecting Delinquent Accounts Receivable

**Prospective Respondents: You are hereby notified of the following information in regard to the referenced RFP:**

### REVISION

1. The response date referenced in Part I-11 of the RFP has been extended and revised as follows:  
I-11. Response. To be considered, proposals must be delivered to the Pennsylvania Turnpike Commission's Contracts Administration Department, Attention: Wanda Metzger, on or before 2:00 PM local time on ~~Tuesday, February 17, 2015~~ **Thursday, March 5, 2015.**

All questions submitted in response to the above referenced RFP as of January 26, 2015, will be answered on a separate Addendum that will be posted at a later date.

All other terms, conditions and requirements of the original RFP dated January 9, 2015 remain unchanged unless modified by this Addendum.

## **Addendum No. 2**

RFP # 15-10320-5122

### **Monetizing and Collecting Delinquent Accounts Receivable**

**Prospective Respondents: You are hereby notified of the following information in regard to the referenced RFP:**

Following are the answers to questions submitted in response to the above referenced RFP as of January 26, 2015. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.

1. Just as a point of clarification the list of uncollected accounts is after all collection activity in Appendix "C" has been completed.

**Yes, that is correct.**

2. I noticed the Pennsylvania Turnpike Commission outsources the collection of its written-off receivables. I was curious if there may be interest in selling any of these accounts to generate immediate cash flow versus taking small agency payments over time.

**The Pennsylvania Turnpike Commission intends to continue its current violation and collection processes as described in Appendix C. The services requested in this RFP are to supplement existing services. Specifically, the Commission is seeking proposals to monetize and collect accounts receivables that have gone through the process describe in Appendix C but remain unpaid.**

**As indicated in RFP section "I-5 Type of Contract", the Commission is seeking an upfront lump sum payment from one provider for the right to collect a specified lot of the delinquent accounts receivable.**

3. Please confirm the due date for this procurement is 2/17/2015.

**The response date has been revised by Addendum #1. The response due date is now Thursday, March 5, 2015.**

4. What is the date by which you will answer these questions?

**The questions are answered in this Addendum.**

5. Why is the contract out to bid at this time?

**See response to Question 2.**

6. Has the current contract gone full term?

**See response to Question 2.**

7. Have all options to extend the current contract been exercised?

**See response to Question 2.**

8. Who is the incumbent, and how long has the incumbent been providing the requested services?

**The first placement agency is Penn Credit Corporation and the second placement agency is Linebarger Goggan Blair and Sampson, LLP. Also, please see response to Question 2.**

9. To what extent will the location of the bidder's proposed location or headquarters have a bearing on any award?

**A "Pennsylvania presence" is not stated in the RFP as a requirement but as stated in Section III-3 Proposal Evaluation, "Additional selection factors may include, when applicable, the following: geographic location and proximity of the firm, firm's Pennsylvania presence or utilization of Pennsylvania employees for the assignment; equitable distribution of work; diversity inclusion; and any other relevant factors as determined as appropriate by the Commission".**

10. How are fees currently being billed by any incumbent(s), by category, and at what rates?

**See response to Question 2 and Appendix C.**

11. What estimated or actual dollars were paid last year, last month, or last quarter to any incumbents(s).

**Not applicable, the services requested in this RFP are new services to the Commission. See response to Question 2.**

12. To how many vendors are you seeking to award a contract?

**See response to Question 2.**

13. Can you please provide greater details on how proposals will be evaluated and how the selected vendor(s) will be chosen?

**The criteria for selection is listed in Section III-4 in order of relative importance from the highest to the lowest. The Commission will select that firm which most closely meets the overall requirements of the RFP and satisfies the Commission's need for the requested services.**

14. Please describe your level of satisfaction with your current vendor(s), if applicable.

**Not applicable, see response to Question 2.**

15. 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?

**See response to Question 2 and Appendix C.**

16. What collection attempts are performed or will be performed internally prior to placement?

**See response to Question 2 and Appendix C.**

17. What is the total dollar value of accounts available for placement now by category, including any backlog?

**See Appendix B – Listing of Delinquencies as of October 2014. As indicated in section I-20, an updated listing will be provided to the selected proposer once a contract is executed. We do not anticipate any significant differences between the October 2014 listing and the updated listing that will be provided once a contract is executed.**

18. What is the total number of accounts available for placement now by category, including any backlog?

**See response to question 17.**

19. What is the average balance of accounts by category?

**See response to Question 17. Also, information in “Appendix B – Listing of Delinquencies as of October 2014” was provided so interested proposers could do calculations necessary to support their proposals.**

20. What is the average age of account at placement (at time of award and / or on a going-forward basis), by category?

**See responses to Questions 17 - 19. Also, please see RFP section “IV-2 Nature and Scope of the Project”.**

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

**No decision has been made regarding additional lots of delinquent accounts receivable. See RFP section “IV-2 Nature and Scope of the Project”.**

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

**See response to Question 21.**

23. What is 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?

**Recovery rate for 1<sup>st</sup> placement for fiscal year ended May 2014 averaged 11.81% and the second placement agency averaged 2.46%.**

24. If applicable, will accounts held by any incumbents(s) or any backlog be moved to any new vendor(s) as a one-time placement at contract start up?

**Not applicable, see responses to Question 2 and Question 21.**

25. Is this RFP for the purchasing / monetizing of debt vs. a contingency fee collection program?

**See response to Question 2.**

26. Who is the current vendor(s) providing collection services to the Turnpike?

**See response to Question 8.**

27. Please provide the following information regarding the current vendor(s): commission paid in calendar year 2013; recovery rate; and all fees/costs charged to the Turnpike and/or driver.

**See responses to Question 2, Question 11 and Question 23 as well as Appendix C.**

28. Please provide estimated forward flow amounts including dollar amount, #of accounts and average dollar amount.

**See response to Question 21.**

29. I-4 Problem Statement. "...to monetize and collect portions of its delinquent accounts receivable." What is the legal basis for "one provider" to make an investment into PTC issued security so to win a contract for collection services?

**The Commission made a business decision to seek "one-provider" to satisfy its desire to monetize and collect portions of its delinquent accounts receivable.**

30. I-5 Type of Contract. "...an upfront payment from one provider for the right to collect..."

a) Is PTC selling the derivative security with an Offering Memorandum?

**No. Also, see response to Question 2.**

- b) Does PTC require the “one provider” to disclose its investors in the derivative security to determine suitability?

**See RFP Part “III Criteria for Selection”.**

**31. Part II**

- a) Is PTC only soliciting collections agencies as potential investors to purchase the Security?

**The Commission is required to advertise to the general public. However, proposals will be evaluated based on the “Criteria for Selection” as listed in the RFP in Part III.**

- b) Are other members of the public permitted to invest into the security?

**Please see response to Question 31. a).**

**32. Appendix “B”**

- a) Are unpaid toll transactions exempt from Statute of Limitations PA Code?

**We are not aware of any exemptions.**

- 33.** Additionally, there is significant intellectual property rights filed with the USPTO concerning the monetization of delinquent receivable and misdemeanors. Will the procurement department encourage all RFP participants to license relevant intellectual property before submitting an RFP response?

**See RFP section “I-17 Proposal Contents”.**

- 34.** Can you provide any of the following information?

- a) Backlog dollars
- b) Forward flow amount
- c) Backlog volume
- d) Average balance
- e) Historic liquidation rate
- f) Estimated monthly revenue

**See responses to Questions 17 – 19, 21 and 23. Also, please see RFP section “IV-2 Nature and Scope of the Project”.**

- 35.** Can the Commission better clarify the pricing structure... is it flat rate or contingency?

**See response to Question 2.**



36. Is there a statute of limitation on this debt? If so, what is time frame?

**The Commission requires that collections activities must comply at all times with any applicable federal, state, and local laws. The expectation is that interested proposers will fully understand laws pertaining to the collection of these receivables, which includes any federal, state, and local laws regarding statute of limitations (also known as Limitations of Actions).**

37. Can you report to Credit Bureaus?

**Historically, we have not reported this information to credit bureaus; however, we are not aware of any laws that would prohibit this reporting.**

38. Can you give us format for Pricing Model?

**The Commission is expecting proposers to develop and provide a pricing model as part of their proposals. See sections IV-3 "Requirements" and IV-4 "Tasks and Reports".**

39. What is the forward flow volume?

**See response to Question 21.**

40. Appendix C outlines the current collection process and utilization of 1<sup>st</sup> and 2<sup>nd</sup> placement collection agencies, will the PTC continue this process?

**Yes, see response to Question 2.**

41. If no, please advise what the new timeline and collection procedures will be.

**Not applicable, see response to Question 40.**

42. If yes, how long does PTC anticipate permitting the 2<sup>nd</sup> placement agency to collect before the debts become eligible for the services being procured?

**The second placement agency has one year to collect. Also, please see response to Question 21.**

43. What is the current recovery rate for the second placement agency?

**For the fiscal year ended May 2014, the second placement agency averaged a recovery rate of 2.46%.**

44. Will the PTC refer debt types other than toll violations under this procurement?

**No additional debt types are being considered at this time.**

45. How often does the PTC anticipate new portfolios becoming eligible for monetization?

**See response to Question 21.**

46. How should vendors structure their pricing proposals to accommodate future portfolios?

**See response to Question 21. Also, the Commission would expect additional lots of delinquent accounts receivable to be priced using the initial lot calculation. The Commission may decide to offer additional lots of delinquent accounts receivable but the successful proposer for this initial lot of delinquent accounts receivable is not obligated to monetize any additional lots of accounts receivable.**

47. Would the Commission be able to provide the exact statutory citation regarding the statute of limitation on collecting toll violations and/or additional guidance on how the statute of limitations will impact the collection of the Commission's receivables?

**See response to Question 36 regarding Limitations of Actions.**

48. What authority and/or enforcement provisions exist, if any, that will support out of state collections?

**We are not aware of any specific authority and/or enforcement provisions to support out of state collections.**

49. Please elaborate on the proposal scoring methodology.

**There is no scoring used to evaluate the proposals. See response to Question 13.**

50. Please elaborate on how Diverse Business Participation will be factored into the proposal scoring and evaluation.

**The Commission will consider as part of its evaluation the Commitment to Diversity included within proposals. There is no required percentage. Diverse Business Requirements is a selection criteria factor and will be considered in the process of selection of the vendor.**

51. Please confirm that the receivables listed in Appendix B are inclusive of all administrative fees.

**Yes, amounts listed include all fees.**

52. Just to confirm, does Appendix B represent the approximate overall volume of accounts (number of accounts and total dollars) that you anticipate referring to the contracted vendor for collections?

**Yes. Also see response to Question 17.**

53. Have the accounts in Appendix B already been worked by first placement and second placement OCAs (Outside Collection Agencies)?

**Yes. See response to Question 2.**

54. What outside collection agency(ies) are you currently using for first placements and second placements, respectively?

**See response to Question 8.**

55. Do the current Outside Collection Agencies (OCAs) currently receiving first and second placements make any upfront payment to the Turnpike as part of their current contract? If yes, what is the structure of the upfront payments?

**The current outside collection agencies do not make any upfront payments to the Turnpike as part of their current contract. Also, please see Question 2 and Appendix C for additional information regarding fees.**

56. Would the contract resulting from this RFP replace / supplant the Office of Attorney General OCA contracts that the Turnpike currently uses to refer accounts for collection to first placement and second placement collection agencies?

**See response to Question 2.**

57. How long does the outside collection agency work accounts placed for secondary collections?

**The second placement agency has one year to work the accounts.**

58. What is the average liquidation rate (recovery rate) achieved over six months for first placements? Second placements?

**See response to Question 23.**

59. Does the Turnpike consider vendor suppliers such as skip tracing data suppliers and mailing service providers to be subcontractors, as that term is used in this section? It is a standard practice in the collections industry for these functions to be performed by suppliers.

**Yes.**

60. Are PDF files acceptable for the CD-ROM copies of our proposal documents?

**Yes, PDF files are acceptable.**

61. "There is no minimum participation level (MPL) for DBs established for this contract. QUESTIONS: 1) Please confirm, does mean there is not target percentage for DB involvement? 2) Does the Commission have a recommendation for what percentage of the contract a vendor should propose to subcontract to a Diverse Business?"

**See response to Question 50. The Commission does not have a recommendation for what percentage of the contract a vendor should propose to subcontract to a Diverse Business.**

62. Assuming that the accounts to be awarded to the selected contractor are "first placements," and given the cost of "ramping up," would the Commission consider allowing the contractor to work the accounts for more than six months?

**See response to Question 2.**

63. Do Offerors have the opportunity to submit a lump sum payment proposal to perform secondary placement collections (rather than first placement collections)?

**See response to Question 2.**

64. Please provide the specific evaluation weights / points that each of the evaluation criteria 1-4 are worth.

**See response to Question 49.**

65. Within evaluation criteria 2. "Approach," what is each lettered item a. through d. weighted or how many points is each worth?

**See response to Question 49.**

66. Within evaluation criteria 3. "Proposer and Personnel Qualifications and Experience," what is each lettered item a. through c. weighted or how many points is each worth?

**See response to Question 49.**

67. If this contract is awarded to a different vendor than currently contracted, will you be recalling the accounts previously listed to the current vendor(s) under the Office of Attorney General contract and forwarding those accounts to the new vendor?

If yes, what is the overall volume of these accounts (number of accounts and total dollars), that you anticipate would be referred for collections?

If yes, will these accounts be allowed to be bid at a different rate, since these are what the collection industry calls "seconds" and are not primary-placed accounts?

**See response to Question 2.**

68. What is the average balance of the accounts you will refer for collections?

**See response to Question 17.**

69. What is the average age of the accounts you will refer for collections?

**Appendix B shows the violation date. Also, please see response to Question 17.**

70. How many agencies will you be awarding to for this contract?

**See response to Question 29.**

71. What is the anticipated award date for this contract?

**It is anticipated that a contract will be awarded within 120 days of the proposal response date.**

72. Will accounts go thru the Office of Attorney's collection agencies prior to being placed with an outside agency? If so, how long will the 2nd placement agency hold the accounts for?

**See responses to Question 2 and Question 57.**

73. Is the Original Amount due listed on Appendix B just the unpaid toll amount, or does it include fees?

**The amounts listed are for both tolls and fees.**

74. How many attempts to collect on the accounts have occurred? We are assuming they have been serviced 3 times - (1)First by PTC's normal invoicing process, (2) by the 1st collection agency, and (3) by the 2nd collection agency. Is this correct? If not, please explain.

**See response to Question 2.**

75. What tactic(s) are used at the end of the collection process to encourage consumers to pay (i.e. registration block, credit reporting, citation issuance)?

**At the end of the 2<sup>nd</sup> placement agencies period for working the accounts, accounts that remain unpaid are closed and returned to the Commission as uncollectible and are written off. No additional tactics are used.**

76. Who are the current agencies working the 1st placement and 2nd placement?

**See response to Question 8.**

77. What is the recovery rate at the 1st placement collection agency?

**See response to Question 23.**

78. What is the recovery rate at the 2nd placement collection agency?

**See response to Question 23.**

79. What is the recovery rate after 1st notice is sent and before 2nd notice is sent?

**On average, 49% of 1<sup>st</sup> notices are resolved by cash receipts and/or the Commission's appeals process.**

80. What is the recovery rate after 2nd notice is sent and before accounts are outsourced to 1st placement agency?

**On average, 29% of 2<sup>nd</sup> notices are resolved by cash receipts and/or the Commission's appeals process.**

81. How is the PA turnpike calculating the statute of limitations on the accounts? Does the PA turnpike calculate the statute of limitations based on the license state or is there a default statute used for all accounts?

**See response to Question 36.**

82. Which agencies are currently servicing the 1st placement and 2nd placement collections?

**See Question 8.**

83. What letter treatment strategy is required of the 1st placement and 2nd placement agencies?

**We are not aware of any requirements.**

84. What settlement authority is given to the 1st placement and 2nd placement agencies?

**The agencies are given the authority to waive up to \$15 off of each invoice. If the customer is not satisfied by that they are instructed to call the Violations Processing Center to discuss further.**

85. Are all disputes, bankruptcies, deceased, and cease & desist accounts excluded from the pool of accounts being considered for sale?

**All known bankruptcies, deceased, and cease & desist accounts are excluded; however, the information is based on Commission records and there is no guarantee regarding the completeness or accuracy of the information.**

86. What percentage of accounts have name and address information?

**The Commission will provide a partial name and / or partial address for all delinquent accounts. However, the name and address information is based on Commission records and there is no guarantee regarding the completeness or accuracy of the information.**

87. What percentage of accounts have phone information?

**The Commission does not have phone numbers for the delinquent accounts receivable.**

88. Will all license plate pictures be provided at time of contract?

**No.**

89. Will any additional lots of delinquent accounts be made available at the same rate as the initial contract?

**See response to Question 46.**

90. Will agency be reimbursed for any accounts recalled by the Commission?

**Yes.**

91. Will agency be able to pursue legal action to recover accounts?

**No.**

92. How is the PA turnpike calculating the statute of limitations on the accounts outside of PA?

**See response to Question 36.**

93. Will the Commission share any updated consumer information if consumers pay the commission on more recent violations?

**The Commission will only share information on the current lot of delinquent receivables.**

94. I-12 Proposals. In order to provide Electronic Copies that are exact copies, can Offerors submit some documents in the Electronic Copy as PDFs (requested documents and forms that need signatures) that need to be included?

**See response to Question 60.**

95. I-5 Type of Contract. Is the Turnpike suggesting that the agencies buy the debt first in order to collect on it? Please clarify this section.

**See response to Question 2.**

96. How many agencies does the Turnpike anticipate awarding?

**One. See response to Question 29.**

97. What types of debt fall under the category of “accounts receivable”?

**These are toll violations and associated administrative fees. See Appendix C.**

98. Does the contract include only First Placements, only Second Placements or both?

**See response to Question 2 and Appendix C.**

99. What agencies does the Turnpike currently work with?

**See response to Question 8.**

100. What are the fees being charged by the current agencies?

**See response to Question 2 and Question 10.**

101. What are the current agencies’ recovery rates?

**See response to Question 23.**

102. What are the Turnpike’s recovery goals?

**Increase recovery rates to meet or exceed industry standards.**

103. Are there any areas that the Turnpike hopes to improve upon with this new contract?

**Cash collections.**

104. How often does the Turnpike anticipate making placements?

**See response to Question 21.**

105. What does the Turnpike anticipate as an average placement amount?

**See responses to Question 17, Question 19 and Question 21.**

106. What is the anticipated average balance of each account?

**See responses to Question 17, Question 19 and Question 21.**



107. Does the Turnpike prefer gross or net remittance and at what frequency?

**See response to Question 2.**

108. Does the Turnpike use a billing servicer?

**We use a subcontractor for processing all electronic tolls. That subcontractor uses a billing servicer for all invoicing of toll violations.**

109. Are litigation services sought under this contract?

**No.**

110. How long will accounts be placed with an agency?

**See RFP Section I-22 "Term of Contract". The selected provider must also be aware of the statute of limitations (also known as Limitations of Actions) for each toll violation provided. See Appendix B.**

All other terms, conditions and requirements of the original RFP dated January 9, 2015 remain unchanged unless modified by this Addendum.