



**LUZERNE COUNTY COMMUNITY COLLEGE
REQUEST FOR PROPOSAL
Collection Agency Services**

Section I. INTRODUCTION

Luzerne County Community College (LCCC/College) invites proposals (Proposal(s)) from qualified collection agencies (Agency) to assist in the collection of delinquent student accounts, consisting of unpaid tuition and fees, and other College charges due to the College and the College Bookstore. The selected Agency or Agencies will be responsible for dunning, collection and litigation services, as directed by the College. This document is a Request for Proposal (RFP) for the services described below and does not obligate LCCC to accept responses from eligible Agencies. The RFP establishes minimum requirements an Agency must meet in order to be eligible for consideration as well as information to be included in the Agency's proposal.

Carefully examine the specifications, conditions and limitations. The selection of the successful Agency will be made based on LCCC's evaluation and determination of the relative ability of each Agency to deliver quality service in a cost-effective manner. The following specific criteria will be evaluated and must be addressed in the proposal:

- 1 Agency History and Organization
- 2 Cost Proposal and Invoicing
- 3 Insurance
- 4 References

LCCC is not obligated to accept the lowest proposal and reserves the right to reject any and all proposals or amend the scope of the project. All of the Agencies must be duly licensed or otherwise have the ability to perform work in accordance with all governing local authorities and to the satisfaction of those authorities.

Notice of the Purchasing and Conflict of Interest Policies in place at Luzerne County Community College ("LCCC"):

Each owner/operator/individual/officer submitting a proposal or for whom a proposal is being submitted on behalf of the owner (each being referred to as a "Provider") to LCCC certifies that he/she/they are not a spouse, child, parent, brother/sister (each being referred to as an "Immediate Family Member") of any LCCC employee or Board of Trustee member at LCCC who owns more than a one (1%) percent ownership interest in the Provider/Provider's business.

If the Provider is an Immediate Family Member, according to College Policy and Procedure, disclosure must be made, and LCCC may decline entering into a business relationship with the Provider. Disclosure shall be made in writing at the time of submitting the proposal to the Director of Purchasing.

Violations of any of the policies or procedures may result in rejection of the proposal. Additionally, LCCC may have the right to recover damages suffered by LCCC in obtaining an alternative proposal, which damages may include, but are not limited to, consequential damages and reasonable attorney's fees.

Copies of these policies and procedures are available from LCCC upon request.

Under the Right to Know Law, the College is required to post to the PA Treasury Website all documents (BPO, PO, contract or agreement) for transactions valued at \$5,000.00 and above.

Section II. SUBMISSION OF PROPOSALS

Responses to this RFP are due by 12:00 PM (Noon) on Thursday, April 2, 2020. Late submittals will be rejected. All proposals are to be sealed, labeled with the subject of the proposal, and addressed to:
Luzerne County Community College
Purchasing Director, Mr. Len Olzinski
1333 S. Prospect Street
Nanticoke, PA 18634
Phone: 570-740-0370

The proposal submission may be mailed or delivered to the above address. Any questions regarding this RFP may be addressed to Mr. Robert Linskey, MBA, CMA, at rlinskey@luzerne.edu at 570-740-0367 or Cheryl Baur at 570-740-0368.

Section III. CONTRACT TERM

The term of this contract shall be for a three (3) year period, commencing on July 1, 2020 and continuing thru June 30, 2023 unless terminated by either party with thirty (30) days written notice.

Section IV. SCOPE OF SERVICES

1. Project Overview

Luzerne County Community College (LCCC/College) invites proposals (Proposal(s)) from qualified collection agencies (Agency) to assist in the collection of delinquent student accounts, consisting of unpaid tuition and fees, and other College charges due the College and the College Bookstore. The selected Agency or Agencies will be responsible for dunning, collection and litigation services, as directed by the College.

The College may issue one or more contracts, which means it may work with respondents selected to establish procedures for second placement.

The College is contracted with Ellucian for its student information system.

2. General Information

- a.** The College will make its own efforts at collection before referring the account to the Agency.
- b.** The College will attempt to notify the debtor of the impending placement before referring the account to the Agency.
- c.** The College places no restriction on the balances on accounts that will be referred to the Agency for collection. The balance on the account will include the outstanding principal receivable, including all charges assessed by the College.
- d.** The College will generally refer accounts that are six (6) or more months past due from the end of the semester. Most accounts will be referred following the end of the Fall and Spring semesters, but the College reserves the right to refer accounts at any time.
- e.** Referrals will be transmitted to the Agency via electronic file or other appropriate vehicle(s). Details of the amounts past due, with full documentation of balances, will be provided.
 - i.** Data elements required for submission must be provided by the Agency in response to this RFP.

- ii. The College will extract data from the Ellucian student module or other internal systems.
 - iii. Agencies responding must indicate their experience in working with data extracted from Ellucian if any.
- f.** If the Agency determines that the debtor's address is no longer valid, it will be responsible for normal skip tracing activity in an attempt to locate a current address. The Agency must notify the College in writing if a current address is found.
- i. In response to this RFP, the Agency must describe its ability to provide adequate tracing services and to keep the College informed of all known name and address changes on accounts.
- g.** In attempting to effect repayment, the Agency will use its best efforts to establish a repayment plan that, if completed according to its terms, would result in the repayment of the referred amount in the shortest time possible.
- i. In response to this RFP, the Agency will describe the guidelines it will apply to negotiate repayment schedules.
- h.** The College will notify the Agency upon receipt of any payments and, at the College's option, remit the applicable fee, if paid, or deliver the payment to the Agency to be handled in accordance with the Agency's accounting procedures as may be mutually agreed upon by the College and the Agency. Reports, even if no payments have been received, will be submitted monthly to the College.
- i. Agencies will describe their ability to remit payments; and
 - ii. Indicate their ability to return information on specific amounts collected in a manner that allows their recognition in Ellucian and MBS;
 - iii. Allow the College to resolve and post to Ellucian directly each student account when full and complete payment had been received.
- i.** The Agency will not initiate legal proceedings on any account without prior written approval from the College.
- i. In response to this RFP, the Agency will describe the procedures it suggests the Agency and the College follow to elicit this approval.
- j.** Legal actions, once approved, will be taken in the name of the College and will, to the extent possible, exempt the College from the payment of statutory court fees.
- k.** The Agency will suspend action on any account referred for collection upon the receipt of oral or written notification to do so by the College's Vice-President of Finance or his or her designee, and will do so at no cost to the College. If notification is oral, the College's Vice President of Finance or his or her designee will confirm such suspension in writing to the Agency in a timely manner.
- l.** The Agency will not compromise accounts without the College's written approval.
- The College remains disinclined to pre-authorize the compromise of accounts, as its decisions to approve compromise are affected by its understanding of the motivations of those who owe it money.
- m.** If, after one (1) year from its receipt of the referral from the College, no payment activity has occurred or no pre-arranged repayment schedule has been established, the Agency will return the account to the College free of any liability and collection cost.
- n.** No fee will be due the Agency when the balance due has been reduced resulting from

College action such as application of refund or credit adjustment.

- o.** The Agency agrees to maintain the confidentiality of all accounts, correspondence, documents and any other information that may be furnished by the College for the purpose of collection of unpaid accounts.
- p.** Records developed as a result of collection efforts are College records subject to access, scheduling and disposition as approved by the College.
- q.** The Agency will follow the applicable provisions of federal laws or Pennsylvania laws regulating debt collections.
- r.** The College may, at any time, with or without cause, discontinue the referral of any new accounts to Agency. Agency will, however, continue to perform collection services on all accounts previously referred until the expiration of the term of the contract or until recalled.
- s.** The College anticipates the first referral under the new contract will occur on or after July 1, 2020.
- t.** The College reserves the right to visit, inspect and verify all work performed by Agency.

3. Dunning Services

- a.** Dunning will be at the discretion of the College and the College will indicate to the Agency, on referral, which cases will be subject to dunning (after which they may be subject to collection) and which cases will be immediately subject to collection.
- b.** The College is not dictating the specific language of dunning letters. Respondents must provide samples of their letters, which will require the College's approval, before they are used.
- c.** The College's goal is an effective series of dunning letters. If available, Respondents are encouraged to provide statistical data on the efficacy of their dunning process (accounts received/value, amounts settled during dunning and amounts not settled and moved to full collect.).
- d.** Dunning procedures will be subject to the approval of the College and consist of no less than two (2) letters to the delinquent debtor, which will be transmitted to the debtor over an approximate forty-five (45) day period from date of referral by the College.
 - i.** In response to this RFP, agencies will submit sample dunning letters with their proposals.
- e.** All dunning correspondence will direct the debtor to communicate directly with the Agency, at such addresses as the Agency will select, for the purpose of making payment and entering into payment arrangements.
- f.** Dunning services will be provided by the Agency. When pursuing collection efforts, agency services may include telephone contact and skip-tracing.
- g.** Respondents are encouraged to delineate the collection strategies they will pursue.
- h.** In their responses, respondents will provide statistical information on the effectiveness of the strategies proposed.
- i.** All strategies will be legal and consistent with professional standards.
- j.** Delinquent debtors will be instructed by the Agency to make all checks payable to "Luzerne County Community College" only and will be instructed by the Agency as where to mail such checks.

- k. The Agency will provide a monthly report to the College showing all cases currently subject to active dunning procedures. The report will, at a minimum, include the debtor's name, account number and stage of dunning completed as of the date of the report. The Agency will provide an additional monthly report to the College that identifies those accounts that have either completed dunning or have been terminated at the request of the College during the month preceding the report. Agency must maintain adequate procedures for receiving and reporting payments made by or on behalf of the debtor.
- l. The Agency will indicate if their reports/data are returnable in a format that can be uploaded to the Ellucian system if the College desires. Details and technical requirements will be discussed during the contract period.
 - i. In response to this RFP, agencies will provide copies of their proposed reports with their proposals and indicate the formats in which the reports are available.
 - ii. These reports will also be available to the College on request, on 24 hour notice to the Agency, excluding weekends.
- m. Upon completion of the dunning procedures and rendering of the foregoing reports, no further action will be taken on any case that has completed dunning, absent the specific request of the College that such case proceed to collection.
- n. The College reserves the right to second-place accounts.

4. Collection Methodology

The accounts to be collected under this procedure are tuition and fees and bookstore charges authorized by the Board of Trustees and other charges owed to the College. Also included are overpayments of financial assistance remitted from the state and federal governments by the college, as required by the funding agencies, which result from changes in the student's eligibility for such awards after they've been disbursed.

Agency will provide a detailed procedural description of the collection system used by Agency, including the following:

- a. The extent to which collection attempts will be made based on the dollar value and the type of attempt that will be made (i.e., collection letter, telephone contact, litigation, etc.).
- b. The method of documenting collection attempts.
- c. The extent to which accounts will be "skip-traced." Indicate varying dollar value of account.
- d. Detailed samples of the kinds of reports provided to other colleges on an account by account basis (i.e., detailed activity from period to period). If none, so indicate.
- e. Detailed samples of reports provided to other colleges that summarize monthly and yearly collection activity and results. If none, so indicate.
- f. The extent to which computer systems are used for reporting, account maintenance, monitoring and collection attempts. Describe software employed and provide technical specifications/file formats. State whether or not file formats can be integrated to Ellucian; and describe and fully explain what is needed to integrate to Ellucian.
- g. Description of any internal account programs for the following:
 - i. Recording, checking and reporting service performance.
 - ii. Accounting and control forms used, with detailed explanation of their importance.

- h.** The College is considering issuing more than one contract so it may establish a procedure of second placement.

The College will consider a contract among entities who combine to submit a proposal based on their respective strength in terms of dunning, collection and legal action. Such a proposal must specifically include process and procedures the entities will use to coordinate their efforts, the sharing of information and all interaction with the College, so, from the College's perspective, collection activities are effectively, efficiently and cleanly managed.

- i.** **Surety Bond**

Agency shall be required to file with the College a surety bond payable to the College executed by a surety company authorized to transact business in the State of Pennsylvania securing to the College the payment of all funds due to the College under the terms of the contract.

5. Credit Bureau Reporting

Agency may propose to provide credit bureau reporting as part of its services and will set forth in its proposal the terms and conditions of such service.

The College is asking that respondents clarify its understanding that if accounts are recalled by the College, credit reporting disappears; and that if it pursues second placement, it could leave its accounts with the servicing agency, thereby maintaining credit reporting.

In this context, respondents must clearly delineate the credit reporting process, and how they would propose to conduct credit reporting.

6. Charges and Fees

- a.** Agency will receive a fee or percentage of successful dunning and collection charges, which amount Agency shall propose in response to Section V, entitled "Cost Proposal," of this RFP.
- b.** Agency may impose a fee on its receipt of an account and the debtor will be responsible for the payment of such fee, in addition to the amount of charges referred by the College. The fee shall be paid upon receipt of payment. Agency shall propose fee amounts in response to Section V, entitled "Cost Proposal," of this RFP.

7. Ellucian/ Student AR

Respondents must indicate and fully describe their experience in providing collection agency services to institutions using the Ellucian system.

Section V. COST PROPOSAL

- 1.** Cost Proposals must be provided as described below.
- 2.** Provide price quotes for the proposed services including, as separate items, the following:
 - a.** Dunning charges and fees;
 - b.** Collection charges and fees; and
 - c.** Any and all associated fees corresponding to the services.
- 3.** Company should provide all information it deems necessary to explain or clarify its Cost Proposal.

Section VI. INSTRUCTIONS

Responding Agencies must address the following subjects in their proposal:

1. Company/Individual History and Organization

Provide a brief history including brief biographical information regarding the personnel who would be directly responsible for the service.

2. Cost Proposal and Invoicing

Provide rates and any and all associated fees corresponding with the services described in Section IV.

3. Insurance (Agencies only, does not apply to individuals)

The successful provider shall carry and maintain, with respect to any work or service to be performed at LCCC facilities, insurance written by a responsible insurance carrier, to provide for the following:

- o Workers’ Compensation as required by applicable statute and Employer’s Liability Insurance.
- o Commercial General Liability Insurance in the amount of \$1,000,000 listing the College as additional insured
- o Professional Liability. This section applies to Agencies and individuals.
- o Automobile Liability
- o Include a copy of Certificate of Insurance including limits with the response.

4. References

Provide at least three (3) client references whose facilities are comparable in size and profile to Luzerne County Community College. Include company name, address, contact person and contact number.

Luzerne County Community College would like thank you in advance for your interest in participating in this request for proposal. If for some reason you are unable to submit a proposal to the College, please let us know the reason why so you will remain on our active bidders list for the future.
Fax to 570-740-0525.

You can also e-mail your reason for non-participation to lolzinski@luzerne.edu so that we can keep it in our file.