1. Please confirm the due date for this procurement is **12/6/2013**. Bids will be opened on 12/6/13 at 2 P.M.

2. What is the date by which you will answer these questions?
   **11/27/13** by 5 P.M.

3. Why is the contract out to bid at this time?
   Current contract is expiring

4. When is the anticipated contract start date?
   **1/1/14**

5. To how many vendors are you seeking to award a contract?
   Maximum of 4 vendors

6. Who are the incumbents, and how long have the incumbents been providing the requested services?
   EOS-CCA prior to 2001
   GRC since 12/01/01
   RAB since 12/01/01
   Windham since 1/1/07

7. Has the current contract gone full term?
   Yes

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

9. 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?
   Referrals will include primary and secondary placements. Bidders should provide proposed fees for secondary placements as well, as requested in section 2.5, item 2.

10. What collection attempts are performed or will be performed internally prior to placement?
    The University’s due diligence process includes escalated communication attempts from the time a student separates from the University.
    For tuition receivables, students receive a minimum of one electronic bill, one paper bill and one final dunning notice sent via certified mail after the student separates from the University.
    For Perkins loan receivables, (1st placements) due diligence has been performed by ACS (servicer) and an additional default letter has been sent by the University. (2nd placements) may not have had any contact for a period of time.
11. Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval?  
Yes.

12. What is the total dollar value of accounts available for placement now by category, including any backlog?  
Figures below represent accounts that are or could potentially be placed with an agency. This is intended to be an estimate for initial placements for this contract. These numbers may include re-assignments from incumbent agencies. These figures are not expected annual placement figures.

Tuition Receivable Accounts: $5.5M
Perkins Loans $1.8M
Perkins 2nd placement $3.3M

13. What is the total number of accounts available for placement now by category, including any backlog?  
Tuition Receivable Accounts: 1,700
Perkins Loans: 550
Perkins Loans approx. 1400 2nd placement

14. What is the average balance of accounts by category?  
Tuition Receivable Accounts: $3,260; Perkins Loans: $3,241

15. What current contingency fees or other fees are currently being billed by any incumbent(s), by category?  
Tuition 1st placement —costs to the student-between 21% and 22%; tuition 2nd placement —costs to the student-between 23% and 28%, tuition legal between 27% and 35%
Perkins Loan 1st placement between costs to the student between - 21% and 28.2%, Perkins Loan 2nd placement costs to the student between 23% and 38.9%, Perkins Loan legal costs to the student between 27% and 40%.

16. What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category?  
Tuition Receivable Accounts: 4 months from separation date
Perkins Loans 1st placement: Between 4 months for cohort population and 6 months for non-cohort population.
Perkins Loan 2nd placements: anywhere from 18 months past due on.

17. What estimated or actual dollars were paid last year, last month, or last quarter to any incumbent(s)?  
Annual figures for the prior 12 month period are below:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>EOS-CCA</td>
<td>$145K</td>
</tr>
<tr>
<td>Windham Professionals</td>
<td>$ 57K</td>
</tr>
<tr>
<td>GRC</td>
<td>$ 70K</td>
</tr>
<tr>
<td>RAB</td>
<td>less than $1K</td>
</tr>
</tbody>
</table>
18. What is the monthly or quarterly number of accounts expected to be placed with the vendor(s) by category? These numbers will be split between the various vendors - they are not promised placement numbers/vendor
   Tuition Receivable Accounts: 300 quarterly
   Perkins Loans: Approx 200 quarterly

19. What is the monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category?
   Tuition: $1M quarterly
   Perkins Loans: approx. $450,000 quarterly

20. 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?
   Statistics are not available. We expect rate of return or liquidation on par or surpassing industry standards.

21. What billing servicer do you utilize?
   Xerox (ACS)

22. Please let us know whether you have received this email, and when and how answers will be provided. In section 1.5 Questions / Contact Person, on page 3 of the RFB, it states that responses to written questions will be issued by addendum, by 5 P.M. on November 27, 2013. This addendum will be posted on the Procurement Department Web Site and emailed to vendors that have submitted questions.

23. Does UMass require vendor registration prior to provide a response to the RFB?
   No

24. Are collections cost added/assessed to the student on the Student Accounts Receivable accounts, and if so, are they kept whole?
   Yes costs are added to the student receivable account. Costs must be whole to the University.

25. What are the current fees with the existing agencies?
   EOS-CCA Loans & tuition
   1st placement 17.36% to the University/21% to the student
   2nd placement 18.7% to the University/23% to the student
   Legal 21.26% to the University/27% to the student

   GRC Loans (tuition N/A)
   1st placement 22% to the University/28.21% to the student
   2nd placement 25% to the University/33.33% to the student
   Legal 28.56% to the University/39.98% to the student
   20% for loan consolidation to the the University/25% to the student

   RAB Loans (tuition N/A)
   1st placement 22% to the University/28.2% to the student
   2nd placement 28% to the University/38.89% to the student
   Legal 28.56% to the University/39.98% to the student
Windham Professionals Tuition
1st placement 17.36% to the University/21% to the student
2nd placement 20% to the University/25% to the student
Legal 25.93% to the University/35% to the student

Windham Professionals Loans
1st placement 21% to the University/26.58% to the student
2nd placement 25% to the University/33.33% to the student
Legal 26% to the University/38.89% to the student

26. What is the anticipated volume and dollar amount of accounts to be placed, broken out by Federal Student Loans and Student Accounts Receivable, on a monthly and annual basis?
Tuition Receivable Accounts: 100 / $350K Monthly, 1,200 / $4M Annually
Perkins Loan Accounts: 68 / $150K Monthly; 575 / $1.8M Annually

27. What are the current recovery rates realized by your existing agencies, broken out by Federal Student Loans and Student Accounts Receivable?
EOS-CCA 25.12% (Tuition), 27.05% (Loans)
GRC 41.14% (Loans)
Windham 28.6% (Tuition), 36.7% (Loans)
RAB unavailable

28. What is the volume of federal loan program accounts to be placed (i.e. number and dollar value total) for 1st placements and second placements?
See answers above # 13

29. What is the volume of student accounts receivable to be placed (i.e. number and dollar value total) for 1st placements and second placements?
See answers # 12 and 13 above

30. What is the average balance for each of the debt types to be placed?
See answer to question 14

31. What is the percentage of recovery for the current contractors for each debt type for 1st placement and second placement? Statistics are currently not kept for these criteria
32. What was the number of accounts authorized for legal during the past 12 month period?
One
33. What was the total amount of money collected from legal accounts (assigned to attorney) during the past 12 month period?
We do not keep statistics on this population
34. What is the current / past contracted contingency fee rate percentage for standard 1st placements and second placements and for legal collections for each debt type?
See # 25 above
35. What was the amount paid to collection service contractor(s) during the past 12 month period?
See # 17 above
36. Could you please respond as to whether a response under this solicitation would be considered non-responsive if we did not offer a legal collection service as part of the bid? We would refer any accounts back to the University that we felt were suit worthy for further action by the University. Is that acceptable option for bid?

No, the bid would not be considered unresponsive. Yes, that is an acceptable response to the bid.

37. Can the university provide any more specific data about the placements – number of accounts to be submitted, age, average balance?

See answer to questions 12 through 14 and 16.

38. What types of internal collections efforts have been made on these accounts prior to placement with an agency?

See answer to question 10.

39. Are there any incumbents? If so, whom and what contingency rates did they charge?

See answer to questions 6 and 25.

40. What have been the historical recovery rates?

See answer to # 17

41. Does the university currently capture emails and if so, would the county be able to provide the language in its student agreement for review by our legal counsel to see if consent would carry over to us as well?

The university requires that the student have a university email address which will not be shared with the company. Non-university email addresses are collected. A copy of any student agreement can be made available.

42. Is there a location preference for this bid?

Bidders shall deliver one (1) original and three (3) copies of their bid to the following address by 2:00 p.m. on December 6, 2013 at which times the bids will be opened and publicly read.

University of Massachusetts
Procurement Department
407 Goodell Bld. – 140 Hicks Way
Amherst, MA 01003
Attention: RFB AA14-GD-4881

It is the sole responsibility of the bidder to insure that its bid is delivered to the Procurement Department in its entirety by the due date and time. Late bids will not be considered, and will be placed, unopened, in the bid file.

43. How would accounts be submitted (via SFTP, electronically, mail)?

Accounts are not submitted by mail. A description of the bidder’s EDP capacity and systems to allow automated data transfer is requested in Section 2.4, items 1 and 2 of the RFB.

44. How often will the University place accounts with the contractor?

Monthly (or as often as the University has a need). Placement may be split between the winning bidders.
45. How long would we have the accounts for working? 
If there is no collection agreement in place with the debtor, the account shall be returned after one year.

46. Section 1.3 Bid Evaluation and Invitation to Present (page 2) provides specific criteria on which bids will be evaluated and indicates bids “will be evaluated based on a point system.” Will the University provide bidders with the percentage weights on which proposals will be evaluated? 
No

47. Section 2.4 Technical Capabilities, Item 5 (page 5) requests “a detailed description of when and to what extent mailing, telephone, skip tracing and other collection efforts will be used…” Will the University permit the selected agency to provide credit bureau reporting on placed accounts? 
Agencies do not report to the credit bureau on behalf of the University.

48. Section 3.1 References (page 7) indicates bidders must “list three current customers with similar requirements as those of the University…” In order to ensure the availability of our references, please provide the time period during which the University anticipates to contact references included in bids. 
Between December 9, 2013 and December 16, 2013.

49. Section 2.6 Required Forms (page 6) indicates responses to the section should be labeled as “Attachment D”, and section 3.2 Contract Extension, Item d (page 8) indicates details regarding any discount should be labeled as “Attachment G”; however, the RFB makes no references to Attachment E or F. Please indicate which section responses should be labeled as Attachment E and Attachment F. 
Attachments E and F were removed from the RFB. As a result, none of the documents that you submit for this RFB should be labeled Attachments E and F.

50. Insurance Requirements. Please provide any insurance and/ or bonding requirements with which the University will expect selected agencies to comply. 
We expect all agencies will be in full compliance with agency standards and practices.

51. Statewide Contract Preferences. Will the University give preference to bidders currently awarded the Commonwealth of Massachusetts Statewide Contract – PRF55DesignatedOSC – with the Comptroller of the Commonwealth? 
No

52. Portfolio Information

a. Does the University’s portfolio include primary placements, secondary placements, tertiary placements or some combination thereof? If a combination of accounts will be placed, please indicate the placement types. 
The portfolio includes primary and secondary placements for tuition receivables and Perkins loan accounts. They may also include tertiary placements at a second placement rate.
b. Please provide the estimated number of accounts to be placed annually segregated by account type (e.g., Perkins Loan, institutional loans, tuition and account receivable) and placement type (e.g., primary, secondary or tertiary).
   See questions 26 and 29.

c. Please provide the estimated dollar value of accounts to be placed annually segregated by account type (e.g., Perkins Loan, institutional loans, tuition and account receivable) and placement type (e.g., primary, secondary or tertiary).
   See questions 26 and 29.

d. Please provide the average balance of accounts at placement.
   See question 14.

e. Please provide the average age of accounts at placement.
   See question 16.

53. Incumbent Information

a. With which agencies is the University currently contracted for the collection services covered by this RFB?
   See question 6.

b. Please provide the current contingency fees for the University’s incumbent agencies segregated by account type (e.g., Perkins Loan, institutional loans, tuition and accounts receivable) and placement type (e.g., primary, secondary or tertiary), if available.
   See # 25 above

c. Please provide the historical recovery rates for the University’s incumbent agencies segregated by account type (e.g., primary, secondary or tertiary), if available.
   These statistics were not captured by the University.

54. Who are the incumbent vendors on this contract?
   See answer to question 39

55. What are the contingent fees charged by these vendors?
   See answer to question 39

56. What improvements is the University looking to achieve in the new contract?
   The university is seeking to improve our cohort default rate for Perkins loans as well as our overall recovery rate for tuition debt.

57. The responses to the items in Section 2.3 are to be included as Attachment A; 2.4 is Attachment B, etc. May these attachments be included in a single response, or are they separate documents?
   These attachments can be included in a single response
Questions Received for RFB AA14-GD-4881

University Contract For Collection Services

58. There does not seem to be references to Attachments E or F. Were these omitted from the RFB?
   See answer to question 49

59. Page 3, Section 1.6 “Bid Opening Date / Time” requires vendors to submit one (1) original and three (3) copies of their bid. However, the RFB does not seem to have any forms that require a signature. Can the University confirm that there are no forms requiring signature, and if so, how should vendors differentiate an original submission from a copy?
   Page 8 of the RFB requires the individual submitting the response to sign the response on the Submitted By line. The original document will have a “wet ink” signature.

60. Page 5, Section 2.4 “Technical Capabilities,” Question 3 requests that vendors provide “examples of accounting and control forms, and reports used with an explanation of each, including frequency and method of distribution.” Could the University clarify what it means by “accounting and control forms”?
   Any standard reports / forms used in the pursuit of fiscal and accounting audits / compliance.

61. Page 7, Section 2.7 “Documentation of Complaints,” requests that vendors “include full documentation of all substantiated complaints filed with the Industry regulators including, but not limited to, the office of the Attorney General and the Massachusetts Banking Commission.” Complaints are commonplace in our industry, and the vast majority are submitted by debtors wishing to avoid their obligations.
   a. Could the University clarify what it considers to be a “substantiated” complaint?
      Any complaint that escalated beyond initial investigation, especially those that were initiated by or resulted in legal action.
   b. Our company has been in operations for over three decades. Could the University specify a time period for the complaints it wishes to see?
      The past 5 years would be sufficient.

62. Given the rapidly approaching due date, as well as the uncertainty of when answers to vendor questions will be issued, and the upcoming Thanksgiving holiday a week before the due date, would the University consider a one-week postponement of the due date?
   The RFB clearly states on page 3, that responses to written questions will be issued by 5 P.M. on November 27, 2013. The University will not postpone the due date at this time.

63. To the greatest extent possible, please provide the following data:
   a. Total historical dollar value of accounts, including any backlog.
      See question 12.
   b. Total historical number of accounts by category, including any backlog.
      See question 13.
   c. Total historical average balance of all accounts, by category if relevant or possible.
      See question 14.
   d. Current contingency fees or other fees currently being billed by any incumbent(s), by category.
      See question 25 above
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e. Total historical average age of accounts at placement (at time of award and/or on a going-forward basis), by category if relevant or possible.
   See question 16.

f. Contracted contingency fees and/or actual dollar amounts of monies paid last year to any incumbent(s), if applicable by category.
   See question 17

g. The monthly or quarterly number of accounts expected to be placed with the vendor(s) by category.
   See question 18.

h. The monthly or quarterly dollar value of accounts expected to be placed with the vendor(s) by category.
   See question 19.

i. Historical rate of return or liquidation rate either provided by any incumbents(s) or anticipated as a result of this procurement.
   See question 20.

64. At what age of delinquency are account placements made?
   See question 16.

65. Does University of Massachusetts currently utilize a billing service for their Federal Student Loans? If yes, who and are account placements made to the agencies by the billing servicer or from University of Massachusetts?
   Xerox (formerly ACS); Account placements are made directly from the University. We currently do not utilize automatic placement.

66. ERS will be shipping the RFB response via Federal Express to the University. Please provide a phone number that is required on the FED EX shipping label.
   413-545-6231

67. Will the response be sent USP mail or email?
   See response to question 22
68. The RFB states that “The bid may be awarded to a maximum of four vendors who can provide a full range of professional debt collection services to the University for its campus based Federal Loan Programs and Student Accounts Receivable.” CSI does not forward accounts to attorneys for litigation; would this preclude us from effectively competing for this opportunity or can we just submit a bid for first and second placement streams (we do provide pre-legal talk-off services as well)?

No, this will not preclude competing.

69. Please provide the following information so that we can provide a full strategy overview including statistical modeling of future performance expectations:

- **Number of accounts placed monthly and/or annually**
  
  See question 18.

- **Average balance of accounts**
  
  See question 14.

- **Account-to-Collector (ACR) Ratio requirements, if applicable**
  
  None

- **Historical performance data by segment (First Placements, Second Placements, and Litigation accounts) – such as dollar value placed annually and dollar value collected for the same period (or dollars collected on average each month)**
  
  No available statistics

- **Liquidation rates**
  
  No available statistics

- **Expectations pertaining to activation of new placements (i.e. how soon from placement each account is expected to be contacted).**
  
  The expectation for the first attempted contact is within 5 business days of placement.  

- **Data typically provided (e.g. SSN, Name, Address, etc.)**
  
  Name, address, phone, account number, SSN (if there is one on file), delinquency date, amount owed.

- **Number of phone numbers typically provided and whether or not consent is provided on cell phones**
  
  Generally 1 or more phone numbers is provided. If the debtor has a loan on ACS and the collection agency has access to ACS they should be able to review all addresses & phone numbers on the system. If the debt is for tuition, we will provide whatever phone numbers are available to us up to 2 numbers. We have no specific consent forms regarding the use of cell phones.
University Contract For Collection Services

70. Are you willing to share current fee structures? If not, does the University front litigation costs?
   See # 6 above.
   Yes, the University fronts litigation costs when they are billed.

71. Can the University please clarify what is meant by Section 2.3 Number 4: “Detailed policies regarding the overall capacity for accepting assignments...”
   Please provide information with regard to restrictions (if any) on how many accounts can be placed within a month, a year, etc. (Or if the company has the staff to handle the amount we may send them.)

72. Under Section 2.4, Question 3, what does the University mean by “Please include examples of account and control forms...”?
   See question 60.

73. What services/processes is the University looking to improve on in this contract?
   The University is seeking to improve perkins cohort default rates, as well as the overall recovery rate for tuition debt.

74. Do non-federal borrowers have signed agreements with the University allowing for collection costs to be added to the account? If so, will the university be adding collection costs to the accounts at time of placement?
   The university does not have a signed agreement for collection costs with the general population, we do however offer payment plans (at 0% interest) for former students. These students must sign an agreement which does authorize collection costs. In either case, the University will add the collection costs to the student bill at time of placement.

75. Will the University provide default dates in order to comply with the recent statute of limitation changes?
   Yes

76. Would it be acceptable to the University if we submit our response printed double sided?
   Yes

77. How many contracts does the University intend to award?
   See response to question 5

78. Who are the University’s current collection vendors?
   See question 6.

79. What is the estimated annual placement volume (total number and dollar value of accounts) and recovery rates, by debt type and placement level?
   All questions answered above.
80. 2.6., Number 3. – Please clarify what is meant by “transaction documents” and “authorization forms”.

Any documents and forms used in pursuit of obtaining authorization for transactions including but not limited to payment transactions. This shall include any letters sent to the debtors on behalf of the University.

81. 2.7 – Please clarify the type of information we should provide to comply with the request for “full documentation” regarding complaints.

Information provided should include date of the complaint, nature of the complaint, agencies involved, resolution and any policy/procedure changes that resulted.

82. What are the University’s current rates/fees?

See question 15.

83. What is the total number and dollar amount of accounts turned over for collections for both the 2012 fiscal year, and to-date for 2013?

Tuition placements for calendar years 2012 and 2013 are listed below:

- 2012 $3.1M
- 2013 $1.4M with an additional $1.1M pending