



Solicitation Information
7 Aug 06

RFQ # 7002098

TITLE: Debt Collection Services (MPA # 238)

Submission Deadline: 31 Aug 06 @ 2:00 PM EDT (1400L)

PRE-BID/ PROPOSAL CONFERENCE: Yes	DATE: 21 Aug 06	TIME: 2:30 PM (EDT)
MANDATORY : No		
LOCATION: Department of Administration, Division of Purchases (2nd fl), One Capitol Hill, Providence, RI		

Questions concerning this solicitation may also be e-mailed to the Division of Purchases at questions@purchasing.state.ri.us no later than **18 Aug 06 at 12:00 Noon (EDT)**. Questions should be submitted in a *Microsoft Word attachment*. Please reference the RFQ # on all correspondence. Questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information.

SURETY REQUIRED: No

BOND REQUIRED: No

Jerome D. Moynihan, C.P.M., CPPO
Administrator of Purchasing Systems

**Vendors must register on-line at the State Purchasing Website at
www.purchasing.state.ri.us.**

NOTE TO VENDORS:

Offers received without the entire completed three-page RIVP Generated Bidder Certification Form attached may result in disqualification.

THIS PAGE IS NOT A BIDDER CERTIFICATION FORM

State Of Rhode Island
Department Of Administration

DEBT COLLECTION SERVICES
REQUEST FOR PROPOSALS

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SECTION 1 - INTRODUCTION

1.1 GENERAL

1.1.1 The Rhode Island Department of Administration/Division of Purchases, on behalf of the Office of Accounts and Control (OAC) is soliciting proposals from qualified firms to provide debt collection services, as described elsewhere herein, and in accordance with the terms of this Request and the State's Governing Terms and Conditions, which is available on the internet at www.purchasing.ri.gov

The contract period resulting from this solicitation shall be for one year, with an option to renew, at the discretion of the State, for up to four additional annual terms. Anticipated contract start date is 1 OCT 06

1.1.2 This is a Request for Proposals, not an Invitation for Bid. Responses will be evaluated on the basis of the relative merits of the proposal in addition to price. There will be no public opening and reading of responses received by the Division of Purchases pursuant to this Request, other than to name those respondents who have submitted proposals.

1.1.3 This Request shall not be limited to the concepts presented herein. It should also include ideas and concepts based upon professional experience and knowledge in developing the best-suited debt collection program, which will be cost effective and will meet the future requirements and growth deemed necessary by the state.

1.2 INSTRUCTIONS AND NOTIFICATIONS TO RESPONDENTS

1.2.1 Potential respondents are advised to review all sections of this Request carefully, and to follow instructions completely, as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.

1.2.2 Respondents are instructed that once the RFP has been issued, there is to be no contact with any governmental employees, except for Mr. Jerome D. Moynihan of the Rhode Island Division of Purchases, regarding issues pertaining to this RFP. Instructions for participating in this bidding process, and information regarding this project, will only be provided through this RFP and written addenda.

1.2.3 Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are solicited. However, proposals which depart from or materially alter the terms, requirements, or scope of work defined by this Request will be rejected as being non-responsive.

1.2.4 All costs associated with developing or submitting a proposal in response to this Request, or to provide oral or written clarification of its content, shall be borne by respondent. The State assumes no responsibility for these costs.

1.2.5 All pricing submitted will be considered to be firm and fixed unless otherwise indicated herein.

- 1.2.6** Proposals which are not present in the Division of Purchases at the time of opening for any cause will be determined to be late and may not be considered. For the purposes of this requirement, the official time and date shall be set by the time clock in the Division of Purchases reception area.
- 1.2.7** It is intended that an award pursuant to this Request will be made to a prime contractor, who will assume responsibility for all aspects of the work. Joint venture and cooperative proposals will not be considered, but subcontracts are permitted, provided that their use is clearly indicated in the proposal, and the subcontractors proposed to be used are identified.
- 1.2.8** Respondents are advised that all materials submitted to the State of Rhode Island for consideration in response to this Request for Proposals will be considered to be Public Records as defined in Title 38 Chapter 2 of the Rhode Island General Laws, without exception, and will be released for inspection immediately once an award is made.

1.3 CERTIFICATE OF AUTHORITY

In accordance with Title 7, Chapter 1.1, - of the General Laws of Rhode Island, no foreign corporation shall have the right to transact business in this state until it shall have procured a *Certificate of Authority* to do so from the Secretary of State. The apparent low respondent, if an out of state corporation with no business address within the state must either: 1) provide a copy of their *Certificate of Authority*, or; 2) Show proof that an application is in process prior to the bid award.

SECTION 2 – PROPOSAL SUBMISSION

2.1 PRE-PROPOSAL CONFERENCE

A Pre-Proposal Conference, for the purpose of clarifying the scope and intent of this RFP, as well as the evaluative criteria to be employed in the review of responses, will be conducted on at the Department of Administration, Division of Purchases, Bid Room, One Capitol Hill, Providence, Rhode Island. Respondents may submit written questions regarding the RFP prior to the Pre-Proposal Conference, but no later than the date and time indicated on page one of this solicitation. Questions may also be emailed, in accordance with the terms & conditions expressed on page one of this solicitation, to the Division of Purchases. Please reference the RFQ # on all correspondence. Questions emailed by the deadline will be addressed first at the pre-proposal meeting and will be included in the meeting summary, which will be posted on the internet as an addendum to this solicitation.

2.2 SUBMITTAL DATE

Interested respondents may submit proposals to provide the services covered by this Request on or before the date & time indicated on page one of this solicitation

2.3 PROPOSAL FORMAT

Proposals must include the following:

- 2.3.1** A completed RIVIP Bidder Certification Form, signed by the owner, officer, or authorized agent of the firm or organization, acknowledging and accepting the terms and conditions of this Request, and tendering an offer to the State. The Certification Form is to be included with all Technical and Cost Proposals. **No pricing information is to appear in the Letter of Transmittal.**

A separate Cost Proposal reflecting commission structures proposed for this scope of service, including completion of the Cost Proposal Summary Sheet, which identifies Costs for Mandatory Requirements.

The Technical Proposal must contain the following general sections:

2.3.3.1 Executive Summary

The Executive Summary is intended to highlight the contents of the Technical Proposal and to provide OAG state evaluators with a broad understanding of the respondent's technical approach and ability to achieve the experience results.

2.3.3.2 Previous Experience and Background

This section shall include the following information:

Operations Profile

- a) The respondent shall present a profile of their firm's operations and qualifications. Respondents are encouraged to provide an overview of the firm's business operations relevant to the requirements of this RFP.

Business Background and Financial Position

A description of the business background of the respondent (and all subcontractors proposed), including a description of their financial position.

In addition to the bonding and insurance requirements that will be required of successful vendors, the proposal must demonstrate that the vendor is currently financially stable and that future financial conditions are not likely to jeopardize the vendor's ability to provide service to the state.

An audited financial statement is not a required part of the proposal, but preferred, and a proposer may wish to use one to demonstrate financial stability. The state does not intend to require successful vendors to provide audited financial statements, but reserves the right to do so.

References, Qualifications, and Experience

The proposal must identify at least five (5) references that can be contacted regarding their recent experiences with the vendor on accounts of similar substance as the state. The references must be specific as to the nature of the experience with the vendor, including name, volume, or referrals received, contact person's business address and phone number, rate of recovery, type of debt, and the scope of services provided by the vendor.

The respondent's status as a Minority Business Enterprise (MBE), if appropriate, certified by the Rhode Island Department of Administration, and/or a subcontracting plan which addresses the state's goal of ten percent (10%) participation by MBE's in all procurements.

The respondent shall present the qualifications, technical expertise and experience of the firm's key personnel who will be assigned to the performance of services. The Proposal must include a resume or a statement of qualifications for all key personnel.

For the purposes of this RFP, key personnel shall include the principals, partners, managers, and on-site supervisors who will be assigned to, and responsible for, the Contract. Key personnel assigned to the contract must perform as designated except in the case of termination from the firm or other unavoidable circumstances. Respondents responding to this RFP shall be considered to have accepted this condition.

During the period of performance, key personnel may be removed by the Contractor only upon the prior written approval of the Office of Accounts and Control. A significant change in the key personnel listed in the Proposal prior to, or after, the execution of the Contract, which is unsatisfactory to the Office of Accounts and Control, shall be grounds for disqualification of the Proposal or termination of the Contract. The Respondent is required to notify the Office of Accounts and Control immediately in the event of the unavailability of any key personnel.

The respondent shall report the ratio of managers and supervisors to collectors for the firm overall and for staff assigned to this contract.

2.3.3.3 Minimum Qualifications

The respondent may be licensed, bonded, insured, and certified to collect in all states. The Proposal shall contain a list of all locations owned and/or operated by the respondent.

Respondents must furnish the state with a list of all clients lost in the past two (2) years and a list of settled and pending litigation over collection practices for the past (5) years.

Respondents must furnish the state with a list of settled and pending regulatory complaints over collection practices for the past five (5) years.

The proposal shall contain a list of all national and/or regional locator networks and associations to which the respondent subscribes/belongs, as well as to which credit reporting agencies the respondent has access.

The proposal must contain a detailed work plan identifying the vendor's generic methodology used in resolving collection referrals.

2.3.3.4 Plan for Conformity to Scope of Work and Procedural Specifications.

Section 6 of the RFP contains the Scope of Work and Section 7 contains the Procedural Specifications which will be met by a successful respondent. Each Response Proposal must contain a section which contains the vendor's plan to conform to the state specifications.

2.3.3.5 Cost Proposal.

This section must contain all information relative to costs. The fees stated on the cost proposal must be wholly contingent upon collection. Cost proposals must be bid in the form of percentage rates (percent of collections).

The rates offered in the proposal must be the total charge for all services required by the RFP, including any litigation or attorney fees. Any charges, billed separately or required up front by the vendor, for litigation or attorney fees must be clearly defined and/or specified in the RFP. Otherwise, the state will not pay separately for any collection agency litigation expenses, including sheriff's fees, court filing fees, and attorney's fees. Prices and terms of the proposal must be valid for the length of any resulting contract.

The proposal shall quote the following three percentage rates separately for accounts collected with litigation (in-state and out-of-state) and for accounts collected without litigation (based upon the age of the account at the date of referral):

FOR ALL STATE AGENCIES OTHER THAN HIGHER EDUCATION:

Collection (No Legal)		Debt Collections (Legal)	
<u>Bad Checks</u>	<u>Debt</u>	<u>In-State</u>	<u>Out-of-State</u>

Level I: (current to 12 months old)

Level II: (over 1 year to 3 years)

Level III: (over 3 years)

FOR HIGHER EDUCATION:

Collection (No Legal) Debt Collections (Legal)
Bad Checks Debt In-State Out-of-State

Level I: (**First Placement – date submitted to agency for collection**
(receivable will usually be 2 to 3 years old)

Level II: (**Second Placement -1 to 2 years after date submitted to agency for collection**
(receivable will usually be 4 years to 5 years)

Level III: (**Third Placement –over 2 years after date submitted to agency for collection**
(receivable will usually be over 6 years)

The debtor shall be assessed any and all banking fees associated with issuing a subsequently dishonored check to the collection firm selected.

The debtor shall be assessed any and all filing fees and court costs incurred by the collection firm associated with civil litigation to collect the debt.

2.4 SUBMITTAL ADDRESS

2.4.1 Proposals should be mailed or hand-delivered in sealed envelopes marked:

“RFQ #7002098: Debt Collection Services

“COST PROPOSAL”

OR

“RFQ #7002098 Debt Collection Services

“TECHNICAL PROPOSAL”

Deliver Responses to:
**RI Dept. of Administration
Division of Purchases, 2nd floor
One Capitol Hill
Providence, RI 02908-5855**

NOTE: Proposals received after the above-referenced due date and time may not be considered. Proposals misdirected to other State locations or which are otherwise not presented in the Division of Purchases by the scheduled due date and time will be determined to be late and may not be considered.

2.4.2 Respondents will provide an original **plus** one (1) unbound, paper copy of the Cost Proposal Section.

2.4.3 Respondents will provide an original **plus** five (5) unbound paper copies of the Technical Proposal Section.

SECTION 3 – EVALUATION CRITERIA

3.1. Evaluation of proposals will be a two-step process. All proposals will undergo an initial technical evaluation as described in Sec. 3.3. Those proposals receiving at least the minimum number of points will move to step 2, the cost analysis

3.2. Evaluation Criteria

3.2.1 Capability, Capacity, and Qualifications of Respondent

... as determined by evaluation of proposal	20 points
... as determined by consultation with references	
/prior customers	20 points
Experience with Higher Education Institutions	20 points
Suitability of the Proposal	<u>20 points</u>
	80 points

3.2.2 Cost Proposal and fee structure 20 points

3.3 All proposals will undergo an initial technical evaluation. Those proposals not receiving a minimum of forty-five (45) of the available technical points will be excluded from further consideration. Criteria for this initial technical evaluation are as stated in 3.2.1.

3.4 The state may, at its sole option, elect to require a respondent(s) to make a presentation to state officials regarding clarification of the technical components of their response to this Request for Proposals.

3.5 Proposals found to be technically or substantially non-responsive at any point in the evaluation process will be rejected and not considered further.

3.6 Notwithstanding the foregoing, the state reserves the right to award on the basis of cost alone.

3.7 **The state reserves the right to make multiple contract awards arising from the RFP if, in the opinion of the state, it serves the best interest of the state.**

3.8 The Technical Review/Evaluation Committee will present written findings, including the results of all evaluations, to the Division of Purchases of the Department of Administration, who will make the final selection for this requirement.

4.0 SECTION 4 – GOVERNING TERMS AND CONDITIONS

The State's Governing Terms and Conditions may be downloaded from the Purchases website at www.purchasing.ri.gov. Call the Helpline, at (401) 222-2142, ext 134, if technical assistance is needed

SECTION 5 – BACKGROUND AND PURPOSE

5.0 GENERAL: The State of Rhode Island has outstanding accounts receivable that are current, delinquent, aged, inactive, and/or not actively pursued. The state needs to address and act on these receivables in order to settle these accounts. This contract intends to accomplish this goal through improved collection efforts by the state and through the effort of a private collection agency which will be called upon to collect the account after it has been determined to be delinquent by a program department/agency. The Department of Administration, Office of Accounts and Control seeks to establish a master agreement for the collection of debts owed to state departments and agencies. The Office of Accounts and Control seeks to establish a menu of debt collection services from which state departments and agencies can choose in order to effectively manage their accounts receivable and efficiently collect current and overdue accounts.

The Office of Accounts and Control (OAC) administers a comprehensive accounting system which classifies transactions of state departments and agencies in accordance with the budget data. OAC maintains a control account of debts owing to each state program department and agency. Most program departments and agencies maintain subsidiary ledgers of individual accounts receivable.

The purpose of the RFP is to establish a master agreement for billing and debt collection services of a private company in the state's debt collection efforts. The following state departments and agencies are participating in the program: Department of Corrections; Department of Transportation, Division of Maintenance; Department of Judiciary; Department of Environmental Management; Community College of Rhode Island (CCRI); Rhode Island College (RIC); University of RI (URI); and Department of Administration, Division of Motor Vehicles. Other State Departments may be added prior to award and during the contract period.

5.1 Department of Corrections

Rhode Island General Laws §42-56-20.2 and §42-56-38 empowers the Rhode Island Department of Corrections (RIDOC) to assess fees for such services as specialized supervision and counseling provided to sentenced offenders committed to the care, custody, or control of the Department.

The billing and collection of these fees is required by the RFP.

5.2 Department of Transportation – Division of Maintenance

The Division of Maintenance is responsible for maintaining state highways and bridges. The Division ensures the proper repair of damages to state roads, highways, and bridges as a result of vehicular accidents and other roadway events requiring urgent or emergency remedy. The total cost of the repair effort is then assessed to the operator/owner of the vehicle or other party held responsible for the damages. The Division of Maintenance works with the Division of Motor Vehicles within the Department of Administration to suspend the operator/owner's driving privileges when applicable due to failure to reimburse the state for damages. The collection of past due damages reimbursements is required by this RFP.

5.3 Department of Judiciary

Rhode Island has a unified court system composed of six statewide courts. The Worker's Compensation, Traffic Tribunal, District, and Family Courts are trial courts of special jurisdiction. The Superior Court is the general trial court, and the Supreme Court is the court of review.

Court-ordered restitution, fines, fees, and costs are assessed against criminal defendants appearing in these courts. Accounts that are delinquent in paying these monetary penalties may be forwarded to a private collection agent under the contract.

5.4 Department of Administration – Division of Motor Vehicles

The Division of Motor Vehicles collects motor vehicles license and registration fees, and sales and use taxes associated with the purchase of motor vehicles on behalf of the Division of Taxation. Checks received in payment of taxes and/or motor vehicle fees are sometimes dishonored by the banks upon which they were drawn. The collection of these dishonored checks is required by the RFP.

5.5 Department of Environmental Management (RIDEM)

Rhode Island General Law 42-17.1 empowers the department to establish fees for the various divisions within it. This includes: fines and penalties for regulatory violations imposed by RIDEM and by courts; property rental fees; park and beach user fees; various licensing fees (boats, landfills, hunting, fishing, pesticide usage, etc.). The Office of Management Services within RIDEM collects accounts receivable arising from the assessment of these fees. Accounts that are delinquent in paying fines and penalties and property rental fees would be referred to a private collection agent under the contract.

5.6 URI, RIC and CCRI

These are the three public-funded higher education institutions in the state. URI is the principal public research and graduate institution. It offers undergraduate and graduate programs in various disciplines. RIC is the public higher education liberal arts school of four years. It also offers selected curricula at the graduate level. CCRI is the state's two-year degree-granting school. It offers a wide range of education programs, workshops and seminars. Various student tuition, fees and assessments would be referred to a private collection agent under this contract.

SECTION 6 - SCOPE OF WORK

6.0 GENERAL

The State of Rhode Island places reliance upon the expertise, experience, ability and capability of a qualified vendor. In response to this RFP, a qualified vendor shall present evidence of its professional competence, training, past relevant experience, letters of recommendation and any other relevant documentation. The firm selected and accepting this contract shall be of recognized standing within the profession of debt collection. Such recognized standing may

consist of memberships in good standing within pertinent associations and organizations and an exemplary work record. Firm staff should be appropriately qualified to perform the services by virtue of education, training, and experience.

The State of Rhode Island seeks to engage the services of a recognized, qualified debt collection firm to bill and collect current debts, collect overdue debts, collect "bad checks", and "skiptracing" (locating debtors). The vendor shall do, perform, and carry out in a good and professional manner the following services:

- 6.1** The vendor, using methods outlined in their proposal, shall complete all billing, necessary research, debtor locating and debtor contract in order to collect current accounts receivable.
- 6.2** The vendor, using methods outlined in their proposal, shall complete all necessary research, debtor locating and debtor contact in order to collect delinquent accounts receivable and "bad checks" forwarded for collection.
- 6.3** The vendor, using methods outlined in his proposal, shall complete all necessary research in order to locate certain parties of interest to the state (debtors, absent parents, etc.), i.e. , "skiptracing."
- 6.4** The vendor shall provide management reports in a manner and frequency to be prescribed by the State. The vendor shall provide whatever data and/or reports necessary to a successor upon expiration of the contract.
- 6.5** The vendor shall provide a toll-free telephone number for debtor return telephone calls in operation twenty-four (24 hours) per day for six (6) days per week.
- 6.6** The vendor must lease, own or have access to computer facilities capable of providing the following services:
 - 6.6.1** Accepting, processing and reporting accounts in the form of magnetic diskettes, cassettes, or tapes in the format provided by the state.
 - 6.6.2** Canceling accounts by magnetic diskette, cassette, or tape.
 - 6.6.3** Accepting adjustments, updates, and changes to accounts in the form of magnetic diskettes, cassettes, or tapes in the format provided by the state.
 - 6.6.4** Charging interest and/or penalty on a timely basis when required based on a participating department's directive.
 - 6.6.5** Maintaining a segregation of account components to include tax or fee, penalty, interest, and collection fee.

6.6.6 A visit to the computer facilities physical plant may be required before award of this contract.

6.7 The vendor shall maintain at least one "local" office within the State of Rhode Island. The vendor shall establish the following minimum hours of operations for their local office: 9:00 AM to 5:00 PM (Eastern Time) Monday through Friday of each week, excluding all legal holidays. The vendor's proposal must (1) identify the address of its principal office and (2) either (a) identify the address of the "local" office or (b) describe where it would establish a "local" office should it be awarded the contract. A visit to the "local" office may be required before award of this contract.

6.8 Rhode Island Department of Corrections (RIDOC) Requirements:

Fees relevant to this contract include:

- Probation supervision fees: \$15 per supervisee per month; average of 7,500 billable cases; task involves billing/collection for current due as well as past due
- Probation/Parole interstate transfer application fee: \$40 per application; average of 50 applications per month; applicants may reside in RI or elsewhere; task involves billing/collection for current due as well as past due
- Home Confinement supervision fee: \$4 per supervisee per day; this contract is involved only with those cases that have amounts due upon completion of term of supervision, average of 30 per month
- Released inmates owing monies to RIDOC: Amounts of money and cases will vary.

6.9 Department of Transportation - Division of Maintenance (RIDOT) Requirements

6.9.1 On a monthly basis, RIDOT will refer accounts to be -collected; RIDOT will provide the vendor with the following information:

6.9.2 By means of computer diskettes or other electronic transfer

Name	Invoice #
Address	Invoice \$
Division of Motor Vehicles'	
Safety Responsibility Case #,	
where applicable	

6.9.3 Hard copy of the following as available and applicable in individual case folders labeled by case name and invoice number:

- | | |
|--|---|
| 1. Initial Claim: | Transmittal Letter, Summary |
| 2. Initial Notification to DOT of Damages: | Accident Report,
State Property Damage
Surveillance Post Card, follow-up
corres-pondence, all applicable
notes, record of receipts. |

6.10 Department of Judiciary Requirements:

6.10.1 The RI Judicial Department may provide the vendor with the following information by means of computer diskette or other electronic data transfer and/or paper reports as mutually determined by the courts and the vendor.

6.10.1.1 Client accounts to be opened or reopened for collection:

- Name
- Address
- Date of Birth
- Case Number

6.11 Department of Administration - Division of Motor Vehicles Requirements

6.11.1 The vendor will be required to submit a daily record of payment for that day and daily deposit of those receipts.

6.11.2 The vendor will provide the debtor with a receipt upon payment of the debt in full. The receipt must have the following information:

Name, date of birth, license and/or registration number, plate number and plate type, check number, date of check, and check amount.

The vendor will then advise the debtor to bring receipt to the agency in order to be reinstated.

6.11.3 The vendor will calculate penalty and interest on those debts that meet this criteria. (The Division of Motor Vehicles will advise the vendor of the calculation methodology and the rate(s) to be used.)

6.11.4 The agency will only accept the face value of the amount of the check plus penalty and interest accrued when applicable. Penalty and interest is calculated to date check is paid.

6.12 Rhode Island Department of Environmental Management (RIDEM) requirement

6.12.1 On a monthly basis, RIDEM will provide to the collection agent a listing of those accounts that are in arrears by means of computer diskettes or other electronic data transfer and/or paper reports, as mutually determined by RIDEM and the vendor .

6.12.2 RIDEM will provide:

- Division (within RIDEM)
- Name
- Address
- Date of Birth (if available)
- Case Number
- Amount Due

6.4 Student Receivables Requirements: URI, RIC, CCRI

- 6.4.1** Vendor agrees to accept for collection, upon terms and conditions herein set forth, delinquent tuition accounts, and any other delinquent miscellaneous student receivables. The number and origin of these accounts shall be determined by, and may be altered at the discretion of the University/College.
- 6.4.2** The University/College agrees that prior to referring any account it shall make appropriate demands seeking to inform each debtor of his or her outstanding financial obligations with regard to their student account(s).
- 6.4.3** Vendor shall promptly undertake, through proper and lawful means, the collections of every account referred by the University/College without regard to the account. The University/College agrees to label account placement according to delinquent status such as, but not limited to, first placement, second placement, third placement, legal and any other category that arises within the scope of collection of delinquent accounts. Vendor shall not, under any circumstances, use any threats, intimidation, harassment, or any unfair collection practices in the collection of accounts or violate any guidelines established by the Federal, State, and local laws, regulations and rules affecting the work and shall maintain all required protection for property, employees and the public.
- 6.4.4** University/College shall receive 100% of all monies collected. University/College agrees to notify vendor of any and all payments received from the debtor, within 30 days of receipt of said payment.
- 6.4.5** Vendor shall be responsible for ensuring that the account balances are updated so as to reflect the amounts actually past due. Vendor shall return an account to the appropriate University/College as soon as the delinquency has been paid. Vendor shall exercise special care to ensure that the entire delinquent amount is included in any court judgement obtained or has been paid before informing the borrower that the debt has been paid in full.
- 6.4.6** Vendor shall have responsibility to report delinquent debtor to any credit bureau or third party at discretion of the University/College.
- 6.4.7** Vendor shall reimburse the University/College any amount which becomes uncollectible or which is lost due to an act or omission of the Vendor. Such acts or omissions may include, but are not limited to, accepting compromise settlement for less than the total amount due without authorization of the University/College, acknowledging that a payment constitutes payment in full when in fact the debt is not paid in full, allowing the statute of limitations to run out on the indebtedness, and failing to update accounts resulting in a court judgement which includes less than the amount due and payable.
- 6.4.8** Any amounts received by Vendor which are in excess of that which is due and payable are overpayments and shall be forwarded to the University/College in full with an explanation that the amount is an overpayment. Vendor shall not be entitled to a collection fee for overpayments and shall not retain any portion of an overpayment.
- 6.4.9** Upon termination of this agreement, collections received by the

Vendor for sixty (60) days after the termination date will be subject to the fee arrangement specified. Any collections received by the Vendor after the 60 day period will be sent to the appropriate University/College without a fee charge, except those collections on judgements obtained by the Vendor where this agreement is in force or within sixty (60) days thereafter providing the Vendor is taking appropriate steps to effect collection on the judgment.

6.13 Reports and Reporting

The vendor shall supply a variety of reports to to each participating agency. Reports shall be made available to each by means of computer diskettes or other electronic data transfer and/or paper reports, such medium to be mutually determined between the selected vendor and each agency. The specific layouts of reports will also be mutually determined between the selected vendor and each agency.

SECTION 7 - PROCEDURAL SPECIFICATIONS:

- 7.0** Vendors must demonstrate an aggressive and consistent collection practice that is in full compliance with the Rhode Island laws, Federal Fair Debt Collection Practices Act, **U.S. Department of Education, U.S. Health and Human Services.** Emphasis on all accounts referred must be on securing full payment within the shortest possible time period. The successful respondents collection process will be subject to the following procedural specifications:
- 7.1** Procedures to be used include, but are not limited to, mail efforts, telephone calls, skip tracing, locator networks, and litigation.
- 7.2** Proprietary operating software utilized by the vendor is to be furnished at no charge to the state. The state and vendor are to share said software and have ongoing mutual access to account payment status records as well as summary data. At such time as the contract expires, or for any reason is not renewed, software becomes the property of the state. All software is to be on a personal computer. The vendor shall provide all training necessary to participating agencies in the operation of the software.
- 7.3** Monthly statements from the collection agency must be provided to each participating program department summarizing the number and value of placement during each month, collections against those placements, returns/closings of those placements, and the remaining inventory being pursued. Reports must be summarized by individual, type of receivable as well as in totals for the department.
- 7.3.1** Monthly statements from the collection agency must be provided to **each University/College** summarizing the number and value of placement(s) during each month, collections against those placements, returns/closings of those placements, and the remaining inventory being pursued. Reports must be summarized by individual, type of receivable as well as in totals for the University/College.
- 7.4** Remittance reports are to be made as required by the referring agency. The vendor must include with remittances a statement identifying the date collected, account name, social security number, amount collected, type of receivable collected and balance due on the account.

- 7.4.1 Remittance reports are to be made as required by the University/College. The Vendor must include with remittances a statement identifying the date collected, account name, social security number, student ID, amount collected, type of receivable collected, semester and balance due on the account.
- 7.5 Accounts referred for collection must be acknowledged within three (3) business days of receipt by the collection agency. Accounts will remain with a collection agency for a period no longer than one year unless there is documented evidence of payments being regularly received or other productive collection activity taking place, including authorized litigation. Accounts with no payments or other positive collection activity during the year shall be returned to the referring department.
- 7.5.1 Accounts referred for collection must be acknowledged to the University/College and to any other office or entity designated in writing by University/College. Vendor shall transmit this acknowledgement in a form acceptable to Client no later than fifteen (15) days after accounts are referred to Vendor. Accounts will remain with a collection agency for a period no longer than one year unless there is documented evidence of payments being regularly received or other productive collection activity taking place, including authorized litigation. Accounts with no payments or other positive collection activity during the year shall be returned to the referring University/College. One form of acknowledgement which is acceptable to the University/College and which the University/College may prescribe is set out in Attachment 1 which by this reference is made part of these specifications.
- 7.6 When the vendor receives any notice that a debtor for a referred account has filed for protection under the Federal Bankruptcy Act, the vendor shall immediately forward a copy of the notification to the appropriate department. A determination will be made by the state department/agency whether the referred account shall be returned to the state due to bankruptcy.
- 7.7 Compromise of the amount owed will not be accepted without prior approval of the appropriate department. The vendor will be required to furnish, with any proposal for a compromise settlement, a review of the relevant facts and the vendor's recommendation.
- 7.8 Due to the potential confidentiality of information passed to the vendor, the state requires that a vendor may not use any non-public debtor data for any reason other than for the sole purpose of the contract. Non-public data may not be utilized for other collection cases. Upon termination or expiration of the contract, all data is to be returned to the state without additional fees.
- 7.9 Payment agreements may be arranged with the debtor after analysis of the debtor's financial circumstances, consideration of the state's requirements, and approval by the referring department. Payment agreements cannot extend beyond six (6) months from termination of the contract. A fee will be paid to the vendor for all collections during this period.
- 7.10 A referring state agency may recall an account placed for collection if there is a need to resolve substantial issues or appeals regarding the amount or the validity of the debt. Upon notification of recall to the vendor by the state, the vendor shall immediately suspend collection efforts on the recalled account(s). Amounts collected by the state during the process of resolving these issues are not subject to the vendor's discount fee allowance unless the vendor can prove that the amounts were collected as a direct result of its collection efforts.

- 7.11 If the vendor obtains a judgment against a debtor, the vendor must notify the appropriate department of the docket date, the court issuing the judgment, the dollar amount of the judgment, the name of the party the judgment was entered against and the expiration date of the judgment
- 7.12 Once an account is referred for collection services, the state will no longer accept payments directly from an account. All payments received by the state will be forwarded to the vendor.
- 7.13 If a debtor is obtaining credit towards payment of outstanding court fines and costs as a result of incarceration, all collection efforts shall cease during the period of incarceration and no fee shall be paid to the vendor for payment credits applied to the account as a result of the incarceration.
- 7.14 Upon cancellation of an account or when an account is considered uncollectible, the vendor will be required to return the account to the referring department/agency with an explanation for cancellation and a recommendation as to whether the account should be abated. The vendor will receive no fee for any uncollected accounts.
- 7.15 In any case where an account has been assigned to the vendor and the vendor has not made any collections within six (6) months of the assignment or any six (6) month period following assignment, the account shall be returned to the referring department/agency. No fee shall be paid on money collected following the return of the account.
- 7.15.1 In any case where an account has been assigned to the Vendor and the Vendor has not made any collections within **one year** of the assignment or any **one year** period following assignment, the account shall be returned to the referring **University/College**. Vendor agrees to return accounts with a record of any contacts made in support of due diligence requirements, including new addresses and telephone numbers.
- 7.16 In cases where an account has been assigned to the vendor and the amount due on the account is adjusted by the state, or University/College, the fee for services rendered will be calculated on the adjusted amount and not on the original amount.
- 7.17 Vendors are encouraged to propose additional tasks or activities if they will contribute to improved results of the contract's intended purpose.
- 7.18 No fee shall be paid on money collected following the return of the account.
- 7.19 The services to be performed by the Vendor shall be undertaken and completed in such sequence as to assure their expeditious completion and best carry out the purposes of the agreement.
- 7.20 The quoted fees in the bid proposal shall be all inclusive and shall include all expenses to be incurred in connection with the services to be performed. Compensation will be paid only if the debtor pays all or a portion of the account due.
- 7.21 Payment of the contracted price will be due within thirty (30) working days following submission of monthly invoices to the **University/College** and acceptance thereof by the **University/College**. All billings shall describe in detail the following information:

- the **University/College**, for whom the collection was made;
- the name and/or account number collected;
- the collection amount(s) and the date(s); and
- the fee and costs due for each collection.

The monthly invoice shall be forwarded to:

7.22 The Vendor shall receive payment for services upon submission of monthly billings. The Vendor shall not collect or deduct any fees from any debts collected and remit the net amount for each account collected.

7.23 The vendor shall, at such time and in such form as the State may require, furnish such periodic reports concerning the status of the debt collection items, such statements, certificates, approvals, and copies of proposed and executed plans and claims and other information relative to the contract as may be requested by the State. The vendor shall furnish the State, upon request, with copies of all documents and other materials prepared or developed in relation with or as part of the contract.

7.23.1 The Vendor shall, at such time and in such form as the **University/College** may require, furnish such periodic reports concerning the status of the debt collection items, such statements, certificates, approvals, and copies of proposed and executed plans and claims and other information relative to the contract as may be requested by the **University/College**. The Vendor shall furnish the **University/College**, upon request, with copies of all documents and other materials prepared or developed in relation with or as part of the contract. The Vendor shall furnish the following standard reports in facsimile fashion to each participating University/College at the frequency indicated (See Appendix I for samples):

- Acknowledgment Report (within three days of receipt of account or as requested).
- Account Status Report (monthly or as requested).
- Cancellation Report (as required).
- Payment Agreement Account Status Report (monthly)
- Collections Performance Report (monthly).
- Collections Aging Report (monthly)

7.24 The vendor shall maintain full and accurate records with respect to all matters covered under this engagement. The State, University/College shall have free access at all proper times to such records and the right to examine and audit the same and to make transcripts therefrom and copies thereof and to inspect all program data, documents, proceedings and activities.

7.25 The vendor shall commence, carry on, and complete the project with all practicable dispatch in a sound economical and efficient manner, in accordance with the provisions thereof and all applicable laws. In accomplishing the project, the vendor shall take such steps as are appropriate to insure that the work involved is properly coordinated with any related work being carried on in the State, University/College.

- 7.26** The vendor will secure at his/her own expense, all personnel required in performing the services under this agreement. Such personnel shall not be employees of or have any contractual relationship with the State of Rhode Island or the University of Rhode Island, Rhode Island College or Community College of Rhode Island. All of the services required hereunder shall be performed by the vendor or under his/her supervision, and all personnel engaged in the work shall be fully qualified to perform such services.
- 7.27** The contract will be for a term of one (1) year with an option for renewal for four (4) additional one (1) years. The bid proposal shall provide a price for services and expenses. The Vendor shall be subject to an annual evaluation during the entire term of the contract.
- 7.28** The contract may be changed and/or canceled only with expressed agreement in writing of both parties and with prior approval by the State. Upon termination, the Vendor shall be compensated for work satisfactorily completed prior to the date of termination.
- 7.29** Data submitted to or developed by the Vendor is restricted to the purposes of fee collection/skiptracing. The Vendor may not provide this information to any individuals other than its employees or individuals/firms the Vendor contracted with for mailing and/or collecting payments or tracing debtors. The Vendor shall provide to a successor Vendor a copy of open accounts within their database upon termination of their contract. The open account database shall be in an electronic medium and in a format that is as closely compatible to the successor Vendor's as possible. The cost of providing this database will be borne by the successor Vendor.

APPENDIX I

REQUIRED STANDARD REPORTS

(Attachments: Samples of Information Required in the Report)

1. Acknowledgment Report (within three days of receipt of account, or as requested).

Vendor shall acknowledge to the University/College and to any other office or entity designated in writing by the University/College, accounts received by the vendor for collection. Vendor shall transmit this acknowledgement in a form acceptable to the University/College no later than fifteen (15) days after accounts are referred to vendor. One form of acknowledgement which is acceptable to the University/College is set out in Attachment 1 which by this reference is made part of these specifications.

2. Collection Activity Report (monthly, or as requested.)

Vendor shall furnish a Collections Activity Report which shall be furnished at least monthly and no later than twenty (20) days after the end of the month. This report will list collection activity for each month and shall be in a form acceptable to the University/College. One form which is acceptable to the University/College is set out in Attachment 2 which by this reference is made part of these specifications.

3. Cancellation and Return Report (monthly, or as required)

Vendor shall furnish a Cancel and Return Statement which shall be furnished at least monthly in a form acceptable to the University/College. One form which is acceptable to the University/College is set out in Attachment 3 which by this reference is made part of these specifications.

4. Inventory Status Report (monthly, or as requested)

Vendor shall furnish an Inventory Status Report at least quarterly, no later than twenty (20) days after the end of the calendar quarter. This report will cover all accounts referred to Vendor except those accounts cancelled and returned in the previous calendar quarter. The report shall be in a form acceptable to the University/College. One form which is acceptable to the University/College is set out in Attachment 4 which by this reference is made part of these specifications.

5. Remittance Report (monthly)

Vendor shall remit to the University/College all monies received (gross receipts), no later than the fifteenth (15) day of each month. A remittance statement shall accompany the invoice and shall account for collections made up to and including the last day of the previous month. The remittance statement shall be in a form acceptable to the University/College. One form which is acceptable to the University/College is set out in Attachment 5 which by this reference is made part of these specifications.

ATTACHMENT 1
ACKNOWLEDGEMENT

Debtor information to be included in report:

1. Name of Debtor
2. Account number - Social Security Number and Student ID
3. Amount of Principal (updated)
4. Amount of Interest (updated)
5. Total amount of delinquency of each debtor (updated)
6. Total amount of principal referred for all debtors
7. Total amount of interest referred for all debtors
8. Total dollar amount referred for all debtors
9. Semester debt was incurred

ATTACHMENT 2

COLLECTION ACTIVITY REPORT

A. Accounts Referred (These figures relate to the accounts referred during that particular month).

1. Number of Accounts
2. Amount of Principal
3. Amount of Interest
4. Additional principal and interest that has become due

B. Accounts Cancelled and Returned (These figures relate to those accounts reported in (1).)

1. Number of Accounts
2. Dollar value of accounts

C. Accounts Still Active (These figures relate to those accounts reported in (1).)

1. Number of accounts
2. Dollar value of accounts

D. Accounts Collected (These figures relate to those accounts reported in (1).)

1. Dollar amount collected
2. Percentage of recovery

$$\frac{x}{y} = \frac{\text{Total dollars collected on inventory}}{\text{Total dollars active inventory}}$$

E. Cumulative figures for the quarter and, beyond the quarter, cumulative to date

ATTACHMENT 3
CANCEL AND RETURN STATEMENT

Debtor information to be included in report:

1. Name of Debtor
2. Social Security Number and Student ID
3. Date of Referral
4. Amount Referred
5. Date Cancelled
6. Amount Cancelled
7. Reason for Cancellation
8. Number of Accounts assigned and Total Dollars Assigned
9. Number of Accounts Cancelled and Returned and Total Dollars Cancelled and Returned
10. Semester debt was incurred

ATTACHMENT 4
STATUS REPORT

Debtor information to be included in report:

1. Name of Debtor
2. Social Security Number and Student ID
3. Date Referred
4. Dollar Amount Referred (principal and interest)
5. Changes in Dollar Amounts
6. Total Payments
7. Date of Last Payment
8. Dollar Amount Cancelled and Returned
9. Balance due and Payable
10. Current Status
11. Semester Debt was incurred

Differentiation should be made on the status of the account
as to suits filed vs. judgements obtained

ATTACHMENT 5

REMITTANCE STATEMENT

The remittance statement shall be broken down by loan program, or by semester debt was incurred for tuition accounts, then by type of referral (ex: NDSL-COHORT; NDSL 1st placement, etc.) and shall indicate for each account upon which there was a collection, the following Debtor information:

1. Name of Debtor
2. Social Security Number and Student ID
3. Date of Payment
4. Gross Amount Paid
5. Type of Payment
6. Net Amount Remitted
7. Balance Due and Owing

ATTACHMENT 6

PROFILE ACCOUNTS RECEIVABLE

	<u>DEM</u>	<u>DOC</u>	<u>DMV</u>		<u>URI</u>	<u>RIC</u>	<u>CCRI</u>
1. Total number of accounts receivable	280		394	4,826			3,107
2. Total amount due from all accounts	\$2,927,150.00		\$169,233.00		\$ 20,156,628.00	\$10,141,956.00	\$3,250,900.00
3. Aging of accounts							
3.1 30 Days	15			269	\$ 445,661.00		
3.2 60 Days	12			1	\$ 121,569.00		
3.3 90 Days	10		288	4	\$ 27,419.00		
3.4 120 Days	7			53	\$ 458,655.00		
3.5 150 Days	8			6	\$ 1,388.00		
3.6 180 Days	5			6	\$ 2,237.00		
3.7 Over 180 days	223			4,487	\$ 5,167,843.00		3,107 \$3,250,900.00
4. Total amount due from delinquent accounts	\$2,927,150.00	\$1,243,559.00	\$169,233.00		\$ 5,170,080.00	\$ 4,534,260.00	\$1,197,800.00
5. Delinquent accounts to be referred for collection:							
5.1 Number of accounts	121	10,351	288	4,474			1,222
5.2 Total amount of delinquent account to be referred	\$2,485,016.00	\$1,243,559.00	\$169,233.00		\$ 5,135,802.00	\$ 3,006,909.00	\$1,197,800.00