

**MIDDLESEX COUNTY COLLEGE  
REQUEST FOR PROPOSAL FOR COLLECTION AGENCY SERVICES  
SQ # 10408**

**SCOPE OF WORK**

The purpose of this request for proposal is for a contract for Student Collection Services. The collection agencies shall provide assistance to the Student Account Services in collecting past due tuition and fees. There will be two agencies assigned to collections- a first placement agency and a second placement agency.

**BACKGROUND**

Middlesex County College ("College") enrolls over 12,000 credit students each semester. The Commission on Higher Education of the Middle States Association of Secondary Schools and Colleges accredits the College.

As of September 2016 our undergraduate student accounts receivable balance was approximately \$5,015,000 representing approximately 16,200 student accounts. The majority of these balances represented tuition and fees

<u>Fiscal Year</u>	<u>Number of accounts</u>	<u>Accounts Receivable amount</u>
FY16	5,600	\$ 907,000
FY15	4,700	588,000
FY14	1,930	749,000
Prior	3,970	2,771,000

Estimated number of accounts to be placed annually 400

Estimated dollar value of accounts to be placed annually \$400,000

Average balance of accounts at placement \$500-\$3,000

The College has been using collection services from two (2) outside vendors. Historically, we have relied on periodic statements which are mailed to students as well as placing a student's record on "hold" (thereby preventing them from registering for future semesters, obtaining transcripts, etc) until their financial obligation to the College is satisfied.

Accounts will be placed in collection once we have exhausted a year of in-house collection efforts.

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## CONTRACT TERMS

Middlesex County College will award a one-year contract beginning July 1, 2017 through June 30, 2018 with an optional one-year renewal for collection agency services based on the complete proposal and references submitted, not solely on the lowest fee or percentage retained by the Contractor. The College award is non-exclusive. In addition, the College reserves the right to evaluate the performance of the contractor(s) on an ongoing basis. The Middlesex County College Board of Trustees will award the contract(s) at their regularly scheduled monthly meeting.

## GENERAL PROCEDURAL REQUIREMENTS

- The contractor should have the ability to charge on both a flat fee and percentage basis. The type of charge will be determined by the amount and type of debt outstanding.
- The fee schedule and method of calculation should be included. The contract will not change the fee or percentage retained during the contract period. The College will have the ability to contract with more than one agency.
- The Contractor should be in strict compliance with all city, state, and federal laws pertaining to the collection industry.
- The Contractor should utilize letter techniques, telephone contacts, skiptracing and credit bureau tracing while determining the best course of action to resolve the debt. Litigation may not result without direct authorization of the college.
- The Contractor should determine which accounts are unrecoverable within 180 days of the College's request for collection of those specific accounts.
- The College reserves the right to cancel accounts with the Contractor, at any time, without financial implications.
- The Contractor will send a free 30 day pre-collect letter to the students before turning them into a collection account.
- In addition, the contractor should provide a percentage basis or flat fee charge for first, second placement accounts and for accounts that the contractor and the College mutually agree upon should be pursued with legal action.

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- The contractor should have the ability to add a collection fee to each account assigned based on a percentage provided by the College.

## **DATA REQUIREMENTS**

- The Contractor must provide an outline and implementation plan, acceptable to the College, of procedures to be followed to convert existing data to the Contractor's program. The College currently uses the Colleague Datatel system for student invoicing and cash receipts.
- The Contractor should provide professionally qualified personnel to:
  - a) Review existing data for accuracy and completeness of student accounts
  - b) Visit the College's campus to obtain the data necessary for the conversion and updating of student files.
  - c) Assist in instructing College personnel in data requirements for conversion and placement of student accounts. i.e. registration forms, refund policies, etc.
  - d) Assist in instructing College personnel with in-house collection techniques to minimize past due accounts by providing such things as sample demand letter, proper phone techniques and in-house software options.

## **ACCOUNTING AND RECORD KEEPING REQUIREMENTS**

- The Contractor will process and report the following up through the last calendar day of each month:
  - a) Account acknowledgement: This report should be in alphabetical sequence outlining debtor names, social security and College student ID numbers, a brief description of the debt and the principal amount placed for collection.
  - b) Debtor Status Report: This report should outline all accounts placed for collection. The report will note the accounts' date of placement, last payment activity and the account status (in process, uncollectible, etc).
  - c) Client statement and remittance report: This report should summarize the payment activity for the month. The report should itemize each debtor payment and note running balances. Attached should be the remittance information and payment.
  - d) Returned accounts report: This report will note accounts returned to the institution for any reason. A complete history should be maintained for each account in case the account is reactivated.
  - e) Collection Activity: This report should list collection activity as it relates to month of placement.

- f) Account Aging Analysis: This report should age accounts based on elapsed time from the report date to the date of the last payment.

The Agency must provide the College on-line access to the collection accounts and illustrate the ability to provide reporting information via electronic format compatible with Excel imports. The College prefers that these items be available online to the College in real time. If not they must be delivered to the College no later than seven days after the date requested.

- During the period of collection, the Contractor should make written progress reports to the College weekly. These reports should include:
  - a) A statement of progress
  - b) A statement of the nature of any difficulties experienced
  - c) A statement of necessary action required to eliminate difficulties
- The Contractor must agree to College ownership of all student account information. This covers any media (paper, tape, disk), correspondence and files. All such information should be delivered to the College upon termination of the contract.

#### **OTHER REQUIREMENTS TO BE MET**

- The Contractor must comply with all federal, state and local laws and have on file with the State of New Jersey Collection Agency Bond in accordance with N.J.S.A. 45:18-1 et seq.
- The Contractor must certify that every attempt to collect the College's debts will be in strict compliance with all city, state, and federal laws pertaining to each case.
- The Contractor must demonstrate at least five years experience in servicing student accounts receivable debt which the College may contact after receipt of proposals.
- The Contractor must provide at least three references with student account volumes in excess of \$500,000.
- The Contractor will permit the College the right to visit the Contractor's office, examine the facilities and view actual operations and procedures prior to the award of the contract, as well as unannounced visits after the award of the contract.
- The Contractor must have been audited within the last year prior to contract signing. A copy of the financial audit with a clean opinion prepared in accordance with generally accepted auditing standards, must be provided to the College upon request. During the period of the contract, the Contractor should have an annual audit conducted and have available for the College to review.
- The Contractor must be available to begin and conduct services on schedule

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- The Contractor shall provide a statement of assurance to the effect that your firm is not currently in violation of any regulatory rules and regulations that may have an impact on your firm's operations.
- The Contractor shall supply the required insurance certificates.
- The Contractor shall provide proof of all appropriate State licenses.
- The Contractor shall provide IRS form W9.
- The Contract shall provide a NJ Business Registration Certificate.

The Contractor hereby assumes all risk of responsibility for, and agrees to indemnify and hold harmless Middlesex County College from and against any and all claims, demands, suits, actions, recoveries, judgments, and cost and expenses in connection therewith, made, brought or obtained on account of the loss of life, property of industry or damage to the person or party of any person or persons whomsoever; whether such person or persons be employed by Middlesex County College, all agents or employees, or the Contractor, or Sub-Contractor, employed by the Contractor in or about the said work, an agent or employee of the Contractor or of any Sub-Contractor either while employed on the work required under this Contract or going to or coming from the performance of such work, or any third person in no way connected with the parties of the performance of said work, which loss of life or property, or injury of damage to persons or property shall be due to arise out of or result from, or be in any way connected with said work or the performance or lack of performance thereof, of any act of remission of the Contractor or any Sub-Contractor, in connection therewith.

Such insurance shall remain in force until the expiration date of this Contract and any renewal thereof. The policy shall make Middlesex County College and its agents, employees, as additional names insured. Notwithstanding the limits of insurance required herein, this shall not limit the liability of the Contractor herein. The effective dates of the required policies of insurance shall be for the term of this contract plus 120 days thereafter.

## **EVALUATION PROCESS**

The contract will be awarded based upon the proposals deemed by the College to be most advantageous, considering price and other factors outlined in the request for proposal, and the contractor deemed to be most qualified.

## **EVALUATION CRITERIA**

The criterion considered in the evaluation process follows below. The arrangement of the criteria is not meant to imply order of importance or weighting.

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- Understanding of the requested work and overall completeness of the proposal
- Ability to meet all requirements of the RFP
- Project approach/methodology
- Experience, qualifications and stability of firm
- Fee or percentage retained by the agency
- References

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All proposals must address the questions below and any others throughout the specifications. Failure to respond to a question may disqualify the proposal. An authorized representative of the collection agency must sign the Formal Proposal.

1. Indicate the fee or percentage retained by your agency.
2. Describe the method you use to determine the fee.
3. Describe the implementation plan your agency would use to transfer existing accounts to your agency for collection.
4. Provide a sample of the reports, which are detailed under the Accounting and Record Keeping Requirements.
5. Describe the techniques used by your agency in your collection efforts. Please list the action you take to collect an account from the initial contact to the most demanding correspondence.
6. Provide samples of any written correspondence you might send to the student in your collection efforts.
7. Provide documentation that your agency is licensed in accordance with state regulations.
8. Please identify your agency's location, key personnel, office hours, phone numbers and account liaison.
9. Describe your agency, including size, client mix, and years in business and corporate philosophy.
10. Demonstrate your experience with servicing educational institutions by providing names of schools you service, length of service and recovery rates. Please provide at least 3 references. (If you have no experience with educational institutions please provide 3 references from other entities, indicating type of transactions, value of transactions, length of service and recovery rates.)
11. Please outline your plan for instructing College personnel in collection techniques that we might utilize in-house to minimize past due accounts.

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