



SEDGWICK COUNTY, KANSAS
DIVISION OF FINANCE
Purchasing Department
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ADDENDUM #2
#16-0036
COLLECTION SERVICES

April 29, 2016

The following is to ensure that vendors have complete information prior to submitting a proposal. Here are some clarifications regarding Collection Services.

Questions and/or statements of clarification are in bold font, and answers to specific questions are italicized.

1. **Why is the contract out to bid at this time?** *Hasn't been done for a long time, balance at set off continues to grow and there are questions that all follow up has been done prior to sending to set off.*
2. **When is the anticipated contract start date?** *Contract will start once the final approval is made by Board of County Commissioners.*
3. **Has the current contract gone full term?** *There is no current contract.*
4. **Have all options to extend the current contract been exercised?** *Not applicable.*
5. **Who is the incumbent, and how long has the incumbent been providing the requested services?** *Not Applicable.*
6. **To what extent will the location of the bidder's proposed location or headquarters have a bearing on any award?** *Non-local efforts have not always been very successful, but we will not rule out vendors that are not located locally.*
7. **How are fees currently being billed by any incumbent(s), by category, and at what rates?** *Not Applicable.*
8. **What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?** *Not Applicable.*
9. **Please describe your level of satisfaction with your current vendor(s), if applicable.** *Not Applicable.*
10. **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?** *The vast majority of accounts will be primary placements. Some accounts may be transferred from the setoff program as secondary placements. Fee rate(s) is up to the bidder.*

11. **What collection attempts are performed or will be performed internally prior to placement?** *The patient receives at least 4 monthly statements. If no payment activity exists or payment arrangement is set up, then the account will be turned for outside collection activity.*
12. **Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval?** *No, the contracted vendor will not be doing any litigation for Sedgwick County.*
13. **What is the total dollar value of accounts available for placement now by category, including any backlog?** *EMS accts \$6,548,708 as of 2/29/2016. COMCARE Accts \$379,810.34 as of 4/21/16; Health Accts amount is unknown (would be smallest of the three areas).*
14. **What is the total number of accounts available for placement now by category, including any backlog?** *EMS accts 11,688 as of 2/29/2016; COMCARE accts 517 as of 4/21/2016; Health accts # is unknown (but would be smallest of the three areas).*
15. **What is the average balance of accounts by category?** *EMS \$560.00; COMCARE \$734.64; Health; Unknown.*
16. **What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?** *EMS backlog would include accounts back to July 2014; COMCARE accounts will only be turned once they are closed to services but the service dates could be years older as these clients could be in service for years.*
17. **What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category?** *On Average, EMS 500; COMCARE 150; Health 50.*
18. **What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?** *EMS \$280,000; COMCARE \$100,000; Health \$5,000 (est).*
19. **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?** *So long ago, we do not have good numbers for an incumbent. Expect to send less to set off, don't have a percentage in mind.*
20. **What billing servicer do you utilize?** *In-house.*
21. **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?** *Not all backlog accounts will be ready to turn at contract start up. It is anticipated that accounts currently at Setoff or a portion of will be moved to new vendor at contract setup.*
22. **How many agencies did you send proposals to?** *Approximately, 41 vendors. All Sedgwick County bids and proposals are posted online for anyone to view and respond.*
23. **What is the average number and dollar amount of accounts that paid within the 28 day time period with your previous agency?** *Not applicable.*
24. **What fee are you currently paying?** *Kansas Setoff fees at 19-20%.*
25. **When is the anticipated award date for this contract?** *Contract will start once the final approval is made by Board of County Commissioners.*

26. **What is the required payment apply sequence that will need to be adhered to? Is equally posting a payment over each debt and bucket acceptable?** *Preference would be payments collected are applied to the oldest balance until paid off and then moved to a new account if the payment is not earmarked for a specific department. If the debtor makes a preference that they are paying on COMCARE vs.EMS, etc, then this would supersede 'oldest balance'.*
27. **What is the reconciliation process for this project?** *EFT payments would be expected through our Lockbox and a reconciliation document for each payment provided preferably in electronic format.*
28. **What information will be provided on the debtor? SSN, telephone, address?** *For most accounts we would be able to provide Full Name, SSN, last known address, last known telephone, amount owed. If other info is required and we have it available, we would be willing to send the data.*
29. **What is the average age of accounts that are available for placement by account type?** *See question 16.*
30. **What areas, processes and/or results are you looking to improve or enhance under this new contract?** *Good information and eliminating lack of follow-up.*
31. **Please confirm that the vendor, for the purposes of this RFP, shall only consider subcontractors those contractors who may be used specifically for work conducted for Sedgwick County, and that the vendor does not need to consider as a subcontractor those contractors used for the entire agency (such as office machine repair contractors, mailing service, skip trace providers, etc.). Contractors and subcontractors cannot be barred from doing business with CMS, Medicare and Medicaid.**
32. **After the initial placement, will vendors receive further placements based on their competitive performance on the contract?** *I would believe where we are on payer mix would affect the flow of accounts.*
33. **What are the roles of the individuals that make up the evaluation committee?** *Rick Durham-Deputy CFO, Marty Hughes-Revenue Manager, Scott Hadley-EMS Director, Dennis Mauk-EMS Deputy Director, Tracy Lolley-COMCARE Billing Manager, Kara Kingsley-Buyer.*
34. **Does the contract require any special handling of correspondence?** *Must be HIPAA compliant.*
35. **On Average, how many "accounts" does each patient have?** *EMS 5; COMCARE 1; Health 1.*
36. **How many vendors do you intend to award?** *One.*
37. **May we offer one fee rate for newly-delinquent debt and a separate rate for older debt?** *Up to the bidder.*
38. **Should the fees we charge be added to the patient's amount owed?** *No.*
39. **Scope of Services, page 4, 3.J. You request "option(s) to report account(s) to all major credit bureaus." Do you provide full-unmasked SSN and the date of delinquency?** *Please disregard section 3, item J. We will not have any contracted vendor report account(s) to credit bureaus.*
40. **Scope of Services, page 4, 3.N. Is it possible to use a local Kansas reference from one of our subsidiary corporate entities to meet the specific requirement for "One reference...must be within the state of Kansas?"** *Subsidiary corporate entities will not be accepted as a reference.*

41. **Appendix A, page 6, (24) Please define: “IMX”; “COMCARE FOR EMS”; “COMCARE” and “HEALTH.” Are these separate departments or definitions of accounts? EMS, COMCARE & HEALTH are separate County departments with EMS having two initial billing processes which are titled “IMX and “COMCARE FOR EMS”.**
42. **Appendix A, page 6, (25) You provided a list of “EMS Accts to State of Kansas Debt Setoff Program” in Appendix A. Are all of these accounts, and amounts, currently in arrears? For example, there are a total of 2,238 accounts totaling \$926,051.23 under “IMX.” Are these accounts in arrears and collectible? These 2,238 accounts are delinquent and have been placed with the State of Kansas Setoff Program.**
43. **Appendix A, page 6, (26) Please define what “Accounts in Queue to be turned” refers to. Does this mean that a total of 11688 accounts valued at \$6,548,708 are to be “turned” over to the successful bidder for collection? Yes, those are accounts for EMS that need to be reviewed internally and then turned to new successful bidder. The numbers will increase before the award is granted.**
44. **Appendix A, page 6, (27) Do you have any equivalent monthly and breakdown figures for 2016 for “IMX”, “COMCARE FOR EMS”, “COMCARE” and “HEALTH”? There has been minimal collection activity done in 2016 due to staffing levels.**
45. **Appendix A, page 6, (28) You state that there are 3,110 accounts valued at \$1,480,337 “At IMX as of 2/29/2016” Are these new 2016 accounts or are these cumulated from the 2015 totals of 2,238 and totals of \$926,051 under “IMX”? If these are cumulated from 2015, can we assume some 872 new accounts at approximately \$554,286 for the first two months of 2016? Those would be cumulative accounts.**
46. **Appendix A, page 6, (29) Are the 3,110 “Accounts at IMX as of 2/29/2016” included in the 11,688 “Accounts in Queue to be turned?” No these are a separate batch of accounts.**
47. **On average, how much does your current vendor collect on a monthly basis? Not Applicable.**
48. **What is the total number of delinquent accounts (including dollar amount) that are available for placement? See question 14.**
49. **How frequently do you anticipate placing accounts with the vendor (daily, weekly, monthly, etc.)? Weekly or Monthly.**
50. **On average, how many accounts (including dollar amount) do you anticipate placing with the successful vendor on a monthly basis? See questions 17 and 18.**
51. **How are balances updated on the vendor’s system? Hopefully we would have ability to update balances via processing online adjustments. Do you provide a daily update of the entire inventory? No.**
52. **What are the current vendor’s historical recovery percentages (liquidity) on accounts over the last three years? Not applicable.**
53. **What are the dollar amounts/contingency fees paid to your current vendors over the last three years (please include by account type if applicable)? Not applicable.**
54. **What are your target or anticipated fee rates for this contract? No preconceived notion.**
55. **Do you intend that the vendor uses its own collection platform, or will a preferred platform be provided? We have no preference.**

56. **Is there a testing plan in place for the collection process?** *Not currently.*

57. **Is there a testing plan in place for account transmission?** *Not currently.*

58. **Do you have a data processing file schedule?** *Not currently.*

Firms interested in submitting a *proposal* must respond with complete information and **deliver on or before 1:45 p.m. CST, May 17, 2016.** Late *proposals* will not be accepted and will not receive consideration for final award.

“PLEASE ACKNOWLEDGE RECEIPT OF THIS ADDENDUM ON THE *PROPOSAL* RESPONSE PAGE.”



Kara Kingsley
Purchasing Agent