

32278
ADOPTED – BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
MAY 1, 2014

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

STUDENT COLLECTION SERVICES
CONTINENTAL SERVICE GROUP, INC. d/b/a CONSERVE
OFFICE OF FINANCE
ALL COLLEGES

THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chair to execute an agreement with Continental Service Group, Inc. d/b/a ConServe to provide student collection services for unpaid accounts for a three (3) year period from July 1, 2014 through June 30, 2017. The negotiable collection fee rate is 18% of the amount collected for first placement accounts, 22% of the amount collected for second placement accounts, and 28.5% for accounts in litigation. The total annual cost will not exceed a recovery rate of 10% of the total bad debt annually (approximately \$250,000) or no more than \$750,000 for the contract term.

VENDOR: Continental Service Group, Inc. d/b/a ConServe
200 CrossKeys Office Park
Fairport, New York 14450

USER: District Wide

TERM:

The term of the agreement shall commence on or about July 1, 2014 and continue through June 30, 2017, with an option to renew for an additional two (2) one (1) year periods.

SCOPE OF SERVICES:

The services to be provided by ConServe under this contract consist of, but are not limited to: (1) A fully automated collection system with the capacity to manage contractual obligations effectively and provide due diligence with quick resolutions and high returns; (2) Ability to retrieve current addresses via National Change of Address Database: or similar database system/s; (3) Acceptance of all unpaid referred student and vendor accounts; (4) Processing multiple accounts for the same debtors; (5) Contacting debtors using several intense collection methods (i.e. skip tracing, telephone, interactive technology, U.S. Postal, internal resources, family members, etc.); (6) Posting and depositing funds immediately upon collection; (7) Maintaining and updating records in a timely and accurate manner for all collection activities for each account; (8) Providing a monthly report of students' activity to City Colleges of Chicago (CCC) staff; (9) Referral of non-responsive debtor accounts to credit bureaus; (10) Providing litigation services to collect from students; and (11) Provide interface for CCC staff to log in and view collection activity

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 District Procurement staff and a Request for Proposal (RFP) #MWJ1403 was publically advertised on February 11, 2014. Twenty-five (25) companies were contacted and a pre-proposal conference was held on February 18, 2014. Nine (9) firms responded to the RFP on March 7, 2014: 1) Ability Recovery Services, LLC; 2) Continental Service Group d/b/a ConServe; 3) Education Assistance Services, Inc. (EAS); 4) Enterprise Recovery Systems, Inc. (ERS); 5) EOS CCA; 6) Harvard Collection Services, Inc.; 7) National Enterprise Systems, Inc. 8) Penn Credit Corporation and 9) Optio Solutions d/b/a Qualia Collection Services. Optio Solutions d/b/a Qualia Collection Services was deemed as non-responsive for not complying with the submittal requirements.

All proposals were reviewed, evaluated, and ranked by staff which included the Offices of Finance, Business Enterprise, Institutional Advancement, Administrative and Procurement Services and MBE/WBE Contract Compliance.

The evaluation criteria outlined in RFP #MWJ1403 included:

- 1) Qualifications and experience of firm
- 2) Proposer’s implementation plan for 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

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, Conserve, with a negotiable collection fee rate of 18% of the amount collected for first placement accounts, 22% of the amount collected for second placement accounts and accounts in litigation 28.5%.

MBE/WBE COMPLIANCE:

The Office of M/WBE Contract Compliance has reviewed the proposed agreement and has determined the selected vendor is in compliance with the Board Approved Participation Plan and will utilize the following firms:

<u>Vendor</u>	<u>MBE or WBE</u>	<u>%</u>	<u>Participation</u>	<u>Certifying Agency</u>
Envelopes Only, Inc. 2000 Park Ave. Streamwood, IL 60107	WBE	5	Direct	City of Chicago

An Executive Decision 1510 W. Wolfram Chicago, IL 60657	WBE	7	Direct	City of Chicago
Vire Technologies, LLC 18W100 22 nd Oakbrook Terrace, IL	MBE	15	Direct	Cook County
World's Printing Specialties 233 N. Michigan Chicago	MBE	10	Direct	Cook County
Mintex Inc. 800 W. 5 th Ave. Naperville, IL 60563	MBE	10	Direct	Cook County

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.

Contingent Liability – Pursuant to Section 7-14 of the Illinois Public Community College 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:

Continental Service Group, Inc. dba ConServe shall be paid in an amount not to exceed a recovery rate of 10% of bad debt (\$250,000) annually for the term of the contract. There is no cost to the district because the vendor’s fees are pulled directly from the amount they collect.

Charge To: Business Department of each Campus

Sources of Funds: Education Fund

FY15: 590000-00003-0010103-80000

Respectfully submitted,

**Cheryl L. Hyman
Chancellor**

May 1, 2014 - Office of Finance