

THE PORT AUTHORITY OF NY & NJ

PROCUREMENT DEPARTMENT
2 MONTGOMERY STREET, 3RD FLOOR
JERSEY CITY, NJ 07302

REQUEST FOR INFORMATION

2/14/13

TITLE: DEBT COLLECTION SERVICES FOR E-ZPASS®

NUMBER: 32382

SUBMIT RESPONSE BEFORE THE DUE DATE AND TIME TO THE ABOVE ADDRESS

RESPONSE DUE DATE: March 15, 2013 TIME: 2:00 PM

QUESTIONS SUBMITTED BY: February 27, 2013 TIME: 4:00 PM

BUYER NAME: Margaret D'Emic
2 Montgomery Street
Jersey City, NJ 07302
201-395-3410
mdemic@panynj.gov

1. GENERAL INVITATION

The Port Authority of New York and New Jersey (“Port Authority” or “the Authority”) seeks responses to this Request for Information (RFI) from firms that provide services in the debt collection industry. Our goal is to refine the Authority’s understanding of current best practices in third-party collections, as well as to gather ideas for innovations to maximize the collection of revenue due to the Authority under its electronic toll collection program known as E-ZPass® and its electronic parking fee collection program known as E-ZPass Plus®. The findings from this RFI will potentially be used in guiding the design of a future Request for Proposal (RFP) or other procurement solution. However, by issuing this RFI the Authority is not committing to any particular course of action.

2. ABOUT THE PORT AUTHORITY

The Port Authority is an agency of the States of New York and New Jersey, created and existing by virtue of the Compact of April 30, 1921, made by and between the two States, and thereafter consented to by the Congress of the United States. It is charged with providing transportation, terminal and other facilities of trade and commerce within the Port District. The Port District comprises an area of about 1,500 square miles in both States, centering about New York Harbor. The Port District includes the Cities of New York and Yonkers in New York State, and the cities of Newark, Jersey City, Bayonne, Hoboken and Elizabeth in the State of New Jersey, and over 200 other municipalities, including all or part of seventeen counties, in the two States. The Port Authority manages and/or operates all of the region’s major commercial airports (Newark Liberty International, John F. Kennedy International, Teterboro, LaGuardia and Stewart International Airports), marine terminals in both New Jersey and New York (Port Newark and Elizabeth, Howland Hook and Brooklyn Piers); and its interstate tunnels and bridges (the Lincoln and Holland Tunnels; the George Washington, Bayonne, and Goethals Bridges; and the Outerbridge Crossing), which are vital “Gateways to the Nation.”

The Port Authority is a financially self-supporting public agency that receives no tax revenues from any state or local jurisdiction and has no power to tax. The revenues of the Port Authority are derived principally from the tolls, fares, landing and dockage fees, rentals and other charges for the use of, and privileges at, certain of the Port Authority’s facilities.

3. CURRENT OPERATIONS

The Port Authority is responsible for the operation of the E-ZPass electronic toll collection system on its toll facilities at the George Washington Bridge, Bayonne Bridge, Outerbridge Crossing, Goethals Bridge, and the Lincoln and Holland Tunnels. E-ZPass is accepted by twenty-five (25) toll agencies in sixteen (16) states across the Northeast United States. E-ZPass transponders are issued by the individual agencies that comprise the E-ZPass network; customers hold an E-ZPass account with an individual agency. Port Authority E-ZPass accounts are maintained by the New York Customer Service Center (“NYCSC” or “CSC”), which also maintains accounts for other tolling agencies.

If customers use a toll facility without paying, or drive through a toll with an invalid E-ZPass tag, NYCSC issues a violation notice, and bills the customer for both the toll and an associated violation fee.

4. CATEGORIES OF DEBT COLLECTION SERVICES

There are four (4) general categories of E-ZPass activities described below that give rise to the need for collection services. The first two (2) categories constitute the vast majority of transactions. The NYCSC transfers unpaid violation and revoked account placement files to a Collection Service Provider (CSP) daily. Transactions in the remaining two (2) categories, airport parking and other ad-hoc, low-volume transactions, are transferred to the CSP by spreadsheet on an as-needed basis.

a. Unpaid Toll Violations and Related Administrative Fees

A toll violation occurs at Port Authority Facilities when a vehicle goes through a tolling point and neither a valid E-ZPass transponder (tag) is detected nor a cash payment is made. When a violation is detected in the lane, a license plate image and a toll transaction data record indicating non-payment is generated. This data is forwarded to the NYCSC for review to determine if the vehicle license plate is associated with a valid E-ZPass customer account. If so, the toll is debited to the account and the process ends. If a match to a valid account is not found, the license plate number is sent to the appropriate state Division of Motor Vehicles (DMV) in order to identify the registered vehicle owner. The NYCSC then sends a notice to the patron requesting the toll and a related administrative fee (currently fifty dollars (\$50)). If payment is not received within thirty (30) days, a second notice is sent. If payment is still not received thirty (30) days after the second notice, the NYCSC forwards the violation transaction to the CSP.

b. Revoked Accounts (Negative Balance)

The NYCSC periodically (monthly or bi-monthly) issues account statements to E-ZPass customers showing their account activity including their pre-paid toll balance. Account information is also available to customers at any time through the E-ZPass New York website or by calling the E-ZPass New York Customer Service Center. Customers can replenish their pre-paid account balance via cash, check or recurring or one-time credit card payments. If a customer fails to maintain an appropriate prepaid balance on their E-ZPass account, the account may fall into a negative status due to toll transactions and various account fees being debited from the account. If an account is in a negative status for thirty (30) consecutive days, the NYCSC sends the customer an account revocation-warning letter. If the customer still does not make payment, the account is revoked. As part of the revocation process, a revocation fee (currently twenty five dollars (\$25)) and a tag fee (currently sixteen dollars (\$16) per tag) are assessed to the account.

Once an account is revoked, tolls and fees will no longer be debited from the account and the amount owed for this specific account will not increase. Revoked accounts are treated as non-customers and violation notices are issued for any future tolls and related fees incurred (unpaid toll violations and related administrative fees).

c. Airport Parking

The Port Authority is responsible for the operation of the parking lots at John F. Kennedy International, Newark Liberty International, and LaGuardia Airports. Customers exit the parking lot through a staffed lane where cash, credit card and/or E-ZPass are accepted as a method of

payment. When customers use their E-ZPass to pay for parking, transaction fees totaling less than twenty dollars (\$20) are deducted from E-ZPass customers' pre-paid account balances, while charges of twenty dollars (\$20) or more are charged directly to the credit card on file with E-ZPass. The E-ZPass credit card charge is not validated at the time of the transaction but rather at the CSC as a daily batch to the credit card provider associated with the E-ZPass account. Transactions are batched daily by the parking management company, which is contracted by the Port Authority to operate the parking lots.

If the credit card provider associated with the E-ZPass account rejects a credit card transaction, a series of letters is sent to the credit card holder based on their E-ZPass account records. If no payment is received from the debtor after thirty (30) days of issuing the first letter, a second letter is sent. If no payment is received within fifteen (15) days, these uncollected funds are forwarded to the CSP, typically during the first week of each calendar month.

When customers use their credit card to pay for parking and the parking system is off-line from the credit card provider, certain transactions may still be accepted in the lane. These are submitted to the credit card provider after the system is back on-line. If rejected, up to four (4) re-submission attempts will be made to the credit card provider.

When the funds go uncollected after these attempts, these uncollected funds are forwarded to the CSP, typically during the first week of each calendar month.

d. Low-Volume Transactions

From time to time, the NYCSC may also forward miscellaneous E-ZPass related collection items to the CSP that do not fall into any of the categories defined above.

5. PORT AUTHORITY GOALS AND OBJECTIVES

The primary Authority goal of this RFI is to learn about processes and procedures that would allow us to:

- Increase Debt Recovery rate
- Reduce Operations costs

The provided information will potentially be used in guiding the design of a future RFP or other procurement solution.

6. RFI RESPONSE CONTENT

In response to this RFI, the respondent is requested to provide the following:

a. Collection Approach and Methods

- i. Describe in detail the process your firm follows after receiving a new debt collection item. This should include method/process used to track and update contact information (e.g., address, phone number, etc.). Please include information as to the use of proprietary tools/software, commercially available tools/software, third-party services, etc.).

- ii. What payment types does your firm accept (e.g., credit card, check, money order, ACH, etc.)?
- iii. Through what channels can payments be made (e.g., interactive voice response, customer service representative, mail, fax, web, retail sites, etc.)?
- iv. Describe your overall approach to customer service.
- v. Describe your experience with the toll collection industry and highlight any ways you believe that collections for the toll collection industry may differ from other industries and why.
- vi. Describe your approach to self-service collection. For example, call automation, speech recognition, etc.
- vii. Describe your handling of partial payments, customer payment plans and non-payment.
- viii. How do you keep customer data and records of revenue collected secure and updated?
- ix. Describe any differences when pursuing collection from a New York or New Jersey resident versus an out-of-state resident.
- x. Which credit reporting agencies do you interface with and what determines whether or not your agency provides a record of non-payment (outstanding debt) for the customer's credit report?
- xi. Describe your experience using legal remedies.
- xii. What debt collection approach and methods have proven unsuccessful and why?
- xiii. What debt collection approach and methods would you recommend to the Port Authority and why?
- xiv. Describe your methods for interfacing with an agency's customer service center, exchanging of data and any potential issues that might require special attention.

b. Collection Outcomes

- i. Explain your criteria for success.
- ii. What is your overall collection rate across all industries you serve and, if you serve the toll collection industry, what is your collection rate in the toll collection industry?
- iii. How does your collection rate compare to the overall collections industry rate?
- iv. What rate of recovery would you consider successful for the Port Authority of New York and New Jersey's categories of debt as described above, and why?
- v. What strategies would you recommend for increasing rate of recovery?
- vi. What strategies would you recommend for decreasing time-to-payment?
- vii. What best practices do you recommend for decreasing collection costs to the Port Authority?

7. RFI RESPONSE FORMAT

The respondent is requested to organize the response as follows:

- a. Cover page, including vendor's name and RFI number/title
- b. Letter of Transmittal containing:
 - i. Name, address, company website URL
 - ii. Contact information (name, title, email, telephone and fax numbers) of the individual who shall act as the Respondent's contact with the Authority for further information requests and future solicitations. In addition, at any time after the opening of the RFI submittals, the Port Authority may request additional information relating to the

Respondent's qualifications and will use this individual as the point of contact for these queries.

- c. Executive Summary
- d. Response to all items listed in Section 6, RFI Response Content, above.
- e. Any additional services and benefits that the vendor can offer that are above and beyond those specified in this RFI.
- f. (Optional) attachments, including any work samples, product cut sheets, and/or other relevant information that the vendor believes to be beneficial to include as part of the RFI response.

8. SUBMISSION OF INFORMATION

Each respondent shall submit six (6) hard copies and six (6) Compact Disc (CD) copies of its response to this RFI. The response must be submitted to Margaret D'Emic, Senior Buyer, Procurement Department, 2 Montgomery Street, Third Floor, Jersey City, NJ 07302, no later than 2:00 p.m. on March 15, 2013.

9. QUESTIONS

Any questions by prospective respondents concerning this RFI shall be addressed to the Buyer, Margaret D'Emic at mdemic@panynj.gov no later than 4 P.M. on February 27, 2013.

10. CONFERENCE

At any time after the receipt of responses, the Respondent may be asked to attend an informal discussion conference with staff of the Authority regarding further clarification of the response and/or additional information. To facilitate the free flow and exchange of ideas and information, it is our intent to meet with Respondents separately. The Authority will communicate the date, time and place of the conference, if held.

11. GENERAL

Neither the expression of your organization's interest, nor the submission of your organization's qualifications and any documents or other information, nor the acceptance thereof by the Port Authority, nor any correspondence, discussions, meetings or other communications between your organization and the Port Authority, shall impose any obligation on the Port Authority. Costs of participation or information preparation are not compensable.

ATTACHMENT A

AGREEMENT ON TERMS OF DISCUSSION

The Port Authority’s receipt or discussion of any information (including information contained in any proposal, vendor qualification, ideas, models, drawings, or other material communicated or exhibited by us or on our behalf) shall not impose any obligations whatsoever on the Port Authority or entitle us to any compensation therefor (except to the extent specifically provided in such written agreement, if any, as may be entered into between the Port Authority and us). Any such information given to the Port Authority before, with or after this Agreement on Terms of Discussion (“Agreement”), either orally or in writing, is not given in confidence. Such information may be used, or disclosed to others, for any purpose at any time without obligation or compensation and without liability of any kind whatsoever. Any statement which is inconsistent with this Agreement, whether made as part of or in connection with this Agreement, shall be void and of no effect. This Agreement is not intended, however, to grant to the Port Authority rights to any matter, which is the subject of valid existing or potential letters patent. The foregoing applies to any information, whether or not given at the invitation of the Authority.

Notwithstanding the above, and without assuming any legal obligation, the Port Authority will employ reasonable efforts, subject to the provisions of the Port Authority Freedom of Information Code and Procedure (FOI Code) adopted by the Port Authority’s Board of Commissioners on March 29, 2012, which may be found on the Port Authority website at: <http://www.panynj.gov/corporate-information/pdf/foi-code.pdf>, not to disclose to any competitor of the undersigned, information submitted which are trade secrets which, if disclosed, would cause injury to the competitive position of the enterprise, and which information is identified by the Proposer as proprietary, as more fully set forth in the FOI Code, which may be disclosed by the undersigned to the Port Authority as part of or in connection with the submission of a proposal.

(Company)

(Signature)

(Title)

(Date)

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