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	Question	Response
1	(General) Will the contractor(s) be given access to the GHEAC system to verify current balances and recent payments?	Answ. Yes. We anticipate that systems access will be available to the recipient of the award. Our current servicers are provided with such access.
2	(General) May offerors include resumes as an appendix to the proposal (i.e., not to be counted within the 25-page limit)? What about other material we deem relevant, like sample reports? May we include those as an appendix (again, not counting them within the 25-page limit)? If such appendices are allowed, contractors will be able to provide GHEAC with more complete responses that may better answer GHEAC's needs.	Answ. The requirements for submission were outlined in the RFQ. Any deviations or additions should be carefully considered and presented in such a manner to ease and expedite review of the data. The proposer is in the best position to determine what information must be submitted for favorable consideration. However, it is not our intention to sort through an abundance of unnecessary paper or duplications of materials to ascertain the information that we are seeking.
3	(1.1) What other delinquent accounts may be referred by the Finance Authority under the contract? Please provide estimated yearly placement volumes by account.	Answ. Currently we are considering referral of some accounts that are in a cure status.
4	(1.3) The Q&A is expected to be released on 7/26 with the final proposal due 8/3. This is barely a 4 day window from the time proposers receive answers to their questions to preparing and making any changes to a winning bid. We would like to request a 5 day extension to allow more time for vendors to include any new information derived from the Q&A into their proposal.	Answ. Due to timelines established, we do not anticipate extension and advise proposers to respond as requested giving emphasis to the areas of our inquiry. If such an extension is granted, we will publish the information.
5	(2.1.A) What internal collection procedures do defaulted loans go through before they are outsourced to a 3rd party agency?	Answ. As indicated in the RFQ, we perform in-house collections on new defaults up to the point of 85 days from claim payment for non-payment on accounts that are not in a skip status, or until an 85 day gap in payment exists. Skip accounts are immediately referred to third parties in our weekly referral process.
6	(2.1.A) Is the entire existing inventory of \$125 million currently placed with GHEAC's 3rd party agencies? If so, what portion of these accounts will be placed with the new agencies?	Answ. Approximately 15% of existing inventory is serviced in-house. The remainder of the portfolio is outsourced to 3 rd parties. Under this RFQ we anticipate adding a total of 3 agencies to join existing collection agents to perform services for our agency. (One for 1 st placements and two for 2 nd placements.)

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7	(2.1.A) In regards to the license suspension program, will accounts that are eligible for suspension be placed with 3rd party agencies or will those accounts be retained in house? What are the qualifications for a suspension? Will any action from the agency be required to support this program?	Answ. Any defaulted loan account wherein a gap in payment of at least 60 days has occurred may be subject to license suspension, regardless of where the account is serviced. The collection agencies will be responsible for facilitating payment arrangements and collection of payments, as with the intent of overall efforts.
8	(3.4.15) Will GHEAC consider a 10-day grace period on commissions once accounts are recalled from the agency if payments are received within that 10-day period?	Answ. Currently the electronic recall process is initiated on Mondays and the collection agency's acknowledgement response is to be submitted by Thursday of the same week. Based on our experiences in this area, we do not wish to open the door to define such a grace period, nor deal with numerous exceptions. However, GHEAC recognizes that certain circumstances may require our independent consideration. Where warranted, we may review the totality of the situation and may make an exception. However, the collection agency should expect that GHEAC will impose its requirement as stated.
9	(General) Please define the term "Mandatory Assignment".	Answ. Mandatory Assignment refers to the subrogation or transfer of defaulted student loan accounts to the U.S. Department of Education. Accounts that meet certain criteria based on age of the default, have a gap in payment of more than 365 days, and meet balance requirements as defined by the U.S. Department of Education are periodically identified for recall from the collection agencies and sent to U.S.D.E. for collection. This is a mandatory process imposed on guaranty agencies and the transfer of the debt is a transfer of right, title, and ownership.
10	(3.4.36) Please identify what constitutes "improper servicing by the offeror" in regards to when an account is deemed uncollectible.	Answ. Improper servicing could be a multitude of things. However, an example would be where a debt was determined discharged under closed school provisions, but the agency continued to make collection calls and sent collection letters after discharge notice. A discharged debt is uncollectible.
11	(3.4.41) What "additional services" are being considered for future agreements? Will agencies have the choice whether or not to accept these new services or will they be contractually required?	Answ. The Commission is currently considering the possibility of outsourcing cure accounts. An agency will have an option and there will be additional terms of agreement if such option is exercised.
12	(General) Will the RFQ be incorporated and made a part of a contract to be awarded?	Answ. Yes.

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13	(5.5.6) Please clarify: Is it the case that the contract may only be renewed for up to 1 additional year resulting in a maximum contract term of 21 months (September 1, 2004 through June 30, 2006)?	Answ. Collection agency performance is the determinate as to any renewal or extension. Under state law, no contract period extends beyond one year at a time.
14	(General) What was the term of the prior collections contract?	Answ. The contract from the last RFP was for the period from July 1, 2001 to June 30, 2002 with the option to renew for four consecutive fiscal years.
15	(General) What were the applicable contractual fee rates for the current contract? If the rates changed, what were the primary reasons for these changes?	Answ. The rates as outlined in this RFQ will be consistently applied and represent an overall increase. The last change in rates resulted from the 10/1/03 guarantor retention rate reduction from 24% to 23% imposed by federal regulation.
16	(General) How many current vendors have contracts for collection of your student loan accounts, and what companies are they? Are all such contracts currently expiring to be replaced by awarded contracts pursuant to this RFQ?	Answ. Three contract awards were made as a result of our last RFP. GHEAC anticipates continuing placements with two of the three agencies currently providing collection services for primary services.
17	(3.4.27) If previously placed accounts may be assigned as 1st placements and accounts may be assigned to another agency as early stage accounts prior to placement as 1st placements, please describe what will be considered a 2nd placement. Please clarify that it is your intent that any accounts that are currently assigned to current vendors may be recalled and placed with new vendors under a new contract award and be considered 1st placements.	Answ. Only one of the new agencies will receive first placements. Refer to the response to item 6 above.
18	(2.1.A) Understanding that these may change under the new contract, please describe any performance based measurement criteria used to determine placements for each contractor. What were the differences in placement volumes between the highest and lowest performers?	Answ. Batch tracking analysis will be performed to determine dollars collected as a percent of placements. Compliance with systematic reporting requirements, and rehabilitation performance are examples of measurement criteria. Under the last RFP, standard performance based placement percentages were 50%, 30%, and 20%.
19	<p>General questions regarding nature of GHEAC's student loans and collection history:</p> <p>a. Please provide an estimate of the initial placements that will be placed with each selected vendor. What is the estimated average balance of the accounts to be included in the initial placement? What is the average age of the accounts? On average, how many agencies have such accounts been previously placed with?</p> <p>b. Please provide an estimate of average ongoing monthly placements (number and amount) to vendors being awarded a contract over the new</p>	<p>Answ. Refer to our response under item 6.</p> <p>In addition, currently both 1st and 2nd placements are with the same agencies. We began referrals as second placements starting around August 2003.</p>

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	<p style="text-align: center;"><u>contract term.</u></p> <p>c. For all current vendors over the prior contract period, what percentage of accounts resulted in administrative resolution, consolidation, rehabilitation and collections (partial or full) or were returned for litigation?</p> <hr/>	
20	Is Section 2.1 on page 7 supposed to be blank	Answ. Yes. It identifies entry into Section 2.1.a.
21	Who is the current contractor/s	Answ. The last RFP resulted in a contractual award to General Revenue Corporation, OSI Education Services and Collection Technology Inc.
22	What monthly/annual dollar amount, and number of accounts are placing with your current contractors?	Answ. Placements from 7/1/03 through 6/30/04 approximated \$99,000,000.
23	How long has the current contractor serviced your accounts?	Answ. The last RFP award was effective 7/1/01.
24	What is the recovery rate of current contractors?	Answ. The agency's combined recovery rate as published by USDE as of 9/30/03 quarter end was 22.65%.
25	What fee(s) is the current contractor charging?	Answ. The fee structure as established by our agency will be consistently applied.
26	Are there competitive statistics for the contractor/s recovery rate?	Answ. Yes, we do maintain competitive statistics.
27	In reference to section 3.4.5, is there a "Hold" time frame for these types of payments? Or, Does this section apply regardless of a contractor's work on the account?	Answ. These payments are not the result of collection agency efforts and will not result in commission payments.
28	Could your request for references just be <u>satisfactory references</u> without a specific number of references?	Answ. Various factors will be considered in determining which agencies will best serve our needs. References is only one factor that will not automatically exclude an offeror.
29	<p>Section 3.4.35 on pages 13 and 14 Indemnity and accountability requirements:</p> <p><u>Question:</u> Will GHEAC indemnify and hold harmless the offeror under any circumstance?</p> <p><u>Question:</u> - Is the offeror required to report results of audits, reviews or findings if GHEAC accounts are not involved?</p>	<p>Answ. No. Indemnification is not permitted by the Georgia Constitution.</p> <p>Answ. Yes.</p>
30	<p>Section 3.4.36 on page 14 states, "The offeror shall, in the event an account is deemed uncollectible due to improper servicing by the offeror, promptly pay GHEAC the outstanding balance, interest and collection costs on the account."</p> <p><u>Question:</u> Is the offeror permitted to deduct its normal fees from this remittance?</p>	Answ. Fees are paid on actual collections. If the debt is determined to be uncollectible, no collections would be applicable.
31	<p>Section 5.5 Contract Terms and Conditions on page 23:</p> <p><u>Question:</u> Does the offeror have the right to introduce provisions to the contract and negotiate them with GHEAC?</p>	Answ. Refer to the RFQ for our response to this question.

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32	<p>Section 2.1 A. on page 15 asks for a description of the agency's capability to meet client's needs for legal programs. However, 3.4.25 on page 12 states that the offeror shall have no authority to file lawsuits on accounts.</p> <p><u>Question:</u> Why does GHEAC want a description of agency's capability to provide legal programs?</p>	<p>Answ. Legal programs does not necessarily mean actions as initiated by us. Borrowers may initiate or threaten action and agencies must be able to adequately handle. The RFQ also references lender cure accounts that may be referred for servicing and could result in litigation.</p>
33	<p>Section 2.2 on page 16 says "List client references," while section 3.5.3 also requests client references.</p> <p><u>Question:</u> Rather than insert client references at two different places in the proposal, is it acceptable to insert our references at 3.5.3 and, in 2.2, simply say, "Please see 3.5.3 for our client references"?</p>	<p>Answ. Yes.</p>
34	<p>Section 5.1 B. on page 17 –</p> <p><u>Question:</u> Can you please define "managed dialing system."</p>	<p>Answ. Managed dialing involves the ability for agents to preview accounts before the dialer actually makes the call.</p>
35	<p>Section 5.1 D. on page 17 –</p> <p><u>Question:</u> Can you please clarify – by "customer" do you mean "borrower"?</p>	<p>Answ. Yes.</p>
36	<p>Page 20 – There are 11 un-numbered bullets on this page requiring responses.</p> <p><u>Question:</u> Are these bullets considered part of section 3.5.1 (and therefore subject to the 25-page page length limitation)?</p>	<p>Answ. The bullet points are considered part of section 3.5.1.</p>
37	<p>Section 4.4.3 on page 23 indicates that the "Experience and Capability" response is limited to 25 pages yet, in section 3.5.1, "Offeror's Experience and Capabilities," we counted at least 70 items that require responses.</p> <p><u>Question:</u> If warranted, is it acceptable for us to provide some information in attachments, if the 25-page limit does not allow us to provide enough detail (especially as it relates to bullets on page 20, some of which ask for detailed information such as proposed work plan)?</p> <p><u>Question:</u> Is it permissible to include an executive summary with our proposal and if so, would it count as part of the 25-page limit?</p> <p><u>Question:</u> If our response is prepared with 2-sided printing, will each side of the page be counted as part of the 25-page limit?</p>	<p>Answ. See response to item 2 above.</p>
38	<p>Section 2.2 on page 16, General Information.</p> <p><u>Question:</u> If the bidder is a subsidiary of a corporation with multiple lines of business, can should their response include information regarding only the bidding entity?</p>	<p>Answ. The response should only include information regarding the bidding entity.</p>
39	<p>When accounts are placed with the external contractors and GHEAC receives employment information, how and when is this information communicated to the contractors?</p>	<p>Answ. Demographic updates are sent via the file transfer process to collection agencies on a weekly basis, including employment updates.</p>
40	<p>Is there any limitation (minimum amount) to the size of monthly payments the Contractor can accept?</p>	<p>Answ. The standard minimum monthly payment should be based on a 10 year repayment calculation. However, documented financial hardship may warrant temporary payment reduction.</p>
41	<p>Upon normal expiration of the present contract, will the contractors be allowed to retain accounts in repayment status until paid in full? If not, how long will they be allowed to retain the accounts?</p>	<p>Answ. Contractor performance is the determinate. Such an arrangement will require party agreement, but the agency reserves all right to recall.</p>

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42	<p>Section 3.4.13 – Administrative Wage Garnishment/ Being that vendors bidding in this contract will have to demonstrate a proficiency in AWG process, in order to save time, will GHEAC allow vendors a blanket authority to approve AWG initiation? (Understanding that most Guaranty Agencies already grant this authority.)</p> <p>At what rate are AWG payments billed?</p>	<p>Answ. GHEAC has an electronic AWG request and approval process. Refer to the file layouts. Also, there is no distinct rate for AWG payments. Refer to the payment schedule defined in the RFQ.</p>
43	<p>General Procedural Questions were posed.</p>	<p>Response. Procedural issues will be addressed with the selected vendors.</p>
44	<p>Section 4.4.3 – Remaining Evaluation Process In assessing financial stability, will GHEAC view the financial strength on a percentage basis rather than a raw dollars basis?</p>	<p>Answ. Yes.</p>
45	<p>Section 5.15 addresses Minority Business Policy Is there any preference for Minority, Women or Small Businesses in this RFQ? If so, please explain and provide specific examples of how the preference is applied?</p> <p>Section 5.16 – Reciprocal Preference Reciprocal Preference Law appears to give a preference in points for Georgia businesses based upon whom they are competing with. Please provide examples of where and how a Georgia company would and would not receive a preference in the evaluation?</p>	<p>Answ. Our agency does not discriminate. All proposers will be given fair consideration as stated in the RFQ. Only where equal scoring has occurred will such factors weigh into consideration.</p>
46	<p>Does GHEAC require offerors to submit <u>one</u> copy of each of our last three years' audited financial statements and our last three years' third party servicer audits? Or does GHEAC require offers to submit <u>six</u> copies of each of these items (one set to accompany our original proposal and each of five proposal copies)?</p>	<p>Answ. For convenience, proceed in submitting a copy with the original and the five copies.</p>
47	<p>The telephone number and e-mail address supplied for the Bid Officer in RFQ Section 5.1 are incorrect. Please provide updated information so that we may register with the State of Georgia.</p>	<p>Answ.</p> <p>CORRECTION TO 5.1 VENDOR REGISTRATION</p> <p>If you are not registered, please contact:</p> <p>Bid Officer Department of Administrative Services State Purchasing Office Suite 1308, West Tower 200 Piedmont Avenue, SE Atlanta, GA 30334-9010 Telephone: (404) 657-6000 FAX (404) 651-6763 (Bid Room) E-Mail: vendoradm@doas.gov</p> <p>The Bid Room will e-mail you its Internet registration address and a pass code that will enable you to self-register electronically.</p>