

32153
ADOPTED - BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
JANUARY 9, 2014

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

STUDENT LOAN DEFAULT MANAGEMENT SERVICES
AMERICAN STUDENT ASSISTANCE
DISTRICT WIDE
OFFICE OF FINANCE

THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chair to execute an agreement with American Student Assistance to provide student loan default management services for a three (3) year period from January 9, 2014 through January 8, 2017, at a total cost not to exceed \$353,000.

VENDOR: American Student Assistance (ASA)
100 Cambridge Street, Suite 1600
Boston, Massachusetts 02114

USERS: District Wide

TERM:

The term of this agreement shall commence January 9, 2014 and shall continue through January 8, 2017, with an option to extend for an additional two-year period.

SCOPE OF SERVICES:

ASA will provide the following services:

- Assisting CCC with the development of a Student Loan Default Aversion Plan
- Reaching out to those student loan borrowers who are within their student loan grace period in order to advise them of their repayment options and connect them with their loan servicer
- Contacting those student loan borrowers who are more than 90 days delinquent on their student loans and connecting them with their servicers so that suitable payment arrangements or deferment terms can be established
- Utilizing various media to reach out to delinquent borrowers, including phone calls, mail, email, and text messaging
- Performing skip tracing activities for borrowers with invalid contact information
- Providing monthly updates of default aversion efforts and progress, both in aggregate form and separately for each of the seven colleges
- Providing access to online financial literacy tools for the entire CCC student body

BENEFITS TO CITY COLLEGES OF CHICAGO:

ASA will be providing these services to CCC to assist with the management of the Student Loan Cohort Default Rates (CDR) for the seven colleges. Per federal regulations, a college may be penalized if its CDR exceeds the federally-established threshold, including penalties up to the loss of institutional Title IV eligibility. ASA's activities on behalf of CCC will help to mitigate these risks and will demonstrate due diligence. Pro-actively reaching out to student loan borrowers will assist former CCC students in avoiding the harsh consequences of student loan default. The online financial literacy tool provided by ASA will be available to all CCC students and will be used to provide students with valuable information related to credit, budgeting, and responsible use of financial products.

VENDOR SELECTION CRITERIA:

Specifications were prepared by District Procurement staff and a Request for Proposal (RFP) #MWJ1310 was publically advertised on September 3, 2013. Ten (10) vendors were contacted and a pre-proposal conference was held on September 10, 2013. Seven (7) firms responded to the RFP on September 27, 2013: 1) American Student Assistance (ASA); 2) AR Management; 3) Inceptia; 4) Nelnet Diversified Solutions, Inc.; 5) Socle Education; 6) Texas Guaranteed Student Loan Corporation (TG); and 7) United Student Aid Funds, Inc. (USA Funds). Socle Education was deemed as non-responsive for not complying in accordance with the submittal requirements.

All proposals were reviewed, evaluated, and ranked by staff which included the Offices of Finance, Academic Affairs, Administrative and Procurement Services, Wright College and MBE/WBE Contract Compliance.

The evaluation criteria outlined in RFP #MWJ1310 included:

1. Qualifications and experience of the firm
2. Proposer's implementation for the execution of the requested services
3. Past experience with similar services for educational institutions or comparable organizations
4. Fees in relation to the Scope of Services
5. M/WBE Compliance plan

Oral presentations were held with the short-listed firms; American Student Assistance, United Student Aid Funds and Inceptia. Based on the composite written proposal and oral presentation scores, ASA was the highest ranked vendor and was selected by the committee.

MBE/WBE COMPLIANCE:

The Office of M/WBE Compliance has reviewed the proposed agreement and has determined the vendor is in compliance with the Board Approved Plan by utilizing the firms below and a waiver is being recommended for the balance (MBE—1.92% & WBE—1.90%) due to limited opportunities for direct and indirect participation.

<u>Vendor</u>	<u>MBE or WBE</u>	<u>%</u>	<u>Direct or Indirect</u>	<u>Certifying Agency</u>
Salsedo Press, Inc. 3139 West Chicago Ave. Chicago, IL 60622	MBE	.08	Indirect	City of Chicago
En Pointe Technologies 18701 S. Figuero St. Gardena, CA 90248	MBE	25	Indirect	NMSDC
The Catering Co. dba Limelight 2000 N. Racine Chicago, IL 60614	WBE	5.1	Indirect	City of Chicago

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 2, Section 2.7.4(b) of the Board Bylaws.

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 an amended by the Board.

Contingent Liability – Pursuant to Section 7-14 of the Illinois Public Community Act all agreements authorized herein shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year.

FINANCIAL:

Total: \$353,000

Charge to: Office of Finance

Source of Funds: Education Fund

FY14: 530000-00003-0010103-80000

Respectfully submitted,

**Cheryl L. Hyman
Chancellor**

January 9, 2014 – Office of Finance-District Office