



Office of Purchasing/Contract Management
3410 Taft Boulevard Wichita Falls, Texas 76308-2099

October 30, 2020

ADDENDUM ONE (1)

RE: RFQ 735-21-4345 Financial Collection Services

TO WHOM IT MAY CONCERN,

The following questions had been submitted and received the following responses.

1. What Vendor currently has the contract for Collection Services for MSU at this time? How many years have they been working on this contract? (1) Credit Bureau Services Association 5+ years (2) Credit Bureau of the High Plains 26+ years
2. Is there more than one Vendor working this business currently? We currently have two collection agencies working on MSU student accounts.
3. Can you share liquidation rate on current accounts? N/A
4. Why is MSU going out for bid on this contract? The contracts in place are expiring or have expired. It is time to bid out.
5. Accounts will include Fees, penalties, fines, Student tuition loans, housing, Dormitory rent, bookstore charges, returned checks. Any debt owed by student? No
6. How will the accounts be submitted? Electronic files? The accounts will be submitted electronically. We prefer the agency to have a secured portal in place.
7. Will you require Credit Reporting on these accounts? Yes
8. Must the agency provide Litigation work to be selected? No
9. At what frequency do you plan to place accounts? Monthly
10. Will more than one vendor be selected for this RFP? Yes
11. How will the inventory of accounts be split if more than one Vendor is selected? First placement accounts will be split evenly by dollar amount.
12. Please provide the average number of accounts and the average dollar amount per account you will be turning over? N/A
13. What is the average age of the accounts? N/A
14. Will there be a backlog of accounts to submit to the new Vendor (s)? Yes. If a new vendor is selected, they will receive both first placement and second placement accounts.
15. Please confirm if Settlement Authority will be given to the Vendor? When have to take a call back to ask for settlement by checking each time, might not reach that person again. If they're will to pay something, it's better than nothing. The university does not settle on student account balances. Please have student set up payment arrangements.
16. What is the Smallest amount you will be submitting for collections? \$260.00

17. Do you write off balances at a certain dollar amount? **The university does not write off balances once the accounts have been sent to collections. The only exception would be if a university error occurred. However, this is very rare.**
18. What level of diligence of calls and letters occurs by MSU prior to placement for collections? **Two months of past due reminders by e-mail. On third month, they receive a final notice letter by e-mail and by mail.**
19. Will Collection Letters sent to the consumers' need to show the MSU mailing address for payments? **Payments should go directly to the collection agency for processing. A monthly report should be forwarded to the university.**
20. Statement refers to a supply schedule and lead time for project? Since we're not providing supplies, are you wanting a schedule for time line for implementation of accepting files, test files, etc.? **Yes, a timeline for onboarding the implementation process.**
21. Confirmation: Respondents do not have to provide HUB (HSP) information in the proposal? **A HUB Subcontracting Plan (HSP) must be included with proposals with an estimated contract value of \$100,000.00 or more. Only if awarded the contract? No. Prior to award. Once an award is made the HSP will become part of the contract. There is no incentive to determine HUB subcontracting opportunities after an award is made.**
22. Correspondence section. States: Collector will copy University on all correspondence sent to 3rd Party regarding an account. Please clarify. **The collection agency must notify the university prior to seeking outside services (third party). If approved, the university should be copied on any/all correspondence. At no time should a third party be allowed to work on the university's student account without prior approval.**
23. Will you be adding Interest and Penalties to accounts prior to transferring to agency (s)? **No. The university does not charge interest to student accounts. However, a collection fee is added to the account. The collection fee is added prior to the account being forwarded to the collection agency.**
24. Are Collection notices to have the Midwestern State University's address shown for remittance of payment? **See question #19.**
25. How many agencies does MSU expect to award? **Two**
26. To get a better understanding of MSU's collection needs, please provide:
 - (a) By debt type, the number and dollar value of accounts placed in the last 12 months. **N/A**
 - (b) The anticipated monthly forward flow of placements. **N/A**
 - (c) How frequently are accounts assigned (monthly, quarterly, etc.). **Monthly**
27. Does MSU utilize a billing servicer? If so, which one? **No**
28. **4.1 "Failure to manually sign proposal will result in disqualification." (page 6)**
Given the preferred submission method is an electronic file via email, is an electronic scanned signature acceptable? **Yes**
29. **4.11 Accessibility & Section 508 Compliance (page 7)**
Since we will not be providing MSU with software or any other IT product or service, please confirm a VPAT is not required for this procurement. **This is a "if applicable" section. If the proposed products, services and solutions address the requirements of Section 508 of the Rehabilitation Act of 1973 (revised) a VPAT is required.**
30. **5.9 Bonds (page 10)**
Since collection services are typically priced as a percentage of amounts collected (not a dollar amount), we are trying to determine if the bond requirement applies to this contract. Has any collection vendor on MSU's current contract met the \$100,000 threshold in commissions earned, which would warrant the bond? **N/A**

31. **5.10 HUB Subcontracting Plan (page 10)**
Since collection services are typically priced as a percentage of amounts collected (not a dollar amount), we are trying to determine if the HUB Subcontracting Plan requirement applies to this contract. Has any collection vendor on MSU's current contract met the \$100,000 threshold in commissions earned, which would warrant inclusion of a HSP? (a) As stated in RFP, each bidder must complete and return the HSP in accordance with the terms and conditions of their RFP. (b) N/A
32. **5.11 Ethics Commission Reporting (page 10)**
Must Form 1295 be filed before the RFP deadline or is this to be completed after award? If the agreement has a value of at least \$1 million a Form 1295 is required. This does not have to accompany the proposal, but must be filed prior to entering into any contract.
33. **Section 6 Specifications/Scope of Work (page 11)**
The link to the Universal General Conditions seems to be broken. Can you provide the correct link so we can review this document? Uniform General Conditions are for construction contracts. The link is: <https://msutexas.edu/purchasing/assets/files/purchasing-general/2010-uniform-general-conditions.pdf>
34. **Section 6, II. Collection Fees (page 12)**
(a) Regarding the 23% fees, are these rates set by MSU for all bidders or is this the maximum rate that MSU will accept? The maximum rate that MSU will accept is 23%. The vendor may submit a more competitive fee structure if they choose to do so.
(b) Does the 23% rates apply to federal loans, which are bound to federal limits of 30% for first placements and 40% for second placements? Federal student loans will not be included in these types of placements. However, the collection agency may receive some accounts in which the federal student loan was backed off the student's account and returned to the lender (per Title IV refunding policy).
35. **6.2 Proposal Sheet (page 20)**
(a) The Proposal Sheet does not distinguish between rates for federal vs. non-federal debt types. Will MSU allow us to propose separate rates for first and second placement federal loans? No. The maximum rate of 23% is for any debt owed to the university.
(b) The Proposal Sheet seeks a litigation rate, however #9 on page 13 states that agencies are not authorized to file suit. Please clarify whether or not MSU desires agencies to perform litigation services.
Please disregard the litigation services rate. If needed, we will seek assistance from our General Counsel.
36. The specifications on page 11 of 24 states "Federally Insured Student Loans" as one of the debt types to be collected on. Can the University please expound upon the definition of this debt type? These accounts are student receivable accounts and any student loans that may have been returned the lender on behalf of the student (per Title IV refunding policy).
37. What is the total dollar value of accounts available for placement now by category, including any backlog? N/A
38. Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable. Very satisfied.
39. What is the average balance of accounts by category? N/A

40. What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category? **N/A**
41. What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category? **Accounts are sent monthly and the amount varies depending on last payment history.**
42. What has been the historical rate of return or liquidation rate provided by any incumbent(s), and/or what is anticipated or expected as a result of this procurement? **N/A**
43. Is this contract valued at more than \$100,000? There are several requirements that are contingent on the \$100,000 threshold. **Yes. Our current collection agencies have received more than \$100,000.00 in placements throughout a year's timeframe. However, we cannot guaranteed the same results going forward.**
44. Are these accounts student receivable accounts, student loans, combination? **These accounts are student receivable accounts and any student loans that may have been returned the lender on behalf of the student (per Title IV refunding policy).**
- a. If loans, will they be defaulted loans? **No**
45. Section 5.9- Requirement for a performance bond if contract is over \$100K. Is a bond required or if insurance combined with a surety bond (10,000 bond in Texas) is sufficient. Or if required, is there a proposed amount of bond? **Please see RFP – Insurance and Bond.**
46. Is there an error in pricing? Section II of the CSA (page 12 of the PDF) says the fee rate for primes/firsts is 23% and 23% for seconds too. **The maximum rate for first and second placements is 23. However, vendors may submit a more competitive fee structure if they choose to do so.**
47. Section 6 of CSA; Correspondence- It mentions the University will need to be copied on all correspondence sent to a 3rd party regarding any account. Does that include **DSCs, regulators, etc.?** **Yes. The collection agency must notify the university prior to seeking outside services (third party). If approved, the university should be copied on any/all correspondence. At no time should a third party be allowed to work on the university's student account without prior approval.**
48. Insurance- You require we maintain a \$1,000,000 employee fidelity bond. Do we need the bond if we maintain an insurance policy with coverages above \$1,000,000. **As stated in the proposal, the collector must provide the university with proof of bonding. The university will keep the bond requirement.**
49. For proposal organizational purposes, would MSU prefer bidders address the requirements and specifications (Scope of Work) in an organized narrative manner, followed by attachments and forms? Any specific layout requirements? **There is not a specific layout requirement. We do ask that all of your documents reference your agency and the RFP number. A narrative followed by attachments re preferred.**

50. Who is your current agency and are you pleased with the recovery performance? (a) Credit Bureau of the High Plains and Credit Bureau Services Association. (b) Very satisfied.
51. How many agencies will you be contracting with as a result of the RFP? Two
52. What is the current recovery performance of the incumbent(s)? Data is not available at this time.
53. What are your current incumbents' fee rates? 19% - 23%
54. What is the total backlog of accounts by type and placement? Data is not available at this time.
55. Do you work with a servicer for your Perkins loans, A/R or Institutional loans? No
56. Do you have any international placements? If so, how many accounts and total balance? (a) Yes, we do have international placements. (b) Data is not available at this time.
57. What percent of your accounts have an email address? 99.9%
58. What percent of your accounts have a cell phone number? We supply each collection agency with a primary phone number and an alternative phone number (if possible).
59. Do you permit credit reporting? Yes, we ask that all accounts be reported to the National Credit Reporting Agency (if possible).
60. Section 6, 6.1 II. Collection Fees: Is this a fixed rate contract and are we required to bid 23% on first, second, and legal? If this is not a fixed rate, can we bid less than 23% and is the maximum 23%, or is the maximum 30%? The maximum rate that MSU will accept is 23%. The vendor may submit a more competitive fee structure if they choose to do so.
61. In section 6.2 Collection Fees: It is specified that the collection fee for first placements is 23% and the second placements is also 23%. Is MSU wanting competitive offers or is the 23% the set amount MSU plans to compensate for Collection services and all Vendors should quote that price? The maximum rate that MSU will accept is 23%. The vendor may submit a more competitive fee structure if they choose to do so.
62. How many vendors will be awarded based on first and second placements? Two
63. Section 5.10, Page 10
- a. As this is a contract for professional services payable on a contingent basis, the proposal amount is unknown. Please clarify if a HUB subcontracting plan will be required for this procurement. A HUB Subcontracting Plan (HSP) must be included with proposals with an estimated contract value of \$100,000.00 or more.
64. Section 6, Page 11
- a. Please define the meaning of supplying a schedule and lead time for this project with one's proposal. Is this with regard to the length of time a third party agency will need implement collection services? Yes
65. Section 6, Page 11
- a. It is not customary to provide a certificate of insurance without a signed contract in place. Please confirm that proof of the appropriate levels of insurance as indicated within the proposal will be sufficient. A certificate of liability insurance is required for vendors that perform services while on campus. If you are not physically on campus performing services on behalf of your company a certificate of liability insurance is not required.
66. Section 6, Sub-item II. COLLECTION FEES, Page 12
- a. This section states that collection contingency fees will be 23% for first and second placements. Please clarify, is the University dictating all proposers collection fees at 23%, or is the maximum allowable amount and proposers may propose a cost for a lower amount? The maximum rate that MSU will accept is 23%. The vendor may submit a more competitive fee structure if they choose to do so.
67. Section 6, Item III, Sub-Item 6d, Page 13

- a. Does the University utilize a billing servicer or is this meant to be read that the selected vendor(s) will be required to send monthly billing notices? This is not a customary practice for third party collection agencies. **Yes, the university requires the selected collection agency to send out monthly billing notices. We are not seeking a third party collection agency at this time.**
68. Section 6, Item III, Sub-item 15 – Page 14 – – *“Be responsible for ensuring accounts are updated to reflect the amount actually past due based on information provided by UNIVERSITY. COLLECTOR shall return an account to UNIVERSITY as soon as the delinquency has been paid.”*
- a. Does the University accelerate account balances before assignment? **No**
69. **Section 4, 4.11**, Is a VPAT required? **This is a “if applicable” section. If the proposed products, services and solutions address the requirements of Section 508 of the Rehabilitation Act of 1973 (revised) a VPAT is required.**

Section 5, 5.9, A performance bond is required for bids of \$100,000 or above. Will the University please confirm the projected contract value and whether a Performance Bond will be required? **MSU would expect each vendor to receive over \$100,000.00 in placements throughout the year. However, there is no guaranteed. As stated in RFP proposal, a Performance Bond is required.**

70. **Section 5, 5.10**, Will the University please confirm if a HUB Subcontracting Plan is required based on the projected contract value for this procurement. If required, when does the University prefer the Bidders complete and return the HSP (on <http://www.window.state.tx.us/procurement/prog/hub/hub-subcontracting-plan/>) in accordance with the RFP submission due date? **A HUB Subcontracting Plan (HSP) must be included with proposals with an estimated contract value of \$100,000.00 or more. If a HSP is required it must accompany the proposal.**
71. **Section 5, 5.11 Ethics Communication Reporting**, Will the University please confirm the Bidder must file Form 1295 electronically after award? **If the agreement has a value of at least \$1 million a Form 1295 is required. This does not have to accompany the proposal, but must be filed prior to entering into any contract.**
72. **Section 6, 6.1 II**, Does the University capture the student opt-in or signature on the FRA, and can it be provided if a student borrower disputes? **All students must accept the Student Financial Responsibility Agreement (SFRA) each semester through their student portal which requires an authenticated login. A copy of the agreement may be provided to the student upon their request.**
73. **Section 6, 6.1, III, 6. Correspondence a)**, Will the University please confirm they want to approve our letters and must be copied on all borrower correspondence attempts? **The collection agency must notify the university prior to seeking outside services (third party). If approved, the university should be copied on any/all correspondence. At no time should a third party be allowed to work on the university’s student account without prior approval.**
74. **Section 6, 6.1, III, 6. Correspondence b) and d)**, Will the University please clarify if these notices are required under this procurement? (The delinquency and grace period expiration notices referenced in b and d are generally issued by a billing service prior to default and not by a collection agency). **Please disregard this statement. Federal Student Loans and Perkins Loans will not be included in these type of placements.**

75. **Section 6, 6.1, III, 6. Correspondence c)**, Will the University please clarify if payment notices referenced are for debtors who have payment arrangements set up on accounts or if this refers to debtors with no arrangements? **They are both types of accounts. Some have payment arrangements on file but have failed to honor the agreement.**
76. I have been reading through the Financial Collection Services RFP and wanted to inquire about the type(s) of accounts the University plans to turn. Will they include just past due student accounts or will they also include student loans which require rehabilitation/monitoring? **These accounts are student receivable accounts and any student loans that may have been returned the lender on behalf of the student (per Title IV refunding policy). Rehabilitation is not needed.**
77. Also, what type of volume of accounts are expected both number and dollar amount? **Data is unavailable at this time.**

Please remember to acknowledge this addendum on the Addenda Checklist.

The deadline for questions has now passed. No additional questions will be accepted at this time.

Regards,

Joseph J. Mrugalski Jr.
Purchasing/Contract Management