



Administered by
UNIVERSITY OF MAINE SYSTEM
Office of Strategic Procurement

REQUEST FOR PROPOSALS (RFP)

COLLECTION SERVICES
University of Maine System

RFP # 16-14

ISSUE DATE:
December 16, 2013

PROPOSALS MUST BE RECEIVED BY:
January 23, 2014

DELIVER PROPOSALS TO:

University of Maine System
Office of Strategic Procurement
Attn: Hal Wells
16 Central Street
Bangor, ME 04401

SECTION ONE

1.0 GENERAL INFORMATION:

- 1.1 Purpose: The University of Maine System is seeking proposals for the provision of collection services in connection with delinquent Perkins/National Direct Student Loans (NDSL), Nursing Student Loans, Institutional Loans as well as delinquent tuition and University student receivables accounts. Services may include pre-collection activities; skip tracing, asset searches and any other related activities required for verifying and collecting these types of accounts. It is anticipated that any contracts awarded as a result of this RFP will be for an initial term of three (3) years with option to renew for two additional one-year periods.

This Request for Proposals (RFP) states the instructions for submitting proposals, the procedure and criteria by which a vendor may be selected and the contractual terms by which the University intends to govern the relationship between it and the selected vendor.

- 1.2 Definition of Parties: The University of Maine System will hereinafter be referred to as the "University." Respondents to the RFP shall be referred to as "Bidder(s)" or "bidder(s)". The Bidder(s) to whom the Contract(s) is/are awarded shall be referred to as the "Contractor(s)."
- 1.3 Scope: Created in 1968 by the Maine State Legislature the University of Maine System consists of seven public universities, each with a distinctive mission and character. In addition to the seven campuses there are 10 University College outreach centers, a law school and an additional 75 interactive distance learning sites. The University of Maine System has annual enrollment of approximately 30,000 students. From Maine's largest city to its rural northern borders, our universities are known for excellence in teaching and research.

Each campus is responsible for its student receivables. These receivables may include tuition, fees, housing costs, library fines, parking fines, etc. During Academic Year 2012-2013, there were approximately 2,766 accounts placed with a dollar value of \$5,365,929.

The UMS Shared Processing Center (SPC) is responsible for servicing student loans. All seven campuses participate in the Federal Perkins Loan program, two campuses award Nursing Student Loans and three campuses have Institutional Loan portfolios. As of July 31, 2013 there were 2,272 accounts in collection with an outstanding balance of \$4,137,889.

- 1.4 Evaluation Criteria: Proposals will be evaluated on many criteria deemed to be in the University's best interests, including, but not limited to, response to RFP specifications, past performance, present collection procedures and practices, and references.

NOTE: The University does NOT anticipate making any awards prior to March 31, 2014.

- 1.5 Communication with the University: It is the responsibility of the bidder to inquire about any requirement of this RFP that is not understood. Responses to inquiries, if they change or clarify the RFP in a substantial manner, will be forwarded by addenda to all parties that have received a copy of the RFP. Addenda will also be posted on our web site, www.maine.edu/strategic/upcoming_bids.php. It is the responsibility of all bidders to check the web site before submitting a response to ensure that they have all pertinent documents. The University will not be bound by oral responses to inquiries or written responses other than addenda.

Inquiries must be made to: Hal Wells
Office of Strategic Procurement

University of Maine System
16 Central Street
Bangor, Maine 04401
hcwells@maine.edu

The deadline for inquiries is Friday, January 10, 2014.

The University will respond to written inquiries not later than close of business, Thursday, January 16, 2014.

- 1.6 Award of Proposal: Presentations may be requested of two or more bidders deemed by the University to be the best suited among those submitting proposals on the basis of the selection criteria. After presentations have been conducted, the University may select the bidder(s) which, in its opinion, has/have made the proposal that is the most responsive and most responsible and may award the Contract to that/those bidder(s). The University reserves the right to waive minor irregularities. Scholarships, donations, or gifts to the University, will not be considered in the evaluation of proposals. The University reserves the right to reject any or all proposals, in whole or in part, and is not necessarily bound to accept the lowest cost proposal if that proposal is contrary to the best interests of the University. The University may cancel this Request for Proposals or reject any or all proposals in whole or in part. Should the University determine in its sole discretion that only one bidder is fully qualified, or that one bidder is clearly more qualified than any other under consideration, a contract may be awarded to that bidder without further action.
- 1.7 Award Protest: Bidders may appeal the award decision by submitting a written protest to the University of Maine System's Director of Strategic Procurement within five (5) business days of the date of the award notice, with a copy of the protest to the successful bidder(s). The protest must contain a statement of the basis for the challenge.
- 1.8 Confidentiality: The information contained in proposals submitted for the University's consideration will be held in confidence until all evaluations are concluded and a vendor selected (the successful bidder(s)). At that time the University will issue bid award notice letters to all participating bidders and the successful bidder's/bidders' proposal(s) may be made available to participating bidders upon request. After the protest period has passed and the contract(s) is/are fully executed, the winning proposal(s) will be available for public inspection. Pricing and other information that is an integral part of the offer cannot be considered confidential after an award has been made. The University will honor requests for confidentiality for information of a proprietary nature to the extent allowed by law. Clearly mark any information considered confidential.

The University must adhere to the provisions of the Maine Freedom of Access Act (FOAA), 1 MRSA §401 et seq. As a condition of accepting a contract under this section, a contractor must accept that, to the extent required by the Maine FOAA, responses to this solicitation, and any ensuing contractual documents, are considered public records and therefore are subject to freedom of access requests.
- 1.9 Costs of Preparation: Bidder assumes all costs of preparation of the proposal and any presentations necessary to the proposal process.
- 1.10 Debarment: Submission of a signed proposal in response to this solicitation is certification that your firm (or any subcontractor) is not currently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any State or Federal department or agency. Submission is also agreement that the University will be notified of any change in this status.

- 1.11 Proposal Understanding: By submitting a proposal, the bidder agrees and assures that the specifications are adequate, and the bidder accepts the terms and conditions herein. Any exceptions should be noted in your response.
- 1.12 Proposal Validity: Unless specified otherwise, all proposals shall be valid for ninety (90) days from the due date of the proposal.
- 1.13 Non-Responsive Bids/Proposals: The University will not consider non-responsive bids or proposals, i.e., those with material deficiencies, omissions, errors or inconsistencies.
- 1.14 Specification Protest Process and Remedies: If a bidder feels that the specifications are written in a way that limits competition, a specification protest may be sent to the Office of Strategic Procurement. Specification Protests will be responded to within five (5) business days of receipt. Determination of protest validity is at the sole discretion of the University. The due date of the proposal may be changed if necessary to allow consideration of the protest and issuance of any necessary addenda. Specification protests shall be presented to the University in writing as soon as identified, but no less than five (5) business days prior to the bid opening date and time. No protest against the award due to the specifications shall be considered after this deadline. Protests shall include the reason for the protest and any proposed changes to the specifications. Protests should be delivered to the Office of Strategic Procurement in sealed envelopes, clearly marked as follows:

SPECIFICATION PROTEST, RFP #16-14

- 1.15 Proposal Submission: A **SIGNED** original and six (6) copies (SEVEN TOTAL) of the proposal must be submitted to the Office of Strategic Procurement, University of Maine System, 16 Central Street, Bangor, Maine 04401, in a sealed envelope by **Thursday, January 23, 2014**, to be date stamped by the Office of Strategic Procurement in order to be considered. Normal business hours are 8:00 a.m. to 5:00 p.m., Monday through Friday. Bidders may wish to check <http://www.maine.edu/alerts/> to determine if University operations have been suspended. Proposals received after the due date will be returned unopened. There will be no public opening of proposals (see Confidentiality clause). In the event of suspended University operations, proposals will be due the next business day. Vendors are strongly encouraged to submit proposals in advance of the due date to avoid the possibility of missing the due date because of unforeseen circumstances. Vendors assume the risk of the methods of dispatch chosen. The University assumes no responsibility for delays caused by any package or mail delivery service. Postmarking by the due date WILL NOT substitute for receipt of proposal. Additional time will not be granted to any single vendor, however additional time may be granted to all vendors when the University determines that circumstances require it. **FAXED OR E-MAIL PROPOSALS WILL NOT BE ACCEPTED.** The envelope must be **clearly** identified on the outside as follows:

Name of Bidder
Address of Bidder
Due Date
RFP #16-14

Where possible, all materials submitted should be fully recyclable. Submissions shall be on standard 8.5 x 11 letter-sized paper and be clipped together without binding.

- 1.16 Authorization: Any contract or agreement for services that will, or may, result in the expenditure by the University of \$50,000 or more must be approved in writing by the Director of Strategic Procurement and it is not approved, valid or effective until such written approval is granted.

SECTION TWO

2.0 GENERAL TERMS AND CONDITIONS:

- 2.1 **Contract Administration:** The University of Maine System Loan Processing and Receivables Management, Student Loan Manager or designee shall be the University's authorized representative in all matters pertaining to the administration of this Contract.
- 2.2 **Contract Documents:** If a separate contract is not written, the Contract(s) entered into by the parties shall consist of the RFP, the signed proposal submitted by the Contractor(s), the specifications including all modifications thereof, and a purchase order or letter of agreement requiring signatures of the University and the Contractor(s), all of which shall be referred to collectively as the Contract Documents.
- 2.3 **Contract Modification and Amendment:** The parties may adjust the specific terms of this Contract (except for pricing and/or commission) where circumstances beyond the control of either party require modification or amendment. Any modification or amendment proposed by the Contractor must be in writing to the Contract Administrator. Any agreed upon modification or amendment must be in writing and signed by both parties.
- 2.4 **Contract Term:** This agreement shall be effective on the date that both parties have signed the document. The Contract term shall be for an initial period of three (3) years. With mutual written agreement of the parties this Contract may be extended for two (2) additional one-year periods.
- 2.5 **Contract Data:** The Contractor is required to provide the University with detailed data concerning the Contract at the completion of each contract year or at the request of the University at other times. The University reserves the right to audit the Contractor's records to verify the data. This data may include, but is not limited to, dollar volume, items sold, services rendered, and commissions paid to the University.
- 2.6 **Contract Validity:** In the event one or more clauses of the Contract are declared invalid, void, unenforceable or illegal, that shall not affect the validity of the remaining portions of the Contract.
- 2.7 **Non-Waiver of Defaults:** Any failure of the University to enforce or require the strict keeping and performance of any of the terms and conditions of this Contract shall not constitute a waiver of such terms, conditions, or rights.
- 2.8 **Cancellation/Termination:** If the Contractor defaults in its agreement to provide personnel to the University's satisfaction or in any other way fails to provide service in accordance with the contract terms, the University may, at its option, immediately cancel this Contract with written notice. Except for such cancellation for cause by the University, either the University or the Contractor may terminate this Contract by giving thirty (30) days advance written notice to the other party. Cancellation does not release the Contractor from its obligation to provide goods or services per the terms of the Contract during the notification period.

The Contractor shall cease collections on all accounts submitted by the University and shall return such accounts, including any applicable files, to the University along with all collections due to the University, less the Contractor's earned commission.
- 2.9 **Employees:** The Contractor shall employ only competent and satisfactory personnel and shall provide a sufficient number of employees to perform the required services efficiently and in a

manner satisfactory to the University. If the Contract Administrator or designee, notifies the Contractor in writing that any person employed on this Contract is incompetent, disorderly, or otherwise unsatisfactory, such person shall not again be employed in the execution of this Contract without the prior written consent of the Contract Administrator.

- 2.10 Clarification of Responsibilities: If the Contractor needs clarification of or deviation from the terms of the Contract, it is the Contractor's responsibility to obtain written clarification or approval from the Contract Administrator.
- 2.11 Litigation: This Contract and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Maine without reference to its conflicts of laws principles. The Contractor agrees that any litigation, action or proceeding arising out of this Contract, shall be instituted in a state court located in the State of Maine.
- 2.12 Assignment: Neither party of the Contract shall assign the Contract without the prior written consent of the other, nor shall the Contractor assign any money due or to become due without the prior written consent of the University.
- 2.13 Equal Opportunity: In the execution of the Contract, the Contractor and all subcontractors agree, consistent with University policy, not to discriminate on the grounds of race, color, religion, sex, sexual orientation, including transgender status or gender expression, national origin or citizenship status, age, disability, genetic information, or veteran's status and to provide reasonable accommodations to qualified individuals with disabilities upon request. The University encourages the employment of individuals with disabilities.
- 2.14 Independent Contractor: Whether the Contractor is a corporation, partnership, other legal entity, or an individual, the Contractor is an independent contractor. If the Contractor is an individual, the Contractor's duties will be performed with the understanding that the Contractor is a self-employed person, has special expertise as to the services which the Contractor is to perform and is customarily engaged in the independent performance of the same or similar services for others. The manner in which the services are performed shall be controlled by the Contractor; however, the nature of the services and the results to be achieved shall be specified by the University. The Contractor is not to be deemed an employee or agent of the University and has no authority to make any binding commitments or obligations on behalf of the University except as expressly provided herein. The University has prepared specific guidelines to be used for contractual agreements with individuals (not corporations or partnerships) who are not considered employees of the University.
- 2.15 Sexual Harassment: The University is committed to providing a positive environment for all students and staff. Sexual harassment, whether intentional or not, undermines the quality of this educational and working climate. The University thus has a legal and ethical responsibility to ensure that all students and employees can learn and work in an environment free of sexual harassment. Consistent with the state and federal law, this right to freedom from sexual harassment was defined as University policy by the Board of Trustees. Failure to comply with this policy could result in termination of this Contract without advanced notice. Further information regarding this policy is available from Sally Dobres, Director of Equity and Diversity, (207) 973-3372
- 2.16 Indemnification: The Contractor agrees to be responsible for, and to protect, save harmless, and indemnify the University and its employees from and against all loss, damage, cost and expense (including attorney's fees) suffered or sustained by the University or for which the University may be held or become liable by reason of injury (including death) to persons or property or other causes whatsoever, in connection with the operations of the Contractor or

any subcontractor under this agreement.

2.17 Contractor's Liability Insurance: During the term of this agreement, the Contractor shall maintain the following insurance:

<u>Insurance Type</u>	<u>Coverage Limit</u>
1. Commercial General Liability (Written on an Occurrence-based form)	\$1,000,000 per occurrence or more (Bodily Injury and Property Damage)
2. Professional Liability (Errors and Omission)	\$2,000,000 limit or more
3. Automobile Liability (Including Hired & Non-Owned)	\$1,000,000 per occurrence or more (Bodily Injury and Property Damage)
4. Employee Dishonesty (Insurance policy or bond covering all employees)	\$1,000,000 limit or more
5. Workers Compensation (In Compliance with Applicable State Law)	Required for all personnel

The amounts carried are subject to minimum requirements as established by applicable laws and regulations. The University reserves the right to accept alternative insurance limits when deemed in its best interest to do so.

The University of Maine System shall be named as Additional Insured on the Commercial General Liability insurance.

Certificates of Insurance for all of the above insurance shall be filed with:

Office of Strategic Procurement
University of Maine System
16 Central Street
Bangor, Maine 04401

Certificates shall be filed prior to the date of performance under this Agreement. Said certificates, in addition to proof of coverage, shall contain the standard statement pertaining to written notification in the event of cancellation, with a thirty (30) day notification period.

As additional insured and certificate holder, the University should be included as follows:

University of Maine System
16 Central Street
Bangor, Maine 04401

2.18 Smoking Policy: The University must comply with the "Workplace Smoking Act of 1985" and M.R.S.A. title 22, § 1541 et seq "Smoking Prohibited in Public Places." In compliance with this law, the University has prohibited smoking in all University System buildings except in designated smoking areas. This rule must also apply to all contractors and workers in existing University System buildings. The Contractor shall be responsible for the implementation and enforcement of this requirement within existing buildings.

2.19 Gramm Leach Bliley (GLB) Act (Confidentiality of Information): The Contractor shall comply with all aspects of the GLB Act regarding safeguarding confidential information.

2.20 Payments: Payment will be upon submittal of an invoice to the address shown on the purchase order by the Contractor on a Net 30 basis unless discount terms are offered. Invoices must include a purchase order number. The University is using several, preferred methods of payment: Bank of America's ePayables and PayMode electronic payment systems. Please indicate your ability to accept payment via any or all of these methods.

SECTION THREE

3.0 PERFORMANCE TERMS AND CONDITIONS:

3.1 Referral: Referral of accounts shall be at the University's option. The University agrees to have performed appropriate written demands informing debtor of the consequences of his/her failure to make payments prior to turning accounts over to the Contractor. Written acknowledgement of accounts by the Contractor shall be made promptly upon receipt to the University.

3.2 Compensation: The Contractor shall receive commission based on the total amount collected on each individual account regardless of size of account, age of account, or skip tracing. If an account is "brought current" within ten (10) days of placement, the account will be returned to the University with no commission being charged by the Contractor.

The Contractor will not be entitled to any commission or other compensation in connection with accounts of debtors found to be eligible for deferment or cancellation or placed by mistake. The Contractor shall not be entitled to any commission or other compensation in connection with amounts collected by UMS through the State Tax Setoff program.

3.3 Collection of Accounts: The Contractor shall promptly undertake, through proper and lawful means, the collection of all such accounts referred by the University without regard to the amount. The Contractor shall not, under any circumstances, use any threats, intimidations or harassment in the collection of accounts nor violate any guidelines of the Federal Fair Debt Collection Practices Act, the Maine Fair Debt Collection Practices Act, nor violate any other applicable governmental laws, regulations, guidelines or any amendments thereto after the date of contract.

The Contractor shall at all times maintain a Trust Account in which all monies collected for the University by the Contractor shall be deposited promptly after posting to the book of accounts, and shall carry at all times, during the term of the contract, a collection agency bond. The Contractor shall have the right to endorse account checks made payable to the University for deposit into Trust Account.

3.4 Ledger Record: The Contractor shall maintain for all accounts a ledger record which reflects the original balance assigned, additional charges, collections, commissions, court costs and attorney fees. Accounts must be maintained by the Contractor at all times to reflect the current amount due based on information supplied by the University or the University's loan servicer. The University shall have the right to inspect such records at any time during normal business hours.

3.5 Protection of information: All hard copy files and computer stored information shall be maintained in such a way as to assure confidentiality and protect against unwarranted disclosures of information. All records shall be maintained in such a manner and for the time periods required by applicable laws and regulations.

3.6 Reports: On a regular monthly basis, the Contractor shall have available written status reports. The Contractor shall provide, at the University's request, a complete inventory of all accounts.

On a regular monthly basis, the Contractor shall remit to the University all net collections (gross amount collected less applicable commissions) made on University accounts from the previous month's remittance. The Contractor and individual campuses shall determine the

timing and method of the monthly remittance. The Contractor will prepare a detailed statement of all payments made during the remittance period which will accompany the remittance check. Checks from the Contractor to the University shall be made payable to the University of Maine System for amounts collected on loan accounts. Checks for student accounts shall be made payable to the campus.

- 3.7 Special Payment Arrangements for Loan Accounts: For special payment arrangements, the Contractor shall prepare a written repayment agreement and forward a signed copy to the Contract Administrator. If a borrower requests to rehabilitate a loan, the Contractor will contact the University to discuss the appropriate amount of monthly payment prior to preparing any written agreement between the Contractor and the borrower.
- 3.8 Settlement and Compromise of Accounts: The Contractor shall not accept any compromise settlement(s), without prior written approval of University. For purposes of this paragraph, a compromise settlement is a settlement for less than the original principal and interest balance referred to the Contractor for collection plus accrued interest.
- 3.9 Legal Action: No form of legal action will be initiated on the part of the Contractor without written authorization from the University.
- 3.10 Court Costs and Attorney Fees: The Contractor will advance all court costs and attorney fees. The Contractor shall be reimbursed for advance court costs out of first monies collected. No commission is payable on court costs and attorney fees collected.
- 3.11 Individual Account Cancellation: Should the University request cancellation of an individual account on which legal costs have been advanced, the University agrees to reimburse the Contractor for such advanced costs prior to the Contractor canceling the account.
- 3.12 Direct Payments made to the University: The University will notify the Contractor of all direct payments. The Contractor will include a commission owing for any direct payments, except as noted in compensation section, on the next monthly statement.
- 3.13 Confidentiality of Information: The Contractor and the University understand and agree that all information provided by the Contractor to the University is of a propriety nature, and therefore shall remain of a confidential nature except as required by law. Such proprietary information shall include reports, statements, proposals, contracts, manuals, information bulletins and other information disseminated from time to time by the Contractor to the University. The Contractor agrees that any student information provided by the University is confidential and will be used solely for the purposes of skip tracing and/or collecting the account. The information will not be disclosed to any third party or used for any other purpose.
- 3.14 Non-Exclusive: The contract is not an exclusive collection agency contract and does not bind the University or any of its campuses (universities) or instrumentalities to refer any accounts for collection to the Contractor.
- 3.15 Cancellation or Recall of Accounts: Upon discovery, the Contractor shall notify and immediately return to the University any account under protection of the bankruptcy courts.

For student accounts: The Contractor agrees to automatically return to the University all accounts that the Contractor has held for six (6) months without payment and such other accounts as the University may in its sole discretion request, with an explanation as to why the Contractor has been unable to collect on the accounts returned (e.g., hardship, refusal to pay, incarceration, unable to locate after due and diligent search, unemployment, etc.) The

Contractor shall provide written notice of closure to include the borrower's name, account number, borrower's address and telephone information along with the reason for closure. The campus may choose to extend the placement period to twelve (12) months instead of six (6) months. Each campus will communicate its preference to the agency prior to placing any accounts.

For loan accounts: The Contractor agrees to automatically return to the University all accounts that the Contractor has held for twelve (12) months, unless payment has been received in previous six (6) months, and such other accounts as the University may in its sole discretion request, with an explanation as to why the Contractor has been unable to collect on the accounts returned (e.g., hardship, refusal to pay, incarceration, unable to locate after due and diligent search, unemployment, etc.) The Contractor shall provide written notice of closure to include the borrower's name, account number, borrower's address and telephone information along with the reason for closure. And, in accordance with 34 CFR Part 674.39, the Contractor shall notify the client when a loan account has been successfully rehabilitated and immediately return to the University any account which has been successfully rehabilitated.

- 3.16 Compliance with Regulations: Applicable to loan accounts only. Pursuant to Federal Regulation 34 CFR, Part 668.25, the Contractor agrees to:
- 3.16.1 Comply with all statutory provisions of or applicable to Title IV of the Higher Education Act, all regulatory provisions prescribed under that statutory authority, all special arrangements, agreements, limitations, suspensions, and terminations entered into under the authority of statutes Title IV of the Higher Education Act
- 3.16.2 Refer to the Office of Inspector General of the Department of Education for investigation any information indicating there is a reasonable cause to believe that the University might have engaged in fraud or other criminal misconduct in connection with University administration of any Title IV, Higher Education Act program or applicant for Title IV, Higher Education Act program assistance might have engaged in fraud or other criminal misconduct in connection with his application. Examples of other types of information that must be referred are:
- false claims by the University for Title IV, Higher Education Act program assistance;
 - false claims of independent student status;
 - false claims of citizenship;
 - use of false identity;
 - forgery of signatures or certification; and
 - false statements of income;
- 3.16.3 Be jointly and severally liable with UMS to the Secretary of the Department of Education for any violation by Contractor of any statutory provision of or applicable Title IV of the Higher Education Act, any regulatory provision prescribed under the statutory authority, and any applicable special arrangements, agreement or limitation entered into under the authority of statutes applicable to the Title IV of the Higher Education Act; and
- 3.16.4 If Contractor or UMS terminates the contract, or if Contractor stops providing services for the administration of a Title IV, Higher Education Act program, goes out of business, or files a petition under the bankruptcy code, return to UMS all:
- records in Contractor possession pertaining to UMS participation in the program

or programs for which services are no longer provided; and

- funds, including Title IV, Higher Education Act program funds, received from or on behalf of UMS or UMS students, for the purpose of the program or programs for which services are no longer provided

SECTION FOUR

4.0 PROPOSAL CONTENT:

Bidders shall ensure that all information required herein is submitted with the proposal. All information provided should be verifiable by documentation requested by the University. Failure to provide all information, inaccuracy or misstatement may be sufficient cause for rejection of the proposal or rescission of an award. Bidders are encouraged to provide any additional information describing operational abilities. Responses to each requirement below should be in order and clearly marked with the section number to which they respond. Submission of a proposal indicates understanding of Section 1 and agreement with all items in Section 2 and Section 3. Proposals need not enumerate these items nor indicate agreement.

4.1 Bidders may choose to submit a proposal for either (1) collection of student accounts only, (2) collection of loan accounts only or (3) collection of both student and loan accounts. A clear statement of bidder's choice is required at beginning of proposal. Any section of the RFP that does not apply to submitted proposal should be clearly marked in the response.

4.2 Organization:

4.2.1 Provide a listing of principals, officers and/or owners of the Agency, along with their titles and qualifications. If Agency is a law firm, provide:

(a) A list of all attorneys who will provide collection services, with address, telephone number, and services to be provided.

(b) A list of states in which the attorneys are licensed to practice.

4.2.2 Provide a description of the Agency's corporate structure, as follows:

(a) If the Agency is a department, division or subsidiary of a business entity, provide a corporate organization chart indicating the relationship between the primary or parent business entity and the Agency.

(b) Provide a list of all Agency offices including satellite offices.

4.2.3 Provide a description of Agency's corporate philosophy and management style, indicating how these elements are reflected in Agency's collection services.

4.2.4 Provide the name, address and telephone number of the Agency representative to be contacted concerning the proposal.

4.3 Experience, Knowledge and Affiliations:

4.3.1 Provide a clear and concise statement indicating Agency's experience and knowledge of the collection industry.

4.3.2 Provide a copy of any and all collection-related or general business licenses, registrations or permits.

4.3.3 For loan account proposals: Provide information demonstrating Agency's comprehensive and satisfactory knowledge of the Federal loan programs and experience in performing university receivables collections. Provide a description of

training received by collection personnel including continuing education programs that are made available.

- 4.3.4 For loan account proposals: Provide a list of the organizations and professional affiliations and activities that support and promote Agency's ability to remain current with respect to federal requirements and industry standards.
 - (a) Provide a list of activities, if any, in which Agency has participated, which demonstrate Agency's commitment to the student loan collections and student receivables industries.
 - (b) Provide a list of any positions or offices held, or awards received by, Agency or its personnel.
- 4.3.5 For loan account proposals: Provide a list of any workshops presented by Agency in the last two years.
- 4.3.6 For loan account proposals: Provide a list of any presentation made by Agency personnel in the last two years, including who made the presentation, when and where.
- 4.3.7 For loan account proposals: Provide a description of Agency's ability to maintain a high level of effective communication with the industry and the University. Include a list of any procedures, or publications that facilitate this.

4.4 Collection Fees:

- 4.4.1 Indicate the amount proposed to be charged for collection services on student loan accounts, including (a) first referrals and (b) second referrals. The University will not entertain bids exceeding the rates released in final regulations by the Department of Education for Perkins loans beginning July 1, 2008.
- 4.4.2 Indicate the amount proposed to be charged for collection services on student accounts, including (a) first referrals and (b) second referrals.

4.5 Banking, Cash Management and Remittance:

- 4.5.1 Provide a detailed description of Agency's internal controls for recording payments, cash management, bank deposits, remittances, bad checks, overpayments and audit procedures.
- 4.5.2 Indicate whether Agency has been terminated by a client in the last four years for failure to remit on a timely basis.
- 4.5.3 Provide a list of banks, including name, branch address, and type of accounts where Agency currently has business and/or trust accounts.
- 4.5.4 Provide description of Agency's ability to record all transactions and collection activities.
- 4.5.5 Provide a description of payment methods accepted by the Agency to include processing details.
- 4.5.6 For loan account proposals: Indicate whether Agency can electronically remit funds

and statements to the University and/or its designated loan servicer. Describe the process and any limitations on electronic remittances.

- 4.5.7 For loan account proposals: Provide a description of how Agency reviews the billing servicer's statement and requests direct payments from the schools.
- 4.5.8 For loan account proposals: Indicate whether Agency has the ability to post direct payments using the actual date of payment receipt.
- 4.6 General Agency Information:
 - 4.6.1 For loan account proposals: Indicate the total number of colleges and universities for which Agency provides collection services along with total dollar value of such accounts.
 - (a) Provide the client name, address, contact person, and number of years of continuous service of Agency's largest client, smallest client and average size client in the student loan receivables industry.
 - (b) List billing servicers with whom Agency is on-line.
 - 4.6.2 Indicate the number of university student accounts currently managed by Agency, along with the total dollar value of such accounts. Provide the client name and number of years of continuous service of Agency's largest client, smallest client and an average size client in the student receivables industry.
 - 4.6.3 Provide a list of all types of accounts serviced by Agency, including the total dollar value of such accounts.
 - 4.6.4 Provide the client name, address, and contact person of the three (3) most recent clients that have ceased doing business with Agency.
 - 4.6.5 Provide historical performance measures for collecting
 - (a) First referrals student loans
 - (b) Second referrals student loans
 - (c) First referrals student accounts
 - (d) Second referrals student accounts
 - 4.6.6 Provide collection performance statistics for the first six months and separately for the first twelve months that loans or tuition accounts have been placed with Agency for the last two years.
 - 4.6.7 Indicate whether Agency has capabilities for international collections, and if so, please describe in detail.
- 4.7 Required Examples:
 - 4.7.1 Provide examples of all management reports, to include but not limited to – Status Report, Inventory of Accounts, Close and Return Report, Address Update Report, Analysis Report.

- 4.7.2 Provide a sample monthly Billing/Remittance Statement.
 - 4.7.3 Provide a sample name and address change notification.
 - 4.7.4 Provide a copy of all form collection notices that may be issued to individuals.
 - 4.7.5 Provide a copy of Agency's operating procedures used to collect student loans.
 - (a) include a copy of Agency's rehabilitation policy for the student loan programs.
 - (b) include a description of how Agency handles deferments, cancellations, bankruptcy, and death notifications for the student loan programs.
 - 4.7.6 Provide a copy of Agency's operating procedures used to collect student receivables.
- 4.8 Required Documentation:
- 4.8.1 For loan account proposals: A complete copy of Agency's two most recent annual compliance audits, prepared in accordance with 34 CFR 668.23 and, if applicable, Agency's corrective action plans in response to those audits.
 - 4.8.2 For loan account proposals: A statement indicating the value of two months of collection for current loans in Agency's inventory.
 - 4.8.3 A certificate of insurance indicating the insurance coverage's required by the form agreement.
 - 4.8.4 A copy of Agency's Gramm-Leach-Bliley information security or similar policy (Attachment A).
- 4.9 Payment Method: Indicate your ability to accept electronic payments. (Section 2.20)
- 4.10 References: A list of five references is required to be submitted with your proposal. These references should be agencies your firm has done business with in the past year. At least one of these references should be for **projects with a similar scope to this one**. Provide company names with contact person and telephone number.

SIGNATURE PAGE

COMPANY NAME: _____

By: _____
(Signature)

(Print Name)

(Title)

(Phone)

(Cell Phone)

(E-mail Address)

(Date)

ATTACHMENT A

UNIVERSITY OF MAINE SYSTEM STANDARDS FOR SAFEGUARDING INFORMATION

This Attachment addresses the Contractor's responsibility for safeguarding Compliant Data and Business Sensitive Information consistent with the University of Maine System's Information Security Policy and Standards. (infosecurity.maine.edu)

Compliant Data is defined as data that the University needs to protect in accordance with statute, contract, law or agreement. Examples include Family Educational Rights and Privacy Act (FERPA), Health Insurance Portability and Accountability Act (HIPAA), Gramm-Leach-Bliley Act (GLBA), Maine Notice of Risk to Personal Data Act, and the Payment Card Industry Data Security Standards (PCI-DSS).

Business Sensitive Information is defined as data which is not subject to statutory or contractual obligations but where the compromise or exposure of the information could result in damage or loss to the University.

1. Standards for Safeguarding Information: The Contractor agrees to implement reasonable and appropriate security measures to protect all systems that transmit, store or process Compliant Data and Business Sensitive Information or personally identifiable information from Compliant Data and Business Sensitive Information furnished by the University, or collected by the Contractor on behalf of the University, against loss of data, unauthorized use or disclosure, and take measures to adequately protect against unauthorized access and malware in the course of this engagement.
 - A. Compliant Data and Business Sensitive Information may include, but is not limited to names, addresses, phone numbers, financial information, bank account and credit card numbers, other employee and student personal information (including their academic record, etc.), Drivers License and Social Security numbers, in both paper and electronic format.
 - B. If information pertaining to student educational records is accessed, transferred, stored or processed by Contractor; Contractor shall protect such data in accordance with FERPA.
 - C. If information pertaining to protected health information is accessed, used, collected, transferred, stored or processed by Contractor; Contractor shall protect such data in accordance with HIPAA and Contractor shall sign and adhere to a Business Associate Agreement.
 - D. If Contractor engages in electronic commerce on behalf of the University or cardholder data relating to University activities is accessed, transferred, stored or processed by Contractor; Contractor shall protect such data in accordance with current PCI-DSS guidelines.
 - E. If information pertaining to protected "Customer Financial Information" is accessed, transferred, stored or processed by Contractor; Contractor shall protect such data in accordance with GLBA.
2. Prohibition of Unauthorized Use or Disclosure of Information: Contractor agrees to hold all information in strict confidence. Contractor shall not use or disclose information received from, or created or received by, Contractor on behalf of the University except as permitted or required by this Agreement, as required by law, or as otherwise authorized in writing by the University.
3. Return or Destruction of Compliant or Business Sensitive Information:
 - A. Except as provided in Section 3(B), upon termination, cancellation, or expiration of the Agreement, for any reason, Contractor shall cease and desist all uses and disclosures of Compliant Data or Business Sensitive Information and shall immediately return or destroy (if the

University gives written permission to destroy) in a reasonable manner all such information received from the University, or created or received by Contractor on behalf of the University, provided, however, that Contractor shall reasonably cooperate with the University to ensure that no original information records are destroyed. This provision shall apply to information that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of University information, including any compilations derived from and allowing identification of any individual's confidential information. Except as provided in Section 3(B), Contractor shall return (or destroy) information within 30 days after termination, cancellation, or expiration of this Agreement.

- B. In the event that Contractor determines that returning or destroying any such information is infeasible, Contractor shall provide to University notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of such information is infeasible, Contractor shall extend the protections of this Agreement to such information and limit further uses and disclosures of such information to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such information.
- C. Contractor shall wipe or securely delete Compliant Data or Business Sensitive Information and personally identifiable information furnished by the University from storage media when no longer needed. Measures taken shall be commensurate with the standard for "clearing" as specified in the National Institute of Standards and Technology (NIST) Special Publication SP800-88: Guidelines for Media Sanitization, prior to disposal or reuse.

4. Term and Termination:

- A. This Attachment shall take effect upon execution and shall be in effect commensurate with the term of the Agreement

- 5. Subcontractors and Agents: If Contractor provides any Compliant Data or Business Sensitive Information received from the University, or created or received by Contractor on behalf of the University, to a subcontractor or agent, the Contractor shall require such subcontractor or agent to agree to the same restrictions and conditions as are imposed on Contractor by this Agreement.
- 6. Contractor shall control access to University data: All Contractor employees shall be adequately screened, commensurate with the sensitivity of their jobs. Contractor agrees to limit employee access to data on a need-to-know basis. Contractor shall impose a disciplinary process for employees not following privacy procedures. Contractor shall have a process to remove access to University data immediately upon termination or re-assignment of an employee by the Contractor.
- 7. Unless otherwise stated in the agreement, all Compliant Data or Business Sensitive Information is the property of the University and shall be turned over to the University upon request.
- 8. Contractor shall not amend or replace hardware, software or data without prior authorization of the University.
- 9. If mobile devices are used in the performance of this Agreement to access University Compliant Data or Business Sensitive Information, Contractor shall install and activate authentication and encryption capabilities on each mobile device in use.
- 10. Reporting of Unauthorized Disclosures or Misuse of Information: Contractor shall report to the University any use or disclosure of Compliant Data or Business Sensitive Information not authorized by this Agreement or in writing by the University. Contractor shall make the report to the University not more than one (1) business day after Contractor learns of such use or disclosure. Contractor's report shall identify; (i) the nature of the unauthorized use or disclosure, (ii) the information used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what

Contractor has done or shall do to mitigate the effects of the unauthorized use or disclosure, and (v) what corrective action Contractor has taken or shall take to prevent future similar unauthorized use or disclosure. Contractor shall provide such other information, including a written report, as reasonably requested by the University. Contractor shall keep University informed on the progress of each step of the incident response. Contractor shall indemnify and hold University harmless from all liabilities, costs and damages arising out of or in any manner connected with the security breach or unauthorized use or disclosure by Contractor of any University Compliant Data or Business Sensitive Information. Contractor shall mitigate, to the extent practicable, any harmful effect that is known to Contractor of a security breach or use or disclosure of Compliant Data or Business Sensitive Information by Contractor in violation of the requirements of this Agreement. In addition to the rights of the Parties established by this Agreement, if the University reasonably determines in good faith that Contractor has materially breached any of its obligations, the University, in its sole discretion, shall have the right to:

- Inspect the data that has not been safeguarded and thus has resulted in the material breach, and/or
- Require Contractor to submit a plan of monitoring and reporting, as the University may determine necessary to maintain compliance with this Agreement;
- and/or Terminate the Agreement immediately.

11. Survival: The respective rights and obligations of Contractor under Section 12 of the Agreement or Section 3 of this Attachment shall survive the termination of this Agreement.
12. Contractor Hosted Data: If Contractor hosts University Compliant Data or Business Sensitive Information in or on Contractor facilities, the following clauses apply.
 - A. Contractor computers that host University Compliant Data or Business Sensitive Information shall be housed in secure areas that have adequate walls and entry control such as a card controlled entry or staffed reception desk. Only authorized personnel shall be allowed to enter and visitor entry will be strictly controlled.
 - B. Contractor shall design and apply physical protection against damage from fire, flood, earthquake, explosion, civil unrest, and other forms of natural or man-made disasters. Contractor shall protect hosted systems with Uninterruptible Power Supply (UPS) devices sufficient to meet business continuity requirements.
 - C. Contractor shall backup systems or media stored at a separate location with incremental back-ups at least daily and full back-ups at least weekly. Incremental and full back-ups shall be retained for 15 days and 45 days respectively. Contractor shall test restore procedures not less than once per year.
 - D. Contractor shall provide for reasonable and adequate protection on its network and system to include firewall and intrusion detection/prevention.
 - E. Contractor shall use strong encryption and certificate-based authentication on any server hosting on-line and e-commerce transactions with the University to ensure the confidentiality and non-repudiation of the transaction while crossing networks.
 - F. The installation or modification of software on systems containing University Compliant Data or Business Sensitive Information shall be subject to formal change management procedures and segregation of duties requirements.
 - G. Contractor who hosts University Compliant Data or Business Sensitive Information shall engage an independent third-party auditor to evaluate the information security controls not less than every two (2) years. Such evaluations shall be made available to the University upon request.

13. If the Contractor provides system development, Compliant Data or Business Sensitive Information shall not be used in the development or test environments. Records that contain these types of data elements may be used if that data is first de-identified, masked or altered so that the original value is not recoverable. For programs that process University data, initial implementation as well as applied updates and modifications must be produced from specifically authorized and trusted program source libraries and personnel. Contractor shall provide documentation of a risk assessment of new system development or changes to a system.

UNIVERSITY

By: _____
Signature Date

Printed

Title _____
Address

CONTRACTOR

By: _____
Signature Date

Printed

Title _____
Address