NEW YORK STATE DEPARTMENT OF TRANSPORTATION
REQUEST FOR INFORMATION #2014-41
Debt Collection Services Initiative
July 29, 2014

Questions and Answers

Question #1: Does NYSDOT anticipate when the request for proposals may be issued? When do you anticipate issuing an RFP for collection services? Should NYSDOT elect to issue an RFP in the future as a result of the information gathered from this RFI, when do you most-likely anticipate doing this? Possibly later this year, early next year? How many agencies will be selected? How many agencies are you planning on awarding this portfolio to?

Answer: NYSDOT is in the pre-procurement stages and release of a Request for Proposals (or RFP) is not anticipated at this time. However, all parties who have either expressed interest or asked questions regarding RFI #2014-41 will be contacted via e-mail should and when NYSDOT is about to release a debt collection services RFP.

Question #2: Can NYSDOT provide details on anticipate placements: number and dollar amount of outstanding debt, a breakdown of the volumes by uses, and the age of the inventory, etc? Does NYSDOT have any outstanding dollar and related debt figures for the Debts defined in the background of the RFI? Can you provide any figures on the age of the debt, average account size, and any backlog dollars, volume and, if possible, any ongoing monthly new debts by type and amount? Information Requested (page 2) requests agencies to provide “typical collection fees”. However, collection fees typically vary based on account volume, age of accounts at placement and whether collection efforts were performed by another outside agency (e.g., Attorney General’s office) prior to placement. If possible, please provide additional information concerning NYSDOT’s potential portfolio, including number and dollar value of accounts, average age of accounts, and whether primary collection efforts will be completed prior to placement? What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?

Answer: NYSDOT is in the process of reviewing outstanding delinquent accounts and does not have figures available at this time. If an RFP is issued, NYSDOT should, at that time, be able to provide some statistical data regarding average balances, total portfolio balance, age of arrearage, and prior collection efforts. NYSDOT’s current collectibles range from under $100 past due to over $100,000. The initial placement with a contracted collections firm or firms would be sizeable and include both older and more recent debts. This placement would likely be followed by a regular placement of future accounts as they fall past due.

Question #3: Please provide any figures you have regarding individual versus corporate debt for the above debt categories? Are you looking for an agency that handles commercial or consumer or both?

Answer: NYSDOT's use and occupancy permits are approximately 80% businesses and 20% individual permittees and, therefore, NYSDOT has identified a potential need
for third party collections for both types of accounts. It should also be noted that a significant percentage of the business accounts also include individual guarantees.

**Question #4:** The RFP requires contractor firm experience. Is personal experience of key personnel acceptable to meet this requirement?

**Answer:** NYSDOT has no RFP out at this time, only an RFI. The RFI only seeks general information about a firm. More specific information will be requested when (and if) an RFP gets released.

**Question #5:** Will this be an annual opportunity / event or one-time?

**Answer:** The Request for Information will most likely be a one-time event (unless NYSDOT needs to advertise for more information in case insufficient information is received in response to RFI #2014-41). Should a Request for Proposals (RFP) be issued, NYSDOT will most likely advertise for debt collection services on a multi-year basis.

**Question #6:** At the present time, what collection efforts are made on behalf of the NYSDOT to recover the above debt?

**Answer:** NYSDOT’s Office of Right of Way is in the process of re-evaluating our outstanding use and occupancy permit balances and debt collection program. Specific pre-placement collection efforts will be disclosed if and once an RFP is issued.

**Question #7:** Background (page 1) indicates, “The Office of Right of Way coordinates its debt collection efforts with New York State Attorney General’s office, which handles litigation.” Please clarify whether the Attorney General’s office manages primary placement, non-litigation collection services, or if it only provides litigation services.

**Answer:** The NY State Attorney General’s (AG) office handles NYSDOT’s litigation and eviction proceedings only after all other collection efforts have been exhausted. Should an RFP be issued, NYSDOT anticipates that no accounts placed with a collection agency will be assigned to the AG’s office for any collection efforts until the contractual work has been completed by a potential collection agency.

**Question #8:** Information Requested (page 2) indicates, “By registering interest in NYSDOT RFI #2014-41, you will receive e-mail messages alerting you to new or updated information regarding this RFI.” Please clarify whether it is mandatory for agencies to respond to this RFI in order to be invited to respond to any resulting Request for Proposal (RFP)?

**Answer:** If and when an RFP is issued, participation in the RFI will not be required for participation in an RFP.

**Question #9:** Information Requested (page 2) requests agencies to provide “typical collection fees”. However, collection fees typically vary based on account volume, age of accounts at placement and whether collection efforts were performed by another outside agency (e.g., Attorney General’s office) prior to placement. If possible, please provide additional information concerning NYSDOT’s potential portfolio, including number and dollar value of accounts, average age of accounts, and whether primary collection efforts will be completed prior to placement?
**Answer:** Information on NYSDOT’s collectables will be provided if and when NYSDOT issues an RFP. NYSDOT is interested in any collection fee structure information that can be provided.

**Question #10:** Has the state engaged with agency(s) in the past to assist with collection of receivables? Is there specific criteria that is required? What is the monthly or yearly placement volume, dollar amount and age of accounts as well as historical liquidation rates? What are the current contingency rates? Can the following details be provided for each type of account being referred (fines, fees, penalties, past due accounts, etc):

- The volume (# of accounts and $ balances) assigned during the past twelve months.
- The liquidation percentage during the past twelve months.
- Estimated percentage of assigned accounts without telephone numbers.
- Estimated percentage of assigned accounts without social security numbers.

**Answer:** NYSDOT’s Office of Right of Way does not have information on collection agency contracts with other State agencies and has not had such a contract itself for several years. Should an RFP be issued, specific vendor criteria and potential account volumes would be addressed at that time.

**Question #11:** Does the NYSDOT currently have a vendor(s) performing the services outlined in this RFP? If so, who? Has the current contract gone full term? Have all options to extend the current contract been exercised? What percentage of debt placed is the incumbent vendor currently collecting? What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)? 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? If applicable, will accounts held by any incumbent(s) or any backlog be moved to any new vendor(s) as a one-time placement at contract start up?

**Answer:** See answer to Question #1. In addition, NYSDOT does not have an incumbent firm providing debt collection services under a contract.

**Question #12:** To what extent will the location of the vendor’s call center and/or corporate headquarters have a bearing on any award(s)?

**Answer:** During this RFI Period, NYSDOT is seeking information on the geographic advantages as well as limitations collections firms may have based on their location. Should an RFP be issued, NYSDOT may consider in its selection process, the location of potential vendor.