

State of Louisiana
Department of Revenue

JOHN BEL EDWARDS
Governor



KIMBERLY LEWIS ROBINSON
Secretary

March 29, 2019

ADDENDUM #1

Your reference is directed to Request for Proposal (RFP)#: 3000012366 for Debt (Tax and Non-tax) Collection Services, which is scheduled to open at 3:30 pm on April 11, 2019.

Questions were received for the RFP referenced above and this addendum provides answers to those questions.

THIS ADDENDUM IS HEREBY OFFICIALLY MADE A PART OF THE REFERENCED PROPOSAL.

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1. Why is the contract out to bid at this time?

Answer: The previously solicited contract has expired with no option to renew. As a result, the contract is out to bid in accordance with R.S. 39:1621(B).

2. How many copies of proposals are vendors required to submit?

Answer: Eight (8) copies of the proposal shall be submitted to the RFP Coordinator in accordance with section 1.10 of the RFP.

3. Has the current contract gone full term?

Answer: Yes, the collection contracts for tax debt and non-tax debt collection were in force for the full term.

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4. Have all options to extend the current contract been exercised?

Answer: For tax debt and non-tax debt, yes.

5. Who is the incumbent, and how long has the incumbent been providing the requested services?

Answer: For tax debt, Performant Recovery Inc. is the incumbent and it has been providing services for a period of nine (9) years.

Answer: For non-tax debt, currently there are no active contractors. However, the previous contractors for non-tax debt include, Penn Credit, Performant Recovery Inc., Pioneer, United Collection Bureau Inc., and Coast Professional Inc. These incumbents provided services for three (3) years.

6. How are fees currently being billed by any incumbent(s), by category, and at what rates?

Answer: For tax debt, the incumbent is allowed to charge and collect from the taxpayer an amount equal to 15% of the tax, penalty and interest collected on behalf of LDR.

Answer: For non-tax debt, all incumbent contracts have expired. Notwithstanding, when in effect, the contracts allowed the collection contractors to charge ODR a service fee equal to 14.5% of the principal, penalty and interest collected from the debtor.

7. What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?

Answer: For ODR (Non-Tax debt), FY 2018 - \$913.50 total.

Answer: For LDR (Tax debt), FY 2018-\$2,009,011.77 in total.

8. Please describe your level of satisfaction with your current vendor(s), if applicable.

Answer: For tax debt and non-tax debt, contractors' overall performance was satisfactory.

9. Will accounts be primary placements, not having been serviced by any other outside collection agency, and/or will you also be referring secondary placements?

Answer: The placements will be primary and secondary.

10. If so, should bidders provide proposed fees for secondary placements also?

Answer: Proposers should provide proposed fees in accordance with Section 1.9.5 Cost Proposal, Section 3.1 Cost Evaluation and Part III, Evaluation.

11. What collection attempts are performed or will be performed internally prior to placement?

Answer: For LDR (Tax Debt), LDR utilizes installment agreements, offers in compromise, bank levies, wage garnishments, tax offsets and vendor offsets.

Answer: For ODR (Non-Tax Debt), letters, bank levies, wage garnishment, tax offset and vendor offsets.

12. What is the total number of accounts available for placement now by category, includin(sic)

Answer: For tax debt, see the chart below.

Tax Type	Number of Accounts	Value
Severance - Oil	43	\$259,317.56
Severance - Gas	38	\$32,751.18
Severance - Minerals	3	\$20,218.95
Severance - Timber	11	\$53,127.48
Corporation Income & Franchise	10,010	\$3,335.15
Withholding	6,905	\$12,669.61
Withholding Non-Emp Cmp	3	\$439.91
Sales	6,612	\$15,485.61
Sales Prepaid Cell Phone	101	\$3,247.93
NO Hotel/Motel	28	\$78,448.04
Automobile Rental	2	\$1,839.63
Statewide Hotel/Motel	42	\$32,717.11
New Orleans Exhibition Hall	129	\$6,987.59
Oilfield Site Restor Gas	8	\$22,231.62
Oilfield Site Restor Oil	5	\$1,466.84
Individual Income	159,571	\$2,315.96
Individual Income - Composite	442	\$4,193.56
Fiduciary	192	\$4,829.61
Excise - Beer	1	\$83,720.63
Excise - Alcohol	1	\$434,605.61
Excise - Wine DS	10	\$9,667.10
Excise - Gas Dealer	2	\$77,756.12
Excise - Gas Jobber	1	\$951,788.08
Excise - Insp/Supv	161	\$4,454.11
Excise - HZ Waste	2	\$541.81
FT-Motor Fuel Floor Stock Tax	1	\$23.00
Excise - Dyed Diesel Violation	1	\$1,010.00
Excise - SF Supplier	3	\$36,236.99
Excise - Tobacco (Retired)	24	\$49,579.15
Excise - Tobacco Returns	6	\$19,994.42
FT-Terminal Operator	1	\$40.00
FT-Motor Fuel Transporter	4	\$1,373.10
FT-Importer	2	\$7,353.56
FT-Distrib/Export/Blender	4	\$80,039.80
Excise - Trans/Comm	57	\$23,325.29
IFTA	401	\$6,796.88

Answer: For non-tax debt, see the chart below.

Account Type	# of Acct	Dollar Amount
Department of Corrections	4,918	\$8,503,951.22
Governor's Office of Homeland Security and Emergency Preparedness	1,626	\$2,811,203.02
Louisiana Department Health & Hospitals	618	\$1,068,388.39
LSU Health Care Services Division	429	\$742,158.92
Department of Education	311	\$537,441.99
14th JDC Clerk of Court	297	\$88,842.67
State Board of CPAs of LA	51	\$88,842.67
4th JDC District Attorney	64	\$110,687.39
15th JDC Clerk of Court	68	\$116,945.38
Department of Environmental Quality	91	\$156,913.81
LA Delta Community College	106	\$183,633.47
Central LA Technical Community College	130	\$224,375.11

13. RFP Page 23, Section 1.34.1.c. This RFP section instructs contractor to forward all tax, penalty and interest collected from the taxpayer and also states "...Thereafter, the contractor shall retain/receive as compensation only the add-on percentage." This appears to suggest that the contractor earns no fee at all until all tax, penalty and interest is collected from the taxpayer. In addition to being an unfair expectation, leaving the add-on collection fee as the last-dollars-collected from taxpayer also creates inherent difficulties and potential legal issues. If the State does not already do so, will the State consider modifying this process so that the contractor is paid its fee as it is earned to receive fee payment on a pro-rate basis?

Answer: No, the fee shall be paid in accordance with the provisions set forth in the RFP in section 1.34.Payment.1. Tax Debt.

14. RFP Page 23, Section 1.34.2.c. This RFP section instructs contractor to forward all amounts owed, penalty and interest and/or fees collected from the taxpayer and also states "...Thereafter, the contractor shall retain/receive as compensation only the add-on percentage." This appears to suggest that the contractor earns no fee at all until all amounts owed, penalty and interest is collected from the taxpayer. In addition to being an unfair expectation, leaving the add-on collection fee as the last-dollars-collected from taxpayer also creates inherent difficulties and potential legal issues. If the State does not already do so, will the State consider modifying this process so that the contractor is paid its fee as it is earned to receive fee payment on a pro-rate basis?

Answer: No, the fee shall be paid in accordance with the provisions set forth in the RFP in section 1.34.Payment. 2. Non Tax Debt

15. Section 1.11.3.d.i. (page 14) states "Each proposal should contain an executive summary, which should be limited to 10 pages." The answer to question 17 in Addendum 3 states that the "Mandatory Qualifications for Proposer" section should be included in section 1.9(c), "Executive Summary" portion of the RFP response. Please clarify if the "Mandatory Qualifications for Proposer" will be counted toward the 10 pages or if it will be considered in addition to the 10 pages.

Answer: Yes, it shall be counted toward the 10 page limit.

16. Should "section 1.8.2 Desirable Qualifications" be included in the Executive summary? Will it count toward the 10 pages or will it be considered separately?

Answer: Yes, the Executive Summary includes a summary of the Proposer's qualifications and ability to meet the "Desirable Qualifications" set forth in the RFP. This information shall be counted toward the 10 page limit.

17. Page 35, 2.e.ii, will the State please confirm that if a privately held company has three years of audited financial statements available, the proposer can simply submit those and does not need to provide federal and state tax returns?

Answer: Yes, if a privately held company has its last three years of audited financial statements available, the last three years of audited financial statements should be submitted.

18. Follow up to Q&A # 12: This states "Proposals are due on April 11, 2019 at 3:30 p.m. CST." Can you clarify if the proposal is due at 3:30 Central Standard Time or Central Daylight Time?

Answer: Proposals are due on April 11, 2019 at 3:30 p.m. Central Time.

19. Follow up to Q&A #117: Both (a) and (b) of this question ask where within the proposal these forms should be placed. May they be placed in the Appendix?

Answer: Attachment III, the Electronic Vendor Payment Solution form and the EFT Enrollment form(s) should be included in the appendix of the technical proposal.