



**ADDENDUM #1**

**September 12, 2019**

**TO: ALL POTENTIAL BIDDERS**

**FROM: RON VENTURELLA, BUNCOMBE COUNTY PROCUREMENT MANAGER**

**SUBJECT: QUESTIONS FOR RFP #8.30.19 COLLECTIONS SERVICE FOR EMS AMBULANCE BILLS**

The following changes, revisions, additions, and/or clarifications to the plans and/or specifications are hereby made a part of the original documents.

**Addendum # 1**

The following questions were asked by potential bidders (listed in no particular order):

1. Does Buncombe EMS currently send unpaid EMS bills to debt setoff?

Yes

2. If setoff is used currently or in the future, would the county want the collection agency to manage setoff or would county staff manage communications with the clearing house?

Collection agency is not involved in debt setoff

3. Will the county allow wage garnishment, either with a blanket approval or case by case?

Yes upon a case by case basis

4. Is the county definitely wanting to take back accounts already placed with another collection agency to place with the new vendor if one is chosen?

A final decision on this issue will be made upon evaluating potential vendors' transition plan as requested in 2.6(g)

5. Unless this is confidential, EMS/MC is the biller a new vendor would be sharing files with?

Yes

6. What is the average account balance?

During the past 12 months the average account balance is \$503.77

7. What collection activity is performed prior to submitting account to collection agency?

A pre-collections letter is the final statement sent prior to forwarding the account to the collection agency.

8. Total dollars submitted to current agency during the past 12 months?

From September 1, 2018, through August 23, 2019, the total submitted was \$3,136,480.49

9. Gross \$ amount collected from incumbent agency during the past 12 months?

\$295,511.79

10. Average liquidation rate of current agency during the past 12 months?

Net 7.17% Gross 9.5%

11. Total commissions paid to current agency during the past 12 months?

\$70,956.70

12. What is the commission rate being paid to current agency?

22% for first time placement

13. Who are the current collection agencies being used?

Bull City

14. What is the reason for placing this business out for bid (end of contract, dissatisfaction, etc.)?

Due to the length of the current contract we want to see what rates are available in the current market.

15. Has the current contract gone full term?

Once proposal are received and evaluated option to cancel current contract will be carried out.

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

Once proposal are received and evaluated option to cancel current contract will be carried out.

17. Do you allow unpaid accounts to be reported to the credit bureaus?

Yes

18. Typically litigate delinquent/non-pay accounts?

No

19. Are there any additional requirements for out-of-state agencies (licenses, ordinance and/or etc.)?

If the vendor is located outside of North Carolina, it is recommend they check with their legal counsel for guidance.

20. Will you be allowing in person presentations during the RFP process?

No

21. Will additional ancillary value added products be considered in the RFP (i.e. Multi-Channel communication (text/email) & Event notification services)?

No

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

Bull City since June of 2012

23. What patient account system does the County use?

ESO

24. Please reconfirm the due date for this procurement.

9/20/2019

25. How many vendors are you seeking to award a contract?

One

26. Can you please provide a greater description of the specific kind of receivables to be placed for collection?

Current RFP pertains to past due ambulance bills but the County may also explore additional options in the future.

27. To what extent are these accounts owed by private consumers versus commercial businesses?

For 2018 dates of services, 96.3% were private consumers and 3.7% were commercial insurances.

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

None. Our billing agency sends a pre-collections letter as a final statement, prior to forwarding the account to the collection agency.

29. Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval?

No

30. What is the total dollar value of accounts available for placement now by category, including any backlog?

Based on report from current vendor dated 8/23/2019 Backlog is \$14,500,413.38. Next round of accounts are still in the aging process and placement will occur in late September.

31. Is the County requiring that the Agency to remit 100% of the collected amount and invoice the County for its commission/contingency? Looking for clarity on this to assure we are responding with a accurate cost proposal.

Net remittance

32. Assignor will mark accounts in some manner to identify all accounts assigned for collection. Please explain.

a. What is the preferred method of marking the accounts?

EMSMC notes status of account (collections, debt setoff, etc)

b. Do you require an acknowledgement report be sent for new placements?

Yes

c. How do you prefer to receive this report?

Monthly via email

d. Do want want/require the ability to log in to a secure site to see the accounts that are assigned for collection?

Preferred but not required

33. Assignor will promptly report any and all payments from debtors or third parties on assigned accounts. Industry standard is a monthly payment report and payment within 10 days of the end of the month Will that meet the requirement?

Yes

34. Assignor will promptly notify the awarded collection agency of any notices of bankruptcy or worker's compensation claims. Will a monthly report be acceptable?

Yes

35. Section 6.0 P 7, Historically Underutilized Businesses - Are Historically Underutilized Businesses given preference on pricing? If so, how much?

Historically underused businesses will not have a price preference.

36. Page 8, Payment Terms: Does the client want the monthly remittance to be Net or Gross? (a net remittance removes your accounts payable costs)

Net

37. Page 8, Insurance: Business Automobile Liability insurance covering all owned, non-owned, and hired vehicles with a minimum combined single limit of \$1,000,000 each occurrence and shall include uninsured/underinsured motorist coverage per NC General Statute 20-279-21. Will this requirement be removed from the bid? Combined Single Limit insurance is usually for construction contracts. All work will be performed on the agency's premises by telephone and through correspondence. The collection agency will not be using vehicles or have any personnel physically present on your property for this contract.

Business automobile liability insurance will not be required for this contract.

38. Is Buncombe's intent to leave collection accounts set up on a payment plan or expecting a payment with the current collection agency?

A final decision on this issue will be made upon evaluating potential vendors' transition plan as requested in 2.6(g)

39. What would be the average age of delinquency for the secondary assignments?

163

40. For each placement segment, what is the annual liquidation rate?

8%

41. What is the average balance for accounts that are 120+ days past due placed for collection?

In the last 12 months, the average was \$503.77.

42. What collection company do you currently use and do they have first option for the collection contract?

Bull City. They do not have first option.

43. What is the frequency of assignment?

Once a month.

44. What is the length of time accounts are placed with primary/secondary before they are recalled?

Average length of time is 120 days.

45. Are all accounts placed private pay or is there possible insurance involvement?

For 2018 dates of services, 96.3% were private consumers and 3.7% were commercial insurances.

46. If collections fees are assessed, can you provide a copy of the agreement language?

Copy of proposed agreement will be part of the negotiation process.

47. What are the total fees paid to incumbents under the existing contract?

22% for first time placements; 40% for secondary placements; 1.5 % monthly interest in the event of past due invoices.

48. What is the approximate anticipated contract start time?

The County hopes to have a new contract in place within 2 to 3 months of vendor selection.

49. Can this work (collection calls) be performed offshore? If no, can support staff (posting, file processing, etc.) be located offshore?

County's preference would be to not use off-shore services.

50. What are the anticipated monthly placement volumes and amounts?

In 2019, average number of trips placed monthly is 494. Average dollar amount placed monthly is \$252,610.83.

51. How long would the collection agency retain the accounts? Would we return them at some point, or just at the end of the contract?

Contract term and retention of accounts will be a part of negotiations.

52. For any meetings, can these be via conference call/webex or is physical presence required?

Conference call

53. Would the collection agency be expected to add any fees or interest to the assigned placement amount?

No

54. Will the file placements be an electronic file?

File is provided via excel spreadsheet.

55. Will companies located in the Buncombe County area receive preference?

Preference is to contract with a company located inside of North Carolina. However, this is not a requirement.

**END OF ADDENDUM #1**  
**RFP #8.30.19 COLLECTIONS SERVICE FOR EMS AMBULANCE BILLS**