



# Request for Proposal 07-X-39295

## For: Non-tax Debt Collection Services, Division of Revenue

Event	Date	Time
<b>Bidder's Electronic Question Due Date</b> (Refer to <a href="#">RFP Section 1.3.1</a> for more information.)	1/24/07	5:00 PM
<b>Mandatory Pre-bid Conference</b>	NA	NA
<b>Mandatory Site Visit</b>	NA	NA
<b>Bid Submission Due Date</b> (Refer to <a href="#">RFP Section 1.3.2</a> for more information.)	2/21/07	2:00 PM

Dates are subject to change. All changes will be reflected in Addenda to the RFP posted on the Division of Purchase and Property website.

<p><b>Small Business Set-Aside</b> (Refer to <a href="#">RFP Section 4.4.2.2</a> for more information.)</p>	<p><b>Status</b></p> <p><input type="checkbox"/> Not Applicable</p> <p><input type="checkbox"/> Entire Contract</p> <p><input type="checkbox"/> Partial Contract</p> <p><input checked="" type="checkbox"/> Subcontracting Only</p>	<p><b>Category</b></p> <p><input checked="" type="checkbox"/> I</p> <p><input checked="" type="checkbox"/> II</p> <p><input checked="" type="checkbox"/> III</p>
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RFP Issued By

State of New Jersey  
Department of the Treasury  
Division of Purchase and Property  
Trenton, New Jersey 08625-0230

Using Agency

State of New Jersey  
Department of the Treasury  
Division of Revenue

Date: 1/10/07

# Table of Contents

NOTICE TO BIDDERS .....	5
<b>1.0 INFORMATION FOR BIDDERS.....</b>	<b>6</b>
1.1 PURPOSE AND INTENT .....	6
1.2 BACKGROUND.....	6
1.3 KEY EVENTS.....	7
1.3.1 ELECTRONIC QUESTION AND ANSWER PERIOD .....	7
1.3.2 SUBMISSION OF BID PROPOSAL.....	7
1.3.3 DOCUMENT REVIEW .....	8
1.4 ADDITIONAL INFORMATION.....	8
1.4.1 ADDENDA: REVISIONS TO THIS RFP.....	8
1.4.2 BIDDER RESPONSIBILITY .....	9
1.4.3 COST LIABILITY .....	9
1.4.4 CONTENTS OF BID PROPOSAL.....	9
1.4.5 BID OPENING.....	9
1.4.6 PRICE ALTERATION.....	9
1.4.7 BID ERRORS.....	9
1.4.8 JOINT VENTURE.....	10
<b>2.0 DEFINITIONS.....</b>	<b>11</b>
2.1 GENERAL DEFINITIONS.....	11
<b>3.0 SCOPE OF WORK.....</b>	<b>13</b>
3.1 TRANSFERRING CASES TO THE CONTRACTOR.....	13
3.2 ELECTRONIC DATABASE .....	16
3.3 COLLECTION PROCESS.....	16
3.3 CONTRACTOR PERSONNEL REQUIREMENTS .....	20
3.4 SET-OFF OF INDIVIDUAL LIABILITY (SOIL) PROGRAM.....	21
3.5 REPORTS .....	21
3.6 DISASTER RECOVERY PLAN.....	24
3.7 OTHER EQUIPMENT AND SERVICE REQUIREMENTS .....	24
3.8 TELECOMMUNICATIONS EQUIPMENT.....	24
3.9 CREDIT CARD SERVICES/WESTERN UNION AND MONEYGRAM SERVICES.....	24
3.10 CHECK BY PHONE .....	24
3.11 ELECTRONIC FUND TRANSFER .....	24
3.12 MAILING COSTS .....	25
3.13 COPYING SERVICES.....	25
3.14 HOURS OF OPERATION .....	25
3.15 MAINTENANCE OF POLICY AND PROCEDURES MANUAL .....	25
3.16 INFORMATION RESEARCH SERVICES .....	25
3.17 DISTRIBUTION AND PLACEMENT OF CASES .....	25
3.18 MEETINGS.....	26
3.19 INSPECTIONS .....	26
3.20 WITHHOLDING INFORMATION.....	26
3.21 TAX LAW COMPLIANCE .....	26
3.22 PROFESSIONAL STANDARDS .....	26
<b>4.0 BID PROPOSAL PREPARATION AND SUBMISSION.....</b>	<b>27</b>
4.1 GENERAL .....	27
4.2 BID PROPOSAL DELIVERY AND IDENTIFICATION.....	27
4.3 NUMBER OF BID PROPOSAL COPIES.....	27
4.4 BID PROPOSAL CONTENT .....	27
4.4.1 FORMS THAT MUST BE SUBMITTED WITH BID PROPOSAL .....	27
4.4.1.1 SIGNATORY PAGE.....	27
4.4.1.2 OWNERSHIP DISCLOSURE FORM.....	28
4.4.1.3 DISCLOSURE OF INVESTIGATIONS/ACTIONS INVOLVING BIDDER .....	28

4.4.1.4 NOTICE OF INTENT TO SUBCONTRACT FORM.....	28
4.4.1.5 SUBCONTRACTOR UTILIZATION FORM.....	28
4.4.2 PROOFS OF REGISTRATION THAT MUST BE SUBMITTED WITH THE BID PROPOSAL.....	28
4.4.2.1 BUSINESS REGISTRATION CERTIFICATE FROM THE DIVISION OF REVENUE .....	28
4.4.2.2 SMALL BUSINESS SET-ASIDE CONTRACTS.....	29
4.4.3 FORMS THAT MUST BE SUBMITTED BEFORE CONTRACT AWARD AND SHOULD BE SUBMITTED WITH THE BID PROPOSAL.....	29
4.4.3.1 MACBRIDE PRINCIPLES CERTIFICATION .....	29
4.4.3.2 AFFIRMATIVE ACTION.....	29
4.4.3.3 SERVICES SOURCE DISCLOSURE FORM.....	29
4.4.4 TECHNICAL PROPOSAL .....	29
4.4.4.1 MANAGEMENT OVERVIEW .....	29
4.4.4.2 CONTRACT MANAGEMENT .....	30
4.4.4.3 CONTRACT SCHEDULE.....	30
4.4.4.4 MOBILIZATION AND IMPLEMENTATION PLAN.....	30
4.4.4.5 POTENTIAL PROBLEMS .....	33
4.4.5 ORGANIZATIONAL SUPPORT AND EXPERIENCE .....	33
4.4.5.1 LOCATION.....	33
4.4.5.2 ORGANIZATION CHART (CONTRACT SPECIFIC) .....	33
4.4.5.3 RESUMES .....	33
4.4.5.4 BACKUP STAFF.....	33
4.4.5.5 ORGANIZATION CHART (ENTIRE FIRM).....	34
4.4.5.6 EXPERIENCE OF BIDDER ON CONTRACTS OF SIMILAR SIZE AND SCOPE.....	34
4.4.5.7 FINANCIAL CAPABILITY OF THE BIDDER.....	34
4.4.5.8 SUBCONTRACTOR(S).....	34
4.4.6 PRICE SCHEDULE.....	35
<b>5.0 SPECIAL CONTRACTUAL TERMS AND CONDITIONS.....</b>	<b>35</b>
5.1 PRECEDENCE OF SPECIAL CONTRACTUAL TERMS AND CONDITIONS.....	35
5.2 CONTRACT TERM AND EXTENSION OPTION .....	36
5.3 CONTRACT TRANSITION.....	36
5.4 CONTRACT AMENDMENT .....	36
5.5 CONTRACTOR RESPONSIBILITIES .....	36
5.6 SUBSTITUTION OF STAFF .....	37
5.7 SUBSTITUTION OR ADDITION OF SUBCONTRACTOR(S) .....	37
5.8 OWNERSHIP OF MATERIAL .....	37
5.9 DATA CONFIDENTIALITY .....	38
5.10 NEWS RELEASES.....	39
5.11 ADVERTISING .....	39
5.12 LICENSES AND PERMITS .....	39
5.13 CLAIMS AND REMEDIES.....	39
5.13.1 CLAIMS.....	39
5.13.2 REMEDIES.....	39
5.13.3 REMEDIES FOR FAILURE TO COMPLY WITH MATERIAL CONTRACT REQUIREMENTS .....	39
5.14 LATE DELIVERY.....	39
5.15 RETAINAGE.....	39
5.16 STATE'S OPTION TO REDUCE SCOPE OF WORK .....	40
5.17 SUSPENSION OF WORK.....	40
5.18 CHANGE IN LAW.....	40
5.19 CONTRACT PRICE INCREASE (PREVAILING WAGE) .....	40
5.20 ADDITIONAL WORK AND/OR SPECIAL PROJECTS .....	40
5.21 FORM OF COMPENSATION AND PAYMENT .....	41
5.21.1 PAYMENT TO CONTRACTOR - OPTIONAL METHOD.....	41
5.22 MODIFICATIONS AND CHANGES TO THE NJ STANDARD TERMS AND CONDITIONS VERSION 05 09 06 .....	42
5.22.1 PATENT AND COPYRIGHT INDEMNITY .....	42
5.22.2 INDEMNIFICATION .....	42
5.22.3 INSURANCE - PROFESSIONAL LIABILITY INSURANCE .....	43
<b>6.0 PROPOSAL EVALUATION .....</b>	<b>43</b>
6.1 PROPOSAL EVALUATION COMMITTEE .....	43

6.2 ORAL PRESENTATION AND/OR CLARIFICATION OF BID PROPOSAL.....	43
6.3 EVALUATION CRITERIA .....	44
6.3.1 TECHNICAL EVALUATION CRITERIA .....	44
6.3.2 BIDDER'S PRICE SCHEDULE .....	44
6.3.3 BID DISCREPANCIES .....	44
6.3.4 EVALUATION OF THE BID PROPOSALS .....	44
6.4 NEGOTIATION AND BEST AND FINAL OFFER (BAFO).....	45
<b>7.0 CONTRACT AWARD.....</b>	<b>45</b>
7.1 DOCUMENTS REQUIRED BEFORE CONTRACT AWARD .....	45
7.1.1 REQUIREMENTS OF N.J.S.A. 19:44A-20.13-25 (FORMERLY EXECUTIVE ORDER 134).....	45
7.1.1.1 DEFINITIONS .....	45
7.1.1.2 BREACH OF TERMS OF THE LEGISLATION.....	46
7.1.1.3 CERTIFICATION AND DISCLOSURE REQUIREMENTS.....	46
7.1.1.4 STATE TREASURER REVIEW .....	47
7.1.1.5 ADDITIONAL DISCLOSURE REQUIREMENT OF P.L. 2005, C. 271.....	47
7.1.2 SOURCE DISCLOSURE REQUIREMENTS.....	47
7.1.2.1 REQUIREMENTS OF N.J.S.A. 52:34-13.2.....	47
7.1.2.2 SOURCE DISCLOSURE REQUIREMENTS .....	47
7.1.2.3 BREACH OF CONTRACT OF EXECUTIVE ORDER 129.....	48
7.2 FINAL CONTRACT AWARD .....	48
7.3 INSURANCE CERTIFICATES .....	48
7.4 PERFORMANCE BOND .....	48
<b>8.0 CONTRACT ADMINISTRATION.....</b>	<b>49</b>
8.1 CONTRACT MANAGER .....	49
8.1.1 STATE CONTRACT MANAGER RESPONSIBILITIES.....	49
8.1.2 COORDINATION WITH THE STATE CONTRACT MANAGER .....	49

## **NOTICE TO BIDDERS**

### **SET-ASIDE CONTRACTS**

**N.J.S.A 52:32-17, N.J.A.C. 17:13, 12A:10**

Pursuant to the provisions of the New Jersey statute and administrative code cited above, this contract, or a portion thereof, has been designated as a set-aside contract for Small Business. As such, as indicated on page one of this document, eligibility to bid is limited to bidders (or subcontractors, as applicable) that meet statutory and regulatory requirements and have had their eligibility determined by the New Jersey Commerce, Economic Growth and Tourism Commission (Commerce). The definitions of each Small Business set-aside category can be found at N.J.A.C. 17:13-1.2 or N.J.A.C. 12A:10-1.2.

"Small Business" means a business that has its principal place of business in the state of New Jersey, is independently owned and operated, and has no more than 100 full-time employees.

The new program places Small Business into the following categories: (I) those with gross revenues up to \$500,000; (II) those with gross revenues of up to \$5 million; and (III) those with gross revenues that do not exceed \$12 million. While companies registered as having revenues below \$500,000 can bid on any contract, those earning more than the \$500,000 and \$5 million amounts will not be permitted to bid on contracts designated for revenue classifications below their respective levels.

Each business interested in bidding for this contract should provide, as part of its response to this solicitation, proof of its current registration as a qualifying Small Business with New Jersey Commerce, Economic Growth and Tourism Commission. Any business that seeks to register as a Small Business is required to submit a fee along with its application to Commerce.

All necessary forms and any additional information concerning registration may be obtained by contacting Commerce's office of Small Business services, by telephone at the number below, or by mail, or in person between the hours of 9:00 am and 5:00 pm at the address below:

**NEW JERSEY COMMERCE, ECONOMIC GROWTH AND TOURISM COMMISSION  
OFFICE OF SMALL BUSINESS SERVICES  
20 WEST STATE STREET - 4TH FLOOR  
PO BOX 820, TRENTON, NJ 08625-0820**

**TELEPHONE: 609-292-2146**

## **1.0 INFORMATION FOR BIDDERS**

### **1.1 PURPOSE AND INTENT**

This Request for Proposal (RFP) is issued by the Purchase Bureau, Division of Purchase and Property, Department of the Treasury on behalf of the Division of Revenue (DOR), Department of the Treasury. The purpose of this RFP is to solicit bid proposals from qualified bidders to provide collection services on behalf of the State. The State's goal is to maximize its existing revenue sources by increasing the collection of deficient and delinquent debt. The contractor shall make efforts to contact individuals and business entities and work vigorously to recover monies (non-tax debt) owed to the State. However, the State also wants to convey to the public that its debt collection system is fair and seeks to treat similarly situated individuals equally.

The intent of this RFP is to award a contract to that responsible bidder whose bid proposal, conforming to this RFP is most advantageous to the State, price and other factors considered. However, the State reserves the right to separately procure individual requirements that are the subject of the contract during the contract term, when deemed by the Director to be in the State's best interest.

The NJ Standard Terms & Conditions version 05 09 06 will apply to all contracts or purchase agreements made with the State of New Jersey. These terms are in addition to the terms and conditions set forth in this RFP and should be read in conjunction with them unless the RFP specifically indicates otherwise.

### **1.2 BACKGROUND**

For the purposes of this contract, non-tax debt is defined as all monies, excluding tax, owed to the State by individuals and business entities. This includes, but is not limited to, the following:

- license fees
- registration fees
- permit fees
- fines
- penalties
- assessments

In most cases, the individual State departments/agencies will perform the initial collection of non-tax debt and file the Certificate of Debt with the Superior Court of NJ, in the event the individual or business entity does not respond within ninety (90) days to the departments/agencies efforts.

Once the Certificate of Debt is filed, and the individual and/or business entity is notified of the filing, the individual department/agency transfers the case over to DOR. DOR consolidates all case information into a centralized data system called the Revenue Delinquent Invoice (RDI). DOR will then transfer information from the RDI to the contractor on a regular basis for further collection.

Currently, DOR is responsible for collecting non-tax debt for the following State departments/agencies:

- Environmental Protection
- Law and Public Safety (Division of Consumer Affairs)
- Banking and Insurance (Banking, Insurance, and Real Estate)
- Community Affairs
- Military and Veterans' Affairs
- Corrections
- Transportation

- Human Services (DYFS Agency Providers)
- Treasury (Bureau of Risk Management)
- Office of the Public Defender
- New Jersey State Lottery
- Casino Control Commission
- Office of the Insurance Fraud Prosecutor
- Human Services (SOIL Unit)

DOR continues to reach out to other State departments/agencies to be included under the non-tax debt collection program. Currently, DOR is in the final phase of adding the following departments/agencies to the non-tax debt collection program:

- Labor
- State Parole Board

The revenue generated as a result of non-tax debt collection in the current contract is set forth in ATTACHMENT A. It should be noted that these numbers are actual revenue collections for past years and should not be used as projections for future collections.

In addition, DOR may transfer or assign bad debt to the contractor from colleges, universities, authorities, counties and municipalities.

This is a reprocurement of the Non-tax Debt Collection Services term contract, presently due to expire on February 28, 2007. Bidders who are interested in the current contract specifications and pricing information may review the current contract T-2204 at <http://www.state.nj.us/treasury/purchase/contracts.htm>.

### 1.3 KEY EVENTS

#### 1.3.1 ELECTRONIC QUESTION AND ANSWER PERIOD

The Purchase Bureau will accept questions and inquiries from all potential bidders electronically via web form. To submit a question, please go to Current Bid Opportunities webpage or to <http://ebid.nj.gov/QA.aspx>

Questions should be directly tied to the RFP and asked in consecutive order, from beginning to end, following the organization of the RFP. Each question should begin by referencing the RFP page number and section number to which it relates.

Bidders are not to contact the Using Agency directly, in person, by telephone or by email, concerning this RFP.

The cut-off date for electronic questions and inquiries relating to this RFP is indicated on the cover sheet. Addenda to this RFP, if any, will be posted on the Purchase Bureau website after the cut-off date (see Section 1.4.1. of this RFP for further information.)

#### 1.3.2 SUBMISSION OF BID PROPOSAL

In order to be considered for award, the bid proposal must be received by the Purchase Bureau of the Division of Purchase and Property at the appropriate location by the required time. **ANY BID PROPOSAL NOT RECEIVED ON TIME AT THE LOCATION INDICATED BELOW WILL BE REJECTED. THE DATE AND TIME IS INDICATED ON THE COVER SHEET. THE LOCATION IS AS FOLLOWS:**

BID RECEIVING ROOM - 9TH FLOOR  
PURCHASE BUREAU  
DIVISION OF PURCHASE AND PROPERTY  
DEPARTMENT OF THE TREASURY  
33 WEST STATE STREET, P.O. BOX 230  
TRENTON, NJ 08625-0230

**Directions to the Purchase Bureau can be found at the following web address:**

<http://www.state.nj.us/treasury/purchase/directions.htm>.

Note: Bidders using USPS Regular or Express mail services should allow additional time since USPS mail deliveries are not delivered directly to the Purchase Bureau.

Procedural inquiries on this RFP may be directed to (609) 292-4751. The Purchase Bureau will not respond to substantive questions related to the RFP or any contract.

To submit an RFP or contract related question, go to the Current Bidding Opportunities webpage or to <http://ebid.nj.gov/QA.aspx>.

### **1.3.3 DOCUMENT REVIEW**

The following are publicly available documents that bidders need to review in order to prepare and submit accurate and comprehensive bid proposals:

#### **DOR guidelines on non-tax debt collection**

Bidders can contact Christopher Besler at DOR and make an appointment to review the information.

[Chris.Besler@treas.state.nj.us](mailto:Chris.Besler@treas.state.nj.us)

**609-777-1020**

### **1.4 ADDITIONAL INFORMATION**

#### **1.4.1 ADDENDA: REVISIONS TO THIS RFP**

In the event that it becomes necessary to clarify or revise this RFP, such clarification or revision will be by addendum. Any addendum to this RFP will become part of this RFP and part of any contract awarded as a result of this RFP.

ALL RFP ADDENDA WILL BE ISSUED ON THE DIVISION OF PURCHASE AND PROPERTY WEB SITE. TO ACCESS ADDENDA, SELECT THE BID NUMBER ON THE BIDDING OPPORTUNITIES WEB PAGE AT THE FOLLOWING ADDRESS:

<http://www.state.nj.us/treasury/purchase/bid/summary/bid.shtml>.

There are no designated dates for release of addenda. Therefore interested bidders should check the Purchase Bureau "Bidding Opportunities" website on a daily basis from time of RFP issuance through bid opening.

It is the sole responsibility of the bidder to be knowledgeable of all addenda related to this procurement.



#### 1.4.2 BIDDER RESPONSIBILITY

The bidder assumes sole responsibility for the complete effort required in submitting a bid proposal in response to this RFP. No special consideration will be given after bid proposals are opened because of a bidder's failure to be knowledgeable as to all of the requirements of this RFP.

#### 1.4.3 COST LIABILITY

The State assumes no responsibility and bears no liability for costs incurred by a bidder in the preparation and submittal of a bid proposal in response to this RFP.

#### 1.4.4 CONTENTS OF BID PROPOSAL

Subsequent to bid opening, all information submitted by bidders in response to the bid solicitation is considered public information, except as may be exempted from public disclosure by the Open Public Records Act, N.J.S.A. 47:1A-1 et seq., and the common law. Because the State proposes to negotiate and/or pursue a Best and Final Offer, bid proposals will not be made public until the Letter of Intent to Award is issued.

A bidder may designate specific information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. The State reserves the right to make the determination and will advise the bidder accordingly. The location in the bid proposal of any such designation should be clearly stated in a cover letter. **The State will not honor any attempt by a bidder either to designate its entire bid proposal as proprietary and/or to claim copyright protection for its entire proposal.**

By signing the cover sheet of this RFP, the bidder waives any claims of copyright protection set forth within the manufacturer's price list and/or catalogs. The price lists and/or catalogs must be accessible to State using agencies and cooperative purchasing partners and thus have to be made public to allow all eligible purchasing entities access to the pricing information.

All bid proposals, with the exception of information determined by the State or the Court to be proprietary, are available for public inspection after the Letter of Intent to Award is issued. At such time, interested parties can make an appointment with the Purchase Bureau to inspect bid proposals received in response to this RFP.

#### 1.4.5 BID OPENING

On the date and time bid proposals are due under the RFP, only the names of the bidders submitting bid proposals will be publicly announced. The contents of the bid proposals shall remain confidential until the Notice of Intent to Award is issued by the Director.

#### 1.4.6 PRICE ALTERATION

Bid prices must be typed or written in ink. Any price change (including "white-outs") must be initialed. Failure to initial price changes shall preclude a contract award from being made to the bidder.

#### 1.4.7 BID ERRORS

In accordance with N.J.A.C. 17:12-1.22, "Bid Errors," a bidder may withdraw its bid as follows:

A bidder may request that its bid be withdrawn prior to bid opening. Such request must be made, in writing, to the Supervisor of the Business Unit. If the request is granted, the bidder may submit a revised bid as long as the bid is received prior to the announced date and time for bid opening and at the place specified.

If, after bid opening but before contract award, a bidder discovers an error in its proposal, the bidder may make written request to the Supervisor of the Business Unit for authorization to withdraw its proposal from consideration for award. Evidence of the bidder's good faith in making this request shall be used in making the determination. Some of the factors that may be considered are that the mistake is so significant that to enforce the contract resulting from the proposal would be unconscionable; that the mistake relates to a material feature of the contract; that the mistake occurred notwithstanding the bidder's exercise of reasonable care; and that the State will not be significantly prejudiced by granting the withdrawal of the proposal. Note: a PB-36 complaint form may be filed and forwarded to the Division's Contract Compliance and Administration Unit (CCAU) for handling. A record of the complaint will also be maintained in the Division's vendor performance file for evaluation of future bids submitted.

All bid withdrawal requests must include the bid identification number and the final bid opening date and sent to the following address:

Department of the Treasury  
Purchase Bureau, PO Box 230  
33 West State Street – 9<sup>th</sup> Floor  
Trenton, New Jersey 08625-0230  
Attention: Supervisor, Business Unit

If during a bid evaluation process, an obvious pricing error made by a potential contract awardee is found, the Director shall issue written notice to the bidder. The bidder will have five days after receipt of the notice to confirm its pricing. If the vendor fails to respond, its bid shall be considered withdrawn, and no further consideration shall be given it.

If it is discovered that there is an arithmetic disparity between the unit price and the total extended price, the unit price shall prevail. If there is any other ambiguity in the pricing other than a disparity between the unit price and extended price and the bidder's intention is not readily discernible from other parts of the bid proposal, the Director may seek clarification from the bidder to ascertain the true intent of the bid.

#### 1.4.8 JOINT VENTURE

If a joint venture is submitting a bid proposal, the agreement between the parties relating to such joint venture should be submitted with the joint venture's bid proposal. Authorized signatories from each party comprising the joint venture must sign the bid proposal. A separate Ownership Disclosure Form, Disclosure of Investigations and Actions Involving Bidder, Affirmative Action Employee Information Report, MacBride Principles Certification, and Business Registration or Interim Registration must be supplied for each party to a joint venture.

## **2.0 DEFINITIONS**

### **2.1 GENERAL DEFINITIONS**

The following definitions will be part of any contract awarded or order placed as result of this RFP.

**Addendum** – Written clarification or revision to this RFP issued by the Purchase Bureau.

**All-Inclusive Hourly Rate** – An hourly rate comprised of all direct and indirect costs including, but not limited to: overhead, fee or profit, clerical support, travel expenses, per diem, safety equipment, materials, supplies, managerial support and all documents, forms, and reproductions thereof. This rate also includes portal-to-portal expenses as well as per diem expenses such as food.

**Amendment** – A change in the scope of work to be performed by the contractor. An amendment is not effective until it is signed by the Director, Division of Purchase and Property.

**Bidder** – An individual or business entity submitting a bid proposal in response to this RFP.

**Contingency Rate** – Percent of recovery to be retained by the successful contractor.

**Contract** – This RFP, any addendum to this RFP, and the bidder's proposal submitted in response to this RFP, as accepted by the State.

**Contractor** – The bidder awarded a contract resulting from this RFP. Also referred to as the Implementation Contractor.

**Director** – Director, Division of Purchase and Property, Department of the Treasury. By statutory authority, the Director is the chief contracting officer for the State of New Jersey.

**Division** – The Division of Purchase and Property.

**Evaluation Committee** – A committee established by the Director to review and evaluate bid proposals submitted in response to this RFP and to recommend a contract award to the Director.

**Firm Fixed Price** – A price that is all-inclusive of direct cost and indirect costs, including, but not limited to, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies, managerial (administrative) support, all documents, reports, forms, travel, reproduction and any other costs. No additional fees or costs shall be paid by the State unless there is a change in the scope of work.

**Joint Venture** – A business undertaking by two or more entities to share risk and responsibility for a specific project.

**May** – Denotes that which is permissible, not mandatory.

**Non-Tax Debt** – Non-tax debt is debt that is past due more than ninety (90) days for the agencies set forth in this RFP.

**Project** – The undertaking or services that are the subject of this RFP.

**Request for Proposal (RFP)** – This document which establishes the bidding and contract requirements and solicits bid proposals to meet the purchase needs of the using Agencies as identified herein.

**Shall or Must** – Denotes that which is a mandatory requirement. Failure to meet a mandatory requirement will result in the rejection of a bid proposal as materially non-responsive.

**Should** – Denotes that which is recommended, not mandatory.

**State** – State of New Jersey.

**State Contract Manager** – The individual responsible for the approval of all deliverables, i.e., tasks, sub-tasks or other work elements in the Scope of Work as set forth in Sections 8.1, 8.1.1 and 8.1.2.

**Subcontractor** – An entity having an arrangement with a State contractor, where the State contractor uses the products and/or services of that entity to fulfill some of its obligations under its State contract, while retaining full responsibility for the performance of all of its [the contractor's] obligations under the contract, including payment to the subcontractor. The subcontractor has no legal relationship with the State, only with the contractor.

**Subtasks** – Detailed activities that comprise the actual performance of a task.

**Task** – A discrete unit of work to be performed.

**Using Agency[ies]** – The entity[ies] for which the Division has issued this RFP and will enter into a contract.

### **3.0 SCOPE OF WORK**

#### **3.1 TRANSFERRING CASES TO THE CONTRACTOR**

The contractor shall collect all non-tax debt that DOR is responsible for collecting for the departments/agencies listed in [RFP section 1.2 Background](#). The State will use all reasonable efforts to provide the contractor with accurate data, however, the State does not warrant or guarantee the accuracy of the data provided. In the event the data is discovered to be inaccurate and the contractor is unable to obtain accurate data, the contractor shall notify the State Contract Manager within thirty (30) days. If the contractor is capable of obtaining more accurate data, the State Contract Manager and the appropriate agency/department is to be notified within thirty (30) days in order to update the RDI system. When possible, the State's case information will include the following information:

1. Name of debtor (person or entity)
2. Last Known Address information
3. Employer information
4. Telephone number
5. Amount owed
6. Other available information

Employer information may be available. Social Security Numbers or Employer Identification Numbers may not be available. The State will make reasonable commercial efforts to provide the debtor's SSN or EIN to the contractor. In certain instances, SSN's or EIN's provided may not have been verified. In cases where the debtor's SSN or EIN is either unavailable or inaccurate, the State will permit the contractor's billing invoice to request the SSN or EIN from the debtor.

The Division of Taxation's and the Division of Motor Vehicle's history data will not be available for use in the collection of this debt.

The State makes no guarantee about the number of debtors who will pay.

State agencies that have supporting documentation of monies owed to the State will provide this to the contractor at the time of data transfer. For those agencies that do not have supporting documentation of monies owed at the time of data transfer, the contractor can submit a request for supporting documentation to the State agency, with a copy to DOR. The State agency will forward the documents via fax or interoffice mail to the contractor, with a copy to DOR.

#### **Case Assignments**

The contractor shall accept all case assignments unless the State agrees otherwise. The contractor shall notify DOR within five (5) working days of its receipt of transferred account(s) and/or case(s). The contractor shall begin collection activities, documenting actions taken, and monitoring payments received on the transferred accounts within thirty (30) days of receipt, unless approval is given by DOR for additional time.

Collection efforts shall be made without regard to the age, amount, location or any other factor of the debt. DOR will provide specific guidelines to the contractor after contract award. The contractor may contact persons directly for information regarding a debtor, including the custodial parent provided. The contractor shall comply with all State and Federal laws regulating the collection of various types of State debt.

DOR shall provide updated client information and new referrals according to a mutually agreed upon time frame.

The contractor shall have nationwide resources to "skip trace and effect collection of accounts referred, including the ability to seek legal remedies."

If the contractor receives notification that a debtor has filed a bankruptcy petition, the contractor or subcontractor (appointed attorneys) shall obtain the appropriate proof from the debtor and forward, via facsimile transmission, a copy of the documents to the State Contract Manager and the appropriate State agency within twenty-four (24) hours after receipt of written notice, as well as cease collection activity. The account file shall be returned to DOR unless otherwise directed by the State Contract Manager. The contractor and/or the subcontractor (appointed attorneys) shall be responsible for any violation of the automatic stay following the filing of a petition by a debtor. The contractor or subcontractor (appointed attorney) is not entitled to any fee on any money that must be returned to the debtor.

The contractor will be informed how the receivables were calculated by the agency. In the event clarification is required from the State Agency, the contractor shall prepare a dispute form for questions or disputes regarding the amount or the cause of the receivables. The contractor shall then refer it to the appropriate State agency via facsimile transmission or e-mail, with a copy to DOR. The State agency will be responsible for explaining the cause of the debt and how the debt was calculated by returning the dispute resolution form via facsimile or e-mail to the contractor, with a copy to DOR.

The contractor shall provide continual collection services on an assigned case or an account for a period of twelve (12) months unless one of the following situations occur: The contractor shall transmit a code back to the RDI System indicating:

- 1) The obligation owed by the debtor has been paid in full.
- 2) The case was referred in error.
- 3) The debtor has died and the search for available assets has been exhausted. This recall shall be dependent upon the statute under which the debt was incurred.
- 4) The receivable amount on the case has been incorrectly calculated by the State.
- 5) The receivable/case becomes involved in litigation (this involves any situation that may occur where the State must pull back the case from the contractor and handle the litigation process itself).
- 6) The case becomes involved in administrative appeal.
- 7) The debtor has filed for bankruptcy and the law requires legal action to be performed by the Attorney General's Office.
- 8) The court ordered obligation is in abeyance.
- 9) Appropriate documentation is obtained by the State to take legal action.
- 10) Recombitment of the debtor to a correctional institution or reversal of criminal conviction.
- 11) Any other reason shown on the existing status code list.

The State Contract Manager may request, either by fax, email, or telephone call, for the contractor to return a case and discontinue collection and/or locate efforts. When this occurs, the contractor must make every effort to discontinue activity as soon as possible, but no later than two (2) working days of notification.

If the contractor is unsuccessful in effecting collection of an account after a twelve (12) month period, the account, along with a complete history of the collection effort, may be recalled by the State Contract Manager for further action.

Depending upon the collection history during the case assignment, an account may be placed again with the contractor for collection for six (6) additional months. An account may be recalled if the conditions described above are encountered. If no collection success has been achieved in

the additional six (6) month period, the account shall be returned to the State Contract Manager along with a complete history of the collection effort for further processing.

The State will pay commission/contingency fee on all funds collected by the contractor. However, the State shall not pay the contractor's commission in the following instances:

- 1) No commission shall be paid on monies collected after the account has been returned to the State Contract Manager and/or the appropriate State agency, except where it can be proven that the money was received as a result of the collection agency's efforts.
- 2) In any case where an account has been assigned to the contractor and DOR and/or the appropriate State agency adjusts the amount of the account, the fee generated by the contractor for services rendered shall be calculated on the adjusted amount and not on the original amount.
- 3) In any case where an account has been assigned to the contractor, and that account becomes the subject of a bankruptcy, reorganization, State insolvency, receivership, probate or other proceeding, the contractor shall immediately refer the case back to DOR and/or the appropriate State agency. No additional fee shall be paid on the remaining balance.
- 4) In any non-tax debt case referred to litigation where a debtor presents a petition in bankruptcy which lists the non-tax debt among his/her debts, upon presentation of appropriate proofs, the subcontractor (appointed attorney) shall be required to return the case to the contractor for handling. The contractor and the subcontractor (appointed attorney) shall be responsible for any violation of the automatic stay following the filing of a petition by a debtor and are not entitled to any contingent fee on any money that must be returned to the debtor.
- 5) In any case where an account has been assigned to the contractor and the contractor has not made any collections within twelve (12) months of the assignment or any period following the assignment, the account shall be returned to DOR and/or the appropriate State agency. No commission will be paid on money collected by the State following the return of the account to DOR and/or the appropriate State agency.
- 6) All fines collected by the State through the Set-off of Individual Liability (SOIL) Program (N.J.S.A. 54A:8.1), DOR shall notify the contractor of the amount of the set-off. Monies collected under this program are not subject to payment of contingency fees; therefore, the contractor shall not be entitled to a contingency fee on any such set-off.
- 7) Cases in which a payment is received from a receivable offset or intercept, license sanction, administrative levy (when the asset is identified by the State prior to contractor identification), income withholding (when the employer is identified by the State prior to contractor identification), or any other electronic intercept or information identified by the State prior to notification by the contractor. In the event information on assets or an employer is located by the State and the contractor also locates the same information on the same day, the contractor shall receive credit for collections resulting from this data.
- 8) Cases in which the debtor's checks are returned for insufficient funds, DOR will attempt to recoup the funds, along with the administrative fee, within fifteen (15) days. If the debtor does not submit payment within this fifteen (15) day period, the contractor shall be responsible to recover the funds and the State's insufficient funds (NSF) fee where permitted by statute, from the debtor. If the debtor has not made restitution to the contractor after thirty (30) days, the contractor will issue a credit for such a payment, which will be reversed on subsequent payment invoices to DOR.
- 9) Cases in which assets exist but the contractor is unable to collect any of the amounts due.
- 10) The uncollected portion of an account/case where collection action is suspended either temporarily or permanently by written notification from DOR or the appropriate State agency.

- 11) Amounts by which an account balance is reduced as a result of an abatement or balance correction made by DOR or the appropriate State agency either on its own or in response to an action taken by the debtor to DOR.
- 12) Payments posted after the filing of or received from a bankruptcy unless the contractor through a court appearance was responsible for confirming and securing the State's right of payment in the bankruptcy case.
- 13) Payments received by DOR prior to the date the account was referred to the contractor.

### 3.2 ELECTRONIC DATABASE

The contractor shall also develop and maintain an electronic database, for all assigned cases or accounts, using data from the RDI system. The State has included the file layouts for a few of the programs currently participating in the non-tax debt collection program in ATTACHMENT B. DOR will transfer data from the RDI system to the contractor. The contractor shall utilize its own automated system to collect the non-tax debt. The contractor's database shall group cases by debtor and maintain a segregation of case components including, but limited to, penalty and interest, cost of collection fees, and the State's insufficient check fee (NSF).

The contractor shall accept and transmit case information from and to DOR throughout the term of the contract. Therefore, the contractor shall utilize a system which is electronically compatible and which can interface with DOR's RDI system. The RDI system runs on a FTP flat file. In the event DOR acquires new software which requires the contractor to change transmission protocols, data contents or data formats, the contractor may request reimbursement for the actual costs incurred. Any such request for reimbursement must be documented in advance and pre-approved by the State Contract Manager.

The contractor will not be responsible for developing acceptable processes and procedures to convert State Agency's manual collection records to the contractor's collection system. The various State agencies will submit their records in the required RDI record layout and the RDI system will then transfer the records to the contractor's system via FTP or another type of electronically compatible format.

The database shall accept, process, and report the progress of all assigned cases, as well as accept and transmit all case adjustments, updates, and changes.

The contractor shall also provide the most up-to-date skip-tracing capabilities in order to improve the quality of the data, as well as maintain accurate information available on all assigned cases.

#### **Date Data Requirements**

Date data refers to any data or input which includes an indication of or a reference to a date. The contractor represents and warrants that its data processing system will function without error or interruption related to date data, specifically including errors or interruptions from functions which may involve date data for more than one century. All date data output and results, (whether received from users, systems, applications or other sources) must include an indication of the century.

### 3.3 COLLECTION PROCESS

The State is aware of a practice in the collection industry in which collectors expend the majority of their time and efforts in the collection of receivables which may be more easily and readily collectible, to the exclusion of receivables which may be viewed as more difficult or time consuming to collect. This industry practice is called "creaming." For the purposes of this



contract, this practice is not acceptable. The contractor shall work on all cases which are referred for collection.

The contractor shall attempt to contact the debtor at least once every thirty (30) days. These contacts shall include telephone calls and/or direct mailings. The contractor shall obtain prior written approval from the State Contract Manager for use of all forms and letters, collection workflows, and telephone scripts to be used by the contractor. No forms, letters, collection workflows, or telephone scripts shall be altered without the approval of the State Contract Manager.

The contractor shall research all accounts for a current address and telephone number if one was not supplied, either has been found to have changed, or if the one supplied is incorrect. The contractor shall also provide the most up-to-date skip-tracing capabilities in order to improve the quality of the data, as well as maintain accurate information available on all assigned cases. The contractor shall send to a debtor a direct mailing notice, which shall, at a minimum, contain the following information:

- The contractor is the State's collection agent
- The period(s) and the program/statute under which the debt was incurred
- The amount due
- The name, title, address, and telephone number of the collector who will handle any questions to be posed by the debtor
- The contractor's hours of operation
- The deadline for responding to this notice and the consequences of non-response
- The debtor's right to appeal

Other contractor responsibilities will include: preparing and generating notices for the collection of payments (both on a routine basis and upon DOR's request); making telephone calls, arranging and maintaining payment plans; processing payments; and possibly, for certain programs, preparing Certificates of Debt and Warrants of Satisfaction.

In the event the debtor dies, the contractor or the subcontractor (appointed attorney) shall not proceed against the estate of a deceased debtor, unless directed to do so by the State Contract Manager.

In the event a debtor files a petition for bankruptcy, which lists the non-tax debt among his/her debts the contractor or subcontractor (appointed attorney) shall obtain the appropriate proof from the debtor and forward, via facsimile transmission, a copy of the documents to the State Contract Manager and the appropriate State agency within twenty-four (24) hours after receipt of written notice, and return the case to the State Contract Manager for appropriate handling. The contractor and subcontractor (appointed attorneys) shall be responsible for any violation of the automatic stay following the filing of a petition by a debtor. The contractor or subcontractor (appointed attorney) is not entitled to any fee on any money that must be returned to the debtor.

### **Inquiries and disputes**

If a debtor disputes the amount owed or there are other factors which prevent the contractor from proceeding, the contractor shall refer the case to the appropriate State agency for resolution of the dispute, via facsimile or e-mail, with a copy to DOR, no later than twenty-four (24) hours after the dispute arises. The State agency will notify the contractor via facsimile or e-mail, with a copy to DOR, on what action to take or if and when the dispute has been resolved.

The established DOR procedures shall govern how the contractor shall proceed with a debtor's offer to negotiate receivables. However, if the contractor receives an unsolicited offer of

compromise or forgiveness of receivables from a debtor, the contractor shall notify the appropriate agency via facsimile or e-mail, with a copy to DOR, no later than within twenty-four (24) hours after the unsolicited offer arises. The State agency will notify the contractor, via facsimile or e-mail, with copy to DOR, on what action to take.

### **Name and Address Changes**

Upon DOR's request, the contractor will make name and address changes either upon presentation of appropriate proofs or instruct the debtor to contact the appropriate State agency depending on the legal requirements of each type of debt. When a debtor's address is located, the contractor shall transfer the updated telephone number, address, and any other pertinent information to DOR and the appropriate State agency. All changes received by the contractor shall be reported to DOR and the appropriate State agency. Currently, DOR manually provides the required changes to the contractor to update its system. DOR and the contractor shall have to discuss the possibility of transferring this information electronically between the systems.

### **Litigation Service Requirements**

For certain cases, the contractor may chose or the State may direct the contractor to engage in litigation activity to collect the monies owed. Litigation activity may include, but not be limited to:

- wage garnishments
- information subpoenas
- orders of execution

In the event the State directs the contractor to engage in litigation to collect non-tax debt, the contractor may utilize the aid of general council. Any and all attorneys/law firms utilized shall be approved by the State Contract Manager prior to any work performed. Attorneys/law firms, for the purposes of this contract, shall be considered a subcontractor and must follow the rules and regulations put forth in RFP [section 4.4.5.8 Subcontractor](#).

The contractor may opt to subcontract with attorneys and must use approved law firms appointed in accordance with N.J.S.A. 52:17A-13. DOR will provide a list of firms that have been appointed in accordance with the statute to the contractor. The contractor does not have to identify the firm it will employ in its bid proposal. The selection can be made at a later date, however, the contractor shall get approval through the Division and DOR.

In the event a case has been assigned to litigation, the contractor shall bear the prime responsibility for the operation of the program and still monitor all judgment and payment activity. The contractor shall proceed with pre-defined collection efforts such as mailing information subpoenas, special collection notices, telephone calls and filing necessary court documents to effect asset seizure. It shall be the responsibility of the contractor to prepare the necessary documentation for the local sheriff for notification to the individual of any court action, such as a bank levy or wage garnishment.

Collection activity, for any case engaged in litigation, shall be managed by the contractor's collection system. All subcontractors shall accept and transmit case information data to and from the contractor's collection system in a format electronically compatible with DOR's system. The contractor shall ensure that its system and the subcontractor's systems are synchronized and contain the same data.

To avoid multiple collection efforts and confusion to the debtor, all non-tax debt for an individual, regardless of the type of debt, shall be assigned to only one subcontractor.

## **Certificates of Debt and Warrants of Satisfaction**

At this time, the non-tax debt program does not require the contractor to obtain Certificates of Debt or Warrants of Satisfaction. The majority of the agencies currently participating in the program are responsible for obtaining Certificates of Debt and issuing Warrants of Satisfaction. However, this issue may arise in the future. Therefore, the contractor shall have the capability to transfer any required data either directly to the Superior Court Clerk or to the State for transmission to the Superior Court Clerk's office. In the event the contractor shall be responsible for this section, the contractor shall be responsible to prepare and send out any necessary notifications to the debtor regarding the filing of the Certificates of Debt and/or issuing Warrants of Satisfaction.

The State shall satisfy all judgments which have been discharged by the debtors. The contractor shall not induce a debtor to pay a receivable upon a false promise or assurance that a judgment will be satisfied, nor is the State bound by representations made by a contractor to a debtor that a judgment will be satisfied. The contractor shall not file any documents with any court or other entity which purport to satisfy a judgment on behalf of the State or any third party on whose behalf receivables have been collected without State approval.

## **Payment Plans**

The contractor may enter into installment agreements with debtors provided the installment agreement complies with the applicable agency/departmental procedures and State guidelines. Guidelines may include procedures for filing a Certificate of Debt to secure the debt, dollar thresholds, time limits, and written agreements. The contractor shall be provided with agency/departmental procedures upon contract award.

All payment agreements entered into by the contractor shall contain language that the existence of payment agreements and/or compliance with the payment agreement shall not preclude the State from continuing to use State and Federal tax setoff procedures, or any other State tool that may be used to enforce payment of State debt.

The contractor shall comply with all applicable State and Federal laws when entering into any payment agreement.

The contractor must provide a written summary of payments received from any debtor that makes such a request in writing or verbally. Upon the debtor's request, the contractor will provide a copy of the backup documentation supporting the assessment of the debt. For non-tax debt debtors with specific questions relating to the reasons for amount of the debt charged, the debtor must be referred in writing to the appropriate State agency through the use of the dispute form, with a copy to DOR.

## **Direct Payments Received by the State**

The contractor will be notified, by DOR or the appropriate State agency, via FTP, fax, or e-mail of all direct payments, the status of such payments, and any adjustments made on the active cases which have been transferred to the contractor. Once the debt is assigned to the contractor, the contractor will earn the commission upon collection of the debt. However, no commission or contingency fee will be paid on funds collected through the Set-off of Individual Liability Program as set forth in [RFP Section 3.4](#) below.

The State Contract Manager and the contractor shall cooperatively develop special instructions for direct payments.

## **Notices of Complaints and Referrals**

The contractor shall notify the State Contract Manager within twenty-four (24) hours upon receipt of an actual or constructive notice of a written or oral complaint against the contractor with regard to its collection practices concerning the collection of receivables subject to this contract. The contractor shall notify the State Contract Manager of any complaint, regardless of whether the complaint is made by a debtor or a third party on behalf of a debtor or by any other third party.

The contractor shall refer to the State Contract Manager within twenty-four (24) hours upon receipt of all other types of referrals received including, but not limited to, correspondence, telephone inquiries, or other types of communication received by the contractor from an elected official, State or Federal agency, media representative, attorney or any other type of private concern. Replies may be jointly coordinated.

## **Processing and the Deposit of Funds**

The contractor shall:

1. Instruct debtors to make checks, money orders, etc., payable to the Treasurer, State of New Jersey
2. Process the checks on a daily basis
3. Verify the payments
4. Appropriately record the payment to the receivable
5. Update all accounts, including interest and penalty calculations if necessary
6. Directly deposit the checks, money orders, etc. daily into an account authorized by the Treasurer, State of New Jersey

The contractor shall deposit all remittances directly into a State of New Jersey bank account, designated by the State, within twenty-four (24) hours of receipt. At the end of each working day, the contractor shall supply an inventory of deposits, via email, to the State Contract Manager. The inventory shall state the amount of each deposit and the date in which the collection was made. By 10:00 a.m. (EST) of the following business day, the contractor shall also provide, in an electronic file format, all supporting documentation for the deposits made. Supporting documentation may include, but not be limited to:

- case number
- case name
- date of receipt
- total amount collected
- amount remitted for each debtor

The contractor shall provide a daily courier service or equivalent to the State's bank. All receipts shall be directly deposited in the State's bank account within twenty-four (24) hours of receipt.

## **3.3 CONTRACTOR PERSONNEL REQUIREMENTS**

### **Training/Staffing**

The contractor shall be responsible for training its staff in the proper procedures for communicating with the public and performing collections. The contractor shall know the various laws pursuant to which the debt was incurred, and the various due process remedies available to the debtors. DOR will coordinate with the other State agencies/departments to provide the contractor with the basic training and required information to train its employees on the laws, policies and procedures.

The contractor shall, within thirty (30) days of contract award, train appropriate DOR staff regarding the use of all databases that may be developed for information transfer and use of the contractor's computer system and reports provided by the contractor. Computer equipment, including databases (if any) necessary for information transfer and the contractor's access to these databases shall be operative at the time of training. The contractor's training plans shall be submitted and approved by the State Contract Manager.

### **Confidentiality**

The contractor shall have all of its employees, assigned to the contract, execute confidentiality agreements incorporating State and Federal laws, including the Federal and State document review and confidentiality laws, and the State Code of Ethics, **before** gaining access to case information. The contractor shall provide the original to the State Contract Manager and maintain an up-to-date file of these signed confidentiality agreements within 1 week of assigning the employee to the portfolio. A sample copy of the agreement is shown in ATTACHMENT D.

The State reserves the right to inspect the systems and procedures of the contractor to ensure that the contractor and its employees are adhering to the Federal and State confidentiality laws.

The contractor shall make all of its employees, assigned to the contract, aware that under the terms of the Fair Debt Collection Practices Act (Title VIII) and the terms of this contract that it is prohibited for any employee or former employee to divulge, disclose or use for personal advantage any information obtained from DOR or other Agency records and files. Misuse or disclosure of such information without prior written consent shall constitute a breach of confidentiality, which may result in criminal charges, civil action, and/or termination of employment.

The contractor shall provide to the State Contract Manager on a monthly basis a detailed table of organization or list showing all employees by name and title assigned to the contract. The contractor shall also inform the State Contract Manager of new hires, leaves of absence, and terminations on a daily basis.

The contractor shall provide competent and trained staff to ensure that an adequate number of competent collection personnel are available to provide service to the State on an uninterrupted basis throughout the term of this contract and any extension thereof. Integral to meeting this requirement is active management of staff and ongoing training.

### **Employee Misconduct**

The contractor notify the State Contract Manager of cases in which misconduct or fraud is suspected of any employee or subcontractor's employee within twenty-four (24) hours of suspicion.

### **3.4 SET-OFF OF INDIVIDUAL LIABILITY (SOIL) PROGRAM**

The contractor's electronic data system shall have the ability to exchange information regarding accounts referred to the contractor affected by SOIL payments. The contractor's system shall credit payments from the SOIL program using FTP or another type of electronically compatible format. All SOIL payments must be posted to the contractor's system within forty-eight (48) hours of receipt.

### **3.5 REPORTS**

The contractor shall submit monthly reports. The reports shall provide subtotals by type of debt and total of all debt. At the beginning of each month, the contractor shall provide the State Contract Manager and other designated State agency staff with a summary and analysis of the collection activities for the preceding month to assist the State's evaluation of the progress of performance under the contract.

The contractor shall also submit fiscal year annual reports by type of debt. Annual reports should compile all of the information mandated in the monthly reports.

The monthly report shall, at a minimum, contain the following information:

- 1) List of debtors being processed by the contractor by name or identification number, dollar amount referred/returned, dollar amount collected, current amount owed, date of referral/return.
- 2) The total number and aggregate value of accounts referred and returned for the month, placed for the State's fiscal year, and placed during the contract period to date.
- 3) Frequency of billing and date of billing for each transmitted account.
- 4) Total amount of mailings and aggregate value of accounts billed, and total amount of mailings and aggregate value of returned billings.
- 5) The gross collections for each account referred for the month, for the State's fiscal year, and during the contract period to date.
- 6) The total amount and aggregate value of adjustments placed during the month.
- 7) The total amount and aggregate value of closed, canceled, and returned accounts for each referral, for the month, for the State's fiscal year, and during the contract period to date.
- 8) The total amount and aggregate value of accounts affected by SOIL payments.
- 9) The total amount of Certificates of Debt filed by the contractor, or by chosen special counsel from the DOR-provided list.
- 10) The total amount and aggregate value of accounts subject to payment plans.
- 11) The total amount and aggregate uncollected value of the current inventory of accounts.
- 12) Amount and aggregate value of referred accounts totally collected.
- 13) Amount and aggregate value of referred/returned accounts partially collected.
- 14) Amount and aggregate value of returned accounts uncollected.
- 15) Amount of and aggregate value of referred accounts not yet returned to DOR.
- 16) Recovery rate (percentage based on total accounts referred to the contractor over the total amount collected) of referred/returned accounts for each participating department/program.

- 17) Type of fee collected within each of the participating departments/programs, (for example, Department of Community Affairs: Section 8 Rental Assistance - Landlord, Tenant Fraud, Damage and Vacancy; Division of Consumer Affairs: Office of Consumer Protection, Board of Dentistry and Board of Accountancy).
- 18) The total amount, aggregate value, and amount collected on all payment agreements made with the debtor to repay the debt.
- 19) Uncollectible accounts, broken out on the report by reason (i.e., bankruptcy, incarcerated, deceased, public assistance recipient, etc.).
- 20) Bankruptcy and legal actions taken on each account and the dates of such actions.
- 21) Payments received - All payments that were received for the month and justification for contractor's fee to DOR.
  - (a) Detail shall include: name, address, identification number, original amount billed, payment received, current amount owed, percentage due contractor, contingency fee amount to be paid to Contractor.
  - (b) Summary shall include: total amount collected, total amount due contractor, performance ratio = total amount collected for month/total billable amount X 100, total fees charged by contractor.
- 22) Aging reports for cases and types of debt within each of the participating departments/programs, (for example, Department of Community Affairs: Section 8 Rental Assistance - Landlord, Tenant Fraud, Damage and Vacancy; Division of Consumer Affairs: Office of Consumer Protection, Board of Dentistry and Board of Accountancy).
- 23) Reports detailing adjustments made to accounts by case.
- 24) Payment reports required to reconcile and resolve any discrepancies between the contractor's system and the State's RDI and/or accounting systems.
- 25) Revenue estimates for the various departments participating in the Non-Tax Debt Program for annual budget purposes.
- 26) Status report of cases assigned to subcontractors (appointed attorneys).
- 27) Any other information identified after the contract has been implemented.

Note: "total amount" shall be the number of cases and "aggregate value" shall be the total monetary value.

Upon DOR's request, the contractor shall provide a report listing, but not limited to, the following information:

- 1) actions taken and events which occurred on referred cases as a result of telephone calls, letters, or other attempts to locate the debtor
- 2) verification of the debtor address, telephone number, social security number and employment
- 3) all attempts to collect the debt

The contractor shall provide all reports at no additional charge to the State. The contractor shall submit all reports to DOR electronically in a format which is compatible with DOR's systems. Presently DOR utilizes Windows 98 and Microsoft Office 2000 products.

### **3.6 DISASTER RECOVERY PLAN**

The contractor shall have and maintain a disaster recovery plan to protect the State's receivables and the confidentiality of the information contained therein. The contractor shall propose an off site storage location and plan for daily backup of data.

### **3.7 OTHER EQUIPMENT AND SERVICE REQUIREMENTS**

The contractor shall provide and have a sufficient amount of equipment to accomplish all tasks set forth in this RFP. All equipment shall be in good working order. DOR reserves the right to have the contractor, at the contractor's expense, replace existing equipment or add to its existing equipment when the State Contract Manager finds it to be necessary.

The contractor shall provide its own equipment, including, but not limited to, the following:

1. Shredding Machine on its premises to shred State office materials
2. Copy Machines
3. Facsimile Machines
4. Facilities and Furniture
5. Computer hardware, software, etc.

The contractor shall provide space in its office for one (1) full-time DOR employee on an as-needed basis.

### **3.8 TELECOMMUNICATIONS EQUIPMENT**

The contractor shall provide at least one nation-wide toll free telephone number that the State and the debtors can use. The contractor shall also provide the following: Automated Call Distributor System, Predictive Dialer System, and Automated Voice Response System to accept credit card payments via telephone. The contractor may back up the Automated Voice Response System with personnel to accept credit card payments. On a monthly basis, the contractor must check to make sure the equipment is properly functioning.

### **3.9 CREDIT CARD SERVICES/WESTERN UNION AND MONEYGRAM SERVICES**

The contractor shall accept and process credit card payments via telephone for Visa, MasterCard, Discover, and American Express. The contractor shall be responsible for payment of the merchant's fee, which cannot be added to the debtor's debt amount. The cost for this service shall be included in the overall price quoted in the contractor's bid proposal.

The contractor shall have the ability to accept Western Union and Moneygram payments from debtors. The cost for this service shall be included in the overall price quoted in the bidder's proposal.

### **3.10 CHECK BY PHONE**

The contractor shall accept and process checks via telephone per DOR guidelines. Guidelines are provided in ATTACHMENT E.

### **3.11 ELECTRONIC FUND TRANSFER**



The contractor shall have the ability to accept electronic payments from debtors. The contractor shall cover any additional fee incurred as a result of electronic payments, which cannot be added to the debtor's debt amount. The cost for this service shall be included in the overall price quoted in the bidder's proposal.

### 3.12 MAILING COSTS

The contractor shall be responsible for all costs for post office boxes, regular, overnight, and certified mail required for the responsibilities set forth in this RFP, with the exception of cases that are referred to law firms. The law firms shall only be reimbursed for a maximum of two (2) certified mailings per debtor. If a courier is required, the contractor shall also absorb all costs for courier services.

### 3.13 COPYING SERVICES

The contractor shall provide copies of documents to debtors or the State at no additional cost.

### 3.14 HOURS OF OPERATION

The contractor shall operate at a minimum five (5) days per week: Monday through Friday. Hours of operation shall be from 8:00 a.m. - 9:00 p.m. There should be no debtor contact on Sunday. However, the contractor shall provide access for the debtor to make payments via the Interactive Voice System (IVS) after normal working hours and on Sundays. Hours of operation shall not conflict with Fair Debt Collection Practices Act.

### 3.15 MAINTENANCE OF POLICY AND PROCEDURES MANUAL

The contractor is responsible for the documentation and maintenance of policies and procedures that have been implemented by DOR and the contractor. These policies and procedures govern activities such as the collection of receivables; customer service; administration and support; and coordination of responsibilities between the contractor, DOR and the other State agencies. The contractor's standard operating procedures shall be superseded by DOR's operating procedures where they conflict.

### 3.16 INFORMATION RESEARCH SERVICES

The contractor is responsible for all costs associated with securing information regarding debtors. The costs for these services shall be included in the overall price quoted in the contractor's bid proposal.

### 3.17 DISTRIBUTION AND PLACEMENT OF CASES

DOR shall, at its sole discretion, refer accounts to the contractor for collection in such amounts and in such formats, as the DOR chooses. The contractor shall monitor all judgment and payment related activities. Accounts which do not have collection activity (payments) over 12 months after assignment shall be returned to DOR. Upon closing the account, the contractor shall transmit the following information to the State: account identification, reason for closure, an indicator if the address or telephone number has been updated and any information found regarding assets, current employers, bankruptcy, etc. DOR reserves the right to withdraw any case from the contractor at any time.

Existing outstanding DOR receivable accounts will be transferred to the contractor. Determination of the amount and types of cases referred to the contractor shall be discussed with the contractor in advance. The amount and types of receivables listed in Attachment C are for information purposes only and do not represent a guarantee that the contractor will have the opportunity to collect receivables on behalf of the State in the amounts or types of receivables listed.

### **3.18 MEETINGS**

The contractor shall be available to meet with the State Contract Manager and/or representatives of the appropriate State agencies (if necessary) weekly during contract implementation, and at least once each quarter during the contract term, and/or as deemed necessary by the State. No additional reimbursement shall be paid to the contractor for meetings or travel.

### **3.19 INSPECTIONS**

The contractor shall permit the State Contract Manager and other State officials, reasonable access to the contractor's collection facility with or without notice to the contractor, for the purpose of observing, auditing, or inspecting the contractor's collection activities.

### **3.20 WITHHOLDING INFORMATION**

The contractor shall not enter into any formal or informal agreements or contracts with debtors, their agents or representatives to withhold information from the State that would permit the State or the contractor to more effectively or efficiently collect a receivable owed to the State. Failure to comply with this requirement may result in termination of this contract by the Director of Purchase and Property pursuant to the RFP's Standard Terms and Conditions and the issue may be referred to the Attorney General's Office.

### **3.21 TAX LAW COMPLIANCE**

This section supplements Section 1.7 of the Standard Terms and Conditions. This RFP is expressly conditioned upon the contractor being, and at all times remaining in full compliance with all Federal and New Jersey laws, including Public Law 2001, Chapter 134, N.J.S.A. 52:32-44, N.J.S.A. 5:12-92, and N.J.S.A. 54:52-20. The State reserves the right to conduct tax law compliance checks to determine that the contractor is in compliance with all Federal and State of New Jersey tax laws. In the event that the State determines that the contractor is not in compliance, the contract may be terminated by the Director of Purchase and Property pursuant to the Standard Terms and Conditions and the issue may be referred to the Attorney General's Office.

### **3.22 PROFESSIONAL STANDARDS**

The contractor shall be responsible for all collection activity in a professional manner and must comply with the Federal Fair Debt Collection Practices Act (15 U.S.C., Section 1692 et seq.) (P.L. 95-109), N.J.S.A. 45:18-1 et seq., and all applicable State statutes and regulations. The contractor shall act in compliance with the code of ethics and standards adopted by the American Collectors Association, Inc., and the Federal Trade Commission, Title 15, Commerce and Trade Sections 1601-1700 of the U.S. Code Annotated. The contractor's activities must comply with all appropriate statutes for the collection action being taken.

## **4.0 BID PROPOSAL PREPARATION AND SUBMISSION**

### **4.1 GENERAL**

The bidder is advised to thoroughly read and follow all instructions contained in this RFP, including the instructions on the RFP's signatory page, in preparing and submitting its bid proposal.

Note: Bid proposals shall not contain URLs (Uniform Resource Locators, i.e., the global address of documents and other resources on the world wide web) or web addresses. Inasmuch as the web contains dynamically changing content, inclusion of a URL or web address in a bid response is indicative of potentially changing information. Inclusion of a URL or web address in a bid response implies that the bid's content changes as the referenced web pages change.

### **4.2 BID PROPOSAL DELIVERY AND IDENTIFICATION**

In order to be considered, a bid proposal must arrive at the Purchase Bureau in accordance with the instructions on the RFP signatory page

<http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>. Bidders are cautioned to allow adequate delivery time to ensure timely delivery of bid proposals. **State regulation mandates that late bid proposals are ineligible for consideration. THE EXTERIOR OF ALL BID PROPOSAL PACKAGES ARE TO BE LABELED WITH THE BID IDENTIFICATION NUMBER AND THE FINAL BID OPENING DATE OR RISK NOT BEING RECEIVED IN TIME.**

### **4.3 NUMBER OF BID PROPOSAL COPIES**

The bidder must submit **one (1) complete ORIGINAL bid proposal**, clearly marked as the "ORIGINAL" bid proposal. The bidder should submit **seven (7) full, complete and exact copies** of the original. The copies requested are necessary in the evaluation of the bid proposal. A bidder failing to provide the requested number of copies will be charged the cost incurred by the State in producing the requested number of copies. It is suggested that the bidder make and retain a copy of its bid proposal.

### **4.4 BID PROPOSAL CONTENT**

The bid proposal should be submitted in one volume and that volume divided into four (4) sections with tabs (separators), and the content of the material located behind each tab, as follows:

- Section 1 - Forms (Section 4.4.1 - 4.4.3.)
- Section 2 - Technical Proposal (Section 4.4.4)
- Section 3 - Organizational Support and Experience (Section 4.4.5)
- Section 4 - Cost Proposal (Section 4.4.6)

#### **4.4.1 FORMS THAT MUST BE SUBMITTED WITH BID PROPOSAL**

##### **4.4.1.1 SIGNATORY PAGE**

The bidder shall complete and submit the Signatory page provided on the Advertised Solicitation, Current Bid Opportunities webpage

<http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>. The Signatory page shall be signed by an authorized representative of the bidder. If the bidder is a limited partnership, the Signatory page must be signed by a general partner. If the bidder is a joint

venture, the Signatory page must be signed by a principal of each party to the joint venture. Failure to comply will result in rejection of the bid proposal.

#### **4.4.1.2 OWNERSHIP DISCLOSURE FORM**

In the event the bidder is a corporation, partnership or sole proprietorship, the bidder must complete the attached Ownership Disclosure Form. A current completed Ownership Disclosure Form must be received prior to or accompany the bid proposal. Failure to do so will preclude the award of a contract.

The Ownership Disclosure Form is located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>.

#### **4.4.1.3 DISCLOSURE OF INVESTIGATIONS/ACTIONS INVOLVING BIDDER**

The bidder shall provide a detailed description of any investigation, litigation, including administrative complaints or other administrative proceedings, involving any public sector clients during the past five years including the nature and status of the investigation, and, for any litigation, the caption of the action, a brief description of the action, the date of inception, current status, and, if applicable, disposition. The bidder shall use the Disclosure of Investigations and Actions Involving Bidder form located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>.

#### **4.4.1.4 NOTICE OF INTENT TO SUBCONTRACT FORM**

All bidders shall complete the attached Notice of Intent to Subcontract Form <http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml> to advise the State as to whether or not a subcontractor will be utilized to provide any goods or services under the contract. If this is a Small Business Subcontracting set-aside contract, the bidder must comply with the Procedures for Small Business Participation as Subcontractors set forth in <http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>.

#### **4.4.1.5 SUBCONTRACTOR UTILIZATION FORM**

If the bidder intends to utilize a subcontractor, the Subcontractor Utilization Form <http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml> must be completed and submitted with the bid proposal.

### **4.4.2 PROOFS OF REGISTRATION THAT MUST BE SUBMITTED WITH THE BID PROPOSAL**

#### **4.4.2.1 BUSINESS REGISTRATION CERTIFICATE FROM THE DIVISION OF REVENUE**

FAILURE TO SUBMIT A COPY OF THE BIDDER'S BUSINESS REGISTRATION CERTIFICATE (OR INTERIM REGISTRATION) FROM THE DIVISION OF REVENUE WITH THE BID PROPOSAL MAY BE CAUSE FOR REJECTION OF THE BID PROPOSAL.

The bidder may go to [www.nj.gov/nibgs](http://www.nj.gov/nibgs) to register with the New Jersey Division of Revenue or to obtain a copy of an existing Business Registration Certificate.

Refer to Section 1.1. of the NJ Standard Terms and Conditions version 05 09 06 located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>.

#### 4.4.2.2 SMALL BUSINESS SET-ASIDE CONTRACTS

This is a contract with set aside subcontracting goals for Small Businesses. All bidders must include in their bid proposal a completed and signed **Notice of Intent to Subcontract** form located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>. Bidders intending to utilize subcontractors must also include a completed and signed Subcontractor Utilization Plan form located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>. Failure to submit the required forms shall result in a determination that the bid is materially non-responsive. Bidders seeking eligible small businesses should contact the New Jersey Commerce, Economic Growth and Tourism Commission at (609) 292-2146.

#### 4.4.3 FORMS THAT MUST BE SUBMITTED BEFORE CONTRACT AWARD AND SHOULD BE SUBMITTED WITH THE BID PROPOSAL.

##### 4.4.3.1 MACBRIDE PRINCIPLES CERTIFICATION

The bidder is required to complete the attached MacBride Principles Certification evidencing compliance with the MacBride Principles. The requirement is a precondition to entering into a State contract. The MacBride Principles Certification Form is located on the Advertised Solicitation, Current Bid Opportunities webpage:  
<http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>.

##### 4.4.3.2 AFFIRMATIVE ACTION

The bidder is required to submit a copy of Certificate of Employee Information or a copy of Federal Letter of Approval verifying that the bidder is operating under a federally approved or sanctioned Affirmative Action program. If the bidder has neither document of Affirmative Action evidence, then the bidder must complete the attached Affirmative Action Employee Information Report (AA-302). This requirement is a precondition to entering into a State contract. The Affirmative Action Employee Information Report (AA-302) is located on the Advertised Solicitation, Current Bid Opportunities webpage:  
<http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>.

##### 4.4.3.3 SERVICES SOURCE DISCLOSURE FORM

Pursuant to N.J.S.A. 52:34-13.2, the bidder is required to submit with its bid proposal a completed source disclosure form. The Services Source Disclosure Form is located on the Advertised Solicitation, Current Bid Opportunities webpage  
<http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>. Refer to section 7.1.2 of this RFP.

#### 4.4.4 TECHNICAL PROPOSAL

In this Section, the bidder shall describe its approach and plans for accomplishing the work outlined in the Scope of Work Section, i.e., Section 3.0. The bidder must set forth its understanding of the requirements of this RFP and its ability to successfully complete the contract. This Section of the bid proposal should contain at least the following information:

##### 4.4.4.1 MANAGEMENT OVERVIEW

The bidder shall set forth its overall technical approach and plans to meet the requirements of the RFP in a narrative format. This narrative should convince the State that the bidder understands the objectives that the contract is intended to meet, the nature of the required work and the level of effort necessary to successfully complete the contract. This narrative should convince the State that the bidder's general approach and plans to undertake and complete the contract are appropriate to the tasks and subtasks involved.

Mere reiterations of RFP tasks and subtasks are strongly discouraged, as they do not provide insight into the bidder's ability to complete the contract. The bidder's response to this section should be designed to convince the State that the bidder's detailed plans and approach proposed to complete the Scope of Work are realistic, attainable and appropriate and that the bidder's bid proposal will lead to successful contract completion.

#### **4.4.4.2 CONTRACT MANAGEMENT**

The bidder should describe its specific plans to manage, control and supervise the contract to ensure satisfactory contract completion according to the required schedule. The plan should include the bidder's approach to communicate with the State Contract Manager including, but not limited to, status meetings, status reports, etc.

#### **4.4.4.3 CONTRACT SCHEDULE**

The bidder should include a contract schedule. If key dates are a part of this RFP, the bidder's schedule should incorporate such key dates and should identify the completion date for each task and sub-task required by the Scope of Work. Such schedule should also identify the associated deliverable item(s) to be submitted as evidence of completion of each task and/or subtask.

The bidder should identify the contract scheduling and control methodology to be used and should provide the rationale for choosing such methodology. The use of Gantt, PERT or other charts is at the option of the bidder.

#### **4.4.4.4 MOBILIZATION AND IMPLEMENTATION PLAN**

It is essential that the State move forward quickly to have the contract in place. Therefore, the bidder must include as part of its bid proposal a mobilization and implementation plan, beginning with the date of notification of contract award.

Such mobilization and implementation plan should include the following elements:

(a) A detailed timetable for the mobilization and implementation period of thirty (30) days.

This timetable should be designed to demonstrate how the bidder will have the contract up and operational within the period of thirty (30) days from the date of notification of award.

(b) The bidder's plan for the deployment and use of management, supervisory or other key personnel during the mobilization and implementation period. The plan should show all management, supervisory and key personnel that will be assigned to manage, supervise and monitor the bidder's mobilization and implementation of

the contract within the period of thirty (30) days.

NOTE: The bidder should clearly identify management, supervisory or other key staff that will be assigned only during the mobilization and implementation period.

(c) The bidder's plan for recruitment of staff required to provide all services required by the RFP on the contract start date at the end of the mobilization and implementation period.

(d) The bidder should submit a plan for the purchase and distribution of equipment, inventory, supplies, materials, etc. that will be required to fully implement the contract on the required start date.

(e) The bidder should submit a plan for the use of subcontractor(s), if any, on this contract. Emphasis should be on how any subcontractor identified will be involved in the mobilization and implementation plan.

The State and the contractor shall participate in and cooperate with one another in testing computer hardware and software systems and programs which the contractor may develop on behalf of the State. No cases will be referred to the contractor until the databases (if any) and the contractor interfaces with the databases are operable.

Due to the potential impact on revenue collections, the State reserves the right to extend the implementation phase beyond the thirty (30) days period currently planned.

**The bidder shall address in its proposal how it will approach the collection of receivables:**

- The proposed time schedule required to initiate and complete collection activities
- The extent to which collection activities will be based on account balance including the frequency and the type of collection attempts that will be made (i.e., written notification, telephone contact, etc.) and the additional tools and techniques which will be used in the collection process
- Methods used to document collection attempts and ensure collection attempts are being made
- Samples of form letters and bills used in the collection process
- Samples of management and statistical reports used to monitor the collection process
- Description of the tools and processes utilized for skip tracing
- Level of skip tracing based on the dollar value of the account
- Recommendations concerning time frames and the dollar amount thresholds for DOR to proceed to judgment for non-tax debt
- Recommendations concerning time frames and the dollar amount thresholds for DOR to proceed with payment plans for non-tax debt
- Copy of all internal audit policies for the recording, verification, and reporting of services performed and the control of funds

- Policies and procedures regarding customer service and complaint resolution
- A plan and strategy with any reporting requirements which will provide measurable assurances to the State that the practice of "creaming" will not occur. The State is aware of this practice in the receivables collection industry in which receivables collectors expend the majority of their time and effort in the collection of the receivables which may be more easily and readily collectible to the exclusion of receivables which may be viewed as more difficult or time consuming to collect
- Average number of collection accounts which each collector will handle

**The bidder shall address in its proposal the development of system interfaces to:**

- The RDI System to facilitate the transfer of receivables and data from agency systems to the contractor
- State agency systems to facilitate the transfer of status and allocation of funds received from the bidder
- Access information in State agencies to aid in the collection process
- Non-state agencies (credit bureaus, private sector databases used for skip tracing, etc.) for purposes of collecting, locating skip accounts

The bidder shall address in its proposal its methods for controlling the utilization of confidential information contained in the State agencies' deficient and delinquent receivables.

The bidder shall address in its proposal its methods of allocation and tracking of money by revenue type (interest, penalties, fines, NSF fees, collection fees, etc.) collected for State agencies.

The bidder shall address in its proposal its strategies to assist DOR to improve and automate the collection of receivables, covering but not limited to, areas such as systems and processes, policies and procedures.

The bidder shall address in its proposal the ability to provide DOR with direct, on-line access to its computer systems for purposes of monitoring the contractor's performance.

The bidder shall address in its proposal the use of a predictive dialer system and its interface with its own case management system.

The bidder shall address in its proposal the manner in which money will be collected and deposited, recorded, posted, and transmitted utilizing different methods of recording payment information, including data entry and remittance processing; whether pick-up or delivery of daily deposits to the bank; whether recording receipts when received for immediate update of accounts or sending daily receipts to an accounting office for data entry and reporting.

The bidder shall address in its proposal the capability of its case management system to generate notices and bills for non-tax debt.

The bidder shall address in its proposal a description of its capabilities to perform the following:

- handle a large volume of work with sufficient internal controls
- collect large and small balance accounts
- collect accounts without generating complaints
- refer accounts to litigation

The bidder shall describe its proposed procedures to refer accounts to litigation.



#### 4.4.4.5 POTENTIAL PROBLEMS

The bidder should set forth a summary of any and all problems that the bidder anticipates during the term of the contract. For each problem identified, the bidder should provide its proposed solution.

#### 4.4.5 ORGANIZATIONAL SUPPORT AND EXPERIENCE

The bidder should include information relating to its organization, personnel, and experience, including, but not limited to, references, together with contact names and telephone numbers, evidencing the bidder's qualifications, and capabilities to perform the services required by this RFP.

##### 4.4.5.1 LOCATION

The bidder should include the location of the bidder's office that will be responsible for managing the contract. The bidder should include the telephone number and name of the individual to contact.

##### 4.4.5.2 ORGANIZATION CHART (CONTRACT SPECIFIC)

The bidder should include a contract organization chart, with names showing management, supervisory and other key personnel (including sub-vendor's management, supervisory or other key personnel) to be assigned to the contract. The chart should include the labor category and title of each such individual.

##### 4.4.5.3 RESUMES

Detailed resumes should be submitted for all management, supervisory and key personnel to be assigned to the contract. Resumes should be structured to emphasize relevant qualifications and experience of these individuals in successfully completing contracts of a similar size and scope to those required by this RFP. Resumes should include the following:

Clearly identify the individual's previous experience in completing similar contracts.

Beginning and ending dates should be given for each similar contract.

A description of the contract should be given and should demonstrate how the individual's work on the completed contract relates to the individual's ability to contribute to successfully providing the services required by this RFP.

With respect to each similar contract, the bidder should include the name and address of each reference together with a person to contact for a reference check and a telephone number.

##### 4.4.5.4 BACKUP STAFF

The bidder should include a list of backup staff that may be called upon to assist or replace primary individuals assigned. Backup staff must be clearly identified as backup staff.

In the event the bidder must hire management, supervisory and/or key personnel if awarded the contract, the bidder should include, as part of its recruitment plan, a plan to secure backup staff in the event personnel initially recruited need assistance or need to be replaced during the contract term.

#### 4.4.5.5 ORGANIZATION CHART (ENTIRE FIRM)

The bidder should include an organization chart showing the bidder's entire organizational structure. This chart should show the relationship of the individuals assigned to the contract to the bidder's overall organizational structure.

#### 4.4.5.6 EXPERIENCE OF BIDDER ON CONTRACTS OF SIMILAR SIZE AND SCOPE

The bidder should provide a comprehensive listing of contracts of similar size and scope that it has successfully completed, as evidence of the bidder's ability to successfully complete the services required by this RFP. Emphasis should be placed on contracts that are similar in size and scope to the work required by this RFP. A description of all such contracts should be included and should show how such contracts relate to the ability of the firm to complete the services required by this RFP. For each such contract, the bidder should provide two names and telephone numbers of individuals for the other contract party. Beginning and ending dates should also be given for each contract.

#### 4.4.5.7 FINANCIAL CAPABILITY OF THE BIDDER

In order to provide the State with the ability to judge the bidder's financial capacity and capabilities to undertake and successfully complete the contract, the bidder should submit certified financial statements to include a balance sheet, income statement and statement of cash flow, and all applicable notes for the most recent calendar year or the bidder's most recent fiscal year. If certified financial statements are not available, the bidder should provide either a reviewed or compiled statement from an independent accountant setting forth the same information required for the certified financial statements, together with a certification from the Chief Executive Officer and the Chief Financial Officer, that the financial statements and other information included in the statements fairly present in all material respects the financial condition, results of operations and cash flows of the bidder as of, and for, the periods presented in the statements. In addition, the bidder should submit a bank reference.

If the information is not supplied with the bid proposal, the State may still require the bidder to submit it. If the bidder fails to comply with the request within seven (7) business days, the State may deem the proposal non-responsive.

A bidder may designate specific financial information as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. Bidder may submit specific financial documents in a separate, sealed package clearly marked "Confidential-Financial Information" along with the Bid Proposal.

The State reserves the right to make the determination to accept the assertion and shall so advise the bidder.

#### 4.4.5.8 SUBCONTRACTOR(S)

**All bidders** must complete the **Notice of Intent to Subcontract Form** whether or not they intend to utilize subcontractors in connection with the work set forth in this RFP. If the bidder intends to utilize subcontractor(s), then the **Subcontractor Utilization Plan** must also be submitted with the bid.

N.J.A.C. 17:13-4 and Executive Order 71 mandate that if the bidder proposes to utilize a subcontractor, the bidder must make a good faith effort to meet the set-aside subcontracting targets of awarding a total of twenty-five percent (25%) of the value of the contract to New Jersey-based, New Jersey Commerce, Economic Growth & Tourism Commission registered

small businesses, with a minimum of five (5) percent awarded to each of the three categories set forth below, and the balance of ten (10) percent spread across the three annual gross revenue categories: Category I – \$1 to \$500,000; Category II - \$500,001 to \$5,000,000; Category III - \$5,000,001 to \$12,000,000.

Should the bidder choose to use subcontractors and fail to meet the Small Business Subcontracting targets set forth above, the bidder must submit documentation demonstrating its good faith effort to meet the targets with its bid proposal or within seven (7) business days upon request.

Should the bidder propose to utilize a subcontractor(s) to fulfill any of its obligations, the bidder shall be responsible for the subcontractor's(s): (a) performance; (b) compliance with all of the terms and conditions of the contract; and (c) compliance with the requirements of all applicable laws.

The bidder must provide a detailed description of services to be provided by each subcontractor, referencing the applicable Section or Subsection of this RFP.

The bidder should provide detailed resumes for each subcontractor's management, supervisory and other key personnel that demonstrate knowledge, ability and experience relevant to that part of the work which the subcontractor is designated to perform.

The bidder should provide documented experience to demonstrate that each subcontractor has successfully performed work on contracts of a similar size and scope to the work that the subcontractor is designated to perform in the bidder's proposal.

#### **4.4.6 PRICE SCHEDULE**

The bidder must submit its pricing using the format set forth in the State supplied price sheet(s) attached to this RFP. Failure to submit all information required will result in the bid being considered non-responsive. Each bidder is required to hold its prices firm through issuance of contract.

#### **Non-Tax Debt Accounts – Contingency Fee Rates**

The bidder shall provide all inclusive firm fixed price on the attached pricing sheet for each of the categories:

- a) Contingency fee as a percentage of actual recoveries for non-tax debt for each contract year.
- b) Contingency fee as a percentage of actual recoveries for non-tax debt as a result of attorney referrals for each contract year.

### **5.0 SPECIAL CONTRACTUAL TERMS AND CONDITIONS**

#### **5.1 PRECEDENCE OF SPECIAL CONTRACTUAL TERMS AND CONDITIONS**

The contract awarded as a result of this RFP shall consist of this RFP, addendum to this RFP, the contractor's bid proposal and the Division's Notice of Award.

Unless specifically stated within this RFP, the Special Contractual Terms and Conditions of the RFP take precedence over the NJ Standard Terms and Conditions version 05 09 06 located on the Advertised Solicitation, Current Bid Opportunities webpage:

<http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>.

In the event of a conflict between the provisions of this RFP, including the Special Contractual Terms and Conditions and the NJ Standard Terms and Conditions version 05 09 06, and any Addendum to this RFP, the Addendum shall govern.

In the event of a conflict between the provisions of this RFP, including any Addendum to this RFP, and the bidder's bid proposal, the RFP and/or the Addendum shall govern.

## 5.2 CONTRACT TERM AND EXTENSION OPTION

The term of the contract shall be for a period of **three (3)** years. The anticipated "Contract Effective Date" is provided on the signatory page of this RFP located on the Advertised Solicitation, Current Bid Opportunities webpage, <http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>. If delays in the bid process result in an adjustment of the anticipated Contract Effective Date, the bidder agrees to accept a contract for the full term of the contract.

The contract may be extended for **two (2)** additional periods of up to **one (1)** year, by mutual written consent of the contractor and the Director at the same terms, conditions and pricing. The length of each extension shall be determined when the extension request is processed.

Should the contract be extended, the contractor shall be paid at the rates in effect in the last year of the contract.

## 5.3 CONTRACT TRANSITION

In the event that a new contract has not been awarded prior to the contract expiration date, as may be extended herein, it shall be incumbent upon the contractor to continue the contract under the same terms and conditions until a new contract can be completely operational. At no time shall this transition period extend more than **ninety (90)** days beyond the expiration date of the contract.

The contractor acknowledges its responsibility to cooperate fully with the replacement contractor and the State to ensure a smooth and timely transition to the replacement contractor. The contractor will be reimbursed for services during the transition period at the rate in effect when the transitional period clause is invoked by the State.

## 5.4 CONTRACT AMENDMENT

Any changes or modifications to the terms of the contract shall be valid only when they have been reduced to writing and signed by the contractor and the Director.

## 5.5 CONTRACTOR RESPONSIBILITIES

The contractor shall have sole responsibility for the complete effort specified in the contract. Payment will be made only to the contractor. The contractor shall have sole responsibility for all payments due any subcontractor.

The contractor is responsible for the professional quality, technical accuracy and timely completion and submission of all deliverables, services or commodities required to be provided under the contract. The contractor shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in its deliverables and other services. The approval of deliverables furnished under this contract shall not in any way relieve the contractor of responsibility for the technical adequacy of its work. The review, approval, acceptance or payment for any of the services shall not be construed as a waiver of any rights that the State may have arising out of the contractor's performance of this contract.

## 5.6 SUBSTITUTION OF STAFF

If it becomes necessary for the contractor to substitute any management, supervisory or key personnel, the contractor will identify the substitute personnel and the work to be performed.

The contractor must provide detailed justification documenting the necessity for the substitution. Resumes must be submitted evidencing that the individual(s) proposed as substitution(s) have qualifications and experience equal to or better than the individual(s) originally proposed or currently assigned.

The contractor shall forward a request to substitute staff to the State Contract Manager for consideration and approval. No substitute personnel are authorized to begin work until the contractor has received written approval to proceed from the State Contract Manager.

## 5.7 SUBSTITUTION OR ADDITION OF SUBCONTRACTOR(S)

This Subsection serves to supplement but not to supersede Section 3.11 of the NJ Standard Terms and Conditions version 05 09 06 located on the Advertised Solicitation, Current Bid Opportunities webpage.

If it becomes necessary for the contractor to substitute a subcontractor, add a subcontractor or substitute its own staff for a subcontractor, the contractor will identify the proposed new subcontractor or staff member(s) and the work to be performed. The contractor must provide detailed justification documenting the necessity for the substitution or addition.

The contractor must provide detailed resumes of its proposed replacement staff or of the proposed subcontractor's management, supervisory and other key personnel that demonstrate knowledge, ability and experience relevant to that part of the work which the subcontractor is to undertake.

The qualifications and experience of the replacement(s) must equal or exceed those of similar personnel proposed by the contractor in its bid proposal.

The contractor shall forward a written request to substitute or add a subcontractor or to substitute its own staff for a subcontractor to the State Contract Manager for consideration. If the State Contract Manager approves the request, the State Contract Manager will forward the request to the Director for final approval.

No substituted or additional subcontractors are authorized to begin work until the contractor has received written approval from the Director.

## 5.8 OWNERSHIP OF MATERIAL

All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the services required under this contract shall be and remain the property of the State of New Jersey and shall be delivered to the State of New Jersey upon 30 days notice by the State. With respect to software computer programs and/or source codes developed for the State, the work shall be considered "work for hire", i.e., the State, not the contractor or subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed. To the

extent that any of such materials may not, by operation of the law, be a work made for hire in accordance with the terms of this Agreement, contractor or subcontractor hereby assigns to the State all right, title and interest in and to any such material, and the State shall have the right to obtain and hold in its own name and copyrights, registrations and any other proprietary rights that may be available.

Should the bidder anticipate bringing pre-existing intellectual property into the project, the intellectual property must be identified in the bid proposal. Otherwise, the language in the first paragraph of this section prevails. If the bidder identifies such intellectual property ("Background IP") in its bid proposal, then the Background IP owned by the bidder on the date of the contract, as well as any modifications or adaptations thereto, remain the property of the bidder. Upon contract award, the bidder or contractor shall grant the State a non-exclusive, perpetual royalty free license to use any of the bidder/contractor's Background IP delivered to the State for the purposes contemplated by the Contract.

### 5.9 DATA CONFIDENTIALITY

All financial, statistical, personnel and/or technical data supplied by the State to the contractor are confidential. The contractor is required to use reasonable care to protect the confidentiality of such data. Any use, sale or offering of this data in any form by the contractor, or any individual or entity in the contractor's charge or employ, will be considered a violation of this contract and may result in contract termination and the contractor's suspension or debarment from State contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.

No private or confidential data collected, maintained, or used in the course of performance of the contract shall be disseminated except as authorized by statute, either during the period of the contract or thereafter. The contractor shall protect the information contained in any necessary database(s) and provide safeguards ensuring that the information will be used only for the following purposes:

1. Collecting State debt and locating individuals owing money to the State.
2. Allowing the contractor to report updated information on referred cases.
3. Allowing the contractor to report on the initiated activities to collect non-tax debt.
4. Allowing the contractor to utilize other State agency information on referred cases in order to facilitate collection of the non-tax debt.
5. Allowing the contractor to provide an explanation of the collection action to the debtor.

Any information provided by the State or generated as a result of collection processing shall not be sold or otherwise used by the contractor, or other parties, for any purpose other than collection of State debt as stated above. Any use, sale or offering of this data in any form by the contractor, its employees, agents, subcontractors, or assignees will be considered a material breach of the confidentiality requirements of this contract and will cause infractions to be reported to the Attorney General for possible criminal prosecution. Penalties for violations will include, but are not limited to, cancellation of the contract and/or legal action with no damages paid by the State.

The contractor shall return at its own expense any and all data furnished by or obtained on behalf of the State promptly upon the State's request whether upon the termination or completion of the contract in whichever form it is maintained by the contractor.

## 5.10 NEWS RELEASES

The contractor is not permitted to issue news releases pertaining to any aspect of the services being provided under this contract without the prior written consent of the Director.

## 5.11 ADVERTISING

The contractor shall not use the State's name, logos, images, or any data or results arising from this contract as a part of any commercial advertising without first obtaining the prior written consent of the Director.

## 5.12 LICENSES AND PERMITS

The contractor shall obtain and maintain in full force and effect all required licenses, permits, and authorizations necessary to perform this contract. The contractor shall supply the State Contract Manager with evidence of all such licenses, permits and authorizations. This evidence shall be submitted subsequent to the contract award. All costs associated with any such licenses, permits and authorizations must be considered by the bidder in its bid proposal.

## 5.13 CLAIMS AND REMEDIES

### 5.13.1 CLAIMS

All claims asserted against the State by the contractor shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq., and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.

### 5.13.2 REMEDIES

Nothing in the contract shall be construed to be a waiver by the State of any warranty, expressed or implied, of any remedy at law or equity, except as specifically and expressly stated in a writing executed by the Director.

### 5.13.3 REMEDIES FOR FAILURE TO COMPLY WITH MATERIAL CONTRACT REQUIREMENTS

In the event that the contractor fails to comply with any material contract requirements, the Director may take steps to terminate the contract in accordance with the State administrative code and/or authorize the delivery of contract items by any available means, with the difference between the price paid and the defaulting contractor's price either being deducted from any monies due the defaulting contractor or being an obligation owed the State by the defaulting contractor.

## 5.14 LATE DELIVERY

The contractor must immediately advise the State Contract Manager of any circumstance or event that could result in late completion of any task or subtask called for to be completed on a date certain.

## 5.15 RETAINAGE

Not applicable to this procurement.

#### 5.16 STATE'S OPTION TO REDUCE SCOPE OF WORK

The State has the option, in its sole discretion, to reduce the scope of work for any task or subtask called for under this contract. In such an event, the Director shall provide advance written notice to the contractor.

Upon receipt of such written notice, the contractor will submit, within five (5) working days to the Director and the State Contract Manager, an itemization of the work effort already completed by task or subtask. The contractor shall be compensated for such work effort according to the applicable portions of its price schedule.

#### 5.17 SUSPENSION OF WORK

The State Contract Manager may, for valid reason, issue a stop order directing the contractor to suspend work under the contract for a specific time. The contractor shall be paid until the effective date of the stop order. The contractor shall resume work upon the date specified in the stop order, or upon such other date as the State Contract Manager may thereafter direct in writing. The period of suspension shall be deemed added to the contractor's approved schedule of performance. The Director and the contractor shall negotiate an equitable adjustment, if any, to the contract price.

#### 5.18 CHANGE IN LAW

Whenever an unforeseen change in applicable law or regulation affects the services that are the subject of this contract, the contractor shall advise the State Contract Manager and the Director in writing and include in such written transmittal any estimated increase or decrease in the cost of its performance of the services as a result of such change in law or regulation. The Director and the contractor shall negotiate an equitable adjustment, if any, to the contract price.

#### 5.19 CONTRACT PRICE INCREASE (PREVAILING WAGE)

If the Prevailing Wage Act (N.J.S.A. 34:11-56 et seq.) is applicable to the contract, the contractor may apply to the Director, on the anniversary of the effective date of the contract, for a contract price increase. The contract price increase will be available only for an increase in the prevailing wages of trades and occupations covered under this contract during the prior year. The contractor must substantiate with documentation the need for the increase and submit it to the Director for review and determination of the amount, if any, of the requested increase, which shall be available for the upcoming contract year. No retroactive increases will be approved by the Director.

#### 5.20 ADDITIONAL WORK AND/OR SPECIAL PROJECTS

The contractor shall not begin performing any additional work or special projects without first obtaining written approval from both the State Contract Manager and the Director.

In the event of additional work and/or special projects, the contractor must present a written proposal to perform the additional work to the State Contract Manager. The proposal should provide justification for the necessity of the additional work. The relationship between the additional work and the base contract work must be clearly established by the contractor in its proposal.

The contractor's written proposal must provide a detailed description of the work to be performed broken down by task and subtask. The proposal should also contain details on the level of effort, including hours, labor categories, etc., necessary to complete the additional work.



The written proposal must detail the cost necessary to complete the additional work in a manner consistent with the contract. The written price schedule must be based upon the hourly rates, unit costs or other cost elements submitted by the contractor in the contractor's original bid proposal submitted in response to this RFP. Whenever possible, the price schedule should be a firm, fixed cost to perform the required work. The firm fixed price should specifically reference and be tied directly to costs submitted by the contractor in its original bid proposal. A payment schedule, tied to successful completion of tasks and subtasks, must be included.

Upon receipt and approval of the contractor's written proposal, the State Contract Manager shall forward same to the Director for the Director's written approval. Complete documentation from the Using Agency, confirming the need for the additional work, must be submitted. Documentation forwarded by the State Contract Manager to the Director must include all other required State approvals, such as those that may be required from the State of New Jersey's Office of Management and Budget (OMB) and Office of Information and Technology (OIT).

No additional work and/or special project may commence without the Director's written approval. In the event the contractor proceeds with additional work and/or special projects without the Director's written approval, it shall be at the contractor's sole risk. The State shall be under no obligation to pay for work performed without the Director's written approval.

#### **5.21 FORM OF COMPENSATION AND PAYMENT**

This Section supplements Section 4.5 of the NJ Standard Terms and Conditions version 05 09 06, located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>. The contractor must submit official State invoice forms to the Using Agency with supporting documentation evidencing that work for which payment is sought has been satisfactorily completed. Invoices must reference the tasks or subtasks detailed in the Scope of Work section of the RFP and must be in strict accordance with the firm, fixed prices submitted for each task or subtask on the RFP pricing sheets. When applicable, invoices should reference the appropriate RFP price sheet line number from the contractor's bid proposal. All invoices must be approved by the State Contract Manager before payment will be authorized.

In addition, primary contractors must provide, on a monthly and cumulative basis, a breakdown in accordance with the budget submitted, of all monies paid to any small business subcontractor(s). This breakdown shall be sent to the Purchase Bureau Business Unit, Set-Aside Coordinator.

Invoices must also be submitted for any special projects, additional work or other items properly authorized and satisfactorily completed under the contract. Invoices shall be submitted according to the payment schedule agreed upon when the work was authorized and approved. Payment can only be made for work when it has received all required written approvals and has been satisfactorily completed.

NOTE: The contractor shall not deduct any of their fees from daily deposits but shall deposit all monies collected to the State as directed in Section 3.0 of this RFP.

#### **5.21.1 PAYMENT TO CONTRACTOR - OPTIONAL METHOD**

The State of New Jersey now offers State contractors the opportunity to be paid through the MasterCard procurement card (p-card). A contractor's acceptance and a State agency's use of the p-card, however, is optional.

P-card transactions do not require the submission of either a contractor invoice or a State payment voucher. Purchasing transactions using the p-card will usually result in payment to a contractor in three days.

A contractor should take note that there will be a transaction-processing fee for each p-card transaction. To participate, a contractor must be capable of accepting the MasterCard. Additional information can be obtained from banks or merchant service companies.

## 5.22 MODIFICATIONS AND CHANGES TO THE NJ STANDARD TERMS AND CONDITIONS VERSION 05 09 06

NJ Standard Terms and Conditions version 05 09 06 are located on the Advertised Solicitation, Current Bid Opportunities webpage  
<http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>.

### 5.22.1 PATENT AND COPYRIGHT INDEMNITY

Section 2.1 of the NJ Standard Terms and Conditions version 05 09 06 is deleted and replaced with the following:

#### **2.1 Patent and Copyright Indemnity**

a. The Contractor shall hold and save the State of New Jersey, its officers, agents, servants and employees, harmless from liability of any nature or kind for or on account of the use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in the performance of the contract.

b. The State of New Jersey agrees: (1) to promptly notify the Contractor in writing of such claim or suit; (2) that the Contractor shall have control of the defense of settlement of such claim or suit; and (3) to cooperate with the Contractor in the defense of such claim or suit, to the extent that the interests of the Contractor and the State are consistent.

c. In the event of such claim or suit, the Contractor, at its option, may: (1) procure for the State of New Jersey the legal right to continue the use of the product; (2) replace or modify the product to provide a non-infringing product that is the functional equivalent; or (3) refund the purchase price less a reasonable allowance for use that is agreed to by both parties.

### 5.22.2 INDEMNIFICATION

Section 2.2 of the NJ Standard Terms and Conditions version 05 09 06, is deleted and replaced with the following:

#### **2.2 Indemnification**

The contractor's liability to the State for actual, direct damages resulting from the contractor's performance or non-performance, or in any manner related to the contract, for any and all claims, shall be limited in the aggregate to 500 % of the value of the contract, except that such limitation of liability shall not apply to the following:

1. The contractor's obligation to indemnify the State of New Jersey and its employees from and against any claim, demand, loss, damage or expense relating to bodily injury or the death of any person or damage to real property or tangible personal property, incurred from the work or materials supplied by the contractor under the contract caused by negligence or willful misconduct of the contractor;

2. The contractor's breach of its obligations of confidentiality; and,
3. Contractor's liability with respect to copyright indemnification.

The contractor's indemnification obligation is not limited by but is in addition to the insurance obligations contained in Section 2.3 of the NJ Standard Terms and Conditions version 05 09 06.

The contractor shall not be liable for special, consequential, or incidental damages.

### **5.22.3 INSURANCE - PROFESSIONAL LIABILITY INSURANCE**

Section 2.3 of the NJ Standard Terms and Conditions version 05 09 06 regarding insurance is modified with the addition of the following section regarding Professional Liability Insurance.

d) Professional Liability Insurance: The Contractor shall carry Errors and Omissions, Professional Liability Insurance and/or Professional Liability Malpractice Insurance sufficient to protect the Contractor from any liability arising out the professional obligations performed pursuant to the requirements of the Contract. The insurance shall be in the amount of not less than \$5,000,000 and in such policy forms as shall be approved by the State. If the Contractor has claims-made coverage and subsequently changes carriers during the term of the Contract, it shall obtain from its new Errors and Omissions, Professional Liability Insurance and/or Professional Malpractice Insurance carrier an endorsement for retroactive coverage.

## **6.0 PROPOSAL EVALUATION**

### **6.1 PROPOSAL EVALUATION COMMITTEE**

Bid proposals may be evaluated by an Evaluation Committee composed of members of affected departments and agencies together with representative(s) from the Purchase Bureau. Representatives from other governmental agencies may also serve on the Evaluation Committee. On occasion, the Evaluation Committee may choose to make use of the expertise of outside consultant in an advisory role.

### **6.2 ORAL PRESENTATION AND/OR CLARIFICATION OF BID PROPOSAL**

After the submission of bid proposals, unless requested by the State as noted below, vendor contact with the State is still not permitted.

A bidder may be required to give an oral presentation to the Evaluation Committee concerning its bid proposal. The Evaluation Committee may also require a bidder to submit written responses to questions regarding its bid proposal.

The purpose of such communication with a bidder, either through an oral presentation or a letter of clarification, is to provide an opportunity for the bidder to clarify or elaborate on its bid proposal. Original bid proposals submitted, however, cannot be supplemented, changed, or corrected in any way. No comments regarding other bid proposals are permitted. Bidders may not attend presentations made by their competitors.

It is within the Evaluation Committee's discretion whether to require a bidder to give an oral presentation or require a bidder to submit written responses to questions regarding its bid proposal. Action by the Evaluation Committee in this regard should not be construed to imply acceptance or rejection of a bid proposal.

The Purchase Bureau buyer will be the sole point of contact regarding any request for an oral presentation or clarification.

### **6.3 EVALUATION CRITERIA**

The following evaluation criteria categories, not necessarily listed in order of significance, will be used to evaluate bid proposals received in response to this RFP. The evaluation criteria categories may be used to develop more detailed evaluation criteria to be used in the evaluation process:

#### **6.3.1 TECHNICAL EVALUATION CRITERIA**

- A) The bidder's general approach and plans in meeting the requirements of this RFP.
- B) The bidder's detailed approach and plans to perform the services required by the Scope of Work of this RFP.
- C) The bidder's documented experience in successfully completing contracts of a similar size and scope to the work required by this RFP.
- D) The qualifications and experience of the bidder's management, supervisory or other key personnel assigned to the contract, with emphasis on documented experience in successfully completing work on contracts of similar size and scope to the work required by this RFP.
- E) The overall ability of the bidder to mobilize, undertake and successfully complete the contract. This judgment will include, but not be limited to, the following factors: the number and qualifications of management, supervisory and other staff proposed by the bidder to complete the contract, the availability and commitment to the contract of the bidder's management, supervisory and other staff proposed and the bidder's contract management plan, including the bidder's contract organizational chart.

#### **6.3.2 BIDDER'S PRICE SCHEDULE**

For evaluation purposes, bidders will be ranked according to the total bid price located on the Price Sheet located attached to this RFP.

#### **6.3.3 BID DISCREPANCIES**

In evaluating bids, discrepancies between words and figures will be resolved in favor of words. Discrepancies between unit prices and totals of unit prices will be resolved in favor of unit prices. Discrepancies in the multiplication of units of work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated total of multiplied unit prices and units of work and the actual total will be resolved in favor of the actual total. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the corrected sum of the column of figures.

#### **6.3.4 EVALUATION OF THE BID PROPOSALS**

The Evaluation Committee will complete its evaluation and recommend to the Director for award the responsible bidder(s) whose bid proposal, conforming to this RFP, is most advantageous to the State, price and other factors considered. The Evaluation Committee considers and assesses price, technical criteria, and other factors during the evaluation process.

## **6.4 NEGOTIATION AND BEST AND FINAL OFFER (BAFO)**

Following the opening of bid proposals, the State shall, pursuant to N.J.S.A. 52:34-12(f), negotiate one or more of the following contractual issues: the technical services offered, the terms and conditions and/or the price of a proposed contract award with any bidder, and/or solicit a Best and Final Offer (BAFO) from one or more bidders.

Initially, the Evaluation Committee will conduct a review of all the bids and select bidders to contact to negotiate and/or conduct a BAFO based on its evaluation and determination of the bid proposals that best satisfy the evaluation criteria and RFP requirements, and that are most advantageous to the State, price and other factors considered. The Committee may not contact all bidders to negotiate and/or to submit a BAFO.

In response to the State's request to negotiate, bidders must continue to satisfy all mandatory RFP requirements but may improve upon their original technical proposal in any revised technical proposal. However, any revised technical proposal that does not continue to satisfy all mandatory requirements will be rejected as non-responsive and the original technical proposal will be used for any further evaluation purposes in accordance with the following procedure.

In response to the State's request for a BAFO, bidders may submit a revised price proposal that is equal to or lower in price than their original submission, but must continue to satisfy all mandatory requirements. Any revised price proposal that is higher in price than the original will be rejected as non-responsive and the original bid will be used for any further evaluation purposes.

After receipt of the results of the negotiation and/or the BAFO(s), the Evaluation Committee will complete its evaluation and recommend to the Director for award that responsible bidder(s) whose bid proposal, conforming to this RFP, is most advantageous to the State, price and other factors considered.

All contacts, records of initial evaluations, any correspondence with bidders related to any request for negotiation or BAFO, any revised technical and/or price proposals, the Evaluation Committee Report and the Award Recommendation, will remain confidential until a Notice of Intent to Award a contract is issued.

## **7.0 CONTRACT AWARD**

### **7.1 DOCUMENTS REQUIRED BEFORE CONTRACT AWARD**

#### **7.1.1 REQUIREMENTS OF N.J.S.A. 19:44A-20.13-25 (FORMERLY EXECUTIVE ORDER 134)**

In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the negotiation and award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, the Legislature enacted N.J.S.A. 19:44A-20.13 – 25 on March 22, 2005 (the "Legislation"), retroactive to October 15, 2004, superseding the terms of Executive Order 134. Pursuant to the requirements of the Legislation, the terms and conditions set forth in this section are material terms of any contract resulting from this RFP:

##### **7.1.1.1 DEFINITIONS**

For the purpose of this section, the following shall be defined as follows:

a) Contribution – means a contribution reportable as a recipient under “The New Jersey Campaign Contributions and Expenditures Reporting Act.” P.L. 1973, c. 83 (C.19:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Through December 31, 2004, contributions in excess of \$400 during a reporting period were deemed "reportable" under these laws. As of January 1, 2005, that threshold was reduced to contributions in excess of \$300.

b) Business Entity – means any natural or legal person, business corporation, professional services corporation, Limited Liability Company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction. The definition of a business entity includes (i)all principals who own or control more than 10 percent of the profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate; (ii)any subsidiaries directly or indirectly controlled by the business entity; (iii)any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (iv)if a business entity is a natural person, that person’s spouse or child, residing in the same household.

#### 7.1.1.2 BREACH OF TERMS OF THE LEGISLATION

It shall be a breach of the terms of the contract for the Business Entity to (i)make or solicit a contribution in violation of the Legislation, (ii)knowingly conceal or misrepresent a contribution given or received; (iii)make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution; (iv)make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate of holder of the public office of Governor, or to any State or county party committee; (v)engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of the Legislation; (vi)fund contributions made by third parties, including consultants, attorneys, family members, and employees; (vii)engage in any exchange of contributions to circumvent the intent of the Legislation; or (viii)directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of the Legislation.

#### 7.1.1.3 CERTIFICATION AND DISCLOSURE REQUIREMENTS

a) The State shall not enter into a contract to procure from any Business Entity services or any material, supplies or equipment, or to acquire, sell or lease any land or building, where the value of the transaction exceeds \$17,500, if that Business Entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor, or to any State or county political party committee during certain specified time periods

b) Prior to awarding any contract or agreement to any Business Entity, the Business Entity proposed as the intended awardee of the contract shall submit the Certification and Disclosure form, certifying that no contributions prohibited by the Legislation have been made by the Business Entity and reporting all contributions the Business Entity made during the preceding four years to any political organization organized under 26 U.S.C.527 of the Internal Revenue Code that also meets the definition of a “continuing political committee” within the mean of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7. The required form and instructions, available for review on the Purchase Bureau website at <http://www.state.nj.us/treasury/purchase/forms.htm#eo134>, shall be provided to the intended awardee for completion and submission to the Purchase Bureau with the Notice of Intent to

Award. Upon receipt of a Notice of Intent to Award a Contract, the intended awardee shall submit to the Division, in care of the Purchase Bureau Buyer, the Certification and Disclosure(s) within five (5) business days of the State's request. Failure to submit the required forms will preclude award of a contract under this RFP, as well as future contract opportunities.

c) Further, the Contractor is required, on a continuing basis, to report any contributions it makes during the term of the contract, and any extension(s) thereof, at the time any such contribution is made. The required form and instructions, available for review on the Purchase Bureau website at <http://www.state.nj.us/treasury/purchase/forms.htm#eo134>, shall be provided to the intended awardee with the Notice of Intent to Award.

#### **7.1.1.4 STATE TREASURER REVIEW**

The State Treasurer or his designee shall review the Disclosures submitted pursuant to this section, as well as any other pertinent information concerning the contributions or reports thereof by the intended awardee, prior to award, or during the term of the contract, by the contractor. If the State Treasurer determines that any contribution or action by the contractor constitutes a breach of contract that poses a conflict of interest in the awarding of the contract under this solicitation, the State Treasurer shall disqualify the Business Entity from award of such contract.

#### **7.1.1.5 ADDITIONAL DISCLOSURE REQUIREMENT OF P.L. 2005, C. 271**

Contractor is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to P.L. 2005, c. 271, section 3 if the contractor receives contracts in excess of \$50,000 from a public entity in a calendar year. It is the contractor's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at [www.elec.state.nj.us](http://www.elec.state.nj.us).

#### **7.1.2 SOURCE DISCLOSURE REQUIREMENTS**

##### **7.1.2.1 REQUIREMENTS OF N.J.S.A. 52:34-13.2**

Under the referenced statute, effective August 3, 2005, all contracts primarily for services awarded by the Director shall be performed within the United States, except when the Director certifies in writing a finding that a required service cannot be provided by a contractor or subcontractor within the United States and the certification is approved by the State Treasurer.

##### **7.1.2.2 SOURCE DISCLOSURE REQUIREMENTS**

Pursuant to the statutory requirements, the intended awardee of a contract primarily for services with the State of New Jersey must disclose the location by country where services under the contract, including subcontracted services, will be performed. The Source Disclosure Certification form is located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>.

**FAILURE TO SUBMIT SOURCING INFORMATION WHEN REQUESTED BY THE STATE SHALL PRECLUDE AWARD OF A CONTRACT TO THE BIDDER.**

If any of the services cannot be performed within the United States, the bidder shall state with specificity the reasons why the services cannot be so performed. The Director shall determine whether sufficient justification has been provided by the bidder to form the basis of his

certification that the services cannot be performed in the United States and whether to seek the approval of the Treasurer.

### 7.1.2.3 BREACH OF CONTRACT OF EXECUTIVE ORDER 129

A SHIFT TO PROVISION OF SERVICES OUTSIDE THE UNITED STATES DURING THE TERM OF THE CONTRACT SHALL BE DEEMED A BREACH OF CONTRACT.

If, during the term of the contract, the contractor or subcontractor, who had on contract award declared that services would be performed in the United States, proceeds to shift the performance of any of the services outside the United States, the contractor shall be deemed to be in breach of its contract, which contract shall be subject to termination for cause pursuant to Section 3.5b.1 of the Standard Terms and Conditions version 05 09 06 of the RFP, unless previously approved by the Director and the Treasurer.

### 7.2 FINAL CONTRACT AWARD

Contract award[s] shall be made with reasonable promptness by written notice to that responsible bidder(s), whose bid proposal(s), conforming to this RFP, is(are) most advantageous to the State, price, and other factors considered. Any or all bid proposals may be rejected when the State Treasurer or the Director determines that it is in the public interest to do so.

### 7.3 INSURANCE CERTIFICATES

The contractor shall provide the State with current certificates of insurance for all coverages required by the terms of this contract, naming the State as an Additional Insured.

### 7.4 PERFORMANCE BOND

This section supplements Section 3.3b of the NJ Standard Terms and Conditions version 05 09 06, located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>. A performance bond is required. The amount of the performance bond (ten percent (10%) of the projected first year's revenue collection) is noted on the RFP signatory page located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>. The contractor must provide the performance bond within thirty (30) days of the effective date of the contract award. The performance bond must remain in full force and effect for the term of the contract and any extension thereof. Within thirty (30) days of the anniversary of the contract effective date, the contractor shall provide proof to the Director that the performance bond in the required amount is in effect. Failure to provide such proof may result in the suspension of payment to the contractor until such time the contractor complies with this requirement.

Although the performance bond is required for the full term of the contract, the Director recognizes that the industry practice of sureties is to issue a one year performance bond for goods and services contracts. Thus, the contractor is required to submit a one year performance bond for the amount required under the contract and, on each succeeding anniversary date of the contract, provide a continuation or renewal certificate to evidence that the bond is in effect for the next year of the contract. This procedure will remain in place for each year of the contract thereafter until the termination of the contract. Failure to provide such proof on the anniversary date of the contract shall result in suspension of the contract, and possibly, termination of the contract.



For performance bonds based on a percentage of the total estimated contract price, the performance bond requirement is calculated as follows. For the first year of the contract, a ten (10) percent performance bond is applied to the estimated total contract amount for the full term of the contract. On each anniversary of the effective date of the contract, the amount of the required performance bond, unless otherwise noted, is calculated by applying the established RFP performance bond percentage to the outstanding balance of the estimated amount of the contract price to be paid to the contractor.

In the event that the contract price is increased by amendment to the contract, the contractor may be required to provide, within thirty (30) days of the effective date of the amendment, performance bond coverage for the increase in contract price. The required increase in the performance bond amount is calculated by applying the established bond percentage set forth on RFP signatory page to the increase in contract price. Failure to provide such proof to the Director of this required coverage may result in the suspension of payment to the contractor until such time the contractor complies with this requirement.

## **8.0 CONTRACT ADMINISTRATION**

### **8.1 CONTRACT MANAGER**

The State Contract Manager is the State employee responsible for the overall management and administration of the contract.

The State Contract Manager for this project will be identified at the time of execution of contract. At that time, the contractor will be provided with the State Contract Manager's name, department, division, agency, address, telephone number, fax phone number, and email address.

#### **8.1.1 STATE CONTRACT MANAGER RESPONSIBILITIES**

For an agency contract where only one State office uses the contract, the State Contract Manager will be responsible for engaging the contractor, assuring that Purchase Orders are issued to the contractor, directing the contractor to perform the work of the contract, approving the deliverables and approving payment vouchers. The State Contract Manager is the person that the contractor will contact **after the contract is executed** for answers to any questions and concerns about any aspect of the contract. The State Contract Manager is responsible for coordinating the use and resolving minor disputes between the contractor and any component part of the State Contract Manager's Department.

If the contract has multiple users, then the State Contract Manager shall be the central coordinator of the use of the contract for all Using Agencies, while other State employees engage and pay the contractor. All persons and agencies that use the contract must notify and coordinate the use of the contract with the State Contract Manager.

#### **8.1.2 COORDINATION WITH THE STATE CONTRACT MANAGER**

Any contract user that is unable to resolve disputes with a contractor shall refer those disputes to the State Contract Manager for resolution. Any questions related to performance of the work of the contract by contract users shall be directed to the State Contract Manager. The contractor may contact the State Contract Manager if the contractor can not resolve a dispute with contract users.



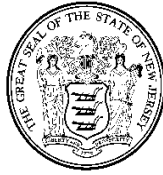
## Price Sheet

Bidder Name \_\_\_\_\_

**Bid Number 07-X-39295**

<u>Line No.</u>	<u>Service Description</u>	<u>Total Contingency Fee</u>
1.	All inclusive firm fixed contingency fee as a percentage of actual recoveries for non-tax debt in <b>contract year one (1)</b> .	_____ %
2.	All inclusive firm fixed contingency fee as a percentage of actual recoveries for non-tax debt as a result of attorney referrals in <b>contract year one (1)</b> .	_____ %
3.	All inclusive firm fixed contingency fee as a percentage of actual recoveries for non-tax debt in <b>contract year two (2)</b> .	_____ %
4.	All inclusive firm fixed contingency fee as a percentage of actual recoveries for non-tax debt as a result of attorney referrals in <b>contract year two (2)</b> .	_____ %
5.	All inclusive firm fixed contingency fee as a percentage of actual recoveries for non-tax debt in <b>contract year three (3)</b> .	_____ %
6.	All inclusive firm fixed contingency fee as a percentage of actual recoveries for non-tax debt as a result of attorney referrals in <b>contract year three (3)</b> .	_____ %
<b>TOTAL PRICE</b>		\$ _____

**Note:** The bidder should submit a budget that supports and explains each total price submitted on its price schedule.



# State of New Jersey

DEPARTMENT OF THE TREASURY  
DIVISION OF PURCHASE AND PROPERTY  
PURCHASE BUREAU  
P.O. BOX 230  
TRENTON, NEW JERSEY 08625-0230

JON S. CORZINE  
*Governor*

BRADLEY I. ABELOW  
*State Treasurer*

February 9, 2007

To: All Interested Bidders

**Re: Non-tax Debt Collection Services, Division of Revenue**

Bid Due Date: **February 21, 2007** (2:00 p.m.)

## **ADDENDUM #1**

The following constitutes Addendum #2 to the above referenced RFP. This addendum is divided into the following parts:

Part 1: Answers to questions.

Part 2: Additions, deletions, clarifications and modifications to the RFP

It is the bidder's responsibility to ensure that all changes are incorporated into the original RFP.

All other instructions, terms and conditions of the RFP shall remain the same.

**PART 1**

**Non-tax Debt Collection Services, Division of Revenue**

**Answers to Questions**

Note: Some of the questions have been paraphrased in the interest of readability and clarity. Each question is referenced by the appropriate RFP page number(s) and section where applicable.

#	Question	Answer
1.	<p>1) Can the State provide a percentage breakout of accounts owed by individuals versus those owed by business entities?</p> <p>2) Can the State provide a percentage breakout of in-state and out-of-state accounts?</p>	<p>1) Although we are unable to give the exact percentages, since this information is not tracked by the Revenue Delinquent Invoicing (RDI) system, the majority of the cases are individuals.</p> <p>2) About 90% of the cases are in-state and 10% are out-of-state accounts.</p>
2.	<p>Has the State exercised all options to extend the current contract with the incumbent? For how many years total has the incumbent been providing the requested services?</p>	<p>The contract ends on February 28, 2007, and the State has decided not to utilize the extension option. The current contract has been active for the last three years.</p>
3.	<p>Please clarify small business set aside as it relates to this contract. My understanding is if the bidder is not a small business, 25% of the contract value must be subcontracted with a State of New Jersey certified small business.</p>	<p>The contract resulting from this RFP is not a complete set-aside contract. It is a contract with set aside subcontracting goals for Small Businesses. Refer to RFP, section 4.4.2.2 small business Set-Aside Contracts, for more information.</p>
4.	<p>Section 3.2 refers to items such as penalties and interest. If applicable to a debt category, are interest and penalties required to be accrued by the contractor? If DOR accrues the interest, how will balances be updated in the contractor's system? Will DOR refresh the values in the components of the balance as well as the Total Liability Due?</p>	<p>The contractor must have the capability to apply various interest rates set by the State. Although currently the agencies in our program do not add the penalties and interest to the debt submitted, this service may be needed in the future.</p>
5.	<p>Attachment A expresses the dollar value and gross collections for FY 2004 and 2005. Could the State share the number of actual accounts or account holders for each department or agency referred within these same time periods?</p>	<p>Attachment A shows data related to FY 2005 and FY2006, not FY 2004 and FY 2005. See Attachment 1, provided in this addendum. Attachment 1 shows the new placements that were transferred to the current contractor, OSI, during FY 2005 and FY 2006.</p>
6.	<p>Will there be a minimum balance for an account to be placed for collection? If so, what is the minimum balance?</p>	<p>Yes, accounts placed for collection will have debt amounts of \$50 or more.</p>
7.	<p>Section 3.9 - Credit Card Services: American Express prohibits companies to process payments via their credit card to collect other delinquent obligations. Would DOR consider removing American Express as a credit card provider in which the contractor is to use for this engagement?</p>	<p>Yes. However, it should be noted that credit card processing fees must be absorbed by the contractor and will not be paid by the State nor passed along to the debtor.</p>

#	Question	Answer
8.	Would online payments work in lieu of an AVR/IVR?	The proposal, at a minimum, must have telephone ability to pay by credit card.
9.	Our company currently processes thousands of Visa and Mastercard transactions yet do not provide Discover and American Express. Would the State consider limiting this to Visa/Mastercard only as they are the preferred cards. Along the same lines, we have tested Moneygram and found Western Union to be more advantageous. Would the State consider limiting the requirement to Western Union only?	Yes.
10.	Is the State willing to consider a fidelity bond in lieu of the performance bond?	See Part 2, item # 7 of this addendum.
11.	Attachment C, We understand that there are no guaranteed placement levels. Is it correct that in FY 2006 over \$345m was placed with a private collection agency? If not, what is the estimated annual placement level?	The amount shown on Attachment C is the <b>active</b> debt that has been placed over the course of the 7 years that the contracts have been in force. Placement levels vary and are based on the debt that becomes available from the various programs. See Attachment 1, provided in this addendum. Attachment 1, indicates when the accounts were placed.
12.	Attachment D, All employees are required to sign a confidentiality agreement. Would the State consider utilizing a blanket form that we currently have in place for all employees?	If the blanket form meets the State's criteria for confidentiality, it will be considered. Every employee working on this contract shall be listed, and upon personnel changes, the list must be updated accordingly and returned to the State.
13.	In regards to the Ownership Disclosure Form, page 2. Please clarify the difference between "Investigation" and "Litigation/Administrative Complaints".	Investigation refers to all investigation performed on the bidder by an authorized investigative agency. Litigation refers to all action brought by or against the bidder before a court. Administrative complaints refer to all complaints brought against the bidder by an administrative agency of government.
14.	Why is FY2006 liquidation substantially higher than for FY2005?	New agencies and new accounts were added in FY 2006.
15.	Why are FY2006 placements substantially higher than for FY2005?	New agencies and new accounts were added in FY 2006.
16.	Why is the contract out to bid?	The current contract expires on February 28, 2007.
17.	When are the estimated contract award and start dates?	Estimated date for contract award and start is March 19, 2007.
18.	Will all accounts to be placed under the new contract be primary placements, never having been placed with an outside collection agency?	<p>No. After contract award, DOR may transfer over the active accounts that are with the current contractor, OSI. Collection work on these account will be completed by OSI. The new contractor shall inform the State when full payment on the debt is received.</p> <p>All debt transferred to DOR from participating agencies following the new contract award will be primary debt placement.</p>

#	Question	Answer
19.	Will the State be placing secondary accounts?	If you consider secondary placements as debt held by our current contractor, OSI, then yes. Secondary debt will be transferred to the new contractor to continue collection efforts. After a 12-month period, any uncollectible debt will be recalled from the new contractor.
20.	If necessary, will accounts held by the incumbent and any backlog be moved to newly awarded agency as a one-time placement at contract start up?	As stated in Question #18, yes.
21.	If yes, please provide the following portfolio data: a. Total dollar value of accounts b. Total volume of accounts c. Average account balance d. Average age of accounts at time of transfer	a & b) Attachment C gives the number of cases and current active debt as of January 4, 2007.  c) We are unable to provide the average account balance. The RDI system does not track that information and the balances due from each State program can vary considerably.  d) Some of the debt in the existing portfolio can be as old as 20 years, while the debt for the newer programs may be less than 60 days old.
22.	Under the new contract, please provide the following estimated portfolio statistics: a. Dollar value of accounts to be placed monthly b. Volume of accounts to be placed monthly c. Average account age at time of placement d. Average account dollar balance owed	a & b) Placement levels and balances can vary considerably and are based on the debt that becomes available from the various programs.  c) The age of the debt can be anywhere from 60 days old to over 20 years old.  d) Answer provided in Question 21, item c.
23.	Please provide the name of the current contractor(s).	Outsourcing Solutions, Inc. (OSI)
24.	What is the current commission rate for this contract?	14.9% contingency rate for primary collections (all inclusive) and 14.9% contingency rate for attorney referrals (all inclusive).
25.	Please provide recovery stats by year (\$ assigned, \$ collected, \$ canceled, recovery %).	Attachment C, provided in the RFP, already shows the recovery stats for the last 2 full fiscal years. Attachment 1, provided in this addendum, shows how much was assigned during the 2 years. Since cancellations occur on a daily basis for various reasons, we do not have a cancellation percentage by year.
26.	There appears to be two Section 3.3s reflected in the Table of Contents and the Scope of Work (Collection Process and Contractor Personnel Requirements). Will these sections be changed via an addendum?	See Part 2, item # 4 of this addendum.
27.	For FY 2006 the collection data states that the overall collection rate was 0.9189%. RFP 07-X-39295, page 16, section 3.3 COLLECTION PRACTICES states that the industry practice of "creaming" will not be tolerated. For all outward	The information provided in Attachment A indicates that certain programs have higher liquidity rates. This can be attributed to the type of debt it is, as well as the age of the debt. Some of the debt in the existing portfolio can be as old as 20 years, while the debt for the newer programs may be

#	Question	Answer
	<p>appearances it appears that the accounts are, in fact being creamed since the national average liquidity for this debt of debt is 5%.</p> <p>How do you account for such a low rate of liquidity? What remedial steps if any have been taken to improve the liquidity rate?</p>	<p>less than 3 years old.</p> <p>The State does not have the skip-tracing capabilities or staffing resources to effectively collect on the outstanding debt. Therefore, the State has made a decision to contract with an outside collection agency to improve the collection rates and requires the collection agency to assist in this endeavor.</p>
28.	<p>How many contractors does DOR intend to select? Is DOR open to an alternative proposal in which the bidder seeks to collect only debt with specific criteria (i.e. older debt, high balance accounts, out-of-state debtors)?</p>	<p>Only one contractor will be awarded the contract. The State requires the contractor to vigorously work on all debt submitted, without regard to the age, amount, location, or any other factor.</p>
29.	<p>What is the percentage breakdown of business - v. - personal accounts to be referred as part of this RFP?</p>	<p>Answer provided in Question 1.</p>
30.	<p>On business accounts, is there a responsible party (an individual) who would have personal liability for the debt?</p>	<p>It depends on the type of debt.</p>
31.	<p>If litigation is required, are court costs waived for actions on behalf of the DOR in the State of New Jersey?</p>	<p>See Part 2, Item #5 of this Addendum.</p>
32.	<p>Does the State intend to release the list of approved law firms in accordance with N.J.S.A 52:17A-13? If so, when will this be available?</p>	<p>See Attachment 2</p>
33.	<p>If we are using attorneys as sub-contractors, why or under what circumstances can the State "pull back from contractor and put in litigation"?</p>	<p>See page 14, paragraph 3 of the RFP for a list of the possible circumstances.</p>
34.	<p>Please explain how the SOIL process works in relation to this contract?</p>	<p>Those accounts with a minimum balance of \$25 and are at least 6 months old with no direct payments from the debtor are submitted to the SOIL Program. The debt will simultaneously be worked by the collection agency.</p>
35.	<p>If a debtor shows in 2 categories( Office of public Defender and Corrections) can the debt be combined?</p>	<p>No. Separate bills must be mailed to the debtor and separate payment data must be submitted to Revenue.</p>
36.	<p>Please clarify the Performance bond Requirement. On page 48 it indicates a 10% performance bond is required and refers you to the Signatory page for the amount. However, the signatory page indicates NO performance bond is required. If required, I recommend you set a fixed amount so all firms can be on an equal footing.</p>	<p>See Part 2, item # 7 of this addendum.</p>
37.	<p>Can the State provide the names of firms who have asked written question by the set deadline? This would be helpful to firms in meeting the set-aside requirements.</p>	<p>All questions are submitted anonymously. The State is not able to see the names of the firms who have submitted questions.</p>
38.	<p>When will the contract be awarded? When and how will you announce the contract award?</p>	<p>Not known at this time; it will depend on the bid proposals submitted. All bidders will be notified by letter of the Director's intent to award a contract.</p>
39.	<p>Can we see or get a copy of a Debt Dispute</p>	<p>See Attachment 3, provided in this addendum.</p>



#	Question	Answer
	Form?	
40.	Attachment C lists the current active debt by category. Can you please provide detail on that debt which constitutes the Corrections and Office of the Public Defender. Specifically, what types of debt are these?	<p>The Office of the Public Defender (OPD) is responsible to provide counsel for indigent defendants in criminal cases. All expenses incurred on behalf of the defendant are tracked by OPD. Types of expenses may include a \$50 administrative fee, legal representation fees (either in or out of court), expert witness fee, etc.</p> <p>The Corrections debt is assessed against Maxed Offenders (adults who have been indicted and convicted in a criminal case, sentenced to serve time, and served the maximum portion of their time.) Upon conviction, various types of court-imposed obligations (such as fees/fines/assessments/restitution) are assessed which must be paid by the debtor.</p>
41.	How frequently does New Jersey anticipate placing accounts with the contractor?	Depending on the agency, it may be monthly or quarterly.
42.	What are the fees utilized by New Jersey's current contractor?	Answer provided in Question 24.
43.	What is the average balance of accounts being placed with New Jersey's current contractor (by account type)?	Answer provided in Question 21.
44.	What is the current hourly rate paid to New Jersey's current vendors for the special projects portion of this procurement?	We have not used the Special Projects provision of the current contract.
45.	How many agencies does New Jersey anticipate awarding this contract to?	Answer provided in Question 28.
46.	Does New Jersey have any specific physical security requirements?	No, although the State's data contained on the contractor's system and any back-up media shall be accessible to only those individuals that have authorization and have signed confidentiality statements.
47.	Does New Jersey have specific standards or compliance requirements?	Refer to RFP sections 4.4.1, 4.4.2, and 4.4.3. Also refer to the NJ Standard Terms and Conditions: <a href="https://wwwnet1.state.nj.us/Webdocs/Treasury/DPP/eBid/NJStandardTermsandConditions.pdf">https://wwwnet1.state.nj.us/Webdocs/Treasury/DPP/eBid/NJStandardTermsandConditions.pdf</a>
48.	What are New Jersey's requirements surrounding the storage of data while on our system?	It must be secure from any type of unauthorized access. Also, all individuals who have access to the data must complete a Confidentiality Agreement prior to gaining access to the data. Refer to Section 5.9 Data Confidentiality on page 38 of the RFP.
49.	Does New Jersey require secure communications for data as they transverse our internal network?	The State's policy doesn't allow anyone onto the Garden State Network. Therefore, a communication will be set up for the State to go to the contractor's server to retrieve the data.
50.	What encryption methods can New Jersey support for the transmission of data between our site and theirs?	SFT encryption.
51.	What requirements does New Jersey have for	All issues regarding disposal/destruction of data will be

#	Question	Answer
	the disposal/destruction of data from our systems (Electronic Data)?	determined after contract award and will not be a factor in bid evaluation.
52.	What requirements does New Jersey have for the disposal/destruction of backup media?	See answer to question # 51 above.
53.	Is there a testing plan in place for the collection process?	There is no formal testing plan. File layouts and sample sets of data will be submitted to the contractor in order it to develop the necessary files. No cases will be referred to the contractor until the interfaces and databases between the contractor and the State are operable.
54.	Is there a testing plan in place for account transmission?	Answer provided in Question 53.
55.	Does New Jersey have a data processing file schedule?	Account status updates (cancellations, bankruptcies, deceased, etc.) are submitted on a weekly basis (every Monday). Data transfers for new cases are done on a monthly or weekly basis, depending on the program. Payment data from the contractor to the State must be placed on the contractor's server no later than 10:00 a.m. on every business day. Payment data from the State to the collection agency (manuals and SOIL payments) will be sent to the contractor on a weekly basis.
56.	In preparing and structuring our response to make it comprehensive for the State, can we please gain clarification on Section 4.4.4.4 Mobilization and Implementation Plan (RFP pages 30-32). This section includes a checklist (starting on RFP page 31 under "The bidder shall address in its proposal how it will approach the collection of receivables:" ) that each bidder is required to respond to.	The State is looking for a versatile, knowledgeable collection agency which has the capabilities to continue this contract and vigorously collect on the outstanding debt and recover the highest amount of revenue. Please provide all information that would allow the State to evaluate the bidder's capability to perform all work within time frames specified in the RFP.
57.	In organizing our response, will it be most beneficial to the State if bidders respond to this checklist within section 4.4.4.4, or to respond to these areas within the entire bid response where applicable (i.e. - Discuss "proposed time schedule required to initiate and complete collection activities" in Section 4.4.4.1 Management overview and /or in Section 4.4.4.2 Contract Management, etc.)?	4.4.4.1 is a narrative of what your company is capable of. 4.4.4.4 is a detailed description of how you will complete the entire collection process.
58.	page 15 - Case Assignments: Does the NSF become a bad debt to the collection agency? How will we be notified of the NSF?	The State must have the receipts deposited immediately and directly into an approved State of New Jersey bank account. NSF's will be returned to the State, and contractor will be notified via e-mail of any dishonored checks. The State will send a letter to the debtor informing him/her that a replacement check for the NSF amount and \$50 NSF fee must be submitted within 15 days. Contractor will be notified to recoup the outstanding amount after 15 days of non-compliance by the debtor. This may result in a chargeback of the commission previously taken if a replacement check is not received.
59.	page 20 - Processing and Deposit of Funds:	The State of New Jersey will administer the bank account.

#	Question	Answer
	<p>a) Who will administer the bank account?</p> <p>b) What is the State's preferred process when a check is received payable to the collection agency rather than the State?</p>	<p>Checks must be made payable to the "Treasurer, State of New Jersey." If the check is received made payable to the contractor, the contractor must endorse the check over to the State.</p>
60.	<p>Attachment E - Check by Phone Procedures, Item 6: In the event a bank is reluctant to allow a supervisor to verify availability of funds, how will this impact the requirement for verification of all amounts over \$750.00?</p>	<p>See Part 2, Item #6 of this Addendum.</p>
61.	<p>Section 1. 1.2 Background and Attachment A: How old are accounts and when are they placed? What percentages of accounts are litigated for each debt type?</p>	<p>The age of the debt can be anywhere from 60 days old to over 20 years old. Agencies submit data either on a monthly or quarterly basis.</p> <p>DOR has only used this service on a limited basis in the current contract; at this time there are approximately 10-15 cases.</p>
62.	<p>Section 2. 3.1 Transferring Cases to the Contractor (page 13): Will there be an initial one time dump?</p>	<p>Yes, the current caseload from the current contractor will be transferred to the new contractor.</p>
63.	<p>May vendors accept monthly payment plans in order to retain the accounts?</p>	<p>Yes, but the payment arrangements must adhere to the specific agency's policies and procedures.</p>
64.	<p>Who determines that an account is uncollectible?</p>	<p>The account becomes uncollectible after 12 months with the contractor and no payments of any type have been received. The State will pull back the case from the contractor and submit it to the second referral collection agency for a 12 month period.</p>
65.	<p>How long after the contract is terminated will paying and legal accounts remain open with the selected vendor?</p>	<p>See Part 2, Item #2 of this Addendum.</p>
66.	<p>Are there any contingency fee rate guidelines for vendors?</p>	<p>No.</p>
67.	<p>Will you require oral presentations from vendors before a decision is made? If yes, when and where?</p>	<p>Not known at this time; it will depend on the bid proposals submitted.</p>
68.	<p>Will you require HIPPA Compliance?</p>	<p>No.</p>
69.	<p>What is the point or percentage value for each evaluation criterion?</p>	<p>This information is not disclosed to the public until after contract award.</p>
70.	<p>Must the vendor have an office in/near your location?</p>	<p>A location convenient to the offices in Trenton is not mandated.</p>
71.	<p>Does location make a difference in scoring?</p>	<p>Location will only make a difference in tie bids. In accordance with N.J.A.C. 17:12-2.10 (a) 5, in the event that bid proposals submitted by two or more bidders are deemed to be tied, the Director shall award the contract based on In-State location.</p>

## **ATTACHMENT 1**

Attachment 1 is located on the Advertised Solicitation, Current Bid Opportunities webpage:  
<http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml>

## ATTACHMENT 2

### **Attorneys for Second Collections**

Northern NJ: William Bailey, 312 Kindermark Road, Box 674, Westwood, NJ 07675;  
phone 201-666-8282.

Central NJ: Kim Catullo, Gibbons Del Deo, Dolan, Griffinger & Vecchione, 1 Riverfront Plaza, Newark, NJ 07102; phone 973-596-4815.

Southern NJ: Stephen Leone, Carulucchio, LDD&S, LLC, 9 Robbins, Toms River, NJ 08753; phone 732-797-1600.

Northern NJ: Philip P. Vinick, Vinick & Docherty, 85 Livingston Avenue, Roseland, NJ 07068-1778; phone 973-994-1955.

Central NJ: Roger B. Jacobs, Jacobs Rosenberg LLC, One Gateway Center, Suite 501, Newark, NJ 07102; phone 973-621-8000.

**ATTACHMENT 3**

Collection Agency: OSI

NEW JERSEY OFFICE OF THE PUBLIC DEFENDER

(AEC CODE B1)

DETAILED DEBT INFORMATION/DISPUTE RESOLUTION

TO:

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

BILL DANSER, Office of the Public Defender  
 Phone: 609-292-0246 or 609-984-4025 Fax: 609-292-8154  
 E-mail: [William.Danser@opd.state.nj.us](mailto:William.Danser@opd.state.nj.us)

BOBBI JO DEFELICE or KATHY FEMENIAS, Div. of Revenue, NJ Dept. of Treasury  
 Phone: 609-777-1023 or 609-633-2941 Fax: 609-943-5759  
 E-mail: [BobbiJoDeFelice@treas.state.nj.us](mailto:BobbiJoDeFelice@treas.state.nj.us) or E-mail: [Kathy.Femenias@treas.state.nj.us](mailto:Kathy.Femenias@treas.state.nj.us)

BELINDA TATUM, OSI  
 Phone: 732-777-6253 Fax: 732-777-6950  
 E-mail: [Belinda.Tatum@osioutsourcing.com](mailto:Belinda.Tatum@osioutsourcing.com)

FROM:

EXT.

\_\_\_\_\_

DATE:

\_\_\_\_\_

SUBJECT:

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

DETAILED DEBT INFORMATION  
 DISPUTE RESOLUTION  
 PAYMENT VERIFICATION/RESOLUTION  
 SOIL QUESTION  
 REQUEST FOR WARRANT OF SATISFACTION  
 OTHER

CASE NAME:

\_\_\_\_\_

CASE NUMBER:

OSI CASE #

\_\_\_\_\_

SOCIAL SECURITY #

RDI#

\_\_\_\_\_

DEBTOR REPRESENTATIVE REQUESTING INVESTIGATION:

NAME:

TELEPHONE #:

\_\_\_\_\_

DESCRIPTION OF TELEPHONE CONVERSATION:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

FINAL DECISION BY OFFICE OF THE PUBLIC DEFENDER / NJ DEPT. OF TREASURY:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

AUTHORIZED BY:

DATE:

\_\_\_\_\_

**PART 2**

**Non-tax Debt Collection Services, Division of Revenue**

**Additions, Deletions, Clarifications and Modifications to the RFP**

#	Page #	RFP Section Reference	Additions, Deletions, Clarifications and Modifications
1.	15	Section 3.1, Transferring Cases to the Contractor	Item 6, change the first sentence to read: All <b>monies</b> collected by the State...
2.	16	Section 3.1, Transferring Cases to the Contractor	Add following statement: 14) No commission shall be paid on any monies collected three (3) months after the termination of the contract.
3.	16	Section 3.2, Electronic Database	Change last sentence of first paragraph to read: The contractor's database shall group cases by debtor and maintain a segregation of case components including, but <b>not</b> limited to, penalty and interest, cost of collection fees, and the State's insufficient check fee (NSF).
4.	16	Section 3.3, Collection Process	<p><b>Headings in RFP Section 3.0 are changed as follows:</b></p> <p>3.0 SCOPE OF WORK            3.1 TRANSFERRING CASES TO THE CONTRACTOR            3.2 ELECTRONIC DATABASE            3.3 COLLECTION PROCESS            3.4 CONTRACTOR PERSONNEL REQUIREMENTS            3.5 SET-OFF OF INDIVIDUAL LIABILITY (SOIL) PROGRAM            3.6 REPORTS            3.7 DISASTER RECOVERY PLAN            3.8 OTHER EQUIPMENT AND SERVICE REQUIREMENTS            3.9 TELECOMMUNICATIONS EQUIPMENT            3.10 CREDIT CARD SERVICES/WESTERN UNION AND MONEYGRAM SERVICES            3.11 CHECK BY PHONE            3.12 ELECTRONIC FUND TRANSFER            3.13 MAILING COSTS            3.14 COPYING SERVICES            3.15 HOURS OF OPERATION            3.16 MAINTENANCE OF POLICY AND PROCEDURES MANUAL            3.17 INFORMATION RESEARCH SERVICES            3.18 DISTRIBUTION AND PLACEMENT OF CASES            3.19 MEETINGS            3.20 INSPECTIONS            3.21 WITHHOLDING INFORMATION            3.22 TAX LAW COMPLIANCE            3.23 PROFESSIONAL STANDARDS</p>
5.	18	Section 3.3, Collection Process	Add the following language to the end of paragraph 6: The vendor is responsible to pay all fees to attorneys. The vendor may add to the individual's debt the following: certified mailings – (a) a maximum of two (2) per debtor; (b) Sheriff's fees and mileage charges; and (c) Court costs.
6.	Attachment E	Check By Phone Procedures	Item 6, add to end of the paragraph: If the verification process cannot be completed, the collection agency should still process the electronic payment on the scheduled date.

#	Page #	RFP Section Reference	Additions, Deletions, Clarifications and Modifications
7.	48	7.4 Performance Bond	<p><b>A performance bond is no longer required. RFP Section 7.4 Performance Bond is now deleted and replaced with the following:</b></p> <p>This section supplements Section 3.3b of the NJ Standard Terms and Conditions version 05 09 06, located on the Advertised Solicitation, Current Bid Opportunities webpage  <a href="http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml">http://www.state.nj.us/treasury/purchase/bid/summary/07x39295.shtml</a>.</p> <p>A Commercial Crime Insurance Policy covering employee dishonesty with a client's property extension is required. The amount of the Commercial Crime Insurance Policy is as follows:</p> <p style="text-align: center;"><b>\$1.5 Million with a 1% deductible</b></p> <p>The contractor must provide the Commercial Crime Insurance Policy within thirty (30) days of the effective date of the contract award. The Commercial Crime Insurance Policy must remain in full force and effect for the term of the contract and any extension thereof. Within thirty (30) days of the anniversary of the contract effective date, the contractor shall provide proof to the Director that the Commercial Crime Insurance Policy in the required amount is in effect. Failure to provide such proof may result in the suspension of payment to the contractor until such time the contractor complies with this requirement.</p>