



REQUEST FOR PROPOSALS #2019-037
Collection Services
RESPONSE ADDENDUM #1
February 14, 2019

CLARIFICATION

This addendum responds to initial questions submitted by respondents.

QUESTIONS

Q1: How many agencies will University of Maine System award this collection contract?

A1: There will be at least four but there is no predetermined number of agencies.

Q2: What are the current agency rates for University of Maine System?

A2:

- Loans 1st- 18, 20, 22, 23, 23.07
- Loans 2nd- 23, 25, 26, 28, 28.57
- Loans Litigation- 28, 28.5, 28.57
- Student Accounts 1st- 18, 20, 21, 22, 23, 25
- Student Accounts 2nd- 20, 23, 25, 28, 33
- Student Accounts Litigation- 28.5, 30

Q3: Who are the agencies currently on this current contract?

A3:

- ARM of Maine Inc. (tuition only)
- Account Control Technology
- Alltran
- Coast Professionals
- ConServe
- Todd, Bremer and Lawson
- Williams & Fudge
- Windham Professionals



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Q4: Page 5, Section 1.1.3 Do any of the UMS schools expect "pre-collection" services? If so, can UMS provide details about the pre-collect expectations, such as which schools would participate, in whose name the collection would be provided, and whether the subject accounts/debt will be in "default" (as defined under the FDCPA) at the time such services are to be provided.

A4: No expectations.

Q5: Page 6, Section 1.1.4 prohibits disclosure of student information to any third party. Does UMS intend to except from that prohibition disclosure to skip trace, letter and other similar vendors as necessary to our collection efforts?

A5: I believe agency has misread the RFP as this type of disclosure is not prohibited. RFP reads: 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.

Q6: Page 18, 3.1.4 "Additional Attachments Prohibited" states that vendors are not permitted to include "additional attachments beyond those specified in the document for the purpose of extending their response." We typically include items such as sample letters, sample reports, etc. Does UMS not want these items included with our response?

A6: These items are requested in Appendix G.

Q7: Page 9, "Nonexclusive Agreement for Collection Services": Are vendors required to return this document with their proposal, or is this included just for the sake of reference?

A7: Winning Respondents will be required to execute a contract in the form of a University of Maine System Contract for Services. This will be done post-award.



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Q8: Will UMS supply the original Date of Default/Delinquency at time of placement in order to establish a valid Statute of Limitations date?

A8: Loans: yes. Student Receivables: Most campuses are doing this now for student receivables—agency will have to inform campuses if this is a requirement during set up discussion.

Q9: Page 18, 3.1.4 “Additional Attachments Prohibited” states that vendors are not permitted to include “additional attachments beyond those specified in the document for the purpose of extending their response.” We typically include items such as sample letters, sample reports, etc. Does UMS not want these items included with our response?

A9: These items are requested in Appendix G.

Q10: What are the current agencies’ liquidation rates on accounts receivable accounts?

A10: Information not available.

Q11: Will collection costs be allowed and added to non-Perkins placements to the collection agency? If so, what authority do the UMS schools have to allow the collection costs to be added to the amount placed?

A11: Loans: Costs are added to loan accounts per the promissory note. Student Receivables: Costs are not added.

Q12: Can the UMS schools provide a copy of their respective student financial agreement?

A12: Separate pdf document -- Spring 2019 version of statement.



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Q13: How many agencies are working UMS's portfolio now?

A13: There are 7 agencies for both loans and student receivables and one more for student receivables only.

Q14: What are the agencies' combined annual recoveries on this portfolio for 2016 and 2017?

A14: Information not available.

Q15: How will the collection costs to be imposed on an account be communicated by UMS to us (e.g. inclusion on placement file)?

A15: Loans: Agency's response to cost matrix will determine collection costs. ECSI does include their estimate of the costs on their system. Agencies will indicate fees as part of invoices. Student Receivables: Accounts do not have costs added so agencies will indicate fees as part of invoices.

Q16: Will UMS be issuing an aggregated Q&A with all the questions received in reference to this RFP? If so, when does UMS anticipate issuing the Q&A?

A16: Addenda will also be posted on our web site, www.maine.edu/strategic/upcoming_bids.php

Q17: Why is this going out for bid?

A17: Current contract is expiring.

Q18: Who are the incumbent agencies?

A18:

- ARM of Maine Inc. (tuition only)



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Q19: Has/have the incumbent agency(s) fulfilled the maximum duration of available contract term and renewal possibilities?

A19: Yes.

Q20: What are the recovery targets (liquidation targets) for the Universities in relation to this opportunity and the winning proposer(s)?

A20: No targets have been set.

Q21: If available, can you please provide call statistics and/or reports to better understand aspects such as the average number of calls/average call handling time for inbound and outbound? This information will aid in determining the necessary staffing levels for the project.

A21: Not available.

Q22: If available, what is the average number of letters sent by agencies prior to account resolution?

A22: Not available.

Q23: What is the overall (number of accounts and total dollar value of accounts) that UMS anticipate referring for collections for student receivables?



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A23: Not available.

Q24: What is the overall (number of accounts and total dollar value of accounts) that UMS anticipate referring for collections Perkins, Nursing and Institutional Loans?

A24: Not available.

Q25: Will the collection agency(s) get a forward flow i.e. weekly or monthly placement of accounts? If so, what is the anticipated dollar amount and number of accounts placed and will they be weekly or monthly?

A25: Flow will depend on campus receivables and choice of agency; dollar amounts and number of accounts are not available.

Q26: What is the average balance size of the student receivable accounts?

A26: Based on number of accounts placed and dollar amounts placed in 2018, \$2,981.30.

Q27: What is the average balance of the Perkins, Nursing and Institutional Loan accounts?

A27: Based on number of accounts placed and dollar amounts placed as of 6/30/18, \$3,201.62.

Q28: What is the age of the oldest accounts in the portfolio?

A28: Student Receivables: Age of oldest account varies by campuses and range from 2 years to 8 years. Majority of campuses responded with 5 years as age of oldest account. The oldest Loan account is 32 years old.



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Q29: How old is the account when the collection agency receives the debt, and how many phone calls, and letters have been generated by your office prior to placement of account to the agency?

A29: *Varies by type of debt and by campus.*

Q30: Will you please provide the amount of the eligible accounts collected by UMS through the UMS State Tax Setoff program?

A30: *Six campuses received \$1,178,282 in tax offset funds. Information not available at this time from seventh campus.*

Q31: Will you provide your current collection agency(s) recoveries for 2018 and 2017 along with the return percentage or liquidation rate for student receivables?

A31: *Four campuses had \$507,644 recovered in 2018. Information not available at this time for all campuses. Campuses do not track return percentage/liquidation rate.*

Q32: Will you provide your current collection agency(s) recoveries for 2018 and 2017 along with the return percentage or liquidation rate for Perkins, Nursing and Institutional Loans?

A32: *2018 Recoveries on Loans, \$1,223,587.45. 856 payments on 368 accounts. Rates vary by agency and range from 5 to 10%.*

Q33: What is the current fee rate charged by your current collection provider(s)?

A33:

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- Student Accounts 1st- 18, 20, 21, 22, 23, 25
- Student Accounts 2nd- 20, 23, 25, 28, 33
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Q34: Please provide the names of the current collection provider(s)?

A34: ARM of Maine Inc. (tuition only)
Account Control Technology
Alltran
Coast Professionals
ConServe
Todd, Bremer and Lawson
Williams & Fudge
Windham Professionals

Q35: Did the previous contract expire?

A35: Will expire June 30, 2019.

Q36: What dollar amount did your current collection provider(s) retain as commissions / fees in the most recent fiscal year?

A36: Loans: \$305,762.55. Student Receivables for 5 campuses: \$144,236. Information not available at this time for all campuses.

Q37: How many dollars and what number of accounts were collected by your current collection provider(s) this past calendar year?

A37: Student Receivables: Four campuses had \$507,644 recovered in 2018. Information not available at this time for all campuses. Information on number of accounts not available. Loans: \$1,223,587.45. 856 payments on 368 accounts.



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Q38: It is understood that UMS utilize ECSI as the billing servicer for the loan portfolio. How will the accounts receivables collection information or data be communicated to the successful bidder (i.e. electronic via an FTP site)?

A38: Will depend on agency requirements and abilities.

Q39: 1.1.4 Definitions, Background, Purpose and Specifications
Page 6....*"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."*

Please define "brought current". Does this mean accounts that have paid in full or accounts that have set up partial payment arrangements?

A39: For Student Receivables this would mean paid in full. For Loan accounts this would mean paying all past due amounts.

Q40: Appendix F – Evaluation Question(s) – Organization, Qualifications, and Experience, Page 40, #6 letters a & b.

For the purposes of this RFP, is UMS looking to evaluate historical collection measures comprised of Institutional and Perkins Loans only?

A40: This would include loans other than Department of Education loans.

Q41: Does the University anticipate having the Contractor to credit report accounts on their behalf?

A41: Student Receivables: Currently two agencies report do/will report. Discussion of credit reporting will be part of set up process. Loans: No, reporting is done by billing service.



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Q42: There are insurance coverages mentioned (Rider-B1). Is “Marine General Liability” coverage a requirement for this type of bid?

A42: No.

University of Maine System

Student Financial Responsibility Statement - Spring 2019

Enrolling within the University of Maine System creates a financial obligation. The following information is provided to assist you with an understanding of this obligation. Questions regarding the information presented here should be directed to the billing office at your campus. All students must acknowledge receipt of this statement for each term. Please note that this statement applies to the **Spring 2019** semester and the **Summer 2019** term immediately following.

- I understand that by enrolling within the University of Maine System (UMS), I am incurring a legal obligation to pay all charges assessed to my MaineStreet account by the established due date(s).
 - If payment in full is not received by the established due dates, late payment fee(s) will be charged.
 - If a paper or electronic check that is posted to my account is returned from the bank, I will be charged a \$25 returned item fee on my account.
 - If I have an outstanding balance with UMS, a hold will be placed on my account that will prevent me from enrolling in future semesters and obtaining my official transcripts and/or diplomas.
 - If I have a past due balance with UMS and do not make satisfactory payment arrangements, my account may be placed with an external collection agency.
 - I may then be assessed a collection fee (up to 33% of the original debt) and any other legal costs or attorney fees.
 - My account will be subject to being reported to credit bureaus.
 - Any past due balance on my account may be reported to Maine Revenue Services. Any tax refund from the state that may be due will be subject to being paid to UMS and applied to my outstanding balance.
- I am solely responsible and obligated for the timely payment of my account, regardless of any expected reliance on third-party resources, including but not limited to financial aid, family gifts, employer reimbursement or any other external resource.
 - After all my financial aid is applied toward my account, I will be responsible for all remaining charges as well as any subsequent additional charges.
 - If my eligibility for financial aid changes or in the event that I have not met the specified requirements for receiving such aid, I will be responsible for the full balance of outstanding charges, which may include repayment of refunds issued to me.
 - If payment, whether from financial aid, scholarships or third party, has not posted to my account or if I lose my eligibility, I will be responsible for paying my outstanding balance.
- It is my responsibility to drop or withdraw myself from classes that I am enrolled in, and my failure to do so in a timely manner will not relieve me of my financial responsibility for my account.

- If I enroll or am enrolled by UMS personnel and do not attend class, I will still be responsible for paying all tuition and fees associated with the class if I do not properly drop within the refundable period.
 - It is my responsibility to know the University's deadlines and policies for dropping/withdrawing from classes.
- The University of Maine System corresponds electronically with all students through the UMS assigned email address.
 - I am responsible for monitoring that e-mail account and for taking action on correspondence sent to that account.
 - Statements of my account are provided to me only and are available through my MaineStreet portal and I am responsible for reviewing my account.
 - It is my responsibility to keep my information (mailing address, phone number, email address) up to date with UMS.
- I understand that the UMS is required by the Internal Revenue Service (IRS) to request my taxpayer identification number (TIN) for the purpose of providing IRS Form 1098-T, *Tuition Statement*, to me. The 1098-T will help me determine if I am eligible for various education tax benefits. I also understand that I can be subject to an IRS penalty if I do not provide my TIN upon request.
- I understand that information regarding my account can only be released to me. If I want others to have access, it is my responsibility to grant them access by establishing TouchNet Bill + Payment Authorized User access through my MaineStreet portal and/or completing the Student Consent to Release Information form.
- I may be contacted regarding my outstanding obligation at any personal telephone number provided to the University of Maine System. Communication may be made by UMS or its agents to home or mobile telephone.

Please be aware that future registration will be held each semester, until the student financial responsibilities activity is completed on MaineStreet.

Navigate to your MaineStreet Student Center and complete the to-do list item *Financial Responsibility – Spring 2019* to release the registration hold on your account.