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Secretary

**Amendment #2 to Request for Proposals (RFP)
Central Collection Unit
Debt Collection Services
Solicitation No. F10B540006
October 21, 2014**

This Amendment is being issued to amend and clarify certain information contained in the above named RFP. All information contained herein is binding on all Offerors who respond to this RFP. Specific parts of the RFP have been amended. The following changes/additions are listed below. New language has been double underlined and marked in bold (ex. **new language**), and language deleted has been marked with a strikethrough (ex. ~~language deleted~~).

1. AMEND Section 3.1 of the RFP to ADD the following:

3.1 Background and Purpose

The Central Collection Unit (CCU) is responsible for the collection of nearly all delinquent debt, claims and accounts due to the State other than the majority of taxes owed the State, child support, and certain other debts listed by statute. Typical debts include college tuition and fees, a small number of student loans, public assistance and food stamp overpayments, Parole and Probation restitution/Supervisory Fees/Court Cost accounts, Motor Vehicle Administration insurance lapse default fines, reimbursement for damage to State property, returned checks, reimbursement for care at a State hospital, unpaid workers' compensation insurance premiums, Home Improvement Commission awards, and environmental fines. State agencies refer to CCU an average of 295,000 new debts with an average dollar value of \$250 million. See Attachment I for a Description of the Debts Frequently Sent to CCU. Due to the large volume of debt referrals, approximately 76,000 debts per year with a dollar value of \$98.4 million are referred to an outside collection service.

Accounts referred to the outside collection agency include an average of 84% in-state accounts and 16% out-of-state accounts. CCU normally refers debts to the Contractor after six months of unsuccessful collection efforts by CCU. Debts are referred monthly by electronic media. The Contractor as the primary outside collection agency is authorized to make collection efforts for six months before returning uncollected accounts by electronic media to CCU. The current vendor's recovery rate has been approximately 2.0% of the total debts assigned over the last three years. The current vendor is paid 6.95% of amounts collected.

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The following schedule reflects the Central Collection Unit's (CCU) annual workload projection for the 3-year base Contract term:

Estimated Number of Accounts to be Referred Annually	Estimated Aggregate Collection Amount Per Year	Average Monthly Value	Average # of Monthly Referrals
76,000	\$98,400,000	\$8.2 Million	6,333

CCU will transfer accounts to the Contractor at an average of 6,333 accounts per month. These numbers reflect projections only and are not guaranteed.

In addition to referring 6,333 Accounts on average per month to the Contractor, CCU expects to receive a backlog of approximately 750,000 - 850,000 delinquent toll transactions from the Maryland Transportation Authority in January or February. The number of Accounts represented by these delinquent transactions is not known because a single toll debtor often has multiple transactions, and CCU has no historical collections data on toll violation transactions because CCU is not currently collecting these debts. The balance of each toll violation transaction is approximately \$55.

Of the 750,000-800,000 toll violation transactions, the Contractor will receive those transactions that are still delinquent following CCU's initial, 6-month, internal collection effort. CCU will also receive approximately 50,000 to 60,000 additional toll transactions per month from the Maryland Transportation Authority, a monthly estimate which is anticipated to decrease with time. Following its initial, 6-month, internal collection effort, CCU will refer the still delinquent remainder of the 50,000-60,000 monthly transactions to the Contractor.

Issued and authorized by

<signed>
Rachel Hershey
Procurement Officer