



Request for Proposal (RFP)

Issue Date: Wednesday, March 4, 2015

Title: Collection Services

Proposal Deadline: **Proposals must be received by 4:30 p.m. (ET), Friday, March 27, 2015. See Section III, “Proposal Requirements” for additional information.**

One (1) original hard-copy proposal and one (1) CD of the proposal is required. **Electronic or Facsimile proposals shall not be considered.**

Proposals should be sent via USPS, courier/overnight carrier or delivered in person to:

Elaine Prescott, Director of Administrative Services
Kentucky Higher Education Student Loan Corporation
10180 Linn Station Road, Suite C200
Louisville, KY 40223
E-mail: eprescott@kheslc.com
Phone: (502) 329-7134
Fax: (502) 329-7134

Proposal Inquiries: Inquiries regarding this proposal must be received by 4:30 p.m. (ET), Friday, March 13, 2015. Inquiries may be sent via e-mail, fax or mail to:

Elaine Prescott, Director of Administrative Services
Kentucky Higher Education Student Loan Corporation
10180 Linn Station Road, Suite C200
Louisville, KY 40223
E-mail: eprescott@kheslc.com
Phone: (502) 329-7134
Fax: (502) 329-7134

Proposal Responses: Responses to all submitted inquiries will be provided to all RFP recipients by 4:30 p.m. (ET), Wednesday, March 18, 2015.



I. Organizational Overview

Kentucky Higher Education Student Loan Corporation (KHESLC), headquartered in Louisville, Kentucky, was created by the 1978 Kentucky General Assembly. KHESLC is an independent *de jure* municipal corporation that makes, finances, purchases, services, and collects educational loans. Our mission is to promote Kentucky's higher educational opportunities by providing loan programs and related services.

KHESLC is governed by a board of directors consisting of 15 board members, of whom ten (10) are appointed by the Governor from the general public and five (5) serve as ex-officio by reason of their positions – Treasurer of the Commonwealth, President of the Council on Postsecondary Education of the Commonwealth, Secretary of the Finance Cabinet, President of the Association of Independent Kentucky Colleges and Universities, and Commissioner of Education. The board may act by a majority of its members.

II. Product/Service Requirements

A. General

KHESLC seeks assistance in the collection of private educational loans outside the Commonwealth of Kentucky. With respect to this collections work, KHESLC seeks a contingency-fee arrangement.

B. Specifications

1. Collections work on accounts which are located out-of-state that are held by KHESLC. Collections can be done by in-house staff of the Offerer, or by local counsel associated by the Offerer, and with whom the Offerer may have an arrangement to split contingency fees.
2. Services could potentially include the prosecution of civil lawsuits against debtors for recovery of student loans as one means of collection thereon.

C. Questions/Additional Information

1. Must have demonstrated experience in the collection of student loans. While experience with private loan collections would be preferable, other student loan collection experience will be considered.
2. Include information for all key personnel that will be involved in providing the contract services, detailing any specialized training and the work experience in the area of private education loan collections.
3. Include locations of the principal place of business and all branch/affiliated offices.



4. Pricing: As indicated previously, all fees shall be paid under a contingency arrangement based on amounts recovered.
5. Please provide any other relevant information to demonstrate the capability to perform the required services.

III. Proposal Requirements

The proposal must provide the following information to demonstrate the capability of the Vendor to provide the required product and services or it may be rejected as noncompliant. The Vendor is encouraged to provide any other information that will be beneficial in reviewing product and service capabilities.

1. Proposals shall be submitted in two (2) parts: the Technical Proposal and the Cost Proposal. Do not include any cost proposal information in the Technical Proposal.
2. Vendor shall submit one (1) response only to a proposal. Alternate proposals shall not be accepted. Failure to submit as specified may result in the proposal's rejection.
3. Vendor shall submit a complete and effective proposal; however, elaborate proposals are not desired and may be construed as an indication of the Vendor's lack of cost consciousness, ability to provide efficient work products, and/or understanding of the proposal specifications and requirements. Extensive company information, excessive paper and bindings, and other visual presentation aids are neither necessary nor desired unless they contribute to the understanding of the proposal content. Additionally, Vendors shall refrain from using binders and/or binding combs as well as excessive and unnecessary packaging of the submitted proposal.
4. Vendor must provide answers and/or information to all questions and requirements as specified in this proposal in order to be considered for contract award. All questions must be answered in sufficient detail for effective evaluation of the Vendor's product, service, and system. Proposals that contain a Vendor's own special terms and conditions in conflict with terms of the proposal and/or state statutes and regulations may be rejected.
5. Vendor's related experience and a minimum of three references.
6. Description of Vendor's liability insurance coverage.
7. Vendor's company profile, including mission/value statement and background information.
8. Name/contact information and experience of the primary individual who would work with KHESLC staff.
9. Vendor shall provide a Federal Identification Number and/or Social Security Number (if an individual).
10. A completed, signed and notarized Required Affidavit for Bidders, Offerors



and Contractors (*Attachment A*).

11. If applicable, a signed Commonwealth of Kentucky Solicitation notice/cover sheet.
12. If applicable, a completed, signed and notarized Required Affidavit for Bidders, Offerors and Contractors Claiming Resident Bidder Status, as outlined under Kentucky Revised Statutes (KRS) 45A.494 (*Attachment B*).
13. If applicable, a completed, signed and notarized Required Affidavit for Bidders, Offerors and Contractors Claiming Qualified Bidder Status, as outlined under Kentucky Administrative Regulation 200 (KAR) 5:410 and KRS 45A.470 (*Attachment C*).
14. Secretary of State Registration: Out-of-state Vendors must provide a certificate of authority from the Secretary of State as outlined under KRS 14A.9-030 within fourteen (14) days of the proposal opening to be eligible for contract award.

Pursuant to KRS 45A.480(1)(b), an agency, department, office, or political sub division of the Commonwealth of Kentucky shall not award a state contract to a person that is a foreign entity required by [KRS 14A.9-010](#) to obtain a certificate of authority to transact business in the Commonwealth (“certificate”) from the Secretary of State under [KRS 14A.9-030](#) unless the person produces the certificate within fourteen (14) days of the bid or proposal opening. Therefore, foreign entities should submit a copy of their certificate with their solicitation response. If the foreign entity is not required to obtain a certificate as provided in [KRS 14A.9-010](#), the foreign entity should identify the applicable exception in its solicitation response. Foreign entity is defined within [KRS 14A.1-070](#).

For all foreign entities required to obtain a certificate of authority to transact business in the Commonwealth, if a copy of the certificate is not received by the contracting agency within the time frame identified above, the foreign entity’s solicitation response shall be deemed non-responsive or the awarded contract shall be cancelled.

Businesses can register with the Secretary of State at <https://secure.kentucky.gov/sos/ftbr/welcome.aspx>

15. The proposal must be signed by an officer or person with authority to bind the company.

IV. Contract Information

1. *Subcontracting*: If the Vendor intends to subcontract any part of this service, the Vendor must provide full disclosure of the subcontractor’s name and a description of the relationship. KHESLC must approve such an agreement. The Vendor remains fully liable for all work performed.
2. *Confidentiality*: The Vendor shall comply with the provisions of the Privacy Act



of 1974 and consumer privacy and data security provisions of the Gramm-Leach-Bliley Act and any other applicable Federal or State privacy laws. Additionally, the Vendor will instruct its employees to use the same degree of care as it uses with its own data to keep information concerning client data and the financial affairs of KHESLC confidential.

3. *Conflict of Interest:* The Vendor covenants that it will have no interest, direct or indirect, that will conflict in any manner or degree with the performance of its contract services. The Vendor further covenants that, in the performance of the contract, the Vendor shall employ no person having any such known interests.
4. *Contract Requirements:* Any requirements contained in this proposal must be agreed upon contractually. The Vendor and any subcontractor(s) must be authorized to do business in Kentucky and have all required licenses. The contract will be administered by the laws of the Commonwealth of Kentucky, and any suit will be filed in Kentucky. If a contract is awarded, it may be subject to Government Service Contract Committee requirements and may require a 30-day cancellation provision.
5. *Contract Term and Renewal Option:* The initial term of the Contract is anticipated to begin July 1, 2015. Upon expiration of the initial term, the contract may be renewed. KHESLC reserves the right to renew this contract for up to two (2) additional two (2) year periods. Renewal shall be subject to prior approval from the Secretary of the Finance and Administration Cabinet or his authorized designee and the LRC Government Contract Review Committee in accordance with KRS 45A.695 and KRS 45A.705, and contingent upon available funding.

V. Selection

The selection of a Vendor will be based upon KHESLC's review of the documentation submitted in response to this RFP. The Vendor must submit all documentation as specified in "Proposal Requirements" and may submit additional written information. The terms and provisions of the proposal must be valid for a period of 60 days from the proposal deadline.

KHESLC reserves the right to request additional information from a Vendor to assist in understanding or clarifying a proposal. This information may be considered in the evaluation of the proposal. With the exception of written inquiries regarding this RFP, no visits, electronic mail, telephone calls, or facsimiles with respect to the RFP will be accepted by the KHESLC contact from the issuance date of the RFP through the completion of the evaluation period unless such contact is initiated by KHESLC.

KHESLC staff will independently review all compliant proposals. A selection, if any, will be made no later than Friday, April 24, 2015.

The following criteria, as requested in the proposal, will be considered in selecting a Vendor:

1. Demonstrated prior relevant and acceptable experience of firm or key



personnel that will be involved in providing the contract services in handling student loan matter (with preference given for prior satisfactory representation of KHESLC; (25%)

2. Cost of providing the required service; (50%)
3. Demonstrated specialized/expertise of key personnel who will be involved in providing the contract series in bankruptcy and collections and the ability to give counsel and advice on business-related issues; (15%)
4. Size and location of firm; (5%)
5. Other factors, such as level of insurance and absence of conflict of interest: (5%)

While we intend to obtain Collection Services from a single source, we reserve the right to accept or reject any or all proposals received, as deemed in the best interest of KHESLC. Each respondent submitting a proposal will receive notification of the

There is no expressed or implied obligation for KHESLC to reimburse Vendors for any expenses incurred while preparing proposals in response to this request.

KHESLC reserves the right to retain all proposals submitted. All proposals will be subject to the Kentucky Open Records law, KRS 61.870-61.884.

KHESLC will ensure that no person shall, on the grounds of race, religion, color, national origin, sex, age, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity. Accordingly, it is further the intent of KHESLC to conduct its business in accordance with the purpose of Title VI of the Civil Rights Act of 1964.

KHESLC reserves the right to change any procedure as stated in this proposal.



Attachment A
Required Affidavit for Bidders, Offerors and Contractors

FOR BIDS AND CONTRACTS IN GENERAL:

- I. Each bidder or offeror swears and affirms under penalty of perjury, that:
- a. In accordance with KRS 45A.110 and KRS 45A.115, neither the bidder or offeror as defined in KRS 45A.070(6), nor the entity which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth of Kentucky; and the award of a contract to the bidder or offeror or the entity which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.
 - b. The bidder or offeror swears and affirms under penalty of perjury that, to the extent required by Kentucky law, the entity bidding, and all subcontractors therein, are aware of the requirements and penalties outlined in KRS 45A.485; have properly disclosed all information required by this statute; and will continue to comply with such requirements for the duration of any contract awarded.
 - c. The bidder or offeror swears and affirms under penalty of perjury that, to the extent required by Kentucky law, the entity bidding, and its affiliates, are duly registered with the Kentucky Department of Revenue to collect and remit the sales and use tax imposed by KRS Chapter 139, and will remain registered for the duration of any contract awarded.
 - d. The bidder or offeror swears and affirms under penalty of perjury that the entity bidding is not delinquent on any state taxes or fees owed to the Commonwealth of Kentucky and will remain in good standing for the duration of any contract awarded.

FOR “NON-BID” CONTRACTS (I.E. SOLE-SOURCE; NOT-PRACTICAL OR FEASIBLE TO BID; OR EMERGENCY CONTRACTS, ETC):

- II. Each contractor further swears and affirms under penalty of perjury, that:
- a. In accordance with KRS 121.056, and if this is a non-bid contract, neither the contractor, nor any member of his/her immediate family having an interest of 10% or more in any business entity involved in the performance of any contract awarded, have contributed more than the amount specified in KRS 121.150 to the campaign of the gubernatorial slate elected in the election last preceding the date of contract award.
 - b. In accordance with KRS 121.330(1) and (2), and if this is a non-bid contract, neither the contractor, nor officers or employees of the contractor or any entity affiliated with the contractor, nor the spouses of officers or employees of the contractor or any entity affiliated with the contractor, have knowingly contributed more than \$5,000 in aggregate to the campaign of a candidate elected in the election last preceding the date of contract award that has jurisdiction over this contract award.



- c. In accordance with KRS 121.330(3) and (4), and if this is a non-bid contract, to the best of his/her knowledge, neither the contractor, nor any member of his/her immediate family, his/her employer, or his/her employees, or any entity affiliated with any of these entities or individuals, have directly solicited contributions in excess of \$30,000 in the aggregate for the campaign of a candidate elected in the election last preceding the date of contract award that has jurisdiction over this contract.

As a duly authorized representative for the bidder, offeror, or contractor, I have fully informed myself regarding the accuracy of all statements made in this affidavit, and acknowledge that the Commonwealth is reasonably relying upon these statements, in making a decision for contract award and any failure to accurately disclose such information may result in contract termination, repayment of funds and other available remedies under law.

| | |
|-----------|--------------|
| Signature | Printed Name |
| Title | Date |

Company Name: _____

Address: _____

Subscribed and sworn to before me by _____,
 (Affiant) (Title)

of _____ this _____ day of _____ 20__.
 (Company Name)

_____ My commission expires: _____
 (Notary Public)

[seal of notary]



Attachment B
Required Affidavit for Bidders, Offerors and Contractors
Claiming Resident Bidder Status

FOR BIDS AND CONTRACTS IN GENERAL:

The bidder or offeror hereby swears and affirms under penalty of perjury that, in accordance with KRS 45A.494(2), the entity bidding is an individual, partnership, association, corporation, or other business entity that, on the date the contact is first advertised or announced as available for bidding:

1. Is authorized to transact business in the Commonwealth;
2. Has for one year prior to and through the date of advertisement
 - a. Filed Kentucky income taxes;
 - b. Made payments to the Kentucky unemployment insurance fund established in KRS 341.49; and
 - c. Maintained a Kentucky worker’s compensation policy in effect.

The BIDDING AGENCY reserves the right to request documentation supporting a bidder’s claim of resident bidder status. Failure to provide such documentation upon request shall result in disqualification of the bidder or contract termination.

| | |
|-----------|--------------|
| _____ | _____ |
| Signature | Printed Name |
| _____ | _____ |
| Title | Date |

Company Name: _____

Address: _____

Subscribed and sworn to before me by _____,

(Affiant) (Title)

of _____ this _____ day of _____ 20__.

(Company Name)

_____ My commission expires: _____

(Notary Public)

[*seal of notary*]



Attachment C
Required Affidavit for Bidders, Offerors and Contractors
Claiming Qualified Bidder Status

FOR BIDS AND CONTRACTS IN GENERAL:

The bidder or offeror swears and affirms under penalty of perjury that the entity bidding, and all subcontractors therein, meets the requirement to be considered a “qualified bidder” in accordance with 200 KAR 5:410(3); and will continue to comply with such requirements for the duration of any contract awarded. Please identify below the particular “qualified bidder” status claimed by the bidding entity.

_____ A nonprofit corporation that furthers the purposes of KRS Chapter 163.

_____ Per KRS 45A.465(3), a “Qualified nonprofit agency for individuals with severe disabilities” means an organization that:

- (a) Is organized and operated in the interest of individuals with severe disabilities; and
- (b) Complies with any applicable occupational health and safety law of the United States and the Commonwealth; and
- (c) In the manufacture or provision of products or services listed or purchased under KRS 45A.470, during the fiscal year employs individuals with severe disabilities for not less than seventy-five (75%) of the man hours of direct labor required for the manufacture or provision of the products or services; and
- (d) Is registered and in good standing as a nonprofit organization with the Secretary of State.

The BIDDING AGENCY reserves the right to request documentation supporting a bidder’s claim of qualified bidder status. Failure to provide such documentation upon request shall result in disqualification of the bidder or contract termination.

| | |
|-----------|--------------|
| _____ | |
| _____ | _____ |
| Signature | Printed Name |
| _____ | _____ |
| Title | Date |

Company Name: _____

Address: _____

Subscribed and sworn to before me by _____, _____,
(Affiant) (Title)
of _____ this _____ day of _____ 20__.
(Company Name)

_____ My commission expires: _____
(Notary Public)

[*seal of notary*]