

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508

County of Cook and State of Illinois

Student Payment Processing Services-District Wide

Office of Finance

THE CHANCELLOR

REPORTS

that the District collects approximately \$42 million of tuition and fees annually from the 40,000 tuition paying students who pay from their own resources; and

that it is the District's policy that all tuition and fees must be paid or deferred by financial aid within two days of registration and that historically, 28% of cash paying students opted to utilize the payment plan to pay their outstanding charges over the course of the semester; and

that it is therefore necessary to continue to provide interest free automatic payment processing services that are convenient and affordable for students to enter into a three to four installments payment plan to pay tuition and fees owed the District during the semester; and

that NelNet Business Solutions provided these services for the last three years with the Fiscal Year 2010 participation of approximately 11,000 agreements amounting to \$9.7 million with a collection rate of 92% or \$8.9 million and that such agreement expires on July 31, 2010; that twenty-seven other Illinois community colleges use Nellnet services and most four year institutions and other community colleges offer this type of partial payment plan; and

that specifications were prepared by District Procurement staff and a Request for Proposal (RFP) DT1005 was publicly advertised on April 22, 2010, ten (10) vendors were contacted and a pre-proposal conference was held on April 29, 2010; and

that seven (7) firms responded to the RFP on May 25, 2010: SecureNet Payment Systems Chicago IL, Tuition Management Systems-Warwick-RI, CASHNet-New Haven-CT, TouchNet Information Systems-Lenexa-KY, Sallie Mae Higher Ed Sales-Reston VA, NelNet Business Solutions-Lincoln-NE, Fidelity Information Services-Jacksonville, FL and;

that proposals were reviewed, evaluated and ranked by staff which included Student Financial, Finance, Business Offices from Truman College and Olive Harvey College, Procurement, and MBE/WBE Contract Compliance and;

that based on the evaluation criteria outlined in RFP DT1005, which includes: qualifications and experience with similar services for educational institutions, overall capabilities of the firm proposed plan of action for execution of services, fees in relation to scope of services, M/WBE Compliance, the top three (3) highest ranked firms were selected to submit additional information; and

that based on the evaluation scoring and additional information submitted, staff recommends acceptance of the proposal from NelNet Business Solutions to provide interest free automatic payment processing services for CCC students based on the fees as follows:

- 1.95% per credit/debit card transaction dollar amount paid for an estimated total amount of \$128,500 based on the amount of fees paid in FY 2010 plus a 6% increase due to projected enrollment increase.
- Nelnet will charge students a non-refundable \$30 application fee per semester, of which \$5 per plan, will be sent to CCC to cover a portion of the credit/debit card transaction fee.

that the Office of M/WBE Contract Compliance reviewed the above proposal and NelNet Business Solutions is working with certified MBE and WBE firms outside of this project for indirect participation in compliance with the Board Approved Participation plan.

THE CHANCELLOR

RECOMMENDS

that the Board of Trustees authorizes the Chairman to enter into a student payment processing services agreement with Nelnet Business Solutions, for a three year period beginning August 5, 2010 through August 4, 2013 with an option to extend for a two (2) year period, in accordance with RFP# DT1005 dated April 22, 2010.

FINANCIAL

\$128,500 – Various Educational Fund college accounts

Respectfully submitted,

Cheryl L. Hyman
Chancellor

August 5, 2010 -Office of Finance- District Office