

## **RFP – COLLECTION SERVICES**

### **Amendment 1 – Comments and Questions/Answers**

**Comment:** We received many good questions and comments, some of which pointed out deficiencies in the wording of the RFQ. To address those deficiencies, we have modified the RFQ and posted it to our website here: <https://www.tntech.edu/purchasing/bidopportunities.php>. The changes were made to section 7.3 and Attachment A; please use the revised RFQ to formulate your response.

#### **Questions/Comments and Answers**

**Q1:** Can you please advise on the estimated annual volume that Tennessee Technological University places with their current vendor(s)?

**A1:** For 1<sup>st</sup> Placements we typically assign around 200-250 per year. For 2<sup>nd</sup> placements, the amount varies widely anywhere from 30-100 depending on the dollar amount of written off accounts.

**Q2:** Can you please provide the current rate that Tennessee Technological University is paying to their vendor(s) for prime, reassign and legal placements?

**A2:** Prime: 18%, Reassign: 18%; Legal: 23%

**Q3:** Can you advise how many agencies Tennessee Technological University is looking to award to?

**A3:** We do not have a certain number in mind – it will depend on the responses received. Currently we have contracts with two companies; we could conceivably award to three companies.

**Q4:** Can you please provide the debt types that Tennessee Technological University will be sending for collections?

**A4:** Student, General and Loan receivables

**Q5:** Pg 11 identifies collection costs will be added to loan balances by Tennessee Tech if specified in the promissory note. Regarding outstanding Tuition charges, does Tennessee Technological University have a Student Financial Agreement to pass on collection costs to the borrower?

**A5:** Yes, the FRS. If we have a signed FRS for the term in which the debt incurred, the cost is transferred to the student.

**Q6:** Is Tennessee Tech currently utilizing a collection agency? If so, is Tennessee Tech currently satisfied with performance of current agency?

**A6:** Yes. We are conducting this RFQ only because we are at the end of our current contract terms.

**Q7:** What is the estimated monthly volume (dollars) of debt to be placed into collections?

**A7:** This amount varies widely as we are required to send each delinquent account all aging statements prior to collection submission. If an account begins making payments and then stops, the process of statements begins all over. Some months we may only submit 1 account while other months we have a very large submission of 80+ totaling over \$230k.

**Q8:** Will the five year contract have the option for an extension?

**A8:** No. Tennessee state law puts a limit of a five-year term on expenditure contracts.

**Q9:** Do financial statements and audits need to be submitted with the bid, or can this be done prior to contract award?

**A9:** This can be done prior to contract award.

**Q10:** Is the University looking for additional services? What additional services have vendors proposed in the past?

**A10:** No.

**Q11:** When is proof of insurance required?

**A11:** A Certificate of Insurance may be submitted with RFQ response, but definitely prior to contract award.

**Q12:** Does Tennessee Tech want bidders to respond to each individual line item in Attachment A or is a signed attestation of compliance sufficient response?

**A12:** A signed attestation of compliance is sufficient. We will add a signature block to Attachment A, (see revised RFQ).

**Q13:** If a signature on Attachment A is sufficient, when does TT want additional details like attorney list and licensure list? When litigation is approved, is it sufficient to submit attorney admission information at that time?

**A13:** Yes, that is sufficient.

**Q14:** What specific debt types will be referred for collection—tuition/AR, institutional loans, federal student loans, non-student debts?

**A14:** Please see Answer #4.

**Q15:** For the most recent 12-month period, please provide for each type/category of debt:

- Total volume (#) of accounts placed for collection
- Total dollar value (\$) of cases placed for collection

**A15:**

Data is for calendar year 2024 (Jan – Dec):

AR 1<sup>st</sup> Placement: 144 accounts, \$363,205.08

AR 2<sup>nd</sup> Placement: 32 accounts, \$91401.33

Loans 1<sup>st</sup> Placement: 15 accounts, \$30581.58

Loans 2<sup>nd</sup> Placement: 5 accounts, \$4913.45

**Q16:** Are you able to share any insight as to why Tennessee Tech has opted to pursue its own RFQ as opposed to utilizing the existing TBR contract?

**A16:** Tennessee Tech wants to explore all options; using an existing contract (like TBR's) is not off the table.

**Q17:** Does Tennessee Tech presently contract for collection services? If so, with which agencies?

**A17:** Yes – Williams and Fudge, and Coast Professional.

**Q18:** To give us an idea of volume and recovery expectations, please What were the total fees paid to (or retained by) the current collection agencies during the most recent available period? Please specify the time period--month, quarter, year, etc.

**A18:** Please see Answer #7.

**Q19:** What has been the historical recovery/liquidation rate on accounts placed for collection?

**A19:** This data is hard to provide as an account can be submitted and returned with a group of other accounts that were not submitted at the same time. It is not apples to apples. In FY24, 94 accounts were returned with a total value of \$207,529.37. In FY23, 109 accounts were returned with a total value of \$261,737.25.

**Q20:** How many collection agencies is Tennessee Tech looking to partner with?

**A20:** Please see Answer #3.

**Q21:** The RFP indicates submissions must be mailed, but is silent on the number of required hardcopies. Please specify how many originals/copies should be submitted.

**A21:** We only require one copy.

**Q22:** Please specify what must be submitted in order to be considered an acceptable and responsive quotation. Is the cost sheet the only requirement? Should Attachment D: Contractor Requirements Form be completed and returned along with our response? Will agency qualifications, experience, methodology, or references be taken into consideration?

**A22:** Agency qualifications, experience, references, etc. will not be taken into consideration; however, only Bidders who meet the requirements in Attachment A will be considered and award will be based solely on cost. Bidders must 1) complete and return Section 7.3; 2) initial and return Attachment A; and, 3) complete and return Attachment D.

**Q23:** Can you confirm whether the requirement for letters of good standing applies to all attorneys engaged at any point in servicing, or only those who will be directly handling litigation for TennTech accounts? Given that our attorney network covers all 50 states and in some states we have multiple attorney partners, how do you envision this being maintained over time?

**A23:** Tennessee Tech has not yet used litigation, so we do not yet have a process developed.

**Q24:** The RFQ states the resulting contract will be available for use by other Tennessee institutions. What is the process for authorizing another institution to “piggyback” off of this contract? For example, does Tennessee Tech need to provide some kind of written approval or other agreement?

**A24:** No approval needed; Tennessee Tech will allow any eligible institution to “piggyback” from the resulting contract(s). If a Bidder prefers not to make its contract available to other Tennessee institutions, it should note that in its RFQ submission.

**Q25:** Please clarify whether the requirement to litigate accounts over \$2,000 is intended as a hard mandate, or if there is room for case-by-case discretion based on viability? Our standard practice is to pursue litigation only when certain thresholds are met—such as verified employment, attachable assets, or other indicators that support a likelihood of recovery.

**A25:** This is a case-by-case basis. We have not litigated any accounts to date.

**Q26:** Would Commercial General Liability (CGL) coverage in the amount of \$1MM per occurrence/\$2MM aggregate PLUS a \$5MM Umbrella Liability policy be a satisfactory substitution for the CGL requirement stated in the RFQ mandating \$3MM aggregate coverage?

**A26:** Yes.

**Q27:** Please clarify what is required in a ‘signed repayment agreement’? For example, is there a preferred format or set of terms that must be included for the agreement? Would you be able to provide a sample or template? Additionally, is an electronic signature acceptable, and how should we proceed in situations where a borrower agrees to repayment verbally but does not return a signed document?

**A27:** A “signed repayment agreement” is preferable, but if it is not obtained, a verbal agreement is acceptable. Electronic signatures are acceptable.

END OF QUESTIONS