

## CONTRACT FOR DEBT COLLECTION SERVICES FOR HIGHER EDUCATION

FPB No. 5400005206

### **MAXIMUM CONTRACT PERIOD: JANUARY 2, 2013 – JANUARY 1, 2018**

**NOTE:** Services include the collection of all accounts referred by the Higher Education Institutions and/or billing service (if automatic assignment is instituted) without regard to the amounts to achieve a maximal recovery of debts.

The Accounts Receivables Department portfolio consists of a variety of student indebtedness. **Types of assignments will include returned checks, housing debts, parking fines, tuition agreements, telephone bills, library fines, emergency loans, and student health center.** The Higher Education Institution reserves the right to include other forms of student debts for collection.

The Materials Management Office has established fixed price sources for debt collection services as listed herein from debt collection companies for higher education institutions. **Contract Providers will be placed on a Qualified Provider List (QPL) from which higher educational institutions will select a firm or firms to undertake debt collection services.** Being placed on the QPL does not guarantee any level of usage of provider's services.

Awards are made to all responsive and responsible bidders to the State's request for Competitive Fixed Price Bidding. The State will only allow for two fees, one for non-litigated and one for litigated. All accounts will be based on these fees for all placements. The State does not seek and will not consider second placement fees. Contract Provider collection fees for their non-litigated accounts and litigated accounts are listed herein. The established maximum fixed price scheduled collection fees based on fee on fee for this contract are as follows:

#### **MAXIMUM COLLECTION FEES**

- |  |     |
|--|-----|
| 1) Non-Litigated Accounts for all first, second and subsequent replacements: | 25% |
| 2) Litigated Accounts:   | 40% |

Offerors not responding to the initial solicitation may be added to the awarded vendors list provided the bidder furnishes evidence of responsibility and responsiveness to the state's original fixed price bid as authorized by the solicitation. Additional awards will be made approximately every six months from the start date of services.

**Offerors submitting bids after the initial opening date must provide email notification of such to the procurement manager noted above.**

**For a list of the APPROVED CONTRACTORS PLACED ON THE STATE'S QUALIFIED PROVIDER LIST FOR DEBT COLLECTION SERVICES, ["Click Here"](#).**

### **SCOPE OF WORK**

- A. Contractor will promptly undertake the collection of all accounts referred by the Higher Education Institutions and/or billing service (if automatic assignment is instituted) without regard to the amounts to achieve a maximal recovery of debts. Such procedures are to include, but not be limited to a reasonable number of telephone calls and mail efforts. Skip tracing efforts must be used, both in state and out of state and documented. Legal recommendations and/or request for authorization of suit will be made where all other efforts fail and the cost does not exceed the amount recoverable from the debtor. However, the contractor shall have no authority to file suit on any account referred by the Higher Education Institutions and/or billing service absent expressed written request from the Higher Education Institutions. The Higher Education Institutions will not be liable for any fees assessed by an attorney for collection of an account. In the event an attorney's fees and/or other litigation costs are necessary for the collection of an account not paid when due, said fees shall be charged to the borrower. Any court cost, counter suit cost or other legal cost must be paid up front by the collections agency and charged to the borrower.
- C. Contractor will adhere to all state, federal, and applicable laws governing collection services including all guidelines established by the U.S. Department of Education, U.S. Department of Health and Human Services, Fair Debt Collection Practices, Consumer Credit Protection Act, and the South Carolina Consumer Protection Code, or any similar consumer oriented acts of the state or federal government.
- D. In the event a claim, complaint, or legal process is made, served or filing threats, intimidation, harassment, deception, or any other improper act or practice in violation of any federal or state consumer oriented act as listed in Item B, and the Higher Education Institution, its agents, officers, or employees is alleged to be actually or contingently liable, the contractor will defend such claim, complaint, or legal process and to hold the Higher Education Institution, its agents, officers, or employees harmless, therefore, as well as for any judgment recovers.
- D. The Higher Education Institution(s) will not pay any fees for monies collected by the South Carolina Tax Commission pursuant to Section 12-7-2240 of the Code of Laws of South Carolina (1976) with the exception of those legal accounts from which a judgment has been awarded by the courts. Payment of fees for those legal accounts shall not exceed the amount paid for normal payments credited to litigation accounts.
- E. The contractor will notify and receive authorization from the Higher Education Institution prior to contacting any state agency personnel director regarding Section 59-111-50 of the Code of Laws of South Carolina (1976), as amended, which states, "No person who has willfully defaulted on a National Direct Student Loan, a Health Profession Student Loan, or a Law Enforcement Education Loan shall now or hereafter be employed by the State or any of its departments, agencies or subdivisions until defaults are cured and loan payments are made current.
- F. Upon request by the Higher Education Institution, the contractor will accept cancellations, deferments, or postponements and no fees shall be charged to the Higher Education Institution for contractor assistance in obtaining and processing such. The Higher Education Institution shall not be liable for any expense incurred by the contractor for reduction of balance resulting from the processing of the aforementioned forms by the Higher Education Institution and/or its billing agency.
- G. Contractor will suspend action either temporarily or permanently without compensation on any account referred to collection upon notification by the Higher Education Institution. The Higher Education Institution reserves the right to reduce the amount being collected on an account without penalty.
- H. The Higher Education Institution will have its billing agency provide contractor weekly and/or monthly reports of payment, adjustments, cancellations, and deferments in either electronic or paper medium.
- I. Contractor will surrender and return to the Higher Education Institution any account that has remained inactive and without a repayment agreement for the period of twelve (12) months.
- J. Contractor will furnish the Higher Education Institution monthly a report listing all new, bad address and changed addresses of accounts referred for collection. This report must include changes in name, social security number, address and phone number.

- K. Contractor will provide the Higher Education Institution, on a quarterly basis, a status report for all legal accounts. Said report must include name of borrower, account number, name and address of attorney, amount in litigation, court costs, attorney fees, date judgment was awarded and filed, outstanding balance and current status of the account. Contractor also will send copies of all legal correspondence and pleadings to the address(es) specified by the contracting Higher Education Institution.
- L. Contractor will send repayment agreement letters for borrower's signature on all defaulted accounts for which the contractor has entered into special arrangements with the debtor in order to pay the outstanding defaulted balance. Contractor will inform the debtor that failure to sign agreement nullifies this special consideration. The agreement should state that this is an arrangement to repay the "defaulted" balance. Contractor additionally will send the Higher Education Institution a copy of the signed agreement as well as providing either a separate report listing which accounts have signed agreements or provide that information on the inventory/account status report. Note: This section refers to RPA's for Federal Perkins Loans.
- M. Contractor to report the past due amount to at least one of the three major credit bureaus for the period of time the delinquent account is with them on a monthly basis.
- N. Contractor will provide the Higher Education Institution with the following status reports in the time frame as listed below. Separate reports must be provided for each loan program.
1. Performance analysis (breakdown by age) - Monthly
  2. Inventory of accounts referred (should include date referred) - Monthly
  3. Account activity (status of loans referred) - Monthly
  4. Closing of accounts with explanation of why closed and whether litigation is advisable - Monthly
  5. Acknowledgment of new accounts - As accounts are received.
  6. Bad address listing - Monthly (see Item J)
  7. Changed or new address listing - Monthly (see Item J)
  8. Report of legal accounts - Monthly (see Item K)
  9. Listing of accounts with signed repayment agreements - Monthly (the account activity report may be substituted provided there is a column which notates those accounts with signed agreements)
- O. All records will be available for audit by the Higher Education Institution's Internal Auditor, South Carolina State Auditor, and/or any auditing group so designated by the U.S. Department of Education, and U.S. Department of Health and Human Services. All records must be maintained for the contract period and made available for said audits for a minimum of five (5) years.
- P. Contractor shall remit in full to the Higher Education Institution, either the gross total of all funds collected for the Higher Education Institution during the previous month, or the net total of all funds collected less the collection fees owed to the contractor by the tenth (10th) day of each month, whichever the Higher Education Institution elects as payment. Contractor will provide separate payments as well as separate accounting statements for all payments received and credited during the billing period for each loan program/type. Each statement/invoice must include debtor's name, account number, and date payment was received as well as the amount paid. Contractor must alter the statement if necessary to ensure compliance with federal regulation in respect to proper posting of payments and/or per the request of the billing service. Contractor must calculate daily interest accrual to ensure total payment of outstanding balance by debtor. Debtor payments must be credited as follows:
1. Collection costs
  2. Late charges
  3. Past Due Interest
  4. Current Interest
  5. Past Due Principal
  6. Current Principal

The Higher Education Institution, if elected to receive the gross total of all funds collected, will remit collection fees to contractor upon receipt of payments and monthly statements as described above.

- Q. Contractor shall not negotiate to reduce amounts owed by borrowers in order to settle on any outstanding balance on debtors account nor offer a waiver of any penalty charge or assess collection fees without written approval from the Higher Education Institution. All requests for special considerations must be provided to the Higher Education Institution in writing.
- R. Collection fees will be paid on monies received by contractor on accounts requested to be closed by the Higher Education Institution only if contractor receives payment of accounts within five (5) working days from the date the Higher Education Institution requested said account to be closed.
- S. The contractor must maintain a fidelity bond in the amount of one hundred thousand (\$100,000.00) dollars; said bond being for the benefit of the Higher Education Institution. Contractor shall notify the Higher Education Institution of the name of the bonding agency and if a change in the bonding agency should occur, contractor will notify the Higher Education Institution immediately. Contractor shall furnish the Higher Education Institution proof of said bond and annual verification of its renewal. Required amount of bond must be increased should regulations warrant such action.
- T. Contractor will lease the on-line system from the Higher Education Institution's accounting and billing service contractor, if applicable. No fee shall be charged to the Higher Education Institution for leasing of equipment and it shall be used by the contractor for information purposes only. See Attachment 1 for number of different accounting billing service contractors currently under contract. Information regarding the number of user accounts is unavailable at this time. Please contact the appropriate billing service contractor(s) for cost of leased time.
- U. As deemed necessary, contractor will attend seminars approved by the Higher Education Institution's billing agency to ensure that the collection staff has a complete working knowledge of all reports provided by the billing service.
- V. To ensure collection staff has knowledge of current regulations governing the educational loan, contractor will attend national and regional workshops as determined necessary by the officers of contractor.
- W. Contractor will schedule two fees no more than the maximum allowed, for all services as follows:
1. One fee for collection of all accounts with the exception of legal accounts; Maximum fee allowed is 25%.
  2. One fee for collection of accounts litigated; Maximum fee allowed is 40%.
- X. The Higher Education Institutions of South Carolina reserve the option to request that a particular attorney and/or law firm retained by the contractor not be used in future legal matters for the Higher Education Institution. The Higher Education Institution will notify the contractor of its reasons and concerns if such a situation arises.
- Y. Contractor must provide annually and without fee a copy of the compliance attestation audit as required by Title IV regulations and an audited financial statement.
- Z. The State may, from time to time, require changes in the scope of the services. Such changes which are mutually agreed upon by and between the contractor and the State, shall be incorporated in written amendments to the contract.
- AA. In the event of termination for convenience by the Materials Management Office, Higher Education Institutions, or expiration of this contract, regular payment accounts, (i.e., those which have made at least three (3) consecutive scheduled payments prior to date of termination of this contract) will not be canceled by the Higher Education Institution provided scheduled payments as agreed upon continue to be made. All non-regular paying accounts shall be returned by contractor to the Higher Education Institution within thirty (30) days of notice of termination of the contract. Contractor shall be assessed a liquidated damage charge of twenty-five cents (\$0.25) per day for each account not returned within the time period as prescribed above; and such damage charge shall accrue until the account(s) are returned to the Higher Education Institution.
- BB. In the event of termination for cause by the Materials Management Office, all accounts shall immediately be returned to the Higher Education Institution of origin.
- CC. If requested by the Higher Education Institution, contractor shall submit reports electronically.

- DD. Contractor shall provide on-line inquiry capability, if requested.
- EE. Contractor shall establish and maintain separate receivable accounts for different account types as directed by the institution and provide separate monthly invoices and reports for each receivables account.
- FF. At the request of the institution, provide a separate monthly invoice for “non-sufficient funds” (NSF) checks.
- GG. Contractor will provide a toll-free (voice) number for contact by debtors and Higher Education Institutions.
- HH. Collection costs will be added to principal, interest, late charges and other school collection cost and collected. (Collection cost are added using the fee on fee method.)
- II. For the purposes of this fixed price bid, the transfer of accounts to another agency/company for collections is considered subcontracting.
- JJ. Required service hours may vary by Higher Education Institution and will be reviewed with approved and qualified contractor(s).
- KK. A contact name and telephone number for each institution listed on Attachment 2 will be provided to awarded contractor(s) immediately after award.
- LL. Whether or not costs are front-loaded before placement may vary by the individual Higher Education Institution.
- MM. Should the contractor receive an account from the Higher Education Institution or its billing agent and the contractor does not have the license to collect in that state the Higher Education Institution must be notified within three (3) working days and the account returned to the Higher Ed for placement at another agency.
- NN. Contracts awarded pursuant to this solicitation are not intended to restrict any governmental body's authority to use, nor the Dept. of Revenue's authority to offer, the GEAR program. Consistent with any applicable laws, the State reserves the right to use any services available from the Dept. of Revenue outside of this contract. A governmental body's use of any services provided by the Dept. of Revenue is not governed by this solicitation or any resulting award. Bidders are referred to Section 12-4-580 of the S.C. Code of Laws. Information regarding the GEAR program is available to the public from the Dept. of Revenue.

**APPROVED CONTRACTORS PLACED ON THE STATE'S  
QUALIFIED PROVIDER LIST FOR DEBT COLLECTION SERVICES**

<b><u>CONTRACT PROVIDER</u></b>	<b><u>Non-Litigated Collection Fee</u></b>	<b><u>Litigated Collection Fee</u></b>
Account Control Technology, Inc 6918 Owensmouth Avenue Canoga Park, CA 91303 Contact: Tess Underwood Phone: 866-456-8262 <a href="mailto:tunderwood@accountcontrol.com">tunderwood@accountcontrol.com</a> FEIN: 95-4412647 Contract Number: 4400006100	20%	35%
Automated Collection Services, Inc 2285 Murfreesboro Road Suite 200 Nashville, Tennessee 37217 Contact: Jack Abernathy Phone: 800-467-2316 <a href="mailto:jabernathy@acsi.net">jabernathy@acsi.net</a> FEIN: 62-1357006 Contract Number: 4400006101	18.5%	35%
Coast Professional, Inc 214 Expo Circle Suite 7 West Monroe, Louisiana 71294 Contact: Pat Berning Phone: 678-773-8054 <a href="mailto:pberning@coastprofessional.com">pberning@coastprofessional.com</a> FEIN: 33-0791735 Contract Number: 4400006102	20%	28.5%
Conserve 200 Crosskeys Office Park Fairport, NY 14450 Contact: Ed Nolan Phone: 585-507-3867 <a href="mailto:enolan@conserve-arm.com">enolan@conserve-arm.com</a> FEIN: 16-1265131 Contract Number: 4400006103	22%	27%

**Credit Adjustments, Inc** 20% 30%  
330 Florence Street  
Defiance Oh 43578  
Contact: Samantha Pixler  
Phone: 800-544-6359  
[Samantha.pixler@credit-adjustments.com](mailto:Samantha.pixler@credit-adjustments.com)  
FEIN: 34-0941570  
Contract Number: 4400006104

**Delta Management Associates, Inc** 22.5% 33%  
PO Box 9191  
Chelsea, Ma 02150  
Contact: Kate McCoy  
Phone: 502-552-3528  
[kmccoy@delta-mgt.com](mailto:kmccoy@delta-mgt.com)  
FEIN: 04-2905813  
Contract Number: 4400006105

**Education Assistance Services, Inc** 22% 40%  
PO Box 6714  
Round Rock, Texas 78683  
Contact: Mary Jarett Whisler  
Phone: 512-310-3409  
[rfp@easerv.com](mailto:rfp@easerv.com)  
FEIN: 74-2748786  
Contract Number: 4400006106

**Enterprise Recovery Systems, Inc** 22% 35%  
2000 York Road Suite 114  
Oak Brook, Il 60523  
Contact: Steve Recchia  
Phone: 800-446-4377 ext. 7318  
[srecchia@ersinc.com](mailto:srecchia@ersinc.com)  
FEIN: 36-3594864  
Contract Number: 4400006107

**EOS CCA** 22% 35%  
700 Longwater Drive  
Norwell, Ma 02061  
Contact: Ray Perez  
Phone: 781-753-4260  
[Ray.perez@eos-cca.com](mailto:Ray.perez@eos-cca.com)  
FEIN: 04-3107278  
Contract Number: 44000061008

Kristen Gordon, Procurement Manager  
E-Mail: [kgordon@mmo.sc.gov](mailto:kgordon@mmo.sc.gov)  
Telephone: (803) 737-2772

Materials Management Office  
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Columbia, SC 29201

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**First Financial Asset Management**  
PO Box 56245  
Atlanta, Ga 30303  
Contact: Cupid Weaver  
Phone: 404-523-8796- ext.1363  
[cweaver@1fam.com](mailto:cweaver@1fam.com)  
FEIN: 41-2029035  
Contract Number: 4400006147

**23%**

**39%**

Immediate Credit Recovery, Inc  
169 Myers Corners Road Suite 110  
Wappingers Falls, NY 12590  
Contact: Wendy Bianco  
Phone: 845-298-0700 ext. 1  
[wendy.bianco@icrcollect.com](mailto:wendy.bianco@icrcollect.com)  
FEIN: 13-3587371  
Contract Number: 44000061117

**23.077%**

**28.571%**

Key 2 Recovery, Inc  
5448 West Chester Road  
West Chester, Oh 45069  
Contact: Doug Plummer  
Phone: 513-874-2288 ext. 4341  
[dplummer@key2recovery.com](mailto:dplummer@key2recovery.com)  
FEIN: 27-1608711  
Contract Number: 4400006109

**25%**

**30%**

NATIONAL CREDIT MANAGMENT  
PO Box 32900  
SAINT LOUIS MO 63132  
Contact: Chris Pullam  
Phone: (800) 627-2300  
[cpullam@ncmstl.com](mailto:cpullam@ncmstl.com)  
FEIN: 43-0963489  
Contract Number:4400006297

**25%**

**40%**

NATIONAL RECOVERIES INC  
14735 HIGHWAY 65 NE  
HAM LAKE MN 55304  
Contact: Bob O'Donnell  
Phone:(800) 685-3086 ext 658  
[bobodonnell@nationalrecoveries.com](mailto:bobodonnell@nationalrecoveries.com)  
FEIN 41-1699710  
Contract Number: 4400007071

**23%**

**38%**

**NCO Financial Systems, Inc** 20% 29%  
507 Prudential Road  
Horsham Pa 19044  
Contact: Alan Superfine  
Phone: 215-441-2336  
[proposals@ncogroup.com](mailto:proposals@ncogroup.com)  
FEIN: 23-1670927  
Contract Number: 4400006110

**Premiere Credit of North America** 21% 33%  
PO Box 19309  
Indianapolis, In 46219  
Contact: Diana Day  
Phone: 317-322-3619  
[dday@premierecredit.com](mailto:dday@premierecredit.com)  
FEIN: 35-2085743  
Contract Number: 4400006111

**Regional Adjustment Bureau** 20% 30%  
1900 Charles Bryan Suite 110  
Cordova, Tn 38016  
Contact: Amy Jordan  
Phone: 901-435-4822 ext. 4822  
[ajordan@rabinc.com](mailto:ajordan@rabinc.com)  
FEIN: 62-0857453  
Contract Number: 4400006112

**Reliant Capital Solutions, LLC** 25% 40%  
750 Cross Pointe Road Suite G  
Gahanna, Oh 43230  
Contact: Jennifer Fultz  
Phone: 614-452-6135  
[jfultz@reliant-cap.com](mailto:jfultz@reliant-cap.com)  
FEIN:  
Contract Number: 4400006113

**Todd Bremer & Lawson, Inc** 20% 25%  
PO Box 36788  
Rock Hill, SC 29732  
Contact: Cora Nicholson  
Phone: 803-323-5200  
[cora.nicholson@tbandl.com](mailto:cora.nicholson@tbandl.com)  
FEIN: 57-0605947  
Contract Number: 4400006114

**TRANSWORLD SYSTEMS INC** 25% 40%  
507 PRUDENTIAL ROAD  
HORSHAM PA 19044  
Contact: Christina Schultz  
Phone: 1-866-711-5223  
[christina.schultz@tsico.com](mailto:christina.schultz@tsico.com)  
FEIN: 94-1728881  
Contract Number: 4400011809

**Williams & Fudge, Inc** 25% 40%  
PO Box 11590  
Rock Hill, SC 29730  
Contact: Chris Ruh  
Phone: 803-329-9791 ext. 2160  
[cruh@wfcorp.com](mailto:cruh@wfcorp.com)  
FEIN: 57-0826165  
Contract Number: 4400006115

**Windham Professionals, Inc** 22% 40%  
380 Main Street  
Salem, NH 03079  
Contact: Kathy Lafond  
Phone: 800-969-0059 ext. 2279  
[klafond@windhampros.com](mailto:klafond@windhampros.com)  
FEIN: 04-2775058  
Contract Number: 4400006116

## List of Higher Educational Institutions

Clemson University  
Perimeter Road  
Clemson, SC 29631

The College of Charleston  
66 George Street  
Charleston, SC 29424

The Medical University of South Carolina  
171 Ashley Ave.  
Charleston, SC 29425

South Carolina State University  
PO Box 1571  
Orangeburg, SC 29117

Central Carolina Technical College  
506 N. Guignard Drive  
Sumter, SC 29150

Denmark Technical College  
Solomon Blatt Blvd.  
Denmark, SC 29042

Greenville Technical College  
Pleasantburg Drive  
Greenville, SC 29606

Piedmont Technical College  
Emerald Road  
Greenwood, SC 29648

Midlands Technical College  
PO Box 2408  
Columbia, SC 29202

Spartanburg Technical College  
I-85 & Newcut Road  
Greenville, SC 29303

Trident Technical College  
7000 Rivers Ave.  
Charleston, SC 29423

York Technical College  
US 21 Bypass  
Rock Hill, SC 29730

Winthrop University  
307 Tillman Hall

Coastal Carolina University  
PO Box 261954  
Conway, SC 29528

Francis Marion University  
PO Box 100547  
Florence, SC 29501-0547

Lander University  
PO Box 6023, Stanley Ave.  
Greenwood, SC 29649

Aiken Technical College  
PO Drawer 696  
Aiken, SC 29802

Northeastern Technical College  
Hwy. 9 West  
Cheraw, SC 29520

Florence-Darlington Technical College  
Hwy. 52 West  
Florence, SC 29501

Horry-Georgetown Technical College  
Hwy. 501 East  
Conway, SC 29526

Technical College of the Low Country  
100 Ribaut Road  
Beaufort, SC 29902

Orangeburg-Calhoun Technical College  
3250 St. Matthews Road  
Orangeburg, SC 29118

Tri-County Technical College  
Hwy. 76  
Pendleton, SC 29670

Williansburg Technical College  
601 Lane Road  
Kingstree, SC 29556

University of South Carolina  
Columbia, SC 29208

The Citadel  
171 Moultrie Street

Kristen Gordon, Procurement Manager  
E-Mail: [kgordon@mmo.sc.gov](mailto:kgordon@mmo.sc.gov)  
Telephone: (803) 737-2772  
Rock Hill, SC 29733

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