

**REQUEST FOR PROPOSALS NO. 10-018**  
**For**  
**Second Placement for Student Accounts Receivables**

ARKANSAS TECH UNIVERSITY  
Purchasing Department  
Young Building East End  
203 West O Street  
Russellville, AR 72801-2222

PROPOSALS MUST BE SUBMITTED IN A SEALED ENVELOPE  
WITH THE RFP NUMBER, OPENING DATE AND TIME SHOWN ON  
THE OUTSIDE OF THE ENVELOPE.

*FAXED RESPONSES WILL NOT BE ACCEPTED.*

**RESPONSE DUE BY:**

**April 16, 2010**

**TIME: 4:00 p.m.**

ALL VENDORS

For additional information, contact Beth Foster, ATU Special Projects Coordinator.

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**ADDENDUM NO. 1**  
**Questions Received and Our Answers**

Why is the contract out to bid at this time?

*We do not currently have a contract for second placements and have a group of accounts from which we hope to see some recovery.*

Are you using other agencies now and, if so, which ones?

*Yes, for first placement accounts receivable. The CBE Group.*

What collection attempts are performed or will be performed internally prior to placement?

*Billing statements, collection warning letter prior to first placement and holds on student records.*

Will the selected vendor be allowed to litigate balances exceeding a certain dollar amount on your behalf, with your explicit approval? AND Will we be able to sue?

*No. Prohibited by Arkansas law.*

What is the total dollar value of accounts available for placement now by category, including any backlog?

*Accounts identified for second placement are approximately \$600,000.*

What is the total number of accounts available for placement now by category, including any backlog?

*Approximately 500.*

What current contingency fees or other fees are currently being billed by an incumbent(s), by category?

*We do not currently use an agency for second placement accounts receivables.*

What is the average age of accounts at placement (at time of award and/or on a going-forward basis), by category? AND How old will the second placements be at the date of list?

*Two years.*

What estimated or actual dollars were paid last year, last month or last quarter to any incumbent(s)?

*N/A*

What has been the historical rate of return or liquidation rate provided by any incumbent(s), and/or what is anticipated or expected as a result of this procurement?

*Anticipated rate of return is 40%*

If applicable, will accounts held by an incumbent(s) or any backlog be moved to any new vendor(s) as a one-time placement at contract start-up?

*N/A*

To what extent will the location of the bidder's call center and/or corporate headquarters have a bearing on any awards?

*Slight to none.*

What billing servicer do you utilize?

*We bill in-house.*

Since ATU has not second placed since 2005, will there be a backlog?

*No, the initial placement of accounts has recently been sent back from our first placement agency.*

Will the on-going business be listed monthly, quarterly, etc?

*The 2<sup>nd</sup> placement A/R accounts will be placed yearly.*

What was the recovery rate on second placements last time listed?

*Unknown. Last 2<sup>nd</sup> placement was in 2005.*

How long will we be able to work the accounts?

*A period of 12 months.*

Do you allow credit reporting?

*Yes*

How long does the primary agency work the accounts prior to second placement and what is their recovery rate?

*Primary agency works account for a period of 1 year. Recovery rate is approximately 35-45%*

Why did ATU stop second placing accounts?

*To attempt collecting in-house*

Respondent is responsible for checking the web site for any further addenda.

<http://www.atu.edu/purchasing/bids.shtml>

In left-hand menu, select "Current Bids, RFP's and RFQ's."