

AMENDMENT OF SOLICITATION

DATE: September 17, 2018
AMENDMENT NO: 0001
ISSUED BY: Memphis Housing Authority Contracting/Purchasing Department
SOLICITATION NO: **AD 19-R-00491; Collection Agency Services**
DATE ISSUED: September 5, 2018

The above-numbered solicitation is amended as set forth below. Bidders must acknowledge receipt of this amendment by submitting a signed copy with their bid or fax or email it to the Purchasing Office. Fax No. (901) 544-1299, email. dwalker@memphisha.org.

Pursuant to the IFB information issued September 5, 2018 the listed information is updated:

Questions were submitted for additional details and clarification. The Responses provided is amended to the listed solicitation.

David Walker,
Contracting Officer

Prospective Offer (Signature)

Print Name

Business Name



Questions and Responses

Solicitation No. AD 19-R-00491 Collection Agency Services

- (1) What is the overall (number of accounts and total dollar value of accounts) that MHA anticipates referring to the contractor for collections? Please break out by delinquent rents and other related charges, fraud repayments, miscellaneous receivables, restitution payments, and other fees owed to the MHA.

Type of Debt	Total Dollar Value	Total Number of Accounts
Delinquent Rents and other related charges	\$ 787,788	1534
Fraud Repayments	\$ As Needed	
Miscellaneous Receivables	\$ As Needed	
Restitution Payments	\$ As Needed	
Other Fees Owed to The MHA	\$ As Needed	

- (2) Will the collection agency get a forward flow i.e. weekly or monthly placement of accounts? If so, what is the anticipated dollar amount and number of accounts placed and will they be weekly or monthly?
Account information will be provided monthly and we anticipate approximately 5-20 new accounts or \$2,500 per month.
- (3) What is the average balance size of the accounts? *Balances usually range from \$100 - \$500 per account.*
- (4) What is the age of the oldest accounts in the portfolio? How old is the account when the collection agency receives the debt, and how many phone calls, and letters have been generated by your office prior to placement of account to the agency? *MHA will provide a 7 years backlog of accounts information. New account information will be provided 90 days from when the balance became due. The client is contacted via phone and letter by the management office within in 90 days from when the amount became due.*
- (5) If applicable, who is your current collection provider? *Not Applicable*
- (6) Can you provide your current collection agency recoveries for 2017 and 2016 along with the return percentage or liquidation rate? *Not applicable*
- (7) What is the current fee rate charged by your current collection provider? *Not applicable*
- (8) What days and hours of operation does MHA require for the agency? *Monday – Friday 8am-5pm CST. MHA is closed on all major Holidays.*
- (9) What dollar amount did your current collection agency retain as commissions / fees in the most recent fiscal year? *Not applicable.*

- (10) How many dollars and what number of accounts were collected by your current collection provider this past calendar year? **Not applicable**
- (11) To how many collection agencies do you plan to award contracts? **One contract will be awarded.**
- (12) Will accounts referred to your collection provider be recalled and re-referred to the collection provider chosen pursuant to this procurement process? If so, may we provide a fee percentage for the secondary placement level as well as primary placement? **Not applicable**
- (13) Are litigation services required / desired? If so, can bidders propose a fee for litigation services? **Any costs associated with litigation services will be responsibility of the client.**
- (14) How will the collection information or data be communicated to the successful bidder (i.e. electronic via an FTP site)? **The information can be communicated via secure email or a FTP site.**
- (15) How many full-time personnel are currently working the MHA collection project? MHA has seven Property Managers who provide notices to residents who owe balances and an Accounting Manager who monitors the bad debt.

****Following are the questions submitted****

1. What is the average age of your accounts to be placed for collection? **7 years**
2. What is the average balance of accounts to be placed? **Balances usually range from \$100 - \$500 per account.**
3. Who is your previous vender and why are you looking to change? **Universal Collections Systems was the previous vendor and the contract has expired.**
4. What % was recovered from the previous vender? **Approximately 30% was collected by previous vendor.**
5. Do you currently file your own Bankruptcies? **Yes**
6. Will you want your new vender to file bankruptcies, or appear on your behalf and file? **No**
7. Do you offer points or preference for local vendors? **No**
8. How many accounts are placed per month on average? **We anticipate 5-20 new accounts per month.**
9. How long to you work accounts internally before placing with outside collection agency? **MHA works internally for 90 days to collect balance and then the account will be forwarded to the collection agency.**

****Following are the questions submitted ****

What type of housing categories will these accounts comprise of? **Many of the accounts will be for unpaid rent and related charges.**

Are you using an agency now, if so who and why are you looking to change? **No**

If using an agency now what is the historical rate of return or liquidation rate by any incumbent? **Not applicable**

What is the avg age and frequency to submit accounts to the collection agency? MHA will initially provide a backlog of account balances going back 7 years. New accounts exceeding 90 days will be forwarded to the collection agency monthly.

What is the avg balance? Balances usually range from \$100 - \$500 per account.

How many accounts per month? We anticipate approximately 5-20 new accounts.

What is the total dollar amount available for collection now by category including any backlog? \$787,788

What improvements are you looking for in a new agency? Increased collection results to improve MHA's cash flow.

What are the historical fee ranges? 30% for new accounts and 50% for old accounts

What is Memphis HA expectation of agency recovery rates? MHA expects to recover 80% or more of the collection amount.

Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval? Yes, however any litigation costs will be the responsibility of the client.

****Following are the questions submitted ****

1. What collection attempts were performed internally prior to placement? The client is contacted via phone and letter by the management office within in 90 days from when the amount became due.
- 2.) What is the total number of accounts available for placement? 1534
- 3.) What is the average balance of accounts? \$513
- 4.) What is the average age of accounts at placement (at time of award and/or on a going-forward basis)? The backlog of accounts covers 7 years. On an ongoing basis, we anticipate 5-20 new accounts per month.
- 5.) What has been the historical rate of return or liquidation rate? 30%