

Finance Authority of Maine

REQUEST FOR PROPOSALS Default Prevention Services June 25, 2018

BUSINESS OVERVIEW

The Finance Authority of Maine ("FAME") is an independent state agency that develops and administers programs related to the financing of both business and higher education in the State of Maine. FAME's primary audiences are Maine businesses and lenders seeking financing or credit enhancement, as well as students, families, and schools seeking financial resources for higher education. FAME's primary goal is to expand opportunities for Maine residents and businesses to grow Maine's economy. FAME has been helping Maine people succeed for over 30 years. To learn more about FAME, please visit FAMEmaine.com.

FAME is seeking the services of a default prevention provider ("Provider") to provide default prevention and delinquency counseling services on behalf of the University of Maine System, the Maine Community College System, and other interested Maine colleges and universities. FAME is facilitating this Request for Proposal ("RFP") on behalf of its higher education partners. Contractual agreements would run directly between a selected Provider, if any, and a participating college, university, or system.

Submission of a proposal indicates acceptance by the Provider of the conditions contained in this RFP. There is no express or implied obligation for FAME to reimburse responding Providers for any expenses incurred in preparing proposals in response to this RFP. All information contained in a respondent's submission must be factual and accurate. Misrepresentation of facts may be grounds for dismissal from consideration.

BACKGROUND

As a former Federal Family Education Loan Program ("FFELP") guarantor, FAME has historically provided default prevention services, including grace period counseling to Maine borrowers. In 2010, upon elimination of the FFELP program, FAME developed a statewide partnership with American Student Assistance ("ASA") and Maine colleges and universities to continue its support of borrowers through ASA's Salt® program. Since December of 2012, a significant portion of Maine borrowers have had access to Salt®'s financial education and default prevention services. During that time, FAME led a statewide coalition of colleges and universities whose goal was to increase financial capability of Maine college students and to reduce student loan delinquency and default. In January of 2018, ASA eliminated its default prevention services. As a result, FAME is seeking to identify a new vendor to provide statewide

default prevention services on behalf of its statewide coalition partner institutions. At this time, FAME is not seeking proposals for financial education services

TERM OF ENGAGEMENT

An initial three-year term is desired. All proposals will be initially reviewed by FAME, who will make its recommendations to the Maine Community College System, the University of Maine System, and participating Maine colleges and universities. If a college, university or system so elects, it would enter into a contractual agreement directly with the Provider. No college, university or system is obligated to accept FAME's recommendation, and FAME nor any college, university or system is obligated to accept any proposal.

SCOPE OF WORK

The Provider will deliver student loan grace period counseling and default prevention services, including annual loan statements to approximately 15,000 student loan borrowers annually from 20 participating Maine institutions. The goal of the outreach is to help students better understand their finances, choose the appropriate student loan repayment plan based on their circumstances, and avoid default on their federal student loans. The Provider will also work with borrowers to resolve their delinquency or default status. In addition, the Provider will work closely with colleges to establish cohort default rate goals, provide training, monitor progress, provide reporting, and will support colleges in all aspects their default prevention efforts.

GENERAL REQUIREMENTS

FAME is seeking proposals to provide default prevention services and delinquency outreach and counseling services to borrowers by a provider ("Provider") on behalf of the University of Maine System, the Maine Community College System, and other interested Maine colleges and universities that elect to enter into contracts with a Provider.

At a minimum, the Provider will:

1. Provide grace, delinquency, and default prevention counseling to eligible borrowers.
2. Provide annual student loan debt statements to eligible borrowers.
3. Provide a loan repayment dashboard, robust reporting, including real-time reporting, performance analysis, predictive modeling, including in-depth information regarding borrower repayment status and counseling attempts/effort.
4. Assist FAME and Maine colleges and universities with cohort default rate management, consultation and training, including recommendations for campus-based program and policy enhancements.
5. Provide service and support to assist FAME and Maine colleges and universities with establishing default prevention goals, conducting portfolio and cohort default rate data reviews, including review and submission of challenges.

PROPOSAL REQUIREMENTS

Several proposal requirements have been identified to assist FAME in determining which organization will best serve the needs for default prevention services for our higher education partners. Please provide a thorough but concise response to the items listed below. Appendices may be used for additional general information. Failure to provide a response to each item may deem a proposal invalid.

1. State the size and type of organization and describe the organization's history, including years in business and relevant experience, location from which the work is to be performed (including call center services), and hours of operation. Identify the primary contacts who would be assigned to support colleges and universities, along with their qualifications and relevant experience.
2. What experience does your organization have in providing education debt management services? Include a brief summary containing the most important reasons why you believe your organization should be selected.
3. Please describe how your organization's approach to education debt management differs from other providers in this field.
4. Explain the types of communications that are directed to borrowers during grace and delinquency, include the number of contacts attempted, and how long you attempt contact.
5. Provide examples of school reports and a sample borrower annual loan statement.
6. Explain and provide examples of the resources that are available for borrowers (web resources, student loan dashboard, etc.).
7. What is the average tenure of your counseling staff? Describe the required training that your counselors receive and how they are kept up to date on changing student loan regulations.
8. How many colleges and universities are your current clients? What is the percentage breakdown for 4 year public, 4 year private, and 2 year public institutions?
9. Describe any tactics you would employ that you believe would help FAME and Maine colleges and universities meet their default prevention goals.
10. Address the extent to which you are able to provide the services described.
11. Describe your proposed use of partners, alliances, affiliations and/or subcontractors for any of the services in the scope of work. Include the company names and describe how they are

utilized. No assignment of interest in the Agreement, either direct or indirect, may take place without prior written consent of FAME.

12. Provide a detailed description of all proposed fees and expenses for a three-year Agreement. Please include whether or not pricing is contingent on a minimum or maximum number of participating institutions. Identify all costs you would expect to bill for the services. Please provide a sample invoice.
13. Provide three references including names, titles, addresses (mail and email), and telephone numbers who can attest to your company's capabilities, including any metrics that support the success of your delinquency and default prevention efforts. Also, please include the length of time your organization has provided services to each reference.
14. Provide the proposed form of contract.
15. Confirm its acceptance of the standard terms required by some or all of FAME's partners attached as Exhibit A.
16. Provide any other information, suggestions and supporting materials that you believe will be relevant and should be considered in assessing your company's qualifications.

PROPOSAL TIMELINE

All proposals submitted in response to the RFP must comply with submission and deadline requirements.

1. Questions concerning this RFP should be received electronically by 5:00pm Eastern Standard Time (EST) on **June 27, 2018** and directed to Mary Dyer at mdyer@famemaine.com. Telephone inquiries will not be accepted.
2. Questions and answers will be sent electronically to all known and interested vendors by 5:00 pm EST on **July 1, 2018**.
3. Proposals should be clearly marked in the subject line as "Default Prevention Services Proposal" and e-mailed (in PDF form) to Mary Dyer at mdyer@famemaine.com no later than **4:00 pm EST on July 13, 2018**.
4. Estimated FAME Recommendation Decision Notification Date: **July 30, 2018**.
5. Estimated Start Work Date: No later than **August 31, 2018**.

SUBMISSION FORMAT

The deadline for receipt of proposals is **4:00 pm EST on Friday, July 13, 2018**. All submissions must be sent via email (PDF format) with a subject line of "Default Prevention Services Proposal" to mdyer@famemaine.com.

EVALUATION AND SELECTION CRITERIA

Responses submitted will be evaluated by the Director of Education with assistance of both internal and external staff. FAME, on behalf of its partners, reserves the right to:

- Ask for additional information from any one or more respondents;
- Recommend selection of more than one organization or selection of no organization at all;
- Enter into further discussions or negotiations with any one or more respondents as FAME deems advantageous;
- Recommend selection of a proposal that does not offer the lowest cost;
- Confirm all references and contact further references obtained from other sources as deemed necessary or desirable;
- Waive irregularities in proposals;
- Answer or not answer any questions that may be asked by any respondents and to use its own judgment with regard to whether or not to provide any additional information or clarification to any respondent or potential respondent;
- Make a recommendation without further discussion with the respondents about the proposals received, making it important that responses to the RFP are as thorough and competitive as possible at the time of submission; and
- Retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

Proposals will be evaluated using the following criteria:

- Quality and completeness of the proposal; 25%
- Depth of service offerings and organizational capacity to meet the needs of FAME and its partners; 25%
- Experience, expertise, talents and skills of organization's staff- to be assigned to the engagement as shown through references and the proposal; 25%
- Fees and anticipated total costs; 25%

DEMO AND SITE VISITS

During the evaluation process, FAME may request any one or all respondents to demonstrate their product and services and/or participate in telephone conferences. Not all firms may be asked to participate in such presentations. FAME may request none, or one or more of the respondents to meet with representatives of FAME at its offices in Augusta, Maine. All costs incurred in connection with responding to this RFP and travel to meetings with FAME shall be borne by the respondent. Respondents will be expected to provide FAME staff with the opportunity to visit and tour respondents' business facilities prior to final selection, if requested by FAME.

RIGHT TO REJECT PROPOSALS

FAME reserves the right without prejudice to reject any or all proposals. This RFP does not commit FAME to recommend, or for it or any of its partners, to contract with any respondent or to contract with any one or more respondent(s) for any particular period of time or scope of services or to contact any respondent following submission of information to confirm receipt or notify of any decision or for any other reason. FAME also reserves the right to waive formalities, technical requirements and/or deficiencies and irregularities; or solicit new proposals, if such actions are deemed reasonable and in the best interest of FAME and/or its partners.

CONFIDENTIALITY

All material submitted to FAME shall be the sole property of FAME, and material and information submitted may be used by FAME in any manner it chooses. Responders specifically consent to the sharing of responses by FAME with its education partners who may be interested in entering into a contract for the services described in the proposals. FAME is required to comply with the Maine Freedom of Access laws, 1 MRSA §401 et seq., and the confidentiality provisions of the Finance Authority of Maine Act, 10 MRSA §975-A. If an organization believes any information submitted to be confidential, such information should be clearly marked as such and accompanied by a request for confidential treatment based on one or more reasons set forth in 10 M.R.S.A. §975-A. FAME must disclose, upon request, information not deemed confidential and with respect to confidential information, is nevertheless authorized to disclose it to any person or entity when directed to do so by subpoena, request for production of documents, warrant or other order by competent authority, provided the requirements of 10 MRSA §975-A(3)(H) have been met.

COSTS OF PREPARATION

Respondent assumes all costs of preparation of the response and any presentations necessary to the response process.

EXHIBIT A

NOTICE TO VENDORS AND BIDDERS: STANDARD TERMS AND CONDITIONS APPLICABLE TO ALL CONTRACTS

The following standard contracting terms and conditions are incorporated and shall become a part of any final contract that with any college, university or system (each, a "Customer").

CUSTOMER DOES NOT AGREE TO:

1. Provide any defense, hold harmless or indemnity;
2. Waive any statutory or constitutional immunity, if applicable;
3. Apply the law of a state other than Maine;
4. Procure types or amounts of insurance beyond those it already maintains or waive any rights of subrogation;
5. Add any entity as an additional insured to its policies of insurance;
6. Pay attorneys' fees, costs, expenses or liquidated damages;
7. Promise confidentiality in a manner contrary to Maine's Freedom of Access Act, if applicable;
8. Permit an entity to change unilaterally any term or condition once the contract is signed;
9. Accept any references to terms and conditions, privacy policies or any other websites, documents or conditions referenced outside of the contract; and
10. Automatic renewals for term(s) greater than month-to-month.

By submitting a response to a Request for Proposal, bid or other offer to do business with CUSTOMER, YOUR ENTITY UNDERSTANDS AND AGREES THAT:

1. The above standard terms and conditions are thereby incorporated into any agreement entered into between CUSTOMER and your entity; that such terms and condition shall control in the event of any conflict with such agreement; and that your entity will not propose or demand any contrary terms;
2. The above standard terms and conditions will govern the interpretation of such agreement notwithstanding the expression of any other term and/or condition to the contrary;
3. Your entity will not propose to any CUSTOMER or operating unit of the CUSTOMER any contractual documents of any kind that are not in at least 11-point font and completely contained in one Word or PDF document, and that any references to terms and conditions, privacy policies or any other conditions referenced outside of the contract will not apply; and
4. Your entity will identify at the time of submission which, if any, portion or your submitted materials are entitled to "trade secret" exemption from disclosure under Maine's Freedom of Access Act, if applicable; that failure to so identify will authorize CUSTOMER to conclude that no portions are so exempt; and that your entity will defend, indemnify and hold harmless CUSTOMER in any and all legal actions that seek to compel CUSTOMER to disclose under Maine's Freedom of Access Act some or all of your submitted materials and/or contract, if any, executed between CUSTOMER and your entity.