

California City
Questions and Answers Response
Request for Proposals For Debt Collection Services

The questions below have been received as of 6pm September 4, 2026. The answers are provided to each question.

Question Submission #1

Question

Financial Statements

- As a privately held company, our detailed financial statements are confidential and maintained for internal business purposes. Would the City accept a Financial Strength and Confidentiality Statement, along with alternative documentation demonstrating financial capacity, in lieu of the balance sheet and income statement requested in the RFP?

Answer

Yes

Question

Current Collection Agency / Performance

Please identify the City's current collection agency

Answer

The City does not currently have a collection agency

Question

Debt Volume and Breakdown

The RFP identifies approximately 200 accounts totaling \$608,000 in annual bad debt.

Please provide an approximate breakdown of the account count and dollar value by debt type, including:

Answer

The amount is 90% water and wastewater billing

Question

Additionally, is there an existing backlog of delinquent accounts that will be transferred to the selected agency at implementation? If so, please provide the approximate account count and dollar value of the backlog.

Answer

Approximately 400 accounts totaling \$500,000+

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Question

Pre-Collection Compensation Structure

The RFP requires the selected agency to initiate the letter process within five (5) days of assignment and provide pre-collection letters for 45 days before initiating the standard collection process. How is the City's current collection agency compensated for accounts resolved during this 45-day pre-collection period? Specifically, does the current agency receive a contingency fee, flat fee, or another form of compensation for these services? If applicable, please provide the current rate or fee structure.

Answer

The City does not have a current collection agency. Responsive bidders may propose the fee structure of their choosing in their response.

Question Submission #2

Procurement Schedule and Contract Structure

1. The RFP identifies September 21, 2026, at 5:00 p.m. as the proposal deadline on the cover and in the Proposal Calendar, while Sections I.A and V.A identify September 14, 2026, at 5:00 p.m. Please confirm the controlling proposal due date and time.

The version on the website indicates September 21, that is the correct deadline.

2. Is the City currently receiving debt collection services from an incumbent agency? If so, please identify the incumbent, the length of the incumbent's service, and whether the current contract has reached the end of its term or exhausted its available renewal options.

No

3. The RFP lists the evaluation criteria but does not assign weights or point values. Please provide the relative weight or maximum points assigned to each criterion, if established.

Each category listed is valued at a maximum of ten points.

4. Please confirm the intended initial contract term and available renewal options, as no contract term is specified in the RFP or draft agreement.

Bidder to propose contract term in proposal.

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5. Please confirm that compensation under Exhibit B will be contingency-fee based and that the attached Consulting Services Agreement may be modified as necessary to reflect collection service operations.

Bidding to propose fee structure. Concerns related to the agreement as written should be included in the bidder's proposal.

6. Please clarify whether the "not-to-exceed" compensation language in Section 2 of the draft agreement will be revised to accommodate a contingency-fee compensation model. If the language will remain, please explain how compensation will be administered if the stated not-to-exceed amount is reached during the contract term.

The language can change. Bidder to propose compensation.

Current Portfolio, Backlog, and Anticipated Placements

1. At contract commencement, does the City anticipate transferring accounts currently held by an incumbent agency, placing an existing backlog, or beginning with newly referred accounts only? If existing accounts will be transferred or placed, please provide the approximate number, total principal balance, and aging of those accounts by account type.

There is no incumbent agency approximately 400 accounts totaling \$500,000+ will be initially transferred.

2. Of the approximately 200 annual accounts totaling \$608,000, please provide the approximate percentage, account count, dollar value, average balance, and average age at referral for each anticipated account category, including utility accounts, cannabis-related accounts, returned checks, general accounts receivable, subrogation claims, and other recoverable services.

90% of accounts are water and wastewater and range from 180 days to 3 years delinquent and between \$100 and \$10,000 per account.

3. Please provide the anticipated monthly or quarterly placement volume and dollar value by account category. If placements will occur on another schedule, please identify the expected placement frequency.

At full implementation it is anticipated that \$250,000 valuation will be placed per quarter.

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4. If accounts currently serviced by an incumbent agency will be transferred to the successful proposer, will the associated collection notes, payment arrangements, debtor communications, payment history, and supporting documentation also be transferred?

Not applicable.

Historical Collections and Pricing Inputs

1. Please provide the current contingency fee or other compensation arrangement paid to the incumbent agency, including any different rates by account category, account age, placement level, litigation status, or other relevant factor.

Not applicable.

2. Please provide the total commissions or collection fees paid to the incumbent agency during the most recently completed fiscal year and, if available, during the current fiscal year to date.

Not applicable.

3. Please provide annual placement inventory and historical recovery performance by account category for the previous three fiscal years, including the number of accounts placed, principal dollar value placed, dollars recovered, gross liquidation percentage, net recovery rate, and average age of accounts at placement.

The City has not conducted any debt collection during the last three years.

4. Has the City identified any deficiencies, performance concerns, service gaps, or desired improvements in its current collection program that proposers should address?

The City needs to begin to send debt for collection and prior to the statutory maximum timelines.

5. Please clarify whether proposers should submit one blended contingency fee or separate fees for account category, pre-collection services, first placement, second placement, litigation, account age, or other collection stages.

Either a blended or separate fees may be submitted. Bidders are encouraged to describe their fee structure in detail.

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6. The evaluation criteria reference a completed and signed Consultant Fee Schedule; however, no fee schedule form appears to be included with the RFP. Should proposers prepare and submit their own fee schedule and compensation format as Exhibit B?

Bidders should propose a fee schedule. Yes the successful bidders fee schedule will become Exhibit B in the draft agreement.

Collection Costs, Interest, and Direct Payments

1. The RFP states that, when possible, the City would like collection fees passed to the customer so the City does not bear collection costs. Please identify which account categories are legally and contractually authorized for the addition of collection costs.

Bidders should propose a fee schedule that that addresses the concerns noted.

2. For accounts on which collection costs are authorized, will the City add the collection cost before placement, or should the selected consultant calculate and add the cost after placement?

See #1 above.

3. Does the City add interest, late fees, penalties, or other charges to delinquent balances before placement? If so, please identify the applicable account categories and calculation method.

Yes, any such charges will be added prior to placement.

4. Does the City intend for interest, late fees, penalties, or other charges to continue accruing after placement? If so, will the City calculate and transmit those adjustments, or will the selected consultant be expected to calculate them? 5. Will payment arrangements established by the selected consultant require individual City approval, or will the City establish preapproved payment-plan parameters? If preapproved parameters will apply, please provide the permitted minimum payment, maximum term, and any applicable balance thresholds.

Bidder to propose these terms.

Pre-Collection and Placement Workflow

1. Please clarify whether the required 45-day pre-collection period is intended to be a first-party or early-out service conducted in the City's name, or whether accounts will already be considered placed for third-party collection during that period.

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Bidder should propose a timeline and fee schedule to address this question.

2. Should proposers provide a separate fee for the 45-day pre-collection phase and the subsequent standard collection phase?

See #1 above.

Credit Reporting and Legal Collection

1. Does the City expect credit reporting for all legally eligible account categories or only for categories specifically approved by the City? Please identify the account categories for which credit reporting is anticipated and any categories excluded due to City policy or applicable legal restrictions.

The City will work with the selected bidder to refine the categories as in this question.

2. Please clarify whether litigation may be initiated only with the City's prior written authorization. If so, please describe the anticipated approval process.

The approval of litigation requires City Council authorization.

3. If litigation is authorized, may court costs and other City-approved legal expenses be added to the debtor's balance or deducted from recoveries before remittance to the City?

Bidders to propose a fee structure to address this question.

4. Approximately how many accounts have been authorized or referred for legal action during each of the past three fiscal years?

Not applicable.

5. Would the City consider including judgment-enforcement and post-judgment recovery services within the scope of the resulting contract? If so, please identify any existing judgment inventory that may be assigned.

The City would consider this and bidders should so identify in their submissions.

Proposal Forms, Agreement, and Confidential Information

1. Because the proposal must include detailed financial statements and submitted materials may be subject to public inspection, may proposers submit financial statements as a separately labeled confidential file? If so, does the City require both a complete confidential proposal and a separate public-release copy with protected financial information redacted?

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Yes, either a separate submission or alternative measures that address the information needs of the City and protection of the bidder.