Solicitation Information

22 Sept 09

RFP # 7323158

TITLE: Student Loan Management Services
Submission Deadline: 20 Oct 09 @ 2:00 PM (Eastern Time

There will not be a pre-proposal meeting for this solicitation.
Questions concerning this solicitation must be received by the Division of Purchases at questions@purchasing.state.ri.us no later than **6 Oct 09 @ 12:00 Noon** (Eastern Time). Please reference the RFP # on all correspondence and send questions in a *Microsoft Word format.* Questions received, if any, will be answered and 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 RIVIP Generated Bidder Certification Form attached may result in disqualification.

THIS PAGE IS NOT A BIDDER CERTIFICATION FORM

SECTION 1 – INSTRUCTIONS AND NOTIFICATIONS TO OFFERERS:

The Rhode Island Department of Administration/Division of Purchases, on behalf of The University of Rhode Island is soliciting proposals for Campus Based Student Loan Management Servicing from qualified OFFERERS, and in accordance with the terms of this Request for Quotations and the State's General Conditions of Purchase, which is available at www.purchasing.ri.gov.

To access the State's General Conditions of Purchase, enter our website, click on RIVIP, then click on General Information and then click on Rules and Regulations. Once the Rules and Regulations are displayed, scroll to the bottom of the page and double click on Appendix A, which contains the State's General Conditions of Purchase.

The scope of work is described herein.

- Potential offerors 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.

- 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.

- 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 the offeror. The State assumes no responsibility for these costs.

- Proposals are considered to be irrevocable for a period of not less than sixty(60)days following the opening date, and may not be withdrawn, except with the express written permission of the State Purchasing Agent.

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

- Proposals misdirected to other State locations or which are otherwise 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. The "Official" time clock is in the reception area of the Division of Purchases.

- 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 the state until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401-222-3040). *This will be a requirement only of the successful bidder (s).*

- Offerors 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.

- Also, Submitters should be aware of the State's MBE requirements, which addresses the State's goal of ten per cent (10%) participation by MBE's in all State procurements. For further information, contact the State MBE Administrator at (401) 574-8253 or cnewton@gw.doa.state.ri.us Visit the website http://www.mbe.ri.gov

- Interested parties are instructed to peruse the Division of Purchases web site on a regular basis, as additional information relating to this solicitation may be released in the form of an addendum to this RFP / LOI

- Equal Employment Opportunity (RIGL 28-5.1)
  § 28-5.1-1 Declaration of policy. – (a) Equal opportunity and affirmative action toward its achievement is the policy of all units of Rhode Island state government, including all public and quasi-public agencies, commissions, boards and authorities, and in the classified, unclassified, and non-classified services of state employment. This policy applies in all areas where the state dollar is spent, in employment, public service, grants and financial assistance, and in state licensing and regulation. For further information, contact the Rhode Island Equal Employment Opportunity Office, at 222-3090 or via email raymondl@gw.doa.state.ri.us

- Subcontracts are permitted, provided that their use is clearly indicated in the offeror's proposal, and the subcontractor(s) proposed to be used are identified in the proposal.

- If you wish to seek to do business with the State of Rhode Island, you must register and utilize the E-Verify Program. Please refer to www.dhs.gov/E-Verify or the Division of Purchases website at www.purchasing.ri.gov for more information.

SECTION 2 – SCOPE OF WORK

BACKGROUND AND PURPOSE

INTENT:
The University of Rhode Island is soliciting proposals from qualified Campus Based Student Loan Services for the provision of student loan services, which include, but are not limited to, lock box payment processing, accounting, billing, in-school and out of school loan services, due diligence mailings and collection support, reports and an interactive on-line system to support the campus administration and collections from Federal, institutional, and privately-funded student loan programs. The University is interested in a "modified" plan in which the University is responsible for approval of all deferments, cancellations and loan verification certificates.

TERM: The term of any resulting contract will be for three (3) years with two (2) optional renewal period of three (3) years each at the decision of URI.

SPECIFIC REQUIREMENTS:

1. The vendor shall provide an overview of their company, including years in business and key personnel.
2. The vendor shall list all professional organizations for which their company is currently an active member.
3. The vendor shall provide a list of at least five (5) references including name, contact person, address, and phone number and number of active accounts.
4. The vendor shall indicate that their service is in full compliance with the following:

- Title II of the National Defense Education Act of 1958 as amended
- Title VI and VII of the Public Health Act
- Title IV of Higher Education Act of 1965 as amended and all provisions to these Acts
- Department of Education and Federal programs added by the Federal government
- Fair Debt Collection Practice Act (P.L. 95-109),
- Title 26, United States Code, Section 6103(m)(4) and (5)] that are applicable to addresses obtained from the internal Revenue Service and acknowledges the substantial penalties which may be assessed by using the addresses for purposes other than of the student loan [Title 26, United States Code, Section 7213, 7217]
- All established Federal and State regulations and guidelines
- Federal Trade Commissions – Identity Theft "Red Flag" Rule

5. The vendor must provide an independent audit report annually. Annual audits must be conducted in accordance with generally accepted auditing standards and applicable U.S. Department of Education rules and regulations, including but not limited to the final regulations governing third-party servicers and additional accountability requirements effective July 1, 1994 (Federal Register Vol. 59, No. 82 from the Department of Education).
6. The vendor must provide a detailed, audited financial statement for the past two years. The University reserves the right to terminate this contract at any time if the auditor's opinion is other than non qualified.
7. The vendor must certify that to the best of its knowledge and belief that it and its principals:

- Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- Have not, within a three-year period preceding this proposal, been convicted of, or had a civil judgment rendered against them for, commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction, or violation of Federal or State antitrust statutes, or commission of embezzlement, theft, forgery, bribery, making false statements, or receiving stolen property;
- Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of these offenses enumerated above; and
- Have not, within a three-year period preceding this proposal, had one or more public transactions (Federal, State or local) terminated for cause or default.

8. The vendor must represent that it carries appropriate insurance coverage. Describe the forms of relevant insurance your firm carries, and the nature of the coverage.
9. The vendor must agree to indemnify, defend and hold harmless the University with respect to any loss, liability, damage, claim or expense (including reasonable attorney's fees) by any failure resulting from the vendor's performance or failure to perform in accordance with a signed contract.

10. The Bidder and its officers, agents and employees agree to maintain the confidentiality of all information that becomes available as a result of this bidding process or, if selected as the vendor, as a result of the services provided. This includes, but is not limited to, information about students.
11. The University shall define the contract as a 3 year contract with options to renew.

GENERAL DESCRIPTION:
To provide "modified" third party billing and support for the University of Rhode Island campus based student loans.

GENERAL SCOPE OF WORK TO BE PREFORMED:

A. BILLING SERVICES

1. The vendor must respond to University inquiries within twenty-four (24) hours of request.
2. The vendor must provide for monthly, quarterly, semi-annual, and annual billing frequencies.
3. The vendor must accrue interest on a monthly basis.
4. The vendor must have the ability to generate consolidated billing statements for borrowers with multiple types of loans. Statements must have the ability to display up to twelve (12) loans on one (1) billing statement. The vendor will provide lines for special billing messages on the billing statement.
5. The vendor must provide the borrower the option of ACH (automatic clearing house) and online payments via vendor's website as a form of loan repayment.
6. The vendor's billing statement must disclose a complete summary of each loan.
7. The vendor must have the ability to assess collection costs, actual costs, late charges and/or penalty charges to borrower accounts systematically or manually.
8. The vendor must provide a toll-free number for the University personnel and borrower inquiries.
9. The vendor must post all transactions (i.e., borrower payments) through the last business day of each month. The University requires the ability to post entries via the on-line system through the last business day of the month. The vendor should provide a monthly calendar including cut-off dates.
10. The vendor must state its approach of handling status changes from enrolled to grace and what media and format it can accept.
11. The vendor must have the capability to produce Exit Interview Materials by bulk request. The ability to generate on-site exit interview disclosures via the online system is required.
12. The vendor must be able to supply the University with a delimited master file which includes all borrowers upon demand.

B. CASH COLLECTION SERVICES

1. The vendor must deposit funds received from borrowers upon receipt to an interest-bearing account in the name of the University. Interest will be earned from the day of deposit and credited monthly. The vendor is responsible for reconciling bank deposits with the parallel transactions on the borrower's loan records.
2. Describe the procedures for collecting and posting payments.
3. Describe how the vendor handles NSF checks. The vendor must make an appropriate reversal of the deposit to the bank account and on the borrower record.
4. Describe how your system maintains accounting for non-cash payments, which represent payments received by the University, and not forwarded to the vendor.
5. Describe how your system prorates borrower payments across multiple programs.
6. Describe how your system applies payments to borrower accounts.
7. Describe all methods of payment accepted by the vendor's system (online, electronic, ACH, credit cards).

C. SPECIAL ACCOUNT HANDLING

1. Describe how your system handles multiple collection agency interfaces and how placements are made to external agencies.
2. Describe how your system reports to national credit bureau organizations, as required by federal regulations.
3. Describe how your system can minimize small balance write-offs.
4. Describe your system's reporting hierarchy as it relates to programs and fund numbers.
5. Describe your control procedures to ensure the integrity of the loan as transactions are processed. These procedures must test for compliance, reconciliation, and balancing.
6. Describe how retired loans are archived including system availability and frequency of purging of records.

D. CONVERSION

1. Describe the detailed conversion time schedule and outline of the conversion process including the University's role in this process.
2. Describe the IT support personnel required to create a conversion file.
3. Describe the responsibility of the conversion personnel and their involvement in new client training.
4. Describe what transactions will be converted to your system. At a minimum, this must include all transactions (payment, deferment, cancellation, adjustment, etc.), notes, collection history, imaged documents and credit bureau information.
5. Describe the balancing and reconciliation of the University's portfolio after the conversion.
6. Describe how the vendor will confirm with the borrower, upon completion of the conversion, the status of the account using the newly created record.

E. TRAINING

1. Describe the training offered to University personnel on your system and the cost of such training (if any).
2. Describe the vendor's proposed schedule for annual on-campus training calls, regional seminars, or an annual user conference, as well as cost (if any).
3. Describe the training the vendor's employees receive.
4. Describe what measures are taken to assure the University is receiving quality service from the vendor.
5. Describe the vendor's mission statement. The vendor's conduct must be professional and represent the University in a positive way during all deliberations and dealings with borrowers.
6. Describe the vendor's employee stability and operational organization.

F. REPORTING

1. Describe how reports are delivered to the University.
2. Describe the reports the vendor offers including Student Loan Journal, Accounting Reports, Delinquency Reports, Fiscal Reports and any other reports the vendor offers. Include the frequency of each report.
3. Describe how the vendor will work with the University to customize reports.

G. ADDITIONAL SERVICES

On-Line Communications

1. Describe how the University would access the online system through the Internet.

2. Describe your system's disaster recovery plan. This must include the process for ensuring that the operations schedule will be met in the event of equipment failure (i.e. backup equipment).
3. Describe the vendor's daily and weekend system availability.
4. Describe how transactions are updated in the vendor's system. A real-time environment is required.
5. Describe the audit capability for transaction processing. The vendor's system should have the ability to identify the date, time and individual that performed a transaction, either on-campus or at the vendor's facility.
6. Describe how data from prior servicer will be displayed on the vendor's system.
7. Describe how your system allows for locating an account using a partial social security number or name.
8. Describe how the system displays multiple accounts on a single screen.
9. Describe briefly the input screens available to the University.
10. Describe the methods of transmission available for sending data to the vendor's system.
11. Describe the methods of transmission of data from the vendor to the University.
12. Describe how the University can use the vendor's system to generate disclosures statements.

Collection Management System

The on-line system must include a fully integrated collection management system. Entries made to this system should automatically update the main database. Feature functionality should include:

- Automatic placement of accounts with collectors.
- Tickler files to remind collectors of actions that need to be taken.
- Work lists that can be sorted based on various categories such as cohort year, balance amount, number of months past due, etc.
- Customized letter generation capabilities with data automatically extracted from masterfile to populate the letters. Letter generation should be available:
  - On an individual account basis
  - Collectively via queries
- Detailed reporting capabilities to allow managers to measure collector efforts and obtain other collection statistics. Report generation should include:
  - Pre-formatted reports
  - Customized report generation using queries
- Custom collector diary creation to allow for special account populations to be worked by collectors (i.e. cohort accounts).
- Ability to add accounts to the collection system that may not meet the criteria for automatic placement.
- Automatic resolution of accounts that are brought into good standing or based on other status changes such as referrals to outside agencies.
- Capacity for customization of codes within the collection system such as activities, pre-formatted messages, etc.
- Ability to create and manage queries. Such queries will allow letters, reports, or diaries to be generated based on each customized query.

Ancillary Services

1. Describe your support of an interactive client listserv.
2. Describe the vendor's ability to support customized interfaces between the University and vendor systems (e.g. extracting loan data from University system to be uploaded to vendor system, etc.).
3. Describe the process for National Student Loan Data System reporting.
4. Describe the interface capabilities with the National Student Loan Clearinghouse and how the vendor's system is updated with that data.
5. Describe your ability to offer pre-collection/cohort default reduction services to include additional due diligence efforts, phone contacts, etc.
6. Describe your E-Sign Master promissory note service.
7. Describe your electronic entrance and exit counseling.
8. Describe all services available to borrowers via your website. At a minimum, the website must include the following items:
    - Detailed account information
    - Ability to make payments
    - Capacity to view and print 1098E form
    - Ability to update address information
    - Entitlement form downloads
    - Information center with the latest on federal loan programs
9. Describe services available to support the imaging of borrower documents such as entitlement forms, bankruptcy notices, LVC's, etc. Images should be maintained for viewing and printing by the University via the loan servicing system. Each account should contain an indicator that images associated with the account are available for viewing.
10. Discuss system capabilities for masking or encrypting borrower Social Security Numbers to comply with privacy standards.
11. Discuss any additional services/information the vendor offers, not requested in this RFP that would be of benefit to the University.
12. Discuss the ability to offer backfile imaging services of on-campus student and borrower files.

Financial Agreement
Please list, in detail, all costs to URI for the products and services proposed.

PROJECT KEY COMPONENTS
To provide the University and its borrowers 24/7 access to customer accounts via secure on-line access for inquiries and payment processing. Also provide on-line or telephone support for access to account information such as password reset, etc.

PROPOSAL QUESTIONS & SUBMISSION
Questions, in Microsoft Word Format, concerning this solicitation, may be e-mailed to the Division of Purchases at questions@purchasing.state.ri.us no later than the date & Time indicated on page 1 of this solicitation. Please reference the RFQ # on all correspondence.

Responses to questions received, if any, will be provided, as an Addendum to this RFQ, and posted on the Rhode Island Division of Purchases website at www.purchasing.ri.gov. It is the responsibility of all

interested parties to download this additional information. If technical assistance is required to download, call the Help desk at (401) 222-2142, ext. 134.

Responses to this solicitation to provide the required services must be received by the Division of Purchases on or before the date & time indicated on page one of this document.

Responses (a clearly marked original plus 4 copies should be mailed or hand-delivered in a sealed envelope marked RFP #7323158: Student Loan Management Services 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 will 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. Proposals faxed, or emailed, to the Division of Purchases will not be considered. The "official" time clock is located in the reception area for the Division of Purchases. (Please be advised that FedEx/UPS do not always arrive by 10:30 am, you would be smart to send your submission to arrive at least one day early)

RESPONSE CONTENTS

Responses should include the following:

- A completed and signed three-page RIVIP generated bidder certification cover sheet (downloaded from the RI Division of Purchases Internet home page at www.purchasing.ri.gov

- A completed and signed W-9 Form downloaded from the RI Division of Purchases Internet home page at www.purchasing.ri.gov

- A Cost Proposal reflecting the fee structure proposed for this scope of service.

- A Technical Proposal describing the background, qualifications, and experience with and for similar programs, as well as the work plan or approach proposed for this requirement.

- In addition to the multiple hard copies of proposals required, Respondents are requested to provide their proposal in electronic format (CDRom or Diskette). Microsoft Word / Excel OR PDF format is preferable. Only 1 electronic copy is requested.

EVALUATION CRITERIA

Responses will be evaluated in two parts. Part one will require the technical submission and will be evaluated on the following criteria:

The Technical Proposal must contain the following sections:

a. Executive Summary

The Executive Summary is intended to highlight the contents of the Technical Proposal and to provide State evaluators with a broad understanding of the offeror's technical approach and ability.

b. Offeror's Organization and Staffing

This section shall include identification of all staff and/or subcontractors proposed as members of the project team, and the duties, responsibilities, and concentration of effort which apply to each (as well as resumes, curricula vitae or statements of prior experience and qualification).

c. Work Plan/Approach Proposed

This section shall describe the offeror's understanding of the State's requirement, including the result(s) intended and desired, the approach and/or methodology to be employed and a work plan for accomplishing the results proposed. The description of approach shall discuss and justify the approach proposed to be taken for each task, and the technical issues that will or maybe confronted at each stage on the project. The work plan description shall include a detailed proposed project schedule (by task and subtask), a list of tasks, activities, and/or milestones that will be employed to administer the project, the assignment of staff members and concentration of effort for each, and the attributable deliverables for each and will identify and describe what type of tutor training methodology will be utilized in the program.

d. Previous Experience and Background, including the following information:

i. A comprehensive listing of similar projects undertaken and/or similar clients served, including a brief description of the projects;

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

e. The offeror's status as a Minority Business Enterprise (MBE), certified by the Rhode Island Department of Administration, and/or a subcontracting plan which addresses the State's goal of ten per cent (10%) participation by MBE's in all State procurements. Questions concerning this requirement should be address to Charles Newton, M.B.E. Officer, at (401) 574 8253.

SECTION 5 - EVALUATION AND SELECTION

The State will commission a Technical Review Committee, which will evaluate and score all proposals, using the following criteria:

Criteria Possible Points
COMPLIANCE WITH THE REQUIREMENTS AND SPECIFICATIONS CONTAINED HEREIN
20

IMPLEMENTATION PLAN
15

EXPERIENCE OF TEAM AND ACCOUNT REFERENCES AND PAST PERFORMANCE
20

MODIFIED SERVICE AVAILABILITY
5

EXPERTISE, EXPERIENCE AND ABILITY OF COMPANY WITH REGARDS TO GENERAL SCOPE OF WORK, COMUNICATION AND REPORTS
20

Total Possible Technical Points 80 Points

Cost
[calculated as (lowest responsive cost proposal) divided by (this cost proposal) times 20 points]

Total Possible Points 100 Points

All OFFERERs must receive a minimum score of 50 points on the technical submission. Offers not scoring at least 50 points will not be considered further.

A Technical Review Sub-Committee will review all submissions. After review, one or more OFFERERs may be invited to present to the sub-committee and answer questions.

Proposals found to be technically or substantially non-responsive at any point in the evaluation process will be rejected and not considered further. The State reserves the right to reject any or all proposals submitted and to waive any informalities in any vendor's proposal, award on the basis of cost alone, and to act in its best interest.
The State may, at its sole option, elect to require presentation(s) by offerors clearly in consideration for award.

The ranked findings and selection recommendation will be submitted to the State Purchasing Agent, or his designee, for final selection consideration.