

QUESTIONS AND ANSWERS

FINANCIAL COLLECTION SERVICES PROJECT NO. 09-11

To: Prospective Respondents

From: Houston Community College

Date: February 10, 2009

Subject: Informational Letter #1 – Request for Proposals for Financial Collection Services
HCC Project No. 09-11

The following questions regarding the Request for Proposals (RFP) for Financial Collection Services (#09-11) were received in the Procurement Operations department within the time period stated in the RFP:

Question #1: – Why is the contract out to bid at this time?

HCC Answer: - The contract initial term and all renewal options have expired.

Question #2: – When is the anticipated contract start date?

HCC Answer: - It is anticipated that the contract start date will be in the March - April 2009 time period.

Question #3: - If applicable:

- a. Who are the incumbents?
- b. How long have the incumbents been providing the requested services?
- c. To how many vendors are you seeking to award a contract?
- d. Has the current contract gone full term?
- e. Have all options to extend the current contract been exercised?
- f.

HCC Answer: - The answers to question #3 (a-e) above are as follows:

- a. Robinson Law Group
- b. Since May 2005
- c. HCC anticipates awarding one (1) contract.
- d. Yes
- e. Yes

Question #4: - Will you also be referring secondary replacement, and should bidders provide proposed fees for secondary placements?

HCC Answer: - The process of starting secondary placements is under review by HCC and is not a requirement of this solicitation. You may provide any information that you feel is valuable to your proposal regarding secondary placements.

Question #5: - What collection attempts are performed or will be performed internally prior to placement?

HCC Answer: - Letter(s) and email(s) are sent, restrictions and holds are placed on student services, onsite campus staff will inform students of balances and student account information is listed in real time.

Question #6: - To the greatest extent possible, please provide the following data:

- a. Total historical dollar value of accounts, including any backlog.
- b. Total historical number of accounts by category, including any backlog.
- c. Total historical average balance of all accounts, by category if relevant or possible.
- d. Current contingency fees or other fees currently being billed by any incumbent(s) by category. What is the current collection fee rate being charged?
- e. Total historical average age of accounts at placement (at time of award and/or on a going-forward basis), by category if relevant or possible.
- f. Contracted contingency fees and/or actual dollar amounts of monies paid last year to any incumbent (s), if applicable by category.
- g. The monthly or quarterly number of accounts expected to be placed with the vendor (s) by category.
- h. The monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category. What is the anticipated annual volume of business broken down by type of accounts placed based on historical figures?
- i. Historical rate of return or liquidation rate either provided by any incumbent(s) or anticipated as a result of this procurement. What is the historical average recovery rate for this contract?
- j. Any other relevant statistical data about the portfolio.

HCC Answer: - Listed below is relevant and/or available information as it relates to Question #6 above:

1. The current collection fee being charged is 17% to 21% of the amount collected.
2. The annual volume of business broken down by type of accounts placed based on historical figures has ranged from \$809,933 to \$1,640,185; the accounts placed are categorized in only one group. It consists of students who owe outstanding amounts for a prior term(s). Business is currently sent in a group, by prior terms.
3. The historical average recovery rate is around 30%

Question #7: - If applicable, will accounts held by any incumbent (s) or any backlog be moved to any new vendor(s) as a one-time placement at contract start up?

HCC Answer: - If it is applicable, prior accounts may be moved to the new vendor but at a time different than start up.

Question #8: - To what extent will the location of the bidder's call center and/or corporate headquarters have a bearing on any award(s)?

HCC Answer: - Location will not have any bearing if it does not hinder bidder's ability to effectively communicate with students and college contacts.

Question #9: - Can you please provide greater explanation of your expectations related to any required subcontracting to small or "disadvantaged" businesses? For example, what is required

with the proposal, and what is required to comply during the term of the contract? Is the Internship Program being utilized for the current contract?

HCC Answer: - The small business participation goal for this procurement is "Best Effort". Please refer to Paragraph 9 of the Instructions to Proposers. The internship program is not being utilized under the current contract.

Question #10: - Regarding Item 10 on page 7, how would this stipulation work in practice for a contingency fee contract with no specific phases?

HCC Answer: - This item addresses compliance with any stated small business participation goal (percentage wise) of the resulting contract, if any. This solicitation does not have a stated small business participation goal. Please refer to the answer to Question #9.

Question #11: - Will the College be releasing an audio recording or minutes from the pre-bid meeting?

HCC Answer: - No. The meeting was not recorded and minutes were not taken.