

Solicitation Amendment No. 003

To: Prospective Bidder/Offeror:	Date:
Prospective Proposers	January 18, 2019
Project Title:	Project No.:
Student Financial Collection Services	RFP 19-18

The Request for Proposal (No. 19-18) is hereby amended as set forth below:

- 1- Section 2.0 Price Proposal, (page 8 of 51) is hereby deleted and replaced again with the amended Section 2.0 Price Proposal-Revised (see attached).
- 2- In reference to Section 4 – Instructions to Proposers, subsection 4.e.i., Proposer shall respond to all requirements and questions noted in Section 1 Project Overview and Scope of Services.

Accordingly, Exhibit No. 2 Supplier Questionnaire is hereby deleted and replaced with the amended Exhibit No. 2 Supplier Questionnaire-Revised.

Note: Items 2.1 through 2.50, as noted in section 1, have been added to the revised Exhibit No.2, immediately following the Proposer Questionnaire items 1 through 19.

- 3- Questions and Answers are attached below.

Except as provided herein, all terms and conditions of the solicitation remain unchanged and in full force and effect.

Company Name (Bidder/Offeror):	
Signed by:	Date:
Name (Type or Print):	Title:

Section 2 – Price Proposal – Revised

1. Instructions

Proposer must complete this section in its entirety, and may supplement this section with additional pages as to provide HCC with a more detailed breakdown, backup and/or options of related cost associated with the services being solicited in this solicitation. The Total Cost for the solution provided must be a turnkey cost inclusive of but not limited to travel and living expenses. Submit one (1) original printed and one (1) electronic copy (USB) of your price proposal.

2. Total Cost

Provide a Total Cost (to include all travel and living expenses) for the proposed solution. The Total proposed cost will be a firm fixed cost for the life of the contract.

Item No.	Part 1-First Placements - Collection Services	Percentage/Fee
1	Collection Services for Delinquent Student Accounts (Tuition and Fees) without the filing of lawsuits	
2	Collection Services for Non-Sufficient Funds Student Accounts without the filing of lawsuits	

Item No.	Part 2-Second Placements - Collection Services	Percentage/Fee
1	Collection Services for Delinquent Student Accounts (Tuition and Fees) without the filing of lawsuits	
2	Collection Services for Non-Sufficient Funds Student Accounts without the filing of lawsuits	

*The percentage/fee that the Collection Agency shall collect from the student shall be based on the original balance of the accounts referred for collection, i.e.

Account Balance - \$1,000.00 (due to HCC)
 Collection Fee due to Contractor (if fee is 21%) - \$1,000.00 x 21% = \$210.00
 Amount to be collected from student - \$1,000.00 + \$210.00 = \$1,210.00

Delinquent student account receivable balances can include housing charges, meal plan charges, and library fines, parking fines, conduct fines, financial aid, Return of Title IV repayments, non-sufficient fund payments and fees, tuition, student activity fees, course fees, and bookstore charges.

3. Price Evaluation

Evaluation of price will not occur until the completion, scoring and ranking of all proposers on the basis of non-price factors. Please refer to Section 3 for an explanation of the evaluation process for this RFP.

4. Price Proposal Signature

The information in this RFP is to be utilized solely for preparing the proposal response to this RFP and does not constitute a commitment by HCC to procure any product or service in any volume.

Name:	
Title:	
Date:	
Signature:	

REQUEST FOR PROPOSAL

**PROJECT NO. RFP 19-18
Student Financial Collection Services**

QUESTIONS AND ANSWERS No. 001

Date: January 18, 2019

To: Prospective Respondents

From: Procurement Operations Department, Houston Community College

Subject: Questions and Answers Responses

Q1. How many Student Financial Collection Services vendors does HCC intend to contract with?

Response: The intent is to have minimum of 3 suppliers.

Q2. What is the anticipated annual number and dollar amount of placements associated with the solicitation, by placement level and type of receivable (installment payment plans, delinquent student tuition, collection of non-sufficient funds, etc.)?

Response: Almost all, if not all that is sent for collections will be delinquent student accounts as in tuition and fees. Our payment plans would be included in that balance yet it is just tuition and fees (no interest rate charged). There could be about \$1,600,000.00 with 2,200 students placed yearly.

Q3. What is the frequency of placements?

Response: Files will be sent out for collections around 6 months after the end of the term. Historically, it has been grouped as the fall, or summer and spring. The goal has been to be about every 6 months yet has gone to 12 months.

Q4. How many incumbent vendors are there?

Response: Currently 3 suppliers

Q5. Who are the incumbent vendors?

Response: Alltran, Penn Credit and Conserve

Q6. What process should a vendor follow, or which individual(s) should a vendor contact, to discuss budget-neutral services outside of the scope of this procurement, but related to it, designed to recover more debt prior to outside placement and lower collection costs?

Response: Proposal will be evaluated based on the requirements and scope as stated in solicitation. If an alternative solution is, being proposed the Proposer must clearly label and mark the package as an “Alternate Proposal”. However, you must respond to the solicitation in order to be considered.

Q7. What were the annual placement volumes per vendor (in numbers and dollars) at each placement level (1st placement versus 2nd and higher) for the most recent year for which information is available?

Response: The goal was to split the files evenly, with the same dollar amount and roughly the same number of students. If the file contained different terms, that was split too. The last two years match to where we should be now; 1842 accounts for \$1,002,609.00 in 2108 and 2,297 accounts for \$1,595,584.00 in 2017. There were no second placements.

Q8. What were success rates/recovery rates for each vendor, by placement level and type of receivable (installment payment plans, delinquent student tuition, collection of non-sufficient funds, etc.)?

Response: Refer to Q7 – expect 99.9% to be student receivables-tuition and fees. The results were much stronger when the files were released prior to enrollment in fall and spring as students tend to come back after time out of class. The low ratio was 8.04% to the high of 11.8%. These files had some older accounts which were evenly distributed. The agencies were very similar with their results.

Q9. What were the total dollars placed for collection in the most recent year, by placement level and type of receivable (installment payment plans, delinquent student tuition, collection of non-sufficient funds, etc.)?

Response: Refer to Q7 – expect 99.9% to be student receivables-tuition and fees. The total amount was \$1,004,609.00.

Q10. What were the number of accounts placed for collection in the most recent year by placement level and type of receivable (installment payment plans, delinquent student tuition, collection of non-sufficient funds, etc.)?

Response: Refer to Q7 – expect 99.9% to be student receivables-tuition and fees. There were 1,842 files.

Q11. In the most recent year, what are the average balances, by placement level and type of receivable (installment payment plans, delinquent student tuition, collection of non-sufficient funds, etc.)?

Response: Refer to Q7 – expect 99.9% to be student receivables-tuition and fees. The average amount was \$544.33.

Q12. What is the average age of accounts at placement, by placement level and type of receivable (installment payment plans, delinquent student tuition, collection of non-sufficient funds, etc.)?

Response: Refer to Q7 – expect 99.9% to be student receivables-tuition and fees. 8 to 18 months. The goal is 6 to 12 months.

Q13. Please clarify the differences between items 2 and 3 – “Collection Services for Non-Sufficient Funds Student Accounts” and “Non-Sufficient Funds Checks” -- in the tables on page 8 of the solicitation.

Response: Refer to amendment No. 003.

Q14. Does Houston Community College System have an anticipated or target date for referring the first set of accounts? If so, what date might that be?

Response: Our goal is to send out files within 30 days of a signed contract.

Q15. What is the volume of delinquent accounts to be placed? Do you have a historical track of # of accounts and total \$ volume placed per month over the past 6 or 12 months?

Response: Files are not placed monthly. Files are sent based on the term. Refer to response to # 7 for two years information.

Q16. What is the process for collecting these delinquent accounts prior to being placed with your selected collections agency? Or in other words, what has been done with these accounts prior to placement for collections?

Response: Students on a payment plan will have holds placed on their account the day after the payment due date is missed. Individually identified students with payment issues will be identified by holds. Examples of 3rd party payment issues could be paperwork issue but hold will be used to block services to get student to be proactive to resolve problem. Emails go out at the time of holds, notifying students of problem. Other balances come for the reduction of financial aid, leaving a balance owed. The student account has a hold attached late in the term. We try to do this prior to the opening of the early enrollment of the next term. It is done before grades are posted making transcript requests stop. Students will not be able to move to another school. Our campus cashiers will interact with students with holds, questions and payment issues. The system staff will get emails and calls about payment issues.

Q17. I read where the 'collection fees' are to be added to the delinquent tuition \$ amount. Is that 'adding collection fees' specifically stated in your financial policy regarding delinquency in payment of tuition?

Response: Yes. HCC does have a Student Financial Responsibility Agreement that includes the wording.

Q18. 2.37 REPORTING TO THE CREDIT BUREAUS
What is the likelihood HCC would change their position on reporting the debt to the students Credit history?
If it was deleted once paid in full would this make a difference?

Response: Probably 50/50 on changing position – but deleting once paid is not the issue. The real issue will be the how much college effort would be required to keep up with student “disputes” to keep the reporting valid for the CBR and the real achieved results.

Q19. SCOPE OF SERVICE - It states that the minimum principal amount to be placed will be \$100.00, but then 2.1 states without regard to dollar amount.

Response: What would be the true statement nothing under \$100 or no restrictions?
HCC understands there should be a reasonable min balance, due to cost you incur. \$100.00 is that threshold selected. The “without regard to dollar

- amount” is the expectation that files sent will be worked without selecting the larger balances first or placing more effort on the more profitable accounts.
- Q20. SCOPE OF SERVICE - What is HCC terminology for delinquent installment payment plans?
- Response:** Plans are considered delinquent when the payment date is missed. These students will be sent with the others, as the term files are sent to collections.
- Q21. 2.5- Please clarify this statement. It reads as if HCC will work the accounts even if they are placed with an agency.
- Response:** HCC will accept the payment and collection fee on the behalf of collection agency if the student contacts HCC.
- Q22. How far back (age wise) will HCC list 2nd and 3rd place accounts with the new vendor?
- Response:** That has not been determined. One agency will not work files over 4 years old while one will. If you have an age limit, you should indicate that.
- Q23. Page 6 2.3.9 please clarify what procedure HCC requires the student to do in reference to name and address change. Is it written or verbal
- Response:** Students can change their addresses online in their student accounts where names have to be done in person with documentation.
- Q24. SECTION 2 PRICE PROPSAL – PART 1 AND PART 2 both state this is for first placements. Should part 2 be the fee for 2nd placements?
- Response:** Please refer to addendum No. 001 posted on HCC Website
- Q25. #2 states “Non-sufficient funds student accounts without the filing of lawsuits please clarify this statement since #3 is NSF for hot checks
- Response:** Refer to amendment No. 003
- Q26. The collection agreement has a blank line for the dollar amount. How would this be determined since fee is on a contingency basis?
- Response:** The blank line is for a % of the amount placed and collected. Refer to the example of how HCC expects the % to work.
- Q27. Will collection costs be added to all placements and what is the formula to assess these costs?
- Response:** The cost has not been added to the balances. There is an example in the RFP. 15.9% of \$1,000.00 placed is a collection fee of \$159.00 or an expected collected amount of \$1159.00.
- Q28. Do students sign an agreement or e-sign via electronic registration at enrollment that will allow HCC to add collection fees to the accounts turned over for collections?
- Response:** Refer to Q17 – The Student Financial Responsibility Agreement covers this.
- Q29. What is the average amount of each past due account, type of debt, days past due, and total amount of the debt outstanding?
- Response:** The average amount is going down as last year it was in the \$540 range while the prior year was at \$700. 6 to 12 months.
- Q30. Who is your billing servicer?
- Response:** HCC is not sending out bills.
- Q31. How often do you place accounts with a collection agency?

- Response:** The goal has been 6 to 9 months, yet it becomes 6 to 12 months.
- Q32. Who are your current collection agencies and how long have they provided services to HCC?
- Response:** Refer to Q5 The RFP cover three (3) years with the option to renew for two (2) one year term. Of the current contractors, one elected not to participate.
- Q33. What is the historical rate of return or recovery rates provided by your current collection agencies?
- Response:** Refer to Q8
- Q34. What areas, processes and / or results is the College looking to improve or enhance under this new contract?
- Response:** It is about the bottom line, the number of student accounts resolved or paying and the amount being collected.
- Q35. What is HCC's level of satisfaction with your current contractors?
- Response:** The agencies are easy to work with, offer information through a secured site, have their ups and down months.
- Q36. Under Section 2.45, it states that the Contractor "shall be responsible for all costs, fees and expenses in connection with lawsuits for the collection of debts." For any account that requires litigation, will the College pay (either advance or reimburse) the Collector for court filing fees/court costs, associated with the filing of an action in court?
- Response:** No. The student will be responsible for the court fees as per the SFRA they sign. However, we have not Refer ton any accounts for litigation.
- Q37. What historical recovery percentages have been achieved by the current contractor(s) and for what time period?
- Response:** Refer to Q8
- Q38. Are proposers required to provide audited financial statements?
- Response:** No. Proposers must be in good financial standing, current in payment of all taxes and fees such as state franchise fees. HCC reserves the right to request a copy of the respondent's audited or un-audited financial statement. HCC may request a statement from the president, owner or financial officer on company letterhead certifying that the company is in good financial standing and current in payment of all taxes and fees.
- Q39. We noted that you are only allowing fees to be charged on the amount placed. For administrative purposes, how would you like us to charge fee our fee to the school (i.e. at a reduced commission fee rate over all funds collected or the quoted fee for the balance received up to the amount placed)?
- Response:** The simple way is to show the principle amount paid and the collection fee paid and remit to the college the principle amount. The example on page 8 of 51 shows the math.

- Q40. What are the anticipated volumes? Please indicate monthly placements and average balance.
- Response:** Refer to Q2, Q32
- Q41. Please clarify section 2.5: “HCC may make its own efforts at collection without notice to or approval of Contractor”. Will HCC be attempting to collect on accounts at the same time as these same accounts are placed with the vendor?
- Response:** Refer to Q21
- Q42. Please indicate the method by which HCC currently places accounts.
- Response:** The files are uploaded through your agency’s secure portal.
- Q43. It is standard industry practice to utilize subcontractors for purposes such as skip-tracing, payment processing, and letter mailing. Are these what HCC is referring to with regard to the term “small business”? It is not customary to subcontract the work described in any other way.
- Response:** Please refer to Section 4, Item H, Small Business Practices and Section 5, Item No. 14. For additional information on the Small Business Development Program, please visit <https://www.hccs.edu/about-hcc/procurement/small-business-procurement/>
- Q44. On page 13, section d, ii: would HCC be willing to accept brief narratives in lieu of resumes for key personnel?
- Response:** Yes, the intent is for firms to demonstrate their team’s experience.
- Q45. Can you confirm there is no small business participation goal as it is left blank on Attachment No. 5 under Section 3?
- Response:** There is a 5% SBE goal associated with this RFP. Please refer to Section 5, Item No. 14.
- Q46. How will HCC score those bidders who do not subcontract and, therefore, do not routinely seek small businesses to perform the contracted scope of work
- Response:** Please refer to Section 5, Item No. 14.
- Q47. For planning purposes, please provide either historical or anticipated placement volume, i.e., number of accounts with average balance, or total delinquent account receivables balance placed for collection.
- Response:** Refer to Q2, Q8
- Q48. In consideration of most schools’ focus at this time on launching spring semester, will HCC please consider extending the proposal deadline to allow schools ample time to provide reference letters to vendors?

Response: Refer to amendment No. 002

Q49. Regarding the complaints filed or lawsuits brought, will a three year-period meet HCC requirements?

Response: Yes as long as the work begins prior to the contract expiration date.

Q50. As our client list is extensive (over 750 higher education clients), can we provide an abbreviated client list and then focus on our experience with several projects that are the same as or similar to what is covered in HCC's RFP?

Response: Keep in mind the evaluation committee will score your proposal based on all the available information provided. It is the proposer's decision as to how much or little information to provide. Providing information that exceeds or are of the same or similar scope as HCC is optimum.

Q51. Section 2.14 on page 4 states collected funds shall be remitted monthly, however, section 2.34 on page 6 states that any overpayments "will promptly forward to the College". Can we send overpayment amounts to HCC when we remit the monthly collected amounts, or are we required to send overpayments more immediately?

Response: Currently, payments are accounted for on a monthly cycle. We have had one or two students pay both the college and the agency which were resolved in the monthly cycles. There really should be no over payment as the amounts will be clear.

Q52. What collection attempts were performed internally prior to placement?

Response: Refer to Q21

Q53. What is the total number of accounts available for placement

Response: The number is still changing; it can be as high as 3400 students for about \$1,700,000. That would make the average balance about \$500. It is still changing as more payments are expected before the next session start date. The answer to question 2 is probably good.

Q54. What is the average balance of accounts?

Response: Currently the average is about \$500.

Q55. What is the average age of accounts at placement (at time of award and/or on a going-forward basis)?

Response: Refer to Q3

Q56. What has been the historical rate of return or liquidation rate?

Response: Refer to Q8

- Q57. What is the average # of accounts submitted on a monthly basis?
- Response:** Refer to Q2 and Q32
- Q58. In the first placement, how many months will the first file contain?
- Response:** Refer to Q2 and Q32
- Q59. What is the estimated size of the existing portfolio (the backlog) in terms of both the number of accounts and the dollar amount outstanding? The average balance owed per account? Per debtor?
- Response:** Refer to Q54 and Q55
- Q60. What is the age of the oldest accounts in the portfolio?
- Response:** All of our older outstanding student accounts have been sent for collections and all but a small number were worked. Please indicate limits if you have them. The first placements goal is about 6 to 12 months.
- Q61. What is the estimated size, in terms of both the number of accounts and dollars outstanding, of annual referrals going forward (i.e. new/future placements)?
- Response:** Refer to Q54 and Q55
- Q62. If applicable, who is your current collection provider? If applicable, how long has your current collection provider been under contract?
- Response:** Refer to Q5 and Q33
- Q63. If applicable, what is your current collection provider's annual recovery rate (i.e. on accounts placed for one year)?
- Response:** Refer to Q8 Offers a range. The actual amount collected varied as we tried to get all files out and there were some older accounts.
- Q64. Who is your electronic payment/credit card processing vendor?
- Response:** CashNet
- Q65. If applicable, how much collection fees were paid to/earned by your current collection provider this past calendar year? The year prior to that?
- Response:** For 2018 the total was \$57,445 and for 2017 it was \$84,574.00.
- Q66. If applicable, how many dollars and what number of accounts were collected by your current collection provider this past calendar year? The year prior to that?
- Response:** In 2018 \$373,096 was collected and in 2017 \$571,605 was collected.

Q67. Will accounts referred to your current collection provider be recalled and re-referred to the collection provider chosen pursuant to this procurement process? And if so, can bidders propose a higher fee percentage for these previously worked accounts (i.e. second placements)?

Response: Yes, any student account previously worked will be considered second placements. Any accounts that are currently out would be recalled if the agency is not a successful firm(s) as a result of this RFP.

Q68. Are litigation services required/desired? If so, can bidders propose a higher fee percentage for accounts requiring litigation services?

Response: It is important that any information/details you believe are important to your collection process should be identified and explained in your response. Currently HCC has not required such services.

Q69. We assume that you do not/will not allow your collection providers to add convenience and/or payment processing fees in addition to their contingency fees? If such fees are allowed, can you clarify that you will require bidders to fully disclose the amounts to be charged so the same can take the same into consideration when evaluating pricing?

Response: HCC will not allow collection providers to add convenience and/or payment processing fees. HCC does not wish unnecessary issues to spring up that could alter the relationship between the agency, the student and the school.

Q70. What is the anticipated award date for this contract?

Response: We anticipate this project will be presented at HCC'S regular Board of Trustee meeting in April 2019 for notification.

Q71. What are your in-house collection methods (e.g. number of mailings, calls, etc.) used on the referred accounts prior to referral to your collection provider?

Response: Refer to Q16

Q72. How will account/collection information or data be communicated to the successful bidder (i.e. electronic via an FTP site)?

Response: It will have to meet the requirement for a secured communication, refer to Q43.

Q73. Please reconfirm the due date for this procurement by providing it in response to answers to questions.

Response: The original due date is January 18, 2019. However, the project is hereby extended. Refer to amendment No. 002

Q74. Why has this bid been released at this time?

Response: The existing contracts will soon expire.

Q75. When is the anticipated award date?

Response: Refer to Q71.

Q76. Can you please provide greater explanation of your expectations related to any required subcontracting to minority-owned, women-owned, or other types or categories of small or disadvantaged businesses? For example, what is required with the proposal, and what is required to comply during the term of the contract?

Response: Please refer to Section 4, Item H, Small Business Practices and Section 5, Item No. 14. For additional information on the Small Business Development Program, please visit <https://www.hccs.edu/about-hcc/procurement/small-business-procurement/>

Q77. Can you please provide greater details on how proposals will be evaluated and how the selected vendor(s) will be chosen?

Response: As described under Section 3. Proposal Evaluation

Q78. Are bidders permitted to deviate in any way from any manner of quoting fees you may be expecting? For example, if there is a pricing page in the RFP, can bidders submit an alternate fee structure? If there is no pricing page in the RFP, do you have any preference for how bidders should quote fees or can bidders create their own pricing categories?

Response: There is a pricing page with an example. Refer to example on page 8 of 51, as it shows the pricing will be a % of the amount sent for collections.

Q79. Please describe your level of satisfaction with your current or recent vendor(s) for the same purchasing activity, if applicable.

Response: Refer to Q36

Q80. Has the current contract gone full term?

Response: It will be by the end of March.

Q81. Have all options to extend the current contract been exercised?

Response: A 3 months extension is in process.

Q82. Who is the incumbent, and how long has the incumbent been providing the requested services?

Response: Refer to Q5 and Q33

Q83. To what extent will the location of the bidder's proposed location or headquarters have a bearing on any award?

- Response:** Location is not part of the evaluation and award, the goal is to communicate and collect the outstanding balances which can be from anywhere in the country.
- Q84. What is your case management/accounting software system of record?
- Response:** PeopleSoft
- Q85. What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?
- Response:** Refer to Q66
- Q86. To how many vendors are you Refer toking to award a contract?
- Response:** Refer to Q1
- Q87. Can you please provide a greater description of the specific kind of receivables to be placed for collection? To what extent are these accounts owed by private consumers versus commercial businesses?
- Response:** Refer to Q2 Currently all receivables are student receivables owed to HCC by students.
- Q88. To what extent are these accounts owed by private consumers versus commercial businesses?
- Response:** Currently 100% private consumers (students).
- Q89. Will accounts be primary placements, not having been serviced by any other outside collection agency, and/or will you also be referring secondary placements? If so, should bidders provide proposed fees for secondary placements also?
- Response:** Refer to Q24
- Q90. What collection attempts are performed or will be performed internally prior to placement?
- Response:** Refer to Q16
- Q91. Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval?
- Response:** No Court action would require explicit approval from HCC. There has not been a situation meriting court action on the student receivables.
- Q92. What is the total dollar value of accounts available for placement now by category, including any backlog?
- Response:** Refer to Q2, Q8 and Q54.

Q93. What is the total number of accounts available for placement now by category, including any backlog?

Response: Refer to Q54.

Q94. What is the average balance of accounts by category?

Response: Refer to Q11 and Q54.

Q95. What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category

Response: The estimated age, on a going forward basis, should be 6 to 12 months.

Q96. What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category?

Response: Refer to Q2

Q97. What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?

Response: Refer to Q2 and Q54

Q98. 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?

Response: Refer to Q8 and Q35

Q99. What billing servicer do you utilize?

Response: None

Q100. Have all cases been fully adjudicated by the time of placement?

Response: Yes, as there are none.

Q101. 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?

Response: Accounts that were under prior collections will be reviewed before going out as 2nd placement.