

***First Judicial District of Pennsylvania (“FJD”)  
Request for Proposal (“RFP”)***

*For*

***Debt Collection Law Firm Services***

*Dated December 30, 2010*

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**VENDORS’ QUESTIONS AND ANSWERS (“Q&A”)**

<http://courts.phila.gov>

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***Q1. The RFP indicates that the accounts are being referred for immediate execution, however, the document is mute on reimbursement to the collecting firm for the court costs of filing those executions and/or if the FJD is exempt from those filing fees which would make it a non-issue. Please confirm.***

Filing fees will not be assessed

***Q2. The RFP indicates there are about 400,000 accounts with a total value of about \$1.5 million, however, other released reports indicate that the actual value is \$1.5 billion; please confirm. \$1.5 billion is the correct amount; the RFP as posted on the FJD’s intranet (<http://courts.phila.gov>) has been revised accordingly.***

***Q3. The RFP states that there are 400,000 cases for a total of \$1.5 million which calculates to an average account balance of \$3.75; is this correct?***

***i. In coordination with above, please provide a breakdown of accounts by the following:***

- 1. <\$100***
- 2. \$101-\$500***
- 3. \$501-\$750***
- 4. \$751-\$1,000***
- 5. >\$1001***

See response to Question #2 above; the average balance on an account is \$3,750 and each vendor selected will be assigned an equal mix of cases. Statistical information for a breakdown is not available at this time.

***Q4. Is the total outstanding balance amount of \$1.5 million as stated in the Background section of the RFP a monthly or annual amount?***

See Q2 above; the correct amount is \$1.5 billion currently outstanding.

***Q5. Does the current Debt Collection Law Firm Services RFP intend to replace the Debt Collection RFP from late 2007 (or early/2008)?***

No. This is in addition to, or following, unsuccessful collection attempts by the third party collection firm.

**Q6. How does this RFP relate (similar or different) with the City of Philadelphia Law Department's RFP issued in 2009 for Bail Forfeiture Collections? Does the FJD intend to issue an RFP for the large amount of Philadelphia's bail forfeitures?**

The bail forfeiture judgments are part of the RFP issued by the FJD.

**Q7. Are the debtor files "scrubbed" in any way (i.e., checked for assets, bank account information, current address, etc.)?**

No

**Q8. Will there be opportunities to send dunning letters, perhaps without the added contingency fee to provide incentives for debtors to pay or is the execution process just started immediately?**

No, the execution process is to be started immediately.

**Q9. Who pays the court's and sheriff fees and costs?**

See response to Question #1 above; exemption from filing fees will be provided.

**Q10. Will there be special procedures or batch processing of these cases in bulk (i.e., batch filing of collection cases in Municipal Court)?**

Filings will be made in the Court of Common Pleas' Civil Trial Division using the established electronic filing system, case by case.

**Q11. If Discovery is utilized in aid of execution and debtors fail to respond, will the court have a special Discovery Court to order sanctions against unresponsive debtors, including potential jail time?**

Civil Trial Division's Motions Court will handle the hearings.

**Q12. Are cases ready to go in terms of execution or will a court order (on the Civil side) be required?**

Most should be ready to go however a few may need the criminal judgments filed on the civil side.

**Q13. Paragraph two of the Background section states that the vendor(s) must be "lawyer(s) and/or law firm(s)..."; Will a firm that is a debt collection organization with a nationwide network of debt collection attorneys but not a law firm itself meet the requirement to participate?**

No

**Q14. Please explain in detail the requirements of Section 2.e, Page 5 (M/W/DSBE Enterprises). Does this RFP have a specific M/W/DSBE goal expressed as a percentage of the contract? If so, please specify.**

The Selected Vendor(s) will be required to assume all responsibility for all services offered in his/her proposal whether or not s/he produces them. Further, the FJD will consider the selected vendor to be the sole point of contact with regard to contractual matters. Notwithstanding the obligations required in the RFP, prime proposers are encouraged to utilize and identify Disadvantaged Minority, Women and Disabled Owned Business Enterprises (M/W/DSBE). Consistent with the Administrative Office of Pennsylvania Court's protocol, utilization of M/W/DSBE registered organizations is not a requirement but is strongly encouraged.

**Q15. Will a good faith effort to outreach to M/W/DSBE enterprises suffice for the M/W/DSBE goal?**

See above

**Q16. Attachment 1 of the RFP states that the “private collection agency shall cease its efforts when a period of 180 days has elapsed...”. Will the FJD entertain a Vendor managing these accounts for a period greater than 180 days? If so, how long?**

A period of one year will be entertained.

**Q17. Will the FJD entertain selecting multiple Vendors according to specialty? For example, will the FJD consider selecting a primary collection agency to pursue newer debt and a Vendor that specializes in managing severely delinquent and/or distressed debt accounts?**

No

**Q18. Please provide an estimated number/value of new delinquent accounts that will be forwarded to the Vendor(s) on a monthly and annual basis.**

The estimate of new delinquent accounts is 3,000 per month total. The number assigned to each vendor will be determined by the number of contracts awarded as a result of this solicitation.

**Q19. Is there currently a Vendor performing these services for the FJD? If so, who is it and what is their contingency rate?**

Yes, the current vendor for the test pilot program is Salaman Law Offices; their contingency rate is 25%

**Q20. Please provide an estimate of debtors who reside in-state versus out-of-state.**

Eighty five percent (85%) of debtors reside in Philadelphia; fifteen percent (15%) reside outside of Philadelphia

**Q21. What is the phone number to be used for Overnight and/or Express delivery of the proposal?**

Please refer to the cover letter of the RFP.

**Q22. The RFP indicates that the accounts intended to be placed under this contract have previously been placed with a third party collection agency. Please provide the name of the third party agency that currently receives these placements prior to placement under this RFP and the term/expiration of that agreement?**

The current third party collection agency is ACS; the initial term is due to expire on September 29, 2011; however, at the option of the FJD, the Agreement may be extended for two (2) additional one year terms on a year-by-year basis.

**Q23. Please provide a list of law firms that have submitted responses to previous debt collection RFP's.**

This is the first RFP for collection attorney firms

**Q24. Page 1, Background: Are the \$1,500,000 and 400,000 accounts correct? The average balance would be \$3.75? Or should the \$1,500,000 actually be \$1,500,000,000 then the average balance would equal \$3,750?**

See response to Question #2 above

**Q25. Page 5, Provision F(2)(e), Disadvantaged, Minority, Women Disabled Owned Business Enterprises (M/W/DSBE): Will the FJD allow a collection agency to subcontract with a local private law firm via the M/W/DSBE or some other list to meet the requirement to “execute” on Criminal Court Judgments as stated in Provision B, Scope of Task, on page 1 of the RFP?**

No

**Q26. Page 1, Provision B, Scope of Task: What are the names of the Third Party Collection agencies that previously worked the accounts?**

See Question #22 above

**Q27. How will the FJD assign the accounts to a private vendor: via hard copy files; via electronic placements; or both?**

via Docket Sheets in pdf format.

**i. Please list the data fields for the information to be provided, i.e. debtor name, address, telephone number etc.**

Name, address (current and approximately three prior, if available), date of birth, social security number, if available, telephone number if available, last known employer, if available

**ii. Will the FJD also provide social security number information? If so, what percentages of the total accounts have social security numbers?**

Yes, if available

**iii. Will the FJD also provide tax information numbers (TIN)? If so, what percentages of the total accounts have TIN numbers?**

No

**iv. How did the FJD transmit accounts to the previous Third Party Collection Agency?**

FTP

**Q28. What types of court costs, fines, and fees are to be assigned under the current contract inclusive of the following:**

**i. By Statutory City/County/State laws violated, the number of accounts assigned broken down by year of delinquency for years 2005, 2006, 2007, 2008, 2009 and 2010?**

**ii. The amount of dollars assigned and the number of accounts/dollars collected?**

**iii. The number of accounts/dollars returned as uncollected and the number of any legal enforcement remedies filed including the number of accounts/dollars that were part of the legal action?**

**iv. How many accounts were paid in full with a one-time payment?**

**v. How many accounts were set-up on a payment plan?**

**vi. How old are the accounts that were assigned under the old contract?**

**vii. How many accounts/dollars are anticipated to be assigned under the new contract(s)?**

**viii. How old are the anticipated accounts to be assigned under the new contract(s)?**

**ix. Have all of these accounts been reduced to judgment?**

**x. Have the judgments been recorded?**

**xi. Are the judgments available and searchable via on-line via the FJD’s website?**

**xii. What is the FJD’s website address?**

Above information is unavailable at this time

**Q29. Are the successful vendor(s) required to have a local office within the City limits of Philadelphia?**

No

- Q30. Will the FJD allow a private collection agency to subcontract with a law firm to:**
- i. Pursue filing legal enforcement remedies to collect the FJD's debts?**
  - ii. File claims with the Bankruptcy court? Bank liens? Personal property seizures? Debtor examinations?**
  - iii. Will the FJD allow the law firm to claim attorney fees in addition to the 25% contingency fee to offset the court filing fee costs, service of process fees/costs and attorney time incurred with "debtor exams," preparing bank liens, bankruptcy court claim filings and attending hearings, etc.?**
  - iv. Can the law firm request attorney fees as part of their pleadings/motions filed with the court?**
- No
- Q31. What is the City/State statute that requires any court costs/filing fees to be charged for filing a court action on these FJD accounts?**
- i. Do any City/State laws exist that allow the WAIVING of these court costs/fees because the debts are owed to a governmental party?**
  - ii. Can these lawsuits be filed in the City's Municipal Court or must they be filed in the County/District Court?**
- See responses to Questions #1 and #9 above
- Q32. What is the name of the bank and location where the FJD currently does business?**
- Not pertinent at this time; information will be provided to the selected vendor(s) upon full execution of an agreement.
- Q33. Can the FJD negotiate more than 100 accounts to be placed per month under the new contract since the FJD has more than 400,000 accounts?**
- The assigned number of accounts will be determined upon successful completion of this solicitation and full execution of agreement(s)
- Q34. Why is the contract out to bid at this time?**
- To collect on delinquent accounts by way of civil execution process
- Q35. Why are only law firms qualified to bid on this contract?**
- We require attorneys to commence civil litigation
- Q36. When is the anticipated contract start date?**
- Upon satisfactory completion of the bid process and full execution of respective agreement(s)
- Q37. What is the term of the contract, and are there any renewal options?**
- Per response to Question #36 above, to be determined
- Q38. How many vendors are you seeking to award this contract?**
- Per response to Question #36 above, to be determined
- Q39. Who are the incumbents? How long have the incumbents been providing the requested services?**
- See Question #19 above; services have been ongoing since May, 2010
- Q40. Has the current contract gone full term?**
- The contract was established for a test pilot program

- Q41. *Have all options to extend the current contract been exercised?***  
See Question #40 above
- Q42. *What is the total dollar value of accounts available for current placement by category, including any backlog?***  
\$1.5 billion
- Q43. *What is the total number of accounts available for current placement by category, including any backlog?***  
400,000
- Q44. *What is the average balance of accounts by category?***  
\$3,750
- Q45. *What is the average age of accounts at placement (at time of award and/or on a going-forward basis) by category?***  
850 days
- Q46. *What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?***  
\$300,000 last year
- Q47. *What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category?***  
3,000 per month total
- Q48. *What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?***  
\$135,000,000 per month total
- Q49. *What has been the historical rate of return or liquidation rate provided by any incumbent(s), and/or what is anticipated or expected as a result of this procurement?***  
5%
- Q50. *If applicable, will accounts held by any incumbent(s) be moved to new vendor(s) as a one-time placement at contract start up? Including any backlog?***  
None
- Q51. *To what extent will the location of the bidder's call center and/or corporate headquarters have a bearing on any award(s)?***  
None
- Q52. *Please provide detailed explanations of the FJD's expectations related to any required subcontracting to minority-owned, women-owned, or other types or categories of small or disadvantaged businesses? For example, what is required with the proposal? What is required to comply during the term of the contract?***  
See Question #14 above

**\*END\***