



Kentucky Community & Technical College System

**REQUEST FOR INFORMATION (RFI)
KCTCS-RFI-0011**

FOR

**Solution for Collections of Student
Accounts Receivable**

ISSUED: March 13, 2023

**ISSUED BY:
KCTCS PROCUREMENT TO PAYMENT SERVICES**

**PROCUREMENT OFFICER:
BEKKA KOROSEC**

**KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM
PROCUREMENT TO PAYMENT SERVICES
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I. Background:

The Kentucky Community and Technical College System, the largest institution of higher education in the Commonwealth, is composed of 16 comprehensive two-year colleges with more than 70 campuses throughout the state. KCTCS serves approximately 107,000 students and nearly 5,000 businesses each year in credit programs leading to certificate, diploma, and associate degrees, pre-baccalaureate education for transfer to four-year institutions, and non-credit programs, customized business and industry training, professional continuing education, and personal enrichment opportunities.

Key areas of emphasis include increased access to postsecondary education and educational attainment, community and economic development, workforce education and training, adult education and literacy, agriculture and rural development, nursing and allied health professions, emerging technologies and high-growth, high-wage occupations, online education, global partnerships and international education, firefighter and emergency medical professionals, and homeland security education and training. For more information, consult our website at www.kctcs.edu

II. Description:

The Kentucky Community & Technical College System (KCTCS) is requesting information proposals from qualified, experienced, financially sound, and responsible firms to provide accounts receivable collection services.

KCTCS currently has two types of delinquent accounts receivable: student accounts receivable and miscellaneous accounts receivable. KCTCS is requesting information for collections of student accounts receivable.

Approximately thirty days after the original invoice is sent, KCTCS staff follows up with two letters sent via U.S. mail on these delinquent accounts receivable. KCTCS makes no further follow-up after these letters. It is anticipated that at this point in the collection effort, information regarding these receivables would be turned over to collection agency services for recovery.

KCTCS delinquent students accounts receivable is estimated to be \$ 17,122,188 as of December 31, 2022 for fiscal years 2009-2022. The average uncollected student accounts receivable is \$789.30 per account.

KCTCS recorded the following write-offs for bad debt in the past two fiscal years:
FY 2019 – 2020: \$3,276,560
FY 2020 – 2021: \$1,378,333

A contract will not be awarded from this RFI, rather the information submitted will be reviewed by key KCTCS members to gauge the market and provide more detailed information into the services available to meet the needs of KCTCS as described in this RFI.

After a review of proposals, KCTCS may ask for oral presentations. All costs associated with such a presentation would be solely the responsibility of the offeror and voluntary to attend. If an oral interview session is requested, it will be held via video conferencing (Microsoft Teams).

III. REQUEST FOR INFORMATION (RFI) PROCESS:

The Kentucky Community and Technical College System's (KCTCS) Office of Procurement to Payment Services issues this Request for Information for Financial Services. KCTCS is seeking your input through a written response to the succeeding questions and general requirements/scope of services. Please review and respond with detailed information for review. Please feel free to provide any additional information your firm would determine to be valuable, in line with the scope of services in this RFI.

Written Responses and Inquiries:

All responses, questions, and inquiries concerning this RFI should be directed in writing **via email** to the Procurement Officer for this RFI.

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Procurement to Payment Supervisor
KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM
Procurement to Payment Services
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Schedule of Events

Issue Date for RFI:	March 13, 2023
Question Due date:	March 17, 2023 @ 4:00 pm EST
RFI Due Date:	April 7, 2023 @ 4:00 pm EST

If KCTCS requests presentations, invitations to present may be sent out to selected suppliers for an online presentation of products/services upon completion of review of responses to this RFI.

From the issue date of this RFI until the responses are due, Suppliers shall not individually communicate with any KCTCS staff concerning this RFI except as referenced above.

Interested parties are encouraged to submit any questions in writing (via email is preferred) to the Procurement Officer given above.

Written questions are due by March 17, 2023 @ 4:00 PM EST.

IV. General Requirements/Scope of Services

The Kentucky Community and Technical College System (KCTCS) requests Suppliers to meet the following requirements:

Explain the services or solutions offered for collections of delinquent accounts receivable.

Vendors may respond with proposals encompassing the above criteria as well as addressing the specific questions listed below:

1. Does your organization operate under the laws of the Commonwealth of Kentucky?
2. Is your organization in compliance with all federal and state laws pertaining to debt collection practices and credit reporting?
3. Does your proposed solution have the ability to remit funds monthly to KCTCS, by the fifteenth day of the succeeding month, for monies collected from delinquent accounts receivable?
4. Are funds remitted with a complete listing of all payments received, identifying the debtor's name, address, student ID, and amount collected?
5. Would funds collected for KCTCS by your organization be held in a federally insured depository?
6. Is your organization a member of the American Collectors Association and/or the Associated Credit Bureaus?
7. Describe the scope and purpose of your organization's reporting capabilities to customers. Can you provide electronic quarterly to monthly reports summarizing accounts collected for each delinquent account and the status of remaining uncollected accounts?
8. Does your organization contact delinquent accounts referred by KCTCS under the name of your debt collection agency, and not KCTCS?
9. Are interest amounts accrued or charged while debtors are actively paying their debt? If so, describe those charges.
10. Can your business accept automated (digital) transfer of delinquent payment information from KCTCS' sixteen colleges?
11. In accordance with the KCTCS Student Data Confidentiality Policy, can your organization ensure that data flow between KCTCS and its sixteen colleges be through secured channels, such as SFTP, SharePoint, etc. Describe how your organization guarantees the confidentiality, security, and safety of all documents and electronic files.
12. Can your organization enter into a confidentiality agreement with customers?
13. Can your organization perform all work in accordance with the Federal Fair Debt Collection Practices Act, all state and local laws, and direction of KCTCS staff?
14. Are there any limits to the volume or amounts of debt that may be submitted for collection?
15. Once a debt is submitted, can it then be recalled or voided by KCTCS? If debt can be recalled or voided, would there be penalties or charges to KCTCS for this action?
16. Once a debt is submitted, can the balance due be reduced or increased if necessary?
17. Describe what you have found to be "best practices" in collection efforts, and which ones yield the highest return.
18. How long does your organization actively pursue each account?
19. Do you negotiate balances for a lesser payoff amount if students desire to make a one-time payment in full?
20. Is there a debt collected to debt received standard ratio or a prevalent standard ratio in the debt collection industry? If so, what is the average

- industry standard for this ratio? What is your organization’s average ratio?
21. Can the same student debtor have multiple term (semester) balances submitted for collection? If so, are the balances combined or collected separately?
 22. How are payments applied to a single debtor with multiple debts?
 23. What is the order of payment application between principle, fees, and charges?
 24. Describe all charges, fees, and interests levied to both KCTCS and the student debtor. Is there a minimum service fee assessed? Is interest accrued on service fees or other charges in addition to the original delinquent balance?
 25. What responsibility will each KCTCS college have with this contractual relationship?

Please provide references from colleges and universities with whom you are currently working or to whom you have provided successful solutions.

Also, please include any other additional information you may wish to provide that is relative to providing the services as described in this RFI.

V. Additional Information

Responses may be subject to Kentucky Open Records Law pursuant to the provisions of KRS 61.870 et. seq.

VI. Business Classification

This section is for informational purposes.

Select all that apply (does not apply to publicly traded entities).

<input type="radio"/> Minority Business Enterprise/MBE (Please choose one sub-classification at right): <i>Defined as a business at least 51% owned by one or more African-Americans, Hispanics, Native Americans, Asian Pacific Americans, Asian Indian Americans, and other groups as defined by Federal law.</i>	<input type="radio"/> <i>Hispanic-American</i>	<input type="radio"/> <i>African-American</i>
	<input type="radio"/> <i>Asian-American</i>	<input type="radio"/> <i>American-Indian</i>
	<input type="radio"/> <i>Other (explain):</i>	
<input type="radio"/> Women-Owned Business Enterprise/WBE <i>Defined as a business at least 51% owned by one or more women.</i>	<input type="radio"/> Disadvantaged Business Enterprise/DBE <i>Defined as a business at least 51% owned by at least one differently abled, socially, or economically disadvantaged individual as defined by Federal law.</i>	
<input type="radio"/> Veteran Owned Business/VOB <i>Defined as a business at least 51% owned and operated by a service veteran.</i>	<input type="radio"/> Disadvantaged Veteran Owned Business/DVOB <i>Defined as a business at least 51% owned and operated by a service veteran with a service-related disability of at least 10 percent.</i>	