

Clarifying Questions RFP #2013-02
Debt Collection Services (Domestic and/or International Accounts)
OUS Responses in Italics

1. This question is in regards to Section II. B. 4. e. (page 15 of the RFP). We have our PCI DSS compliance certification, however are we disqualified if we do NOT have “annual ‘Reports on Compliance’”?

The PCI Security Standards Council (PCI SSC) offers robust and comprehensive Security Standards and supporting materials to enhance payment card data security. The PCI SSC is responsible for managing the Security Standards, while compliance with the Security Standards is enforced by the payment card brands. The OUS will accept evidence that the Proposer has complied with all applicable PCI Security Standards. Compliance certificates will be acceptable in lieu of a Report on Compliance.¹

2. **Section II(B)(5) References and Client List (page 16) requests “a list of three higher education references.”** In order to ensure the availability of our references, please provide the time period during which OUS anticipates to contact references included in the response.

OUS representatives will contact references starting May 14 and continuing through early June. If OUS representatives are unable to reach a reference, they may contact Proposer for a list of replacement references.

3. **Section II(B)(5) References and Client List (page 16) indicates, “Proposers should also submit a separate list of clients for whom they have provided Account collection Services in the last three years.”** We consider our complete client list to be highly confidential information and, as such, prefer to not share the list externally. Will OUS accept a representative sampling of clients in lieu of a complete list?

OUS will accept a representative sampling of clients.

4. **Section III(5)(d) (page 19) indicates, “Exhibit A...outlines how collected funds shall be handled,” and requests that agencies “describe the extent to which your current procedures comply with this process or changes you will make to ensure**

¹ *PCI Security Standards are technical and operational requirements set by the PCI Security Standards Council (PCI SSC) to protect cardholder data. The standards apply to all organizations that store, process or transmit cardholder data. The PCI SSC website contains reporting templates and forms which have been approved by all payment brands, including Reports on Compliance templates, Attestations of Compliance, Self-Assessment Questionnaires, and Attestations of Scan Compliance for ASV scans. Compliance validation and reporting requirements are determined by the individual payment card brands and, irrespective of whether an organization is performing a self-assessment or has an onsite review completed by a QSA company, acceptance of a validation method outside of those listed on the Council website is ultimately up to the entity accepting the validation (that is, the acquiring bank or payment card brand).*

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appropriate fund control and transfer.” Please indicate the specific section(s) within Exhibit A to which this question refers.

Proposals should demonstrate how the Proposer’s procedures are consistent with the requirements of the following sections of Exhibit A (sample contract): 11, 12, 13, 14, 15, 19, 25, 28, 31, and 38.

5. **Section IV Evaluation Criteria (page 21) allocates points to “international resources (or other resources).”** Please indicate whether agencies are required to submit proposals for both domestic and international collection services. If an agency submits a proposal for domestic collection services only, with the agency receive a score of 0 in this category?

Proposers are not required to submit Proposals for both domestic and international collection services. Proposers that provide domestic services only will receive a zero for this category, but it will not negatively impact selection.

6. Will OUS permit the selected agencies to provide credit bureau reporting on Assigned Accounts?

Not without prior written approval of the Institution (see section 18 of the sample contract).

7. Which agencies currently hold collection service contracts with the OUS?

Current collection service contractors include the following: Account Control Technology; Coast Professional; Enterprise Recovery Systems, Inc.; General Revenue Corp.; National Enterprise Systems; NCO Financial Systems, Inc.; Progressive Financial Services; CBE Group; Todd Bremer & Lawson; Williams & Fudge; and Windham.

8. Please provide the current collection fee for OUS’s incumbent agencies segregated by account type.

Current contractors are compensated according to placement (unless account is approved for litigation). The rates are as follows: Category 1- Initial Placements 25%; Category 2- Subsequent Placements-30%; Category 3- Litigation- 33.3%

9. Please provide historical recovery rates for OUS’s incumbent agencies segregated by account type, if available.

This information is not available.

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10. Can you supply a list of the incumbents and a breakdown of the number of accounts assigned to each agency, if available?

Incumbents are listed in the answer to number 7 above. A breakdown of accounts assigned is not available.

11. Does the OUS want a hard copy mailed in addition to the electronic copy? And if so, how many copies?

OUS does not want hard copies. Only electronic copies should be submitted as described in the RFP.

12. On page 15, section 4. Prequalification Requirements, subsection d. Oregon Location states:

“Proposer must attest that it does currently, or will upon notice of award and selection, comply with the requirements of ORS 697.058(2) requiring contractors offering certain services in Oregon to maintain “a regular active business office in Oregon for the purpose of conducting business in the State” unless exempted by the Director of the Oregon Department of Consumer and Business Services. Written proof of a local office location, through Oregon registration, certification, or exemption, will be required prior to Contract execution.”

Is the OUS looking for agencies that have an office in the state of Oregon? Is a Resident Agent acceptable? If not, then can you clarify the time frame that “prior to Contract execution” refers to for when, if an award is extended, a “proof of exemption” must be presented? (Is it at the time of contract award or is there a grace period?)

Oregon Revised Statutes (ORS) chapter 697.005 through 697.115 and Oregon Administrative Rules (OAR) 441-810-0000 through 441-810-0260 (as amended or revised) apply to collection agency registration.

All collection agencies must be registered with the State of Oregon in order to perform collection services on Oregon accounts, including OUS accounts (ORS 697.015). The Oregon Department of Consumer and Business Services (DCBS) regulates collection agencies in Oregon and requires collection agencies to first register with the Oregon Office of Secretary of State, Corporation Division, Business Registry² (registration can be confirmed here: http://egov.sos.state.or.us/br/pkg_web_name_srch_inq.login).

After completing the Secretary of State’s registration collection agencies must also register with the DCBS. The DCBS’s registration application is available at the following

² ORS 697.031(1); OAR 441-810-0060.

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website: (<http://www.cbs.state.or.us/external/dfcs/forms.html#ca>). The OUS will require proof of registration with the DCBS before contract execution. Agencies can check the status of their registration at the following website: (http://www4.cbs.state.or.us/ex/all/mylicsearch/index.cfm?fuseaction=search.show_search_name&group_id=20&profession_id=22&profession_sub_id=22000). An agency with a current license number should provide the number in Section II 4.(d) of their Proposal (if not already registered the agency must certify their intention to do so).

The DCBS's requirements for registration generally vary depending on where the agency's headquarters is located.

Agencies Headquarters Outside of Oregon

ORS 697.058(2) requires a collection agency to maintain a regular business office open to the public in Oregon unless the agency is granted a waiver by the DCBS. The statute applies to agencies with its headquarters outside of Oregon that collect debts incurred within Oregon.³ Because all OUS accounts were incurred in Oregon, collection agencies must comply with the requirements of ORS 697.058(2) unless granted a waiver. The requirements for waiver are set forth in OAR 441-810-0160.⁴ The DCBS application for waiver appears on page 6 of the application form (link provided above). Proof of registration (a valid license number) will be required prior to contract execution.

Oregon Agencies Headquartered within Oregon

An agency with its headquarters inside of Oregon must complete the DCBS application and be registered with the DCBS prior to execution of the OUS collections contract. In

³ ORS 697.058(2) states: "Except as provided in subsection (9) of this section every collection agency shall establish and maintain a regular, active business office in this state for the purpose of conducting business in this state. The office shall be open to the public during reasonable, stated business hours. This subsection does not apply to out-of-state collection agencies." ORS 697.005(7) defines "Out-of-state collection agencies" as follows: "Out-of-state collection agencies" means a collection agency located outside of this state whose activities within this state are limited to collecting debts incurred outside of this state from debtors located in this state. As used in this subsection, "collecting debts" means collecting by means of interstate communications, including telephone, mail or facsimile transmission from the collection agency location in another state on behalf of clients located outside of this state.

⁴ OAR 441-810-0160 states:

"(1) The provisions of ORS 697.058(1), (2), (4), and (5) requiring that a registrant maintain an office location and client trust account in this state (Oregon) are waived provided the registrant submits a written request for waiver; and, (a) Has been registered by the State of Oregon for the two years immediately preceding the request, or (b) Has been subject to regulation of the registrant's collection agency activities of another state with laws substantially similar to Oregon's Collection Agency Act for at least five years immediately preceding the request.(2) Persons who do not qualify for a waiver pursuant to subsection (1) of this section may qualify for a waiver provided they: (a) Submit a written request for waiver; (b) Agree to pay the cost of out of state audits; and (c) Submit an additional \$5,000 bond, which is in addition to the bonding requirements of ORS 697.031(2)(a)."

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addition, Oregon based agencies must comply with ORS 697.058(2) requiring the agency to maintain a regular business office open to the public in Oregon.

Finally, ORS 697.005(1)(b) defines what types of businesses are not required to register as a collection agency.

Miscellaneous

Please visit the following website for more information:

(http://www.cbs.state.or.us/external/dfcs/collection_agencies.html).

This summary of the registration process is provided for informational purposes only. The DCBS may provide additional guidance or impose other requirements on Proposers seeking to register with the State of Oregon.

13. On page 16, section 5. References and Client List states:
“Proposers should also submit a separate list of clients for whom they have provided Account collection Services in the last three years. The client list should indicate whether the client was a public or private entity and the approximate timeframe Services were provided. The client list should highlight public higher education institutions (if any). Proposals with experience specific to public higher education institutions will be considered favorably, but such experience is not required. Please be specific.”

Does the OUS want a list of all our clients, only education based clients, and do you only want our complete client list or only those who we’ve taken on as clients within the last three years?

A representative list of clients will be sufficient.

14. Do we need to add a copy of the sample contract with our response?

No.

15. Could you please clarify Section II 4.(d) Oregon location? What is the process in obtaining an exemption from the Oregon Dept. of Consumer and Business Services? Could you please confirm that a regular active business office is a requirement of this contract?

Please see the response to question number 12 above.

16. Can you please clarify Contractor’s Collection Fee? On page 12, category 1 &2, it states that the Institution will add 25% of the principle and interest to the Account balance. On

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page 5 of the OUS Master Contract it states the Contractor shall add all collection fees to the debtors account.

OUS will modify the Master Contract prior to distributing to successful Proposers to rectify this discrepancy. The Institutions will provide agencies with the total Account balance. The agency shall be entitled to 20% of the total funds collected.

17. The chart that is provided on page 5 of the RFP shows the total number of accounts and the total dollar value. Is this the total for the year? Semester?

Fiscal year 2012 (July 1, 2011 through June 30, 2012).

18. Would the Oregon University System be willing to consider a tiered pricing structure that sets a standard for First Placements, Second Placements and Litigation as it has in the past? As an example, the US. Department of Education sets collection costs limitations based on the age of its federal loans and is more reflective of what collections agencies are accustomed to responded to in a traditional RFP. Your previous Contractor's Collection Fees were:

- Category 1- Initial Placements 25%
- Category 2- Subsequent Placements-30%
- Category 3- Litigation- 33.3%

No. The OUS will not consider a tiered pricing structure. The OUS intentionally modified its Collection Fee structure for this RFP.

19. What does the Oregon University System constitute as an office location? Would Collection Services fall under the 'certain services' required to be performed within the State of Oregon?

Please see response to question number 12 above.

20. Please clarify the Delivery of Proposals, Required Method: This section states that an original proposal must be signed by an authorized representative. Does this mean that a hardcopy must be couriered to the OUS in addition to the electronic submission via email?

No hardcopy is required. Please scan the signed original and include as part of the submission.

21. Please clarify under what circumstances the Director of the Oregon Department of Consumer and Business Services will allow an exemption from having an office location inside Oregon. Is this exemption required prior to submitting a proposal?

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Please see the answer to number 12 above. Registration with the DCBS is not required prior to Proposal submission, but will be a condition precedent to contract execution.

22. Why is Oregon Health & Science University (OHSU) not listed as a participant in this contract?

OHSU is a separate Oregon agency subject to its own rules and oversight, and has not chosen to participate in this RFP process. OHSU may choose to participate as a “Participating Agency” during the contract term.

23. What is the anticipated volume of international accounts to be placed for collection?

The amount of international accounts assigned for collection is too speculative to be included at this time.

24. Scope of Work (page 12) and Exhibit 1 (page 28), 2. Category-1 Partial/Installment Payment “Contractor shall be entitled to keep installment payments at its Collection Fee rate of 20%. Contractor must remit the rest of each installment payment to the Institution and is not entitled to retain a Collection Fee on its 20% Collection Fee.” We are confused by this statement. Can an example be provided of this calculation?

If Contractor collects payments on an installment basis they must remit 80% of the total amount collected to the Institution. In the past some agencies have attempted to retain an unauthorized fee-on-fee on installment payments.

25. Will the institutions continue to separate primary and secondary placements, offering a separate fee for each, like they do today? Or, will everything be subject to the 20% fee as outlined in this RFP?

No. The OUS will not continue the tiered pricing structure. The OUS intentionally modified its Collection Fee structure for this RFP.

26. Please confirm delivery method for submission of proposals: are proposals to be emailed and hard copy sent? If hard copy is to be sent in addition to email, how many hard copies are required?

No. The OUS requests only PDF copies of Proposals. No hard copies should be sent.

27. If you can tell me if any of your “issues” are owed from outside of the USA, or from people who have now left the USA, I would be happy to submit a proposal (just for these international debts). OUS “Treasury” or “Credit Control” do not aggregate this information.

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This is the first time OUS has requested proposals for international collection services. Current statistics for the number of international accounts are not currently available system-wide.

28. Our three references for Higher Education collections are going to come from the same school, is this ok?

OUS recommends submitting the references. Proposers should note past experience in other industries and its intention to grow the higher education portion of its portfolio (but no references from outside of higher education should be included). The evaluation committee will take this into account when evaluating Proposals.