

**30974**

**ADOPTED- BOARD OF TRUSTEES COMMUNITY  
COLLEGE DISTRICT NO. 508  
MAY 12, 2011**

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508  
COUNTY OF COOK AND STATE OF ILLINOIS**

**STUDENT COLLECTION SERVICES  
OFFICE OF FINANCE  
ALL COLLEGES**

**THE CHANCELLOR RECOMMENDS:**

that the Board of Trustees authorizes the Chairman to execute a professional services agreement with Enterprise Recovery Systems, Inc. (ERS) to provide student collection services for unpaid accounts for a three (3) year period from June 1, 2011 through May 31, 2014, with a negotiable collection fee rate of 21% of the amount collected for first placement accounts and 25% of the amount collected for second placement accounts and accounts in litigation. The total annual cost will not exceed a recovery rate of 10% of the total bad debt annually (approximately \$230,000) or no more than \$690,000 for the contract term.

**VENDOR:** Enterprise Recovery Systems, Inc.  
2400 South Wolf Road  
Suite 200  
Westchester, IL 66154

**USER:** District Wide

**TERM:**

The term of the agreement shall commence on or about June 1, 2011 and end on or about May 31, 2014.

**SCOPE OF SERVICES:**

The services to be provided by ERS under this contract consist of, but are not limited to:

- Development of a fully automated collection system with the capacity to manage contractual obligations effectively and provide due diligence with quick resolutions and high returns
- Ability to retrieve current address via National Change of Address Database: or similar database system/s
- Acceptance of all unpaid referred student and vendor accounts
- Processing multiple accounts for the same debtors
- Contacting debtors using several intense collection methods (i.e. skip tracing, telephone, interactive technology, U.S. postal, internal resources, family members, etc.)

- Posting and depositing funds immediately upon collection
- Maintaining and updating records in a timely and accurate manner of all collection activities for each account
- Providing a monthly report to City Colleges of Chicago (CCC) staff
- Referral of non-responsive debtor account to credit bureaus
- Providing litigation services to collect from students and/or vendor

**BENEFIT TO CITY COLLEGES OF CHICAGO:**

Effective collection services will assist City Colleges of Chicago in pursuing payment on debts owed by students and/or vendors. Such services can reduce bad debt expense and maximize revenue.

**VENDOR SELECTION CRITERIA:**

Specifications were prepared by the Office of Finance on November 19, 2010 and eleven (11) companies were notified. An informal Request for Quotes (RFQ) was prepared and submitted to the vendors identified as participants of the Illinois Public Higher Education Cooperative (IPHEC) consortium. Out of the eleven (11) companies that were contacted, six (6) providers responded to the informal RFQ on December 2010: 1) Conserve; 2) General Revenue Corporation; 3) Enterprise Recovery Systems, Inc.; 4) Immediate Credit Recovery, Inc.; 5) NCO Financial Systems, Inc.; and 6) Windham Professionals.

The qualifications were reviewed, evaluated, and ranked by the Office of Finance. Based on the evaluation process, the staff recommends acceptance of the proposal from the highest ranking provider, Enterprise Recovery Systems, Inc., with a negotiable collection fee rate of 21% of the amount collected for first placement accounts, 25% of the amount collected for second placement accounts and accounts in litigation.

The recommended vendor was selected based on the following areas:

- 1) Qualifications and experience of firm
- 2) Past experience with in the collection of Higher Education accounts
- 3) Proposer’s plan of action for the execution of the requested services
- 4) Fees in relation to the scope of services
- 5) Commitment to work with City Colleges of Chicago management to provide a full service approach to collect debts

**MBE/WBE COMPLIANCE:**

The Office of M/WBE Contract Compliance has reviewed the above agreement and Enterprise Recovery Systems Inc., self-performs the functions on this project with no reasonable ability to subcontract to certified MBE or WBE firms, but works with firms on other projects as indirect participation in compliance with the Board Approved Participation Plan.

<b>MBE:</b> Sign O Rama 423 S Dearborn Chicago, Illinois 60605	Indirect	City Certification
Four Corners of the World 3066 W Armitage Chicago, Illinois 60647	Indirect	City Certification
<b>WBE:</b> The LASO Corporation 20 Danada Square Wheaton, Illinois 60189	Indirect	CMS Certification
Sutoer Solutions Inc 10 Oakhill Drive Westmont, Illinois 60559	Indirect	CMS Solutions

**GENERAL CONDITIONS:**

Inspector General – It shall be the duty of each party to the agreement to cooperate with the Inspector General for City Colleges of Chicago in any investigation conducted pursuant to the Inspector General’s authority under Article II, Section 2.6.4(b) of the Board Rules for Management and Government.

Ethics – It shall be the duty of each party to the agreement to comply with the applicable provisions of the Board’s Ethics Policy adopted January 7, 1993, and as amended by the Board.

**FINANCIAL:**

Enterprise Recovery Systems, Inc., shall be paid in an amount not to exceed a recovery rate of 10% of bad debt (\$230,000) annually for the term of the contract.

**Charge To:** Business Department of each Campus

**Sources of Funds:** Education Fund

Unrestricted Fund

FY2012: 00003-Various Department-00089-0000-0000000-590000:\$230,000

FY2013: 00003-Various Department-00089-0000-0000000-590000:\$230,000

FY2014: 00003-Various Department-00089-0000-0000000-590000:\$230,000

**Respectfully submitted,**

**Cheryl L. Hyman  
Chancellor**

**May 12, 2011 Board Meeting - Office of Finance**