

REQUEST FOR PROPOSAL #6447

COLLECTION SERVICES

**METROPOLITAN COMMUNITY
COLLEGE**

**3200 Broadway
Kansas City, Missouri 64111**

**Proposal Due Date: November 20, 2007
10:00 a.m. CST**

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1.00 OVERVIEW

- 1.01 Metropolitan Community College of Kansas City (MCC) is soliciting proposals from qualified vendors for collection services.
- 1.02 The Purchasing Department of MCC is the issuing department for this document and all subsequent addenda relating to it. Your sealed proposal must be received no later than **10:00 am CST, November 20, 2007**. Proposals received after this deadline will be considered late and ineligible for consideration. The envelope must be labeled **“RFP #6447, Collection Services**. Please mail one (1) original plus three (3) copies (not to exceed 25 pages, excluding sample reports) of your proposal to Dorothy Miller, Director of Purchasing, Administrative Center, 3200 Broadway, Kansas City, Missouri 64111-2429. Hand delivered proposals must be logged in (indicating date and time received) with the Receptionist located in the lobby of the Administrative Center, 3200 Broadway, Kansas City, Missouri 64111-2429.
- 1.03 It is the responsibility of each vendor to become familiar with the requirements of this proposal. Lack of knowledge concerning the proposal’s requirements will not relieve the vendor of conditions submitted in response to the proposal.
- 1.04 In the event that it becomes necessary to revise this proposal in whole or in part, an addendum will be provided to all vendors on record as having received the proposal.
- 1.05 MCC will not be liable for any costs that vendor may incur in the preparation of the proposal.
- 1.06 Proposal must be dated and signed by an official authorized to bind the vendor to its provisions. Proposal must remain in force for at least sixty (60) days from the date for submission of proposal.
- 1.07 MCC’s point(s) of contact for this proposal will be:

Brenda Wagner	Dorothy Miller
Payment Services Supervisor	Director of Purchasing
Phone: 816-482-5475	Phone: 816-759-1258
- 1.08 The Board of Trustees reserves the right to waive defects and informalities in proposals, to reject any or all proposals, or to accept any proposals as may be deemed to its interest.
- 1.09 Any proposal may be withdrawn at any time prior to that specified herein for the opening of proposals, but no proposal may be withdrawn for a period of sixty (60) days thereafter.
- 1.10 It is to be understood the vendor, if awarded a contract agrees to protect, defend and save harmless the Board of Trustees from any suits or demands for payment that may be brought against it for the use of any patented material, process, article or device that may enter into the

work covered by the contract; and the vendor further agrees to indemnify and save harmless the Board of Trustees from suits or actions of every nature and description brought against it for, or on account of any injuries or damages received or sustained by any party or parties by, or from any of the acts of the vendor, his servants or agents.

1.11 BACKGROUND

Metropolitan Community College is a two-year, multi-campus institution with both college parallel and vocational-technical programs. In addition, the College maintains limited student account receivables for tuition, books, penalties, fines, bad checks, and other debts.

The College operates an "in house" collection office which is responsible for immediate due diligence as debts become delinquent. After a period of up to 365 days, if no debtor response is made, accounts will be immediately placed with the most effective external collection agency. The College will continue to provide current data to the agency, but will generally not intercede between the debtor and agency. On occasion, a second referral may be made after the first agency has had the account for collection for a reasonable time (generally 6 months).

1.12 This proposal is for an initial period of December 1, 2007 through November 30, 2009 with up to two (2) one-year optional years of extension. Extension each year will be based on continued need, satisfactory performance, no rate increases, and no changes in terms and conditions.

1.13 MCC reserves the right to make a single award or multiple awards of this contract as it deems in its best interest.

2.00 SPECIFICATIONS

Metropolitan Community College of Kansas City, MO (MCC) hereby solicits proposals for collection services. The requirements for evaluation of services and selection by MCC are set forth in Section 2.15. It is the intent of MCC to establish a "pool" of qualified collection agencies based upon verified performance and collection rates charged. Referral of accounts will be administratively assigned based upon debt circumstances and satisfactory performance.

Approved and selected collection agencies will be required to enter into a "Nonexclusive Agreement for Collection Services" with MCC. (See Attachments)

2.10 REQUIREMENTS

1. The agency will maintain multiple aged accounts for College debts given in a batch, as deemed appropriate by the College. All reporting must be made by collection batch (i.e., funds collected agency, invoice, etc.)
2. Charges for accounts collected must be on a percent collected, not flat rate.
3. All funds collected will be transmitted to the College, with payment listing, on a monthly basis.

4. The agency will invoice (original and one copy) the College for collection fees due. These will be paid on a monthly basis.
5. The College reserves the right to refer and recall accounts as appropriate.
6. Full compliance with the requirement as set forth in the "Nonexclusive Agreement for Collection Services". (See Attachments)
7. The agency should report by batch the balance of each account to MCC once a month.
 - A. One report should include only active accounts.
 - B. The second report should only include inactive accounts. This report should only reflect accounts determined in the current month to be uncollectible (i.e., skipped, no assets, bankrupt, etc.)
8. The agency should give a final batch report on accounts closed and returned when the collection period has expired.

3.00 PROPOSAL

To be considered responsive vendor shall complete the following:

Charges for collections will be based upon a percent of the dollars collected by the vendor during the period of collection referral.

MCC Student Accounts _____%

4.00 AGENCY OPERATIONS

To be considered responsive vendor shall complete the following:

4.01 Name of Firm: _____

4.011 Name of primary contact? _____

Phone number: _____ Fax number: _____

Email address: _____

4.02 Year firm established: _____

4.03 Location of local office? _____

4.04 Annual Sales volume? _____

4.05 Number of employees? _____

4.06 Name of any subcontractors? _____

4.07 List below five references:

Name	Address	Phone No.	Contact Person	Yrs. Affiliated

4.08 List all professional organizations of which you are a member.

4.09 List all higher education and/or collection conferences/workshops/seminars attended by an employee of your agency during the last two years.

4.10 Detail the collection philosophy followed and the methodology used by your agency in performing collection services on delinquent student receivable accounts.

- 4.11 Describe your agency's procedures to ensure compliance with the federal Family Educational Rights and Privacy Act {Title 20, United States Code, Section 1232g} and any applicable state laws.
- 4.12 Describe how you maintain accurate records of all collection activities.
- 4.13 Is there a minimum dollar amount per account for referral?
- 4.14 What is the process flow once files of accounts are received?
 - 4.14.1 Is there a pre-collect period?
 - 4.14.2 How often are accounts worked?
 - 4.14.3 Do you have a dialer to handle calls? If so, how many passes are made & how often?
- 4.15 Please indicate the total dollar amount and number of college/university receivables accounts currently managed.
- 4.16 Please indicate what percentage of your agencies total collection is from higher education.
- 4.17 Please indicate the number of collectors working college/university portfolios exclusively.
- 4.18 Please indicate the number of accounts each collector is assigned.
- 4.19 Please indicate the average number of years collectors stay with the company.
- 4.20 Is there online access for a school to view account activity?
- 4.21 Explain in detail the way in which the Agency determines that an account is uncollectible and what action the Agency takes after such a determination is made.
- 4.22 Explain in detail the way in which the Agency handles execution of judgments it obtains and the way in which amounts collected pursuant to judgment are distributed.
- 4.23 Explain how returned checks on account payments made to your firm are handled with the school?
- 4.24 Please provide annual performance measurement from the past year 3 years, that shows your success on collections for:
 - a) First referrals
 - b) Second/third referrals

- 4.25 Please indicate how old the accounts are when you generally receive them as a first referral?
Given that MCC will be referring accounts after they are 1 year old, how will that change the success rates quoted in question 4.24?
- 4.26 Please provide samples of all standard Management Reports.
- 4.27 Please provide samples of Monthly Billing/Remittance Statement.
- 4.28 Please provide samples of name and address change notification.
- 4.29 Please provide copies of all formatted collection notices and letters issued to individual accounts.
- 4.30 Please describe why you feel your agency should be awarded this contract.
- 4.31 Please define any exception to our Nonexclusive Agreement you would require the college to consider.

NONEXCLUSIVE AGREEMENT FOR COLLECTION SERVICES

THIS AGREEMENT made and entered into as of this ___ day of _____ by and between, hereinafter referred to as the Collector, and the District Board of Trustees of Junior College District of Kansas City, MO, hereinafter referred to as the College.

NOW THEREFORE, the College and the Collector, for the consideration hereinafter named, agree as follows:

A. The Collector agrees to:

1. Accept for collection, upon terms, conditions and provisions herein set forth, those accounts, which the College refers to for collection. Accept accounts through any medium designed by the College including computer tape, disc or other computer technology media, hard copy computer printout or manually prepared records. Currently all accounts are manually prepared records.
2. Promptly undertake, through proper and lawful means, the collection of all accounts referred to by the College without regard to the amount. Collector shall not, under any circumstances, use any threats, intimidation, or harassment of debtor in collection of accounts or violate any guideline established by Federal Law or the State of Missouri. The College is in no way to be defamed or unduly misrepresented by the Collector, and the Collector agrees to protect and indemnify the College against any and all claims arising out of Collector's collection procedures.
3. Contractor acknowledges the privacy rights of educational loan recipients. Contractor shall not release student loan records or information from student loan records without full compliance with all federal and state privacy laws. See Appendix A.

Contractor shall comply with the restrictions in federal law (Title 26, United States Code, Section 6103(m)(4) and (5) applicable to addresses obtained by the university of college from the Federal Internal Revenue Service and acknowledges the substantial penalties which may be assessed by using the addresses for purposes other than collecting the student loan (Title 26, United States Code, Section 7213).

4. Contractor agrees to comply with the Fair Labor Standards Act, as amended the Employment Practices Act, as amended, 1964 Civil Rights Acts, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; the Omnibus Reconciliation Act of 1981, as amended; the American with Disabilities Act of 1990, as amended; and all other applicable Federal and State laws which prohibit discrimination

in employment and in the deliver of services on the basis of race, color, national origin, age, sex, disability, or religious belief.

5. Implement thorough collection procedures in the attempt to achieve a maximum recovery of debts. Contractor shall provide collection services in accordance with the most recent Federal regulation. Contractor's personnel who work the accounts shall be knowledgeable of and comply with the most recent Federal regulation, guidelines and policy interpretations governing collection programs. Such procedures are to include a reasonable number of personal telephone calls, auto dial and mail. Skip tracing procedures will be used whenever necessary. Address changes shall be forwarded to the College daily. Summary reports shall be sent at the end of each month. Legal action will be taken when all other efforts fail providing the College gives prior written authority. The Contractor shall pay all incurred legal cost(s). Reasonable asset location will be performed by Collector to satisfy judgments.
6. Remit to the College by the 10th of each month the full amount collected on each account during the prior calendar month along with an invoice (original and three copies) for the collection fee. A separate report and invoice shall be for each account. Each report shall include account name, social security number and amount.
7. A monthly activity report shall be sent to the College detailing collections, address changes, etc; however, the College reserves the right to increase the frequency.
8. Supply the College the following reports (two (2) reports for active and inactive accounts shall be provided for each account) by the 10th of each month for the prior calendar month.
 - a. Acknowledgement of accounts assigned (active only).
 - b. List of address changes determined from skip tracing (active only).
 - c. Inventory status report of all accounts (active and inactive).
 - d. List of accounts referred to credit bureau(s).
 - e. List of accounts removed from the credit bureau(s).
 - f. List of accounts returned (in-active only).
 - g. Summary report on all active accounts.

If reports are not received for two (2) consecutive months, the College reserves the right to recall all accounts and refer to another collection agency.

9. Return account automatically to the College without written request if no collection has been made within six (6) months after referral of the account to the Collector. There will be no charge for these accounts. Referrals to credit bureaus shall be made by contractor before accounts are returned to MCC. Contractor agrees to return accounts with a record of contacts made with the borrower including current address, telephone number, copy of work jackets and any other information that will aid in the future collection of the account. The transmission of such information is part of the service to the College that Contractor agrees to perform.

Should Contractor either fail or refuse to return an account to the College upon being required to do so by any provision of this agreement, Contractor shall cease any further collection effort on the account and shall consider the account under the control of the College. Contractor shall be responsible for all costs, fees, and expenses incurred by the College in its efforts either in or out of court to obtain the return of accounts. Contractor shall also be responsible for any claims or damages, which may arise, from its failure or refusal to return accounts in a timely fashion.

In addition to any other remedy which the College may legally pursue, a material failure or refusal, in the opinion of the College to comply with any provision of this agreement shall disqualify the Contractor from being eligible to bid on any future student loan collection agreement with the College.

10. Contractor shall secure prior written consent of the College before assignment of any accounts or any part of this agreement. Assignment of any accounts or any part of this agreement to others for any purpose without the express, specific written consent of the College is absolutely prohibited. Any assignment or attempted assignment of these accounts shall constitute a breach of this agreement and the College shall have the right of immediate cancellation of this agreement as well as the right to take any other remedies provided by law.
11. Suspend action either temporarily or permanently on any account referred to it for collection upon written notification by the College. There will be no collection fee charged on the uncollected portion of such accounts. No collection fee shall be paid to Contractor on accounts, which are referred for collection, but upon which College receives payment prior to any collection efforts being performed by Contractor.
12. Permit College representatives to have access to and the right to examine any pertinent books, records, documents, and papers of the Collector involving

transactions related to this agreement until three years after the effective date of the termination of the agreement.

13. In the event of termination of this agreement, return to the College within thirty (30) days from receipt of notice of termination, all accounts which have been referred for collection. Either party shall deliver the reports as required in accordance with Section A-7 of the contract to the College within thirty (30) calendar days following the notice of termination.
14. Contractor shall reimburse College for any amount which becomes uncollectible or which is lost due to any act or omission of the Contractor. Such acts or omission may include, but are not limited to: accepting a compromise settlement for less than the total amount due without authorization of College, acknowledging that a payment constitutes payment in full when in fact the loan is not paid in full, failing to update accounts resulting in a court judgment which includes less than the amount due and payable, and failing to promptly notify appropriate personnel at the College of a bankruptcy filing so as to allow the timely filing of a claim or other appropriate response.
15. Any amounts received by Contractor, which are in excess of that which is due and payable, are overpayment and shall be forwarded to the College in full with an explanation that the amount is an overpayment. Contractor shall not be entitled to a collection fee for overpayments and shall not retain any portion of an overpayment.

B. The College agrees to:

1. Place selected accounts, at the option of the College, with the Collector for collection.
2. Accounts may be recalled from the Collector, at no cost to MCC, in the following instances:
 - A. It is fully determined that the debtor was not delinquent at the time of placement with the Collector.
 - B. The debtor files and is approved for an MCC tuition appeal.
 - C. The debtor is entitled to deferment.
 - D. The debtor has declared bankruptcy.
 - E. The accounts were mistakenly turned over.
 - F. Accounts paid through Missouri Debt Offset Program.

3. Pay Collector's invoices within thirty (30) days of receipt by the College.
4. Pay to Collector a Collection fee of: ____%. Said fees will be the sole consideration paid Collector. The College shall not be liable for any costs or expenses incurred by the Collector in the collection of accounts. For example, the College shall not reimburse Contractor for the expense of retaining legal counsel, nor shall Trustees' share of the collected amounts be reduced to pay for legal services.

C. General Conditions:

1. This Agreement, Appendix A and Collector's response to the Proposal for Collection Services, are incorporated herein as fully and completely as if set forth herein at length and shall be binding upon the collector; however, the provisions of this agreement shall govern in the event of any inconsistency between the documents.
2. Any changes or modification to this agreement must be executed in the same form as the original agreement.
3. It is mutually agreed that this agreement can be terminated by either party upon thirty (30) days written notice.
4. The term of this Agreement shall be for a period of two years, commencing on the 1st day of December 2004 or date of Agreement; whichever is later, and ending on the 30th day of November 2006. This Agreement may be extended for up to two additional one-year periods by written mutual agreement.
5. This Agreement will be construed under and governed by the laws of the State of Missouri (without regard to Missouri's law respecting conflicts of law) and any applicable federal law.

IN WITNESS THEREOF, the parties have executed this agreement on the date above written.

ATTEST:

The Junior College District of Metropolitan Kansas
City, Missouri

Chancellor

President, Board of Trustees

Collection Agency

Title

**THE JUNIOR COLLEGE DISTRICT OF METROPOLITAN KANSAS CITY,
MISSOURI (dba METROPOLITAN COMMUNITY COLLEGE)
SERVICE PROVIDER CONFIDENTIAL INFORMATION AGREEMENT
APPENDIX A**

This Appendix (“Appendix”) is hereby incorporated into the agreement known as _____ (“Agreement”), entered into by and between _____ (hereinafter “Service Provider”) and Metropolitan Community College (hereinafter “MCC”). MCC and Service Provider mutually agree to incorporate the terms of this Appendix to comply with the state and federal requirements regarding the privacy and protection of confidential information (“covered data and information”) that may be handled in regard to the contractual relationship between MCC and the Service Provider. If any conflict exists between the terms of the original Agreement and this Appendix, the terms of this Appendix shall govern.

1. Definition:

Covered data and information means all non-public personal information required to be protected under various legislation including, but not limited to: the Gramm-Leach-Bliley Act (GLB), Family Educational Rights to Privacy Act (FERPA), Fair Credit Reporting Act (FCRA), Fair and Accurate Credit Transactions Act (FACT Act), Health Information Portability and Accountability Act (HIPAA) and Americans with Disabilities Act (ADA). Covered data includes information obtained from a current or prospective student or employee in the course of offering a health, educational or financial product or service (including social security number or credit card information), or such information provided to the District from another institution. Offering a health, educational or financial product or service includes offering student loans, receiving income tax information from a current or prospective student or students’ parents as a part of a financial aid application, offering credit or interest bearing loans or investment plans, offering health benefit plans, and flexible spending accounts or providing a special needs accommodation. Covered data and Information consists of both paper and electronic records.

2. Acknowledgment of Access to Covered Data and Information: Service Provider acknowledges that the Agreement allows the Service Provider access to Covered Data and Information.

3. Prohibition on Unauthorized Use or Disclosure of Covered Data and Information: Service Provider agrees to hold the Covered Data and Information in strict confidence. Service Provider shall not use or disclose Covered Data and Information received from or on behalf of MCC except as permitted or required by the Agreement or this Appendix, as required by law, or as otherwise authorized in writing by MCC.

Acknowledgement of Receipt

**This Form Must be Completed and Faxed Upon
Receiving the Request for Bid
6447 – Collection Services**

Please fill in the requested information below and return by fax, as acknowledgement that you have received the Request for Bid noted above.

Metropolitan Community College
Purchasing Department
Fax: 816-759-1221

By doing this, we will be able to provide notification of any addenda to the RFP.

Name of Firm: _____

Address: _____

City/State/Zip: _____

Phone: _____ Fax: _____

Name: (Print) _____

Title: _____

Email address: _____

Signature: _____ Date: _____

_____ Yes, our company does have an interest in responding.

_____ No, our company does NOT have an interest in responding.

Fax this to MCC prior to **NOON on November 16, 2007.**