

# REQUEST FOR PROPOSALS



## SERVICING AN EXISTING FEDERAL FAMILY EDUCATION LOAN PORTFOLIO

RFP 190000074

ISSUED MAY 10, 2019

The Alaska Student Loan Corporation and the Alaska Commission on Postsecondary Education are soliciting proposals for servicing an existing Federal Family Education Loan Program portfolio.

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### ISSUED BY:

ALASKA COMMISSION ON POSTSECONDARY  
EDUCATION AND ALASKA STUDENT LOAN  
CORPORATION

### PRIMARY CONTACT:

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(907) 465-6698

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**OFFERORS ARE NOT REQUIRED TO RETURN THIS FORM.**

**IMPORTANT NOTICE:** IF YOU RECEIVED THIS SOLICITATION FROM THE STATE OF ALASKA'S "ONLINE PUBLIC NOTICE" WEB SITE, YOU MUST REGISTER WITH THE PROCUREMENT OFFICER LISTED IN THIS DOCUMENT TO RECEIVE SUBSEQUENT AMENDMENTS. FAILURE TO CONTACT THE PROCUREMENT OFFICER MAY RESULT IN THE REJECTION OF YOUR OFFER.

## TABLE OF CONTENTS

<b>SECTION 1.</b>	<b>INTRODUCTION &amp; INSTRUCTIONS .....</b>	<b>4</b>
SEC. 1.01	PURPOSE OF THE RFP .....	4
SEC. 1.02	BUDGET .....	4
SEC. 1.03	DEADLINE FOR RECEIPT OF PROPOSALS.....	4
SEC. 1.04	PRIOR EXPERIENCE .....	4
SEC. 1.05	REQUIRED REVIEW .....	4
SEC. 1.06	QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF PROPOSALS .....	5
SEC. 1.07	RETURN INSTRUCTIONS.....	5
SEC. 1.08	PROPOSAL CONTENTS.....	5
SEC. 1.09	ASSISTANCE TO OFFERORS WITH A DISABILITY .....	6
SEC. 1.10	AMENDMENTS TO PROPOSALS .....	6
SEC. 1.11	AMENDMENTS TO THE RFP .....	6
SEC. 1.12	RFP SCHEDULE.....	6
SEC. 1.13	PRE-PROPOSAL CONFERENCE .....	7
SEC. 1.14	ALTERNATE PROPOSALS .....	7
SEC. 1.15	NEWS RELEASES .....	7
<b>SECTION 2.</b>	<b>BACKGROUND INFORMATION .....</b>	<b>8</b>
<b>SECTION 3.</b>	<b>SCOPE OF WORK &amp; CONTRACT INFORMATION .....</b>	<b>9</b>
SEC. 3.01	SCOPE OF WORK .....	9
SEC. 3.02	CONTRACT TERM .....	9
SEC. 3.03	DELIVERABLES .....	9
SEC. 3.04	CONTRACT TYPE .....	23
SEC. 3.05	PROPOSED PAYMENT PROCEDURES .....	24
SEC. 3.06	CONTRACT PAYMENT .....	24
SEC. 3.07	LOCATION OF WORK .....	24
SEC. 3.08	THIRD-PARTY SERVICE PROVIDERS.....	24
SEC. 3.09	SUBCONTRACTORS .....	24
SEC. 3.10	JOINT VENTURES.....	25
SEC. 3.11	RIGHT TO AUDIT AND INSPECT PLACE OF BUSINESS .....	25
SEC. 3.12	INSPECTION & MODIFICATION - REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES.....	25
SEC. 3.13	CONTRACT CHANGES - UNANTICIPATED AMENDMENTS.....	25
SEC. 3.14	NONDISCLOSURE AND CONFIDENTIALITY .....	25
SEC. 3.15	INSURANCE REQUIREMENTS .....	26
SEC. 3.16	TERMINATION FOR DEFAULT .....	27
<b>SECTION 4.</b>	<b>PROPOSAL FORMAT AND CONTENT .....</b>	<b>28</b>
SEC. 4.01	PROPOSAL FORMAT AND CONTENT.....	28
SEC. 4.02	INTRODUCTION.....	28
SEC. 4.03	UNDERSTANDING OF THE REQUESTED SERVICES.....	28
SEC. 4.04	METHODOLOGY.....	28
SEC. 4.05	MANAGEMENT PLAN FOR THE REQUESTED SERVICES.....	28
SEC. 4.06	COST PROPOSAL .....	28
SEC. 4.07	EVALUATION CRITERIA .....	28
<b>SECTION 5.</b>	<b>EVALUATION CRITERIA AND OFFEROR SELECTION .....</b>	<b>29</b>
SEC. 5.01	UNDERSTANDING OF THE SERVICES REQUESTED (10%).....	29
SEC. 5.02	METHODOLOGY USED FOR THE DELIVERABLES (10%) .....	29

**SERVICING AN EXISTING FEDERAL FAMILY  
EDUCATION LOAN PORTFOLIO**

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SEC. 5.03	MANAGEMENT PLAN FOR THE SERVICES REQUESTED (10%).....	29
SEC. 5.04	EXPERIENCE AND QUALIFICATIONS (20%).....	29
SEC. 5.05	CONTRACT COST (40%).....	30
SEC. 5.06	ALASKA OFFEROR PREFERENCE (10%) .....	30
<b>SECTION 6.</b>	<b>GENERAL PROCESS INFORMATION .....</b>	<b>31</b>
SEC. 6.01	ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES .....	31
SEC. 6.02	SITE INSPECTION.....	31
SEC. 6.03	CLARIFICATION OF OFFERS.....	31
SEC. 6.04	DISCUSSIONS WITH OFFERORS .....	31
SEC. 6.05	EVALUATION OF PROPOSALS .....	32
SEC. 6.06	OFFEROR NOTIFICATION OF SELECTION .....	32
SEC. 6.07	PROTEST .....	32
SEC. 6.08	APPLICATION OF PREFERENCES.....	33
SEC. 6.09	ALASKA BIDDER PREFERENCE .....	33
SEC. 6.10	ALASKA VETERAN PREFERENCE.....	34
SEC. 6.11	ALASKA OFFEROR PREFERENCE .....	34
SEC. 6.12	FORMULA USED TO CONVERT COST TO POINTS .....	34
SEC. 6.13	EXAMPLES: CONVERTING COST TO POINTS & APPLYING PREFERENCES .....	35
<b>SECTION 7.</b>	<b>GENERAL LEGAL INFORMATION .....</b>	<b>37</b>
SEC. 7.01	STANDARD CONTRACT PROVISIONS .....	37
SEC. 7.02	PROPOSAL AS A PART OF THE CONTRACT .....	37
SEC. 7.03	ADDITIONAL TERMS AND CONDITIONS .....	37
SEC. 7.04	HUMAN TRAFFICKING .....	37
SEC. 7.05	RIGHT OF REJECTION .....	37
SEC. 7.06	ACPE NOT RESPONSIBLE FOR PREPARATION COSTS .....	38
SEC. 7.07	DISCLOSURE OF PROPOSAL CONTENTS.....	38
SEC. 7.08	ASSIGNMENT .....	38
SEC. 7.09	DISPUTES.....	38
SEC. 7.10	SEVERABILITY .....	38
SEC. 7.11	SUPPLEMENTAL TERMS AND CONDITIONS .....	38
SEC. 7.12	CONTRACT INVALIDATION .....	39
SEC. 7.13	SOLICITATION ADVERTISING.....	39
<b>SECTION 8.</b>	<b>ATTACHMENTS.....</b>	<b>40</b>
SEC. 8.01	ATTACHMENTS.....	40
<b>ATTACHMENT 1:</b>	<b>PROPOSAL SUBMISSION COVER SHEET .....</b>	<b>41</b>
<b>ATTACHMENT 2:</b>	<b>PROPOSAL EVALUATION FORM .....</b>	<b>44</b>
<b>ATTACHMENT 3:</b>	<b>STANDARD AGREEMENT FORM – APPENDIX A.....</b>	<b>48</b>
<b>ATTACHMENT 4:</b>	<b>INSURANCE REQUIREMENT - APPENDIX B1.....</b>	<b>51</b>
<b>ATTACHMENT 5:</b>	<b>NOTICE OF INTENT TO AWARD .....</b>	<b>52</b>
<b>ATTACHMENT 6:</b>	<b>COST PROPOSAL .....</b>	<b>53</b>
<b>ATTACHMENT 7:</b>	<b>FRN MONTHLY REPORTS .....</b>	<b>54</b>

## SECTION 1. INTRODUCTION & INSTRUCTIONS

### SEC. 1.01 PURPOSE OF THE RFP

The Alaska Student Loan Corporation (ASLC) and the Alaska Commission on Postsecondary Education (ACPE) are soliciting proposals for servicing an existing Federal Family Education Loan Program (FFELP) portfolio.

ASLC has issued notes secured by the FFELP portfolio and has the right to sell the loan portfolio and redeem the notes when the portfolio reaches approximately \$14,473,000. Should ASLC, in its sole discretion, elect to sell the portfolio at that time, ASLC will allow the successful offeror in response to this RFP to provide an offer for the purchase of the portfolio (as more fully described herein under Sec. 3.01 Scope of Work). No assurance is given that ASLC will elect to sell the FFELP portfolio or that the successful offeror's loan purchase offer would be accepted at that time.

ACPE and ASLC are collectively referred to as ACPE for the remainder of this RFP.

### SEC. 1.02 BUDGET

ACPE is seeking cost proposals that include the cost of conversion to the new servicer and ongoing servicing costs for the duration of the contract (see section 3.02).

### SEC. 1.03 DEADLINE FOR RECEIPT OF PROPOSALS

Proposals must be received no later than 5:00 PM prevailing Alaska Time on **FRIDAY, JULY 5, 2019**. Emailed proposals are required. PDF's must be formatted so text is recognized when searched.

Late proposals or amendments will not be accepted.

### SEC. 1.04 PRIOR EXPERIENCE

In order to be considered responsive offerors must meet these minimum experience requirements:

- Minimum of three years servicing FFELP loans.
- No significant audit findings in the last three years.
  - Please provide the following:
    - A copy of your most recent SSAE No. 18 reports
    - A copy of your last three (or all if you have not had three audits) Federal Audit Reports
    - A copy of your last three (or all if you have not had three audits) Guarantor Audit Reports

An offeror's failure to meet the minimum experience requirements may cause their proposal to be considered non-responsive.

### SEC. 1.05 REQUIRED REVIEW

Offerors should carefully review this solicitation for defects and questionable or objectionable material. Comments concerning defects and objectionable material must be made in writing and received by the Procurement Officer at least ten days before the deadline for receipt of proposals. This will allow time for the issuance of any necessary amendments. Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the Procurement Officer, in writing, at least ten days before the deadline for receipt of proposals.

## SEC. 1.06 QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF PROPOSALS

All questions must be in writing and directed to the procurement officer. The interested party must confirm telephone conversations in writing.

**Questions must be submitted by Tuesday, June 4, 2019 at 4:00 PM Alaska Time.**

James Ackerman, Procurement Officer

[james.ackerman@alaska.gov](mailto:james.ackerman@alaska.gov)

907-465-6698

## SEC. 1.07 RETURN INSTRUCTIONS

### EMAIL SUBMISSION

The required method of response submission to this solicitation is email, sent to the following address:

[JAMES.ACKERMAN@ALASKA.GOV](mailto:JAMES.ACKERMAN@ALASKA.GOV)

The email submission must contain the RFP number in the subject line. In the body of the email, please indicate the offeror's name, the number of attachments, and the names of the attachments being submitted.

The technical proposal and cost proposal must be separate PDF documents and clearly labeled, such as "Vendor A – Technical Proposal.pdf" and "Vendor A – Cost Proposal.pdf" (Vendor A is the name of the offeror).

The **maximum** size of a single email (including all text and attachments) that can be received is **20mb (megabytes)**. If the email containing the proposal exceeds this size, the proposal must be sent in multiple emails that are each less than 20 megabytes and each email must comply with the requirements described above. Please also include an indication of multiple email submission (1 or 2, 2 of 2, etc.) in the subject line.

It is the offeror's responsibility to ensure that ACPE has received a complete proposal, prior to the deadline. The Procurement Officer will respond to the email to confirm receipt. If you do not receive a confirmation, it is your responsibility to contact the Procurement Officer to confirm. ACPE is not responsible for lost, unreadable, corrupt emails, or missing attachments.

An offeror's failure to submit its proposal prior to the deadline will cause the proposal to be non-responsive. Late proposals or amendments will not be accepted.

## SEC. 1.08 PROPOSAL CONTENTS

The following information must be included in all proposals.

### (a) AUTHORIZED SIGNATURE

All proposals must be signed by an individual authorized to bind the offeror to the provisions of the proposal. Proposals must remain open and valid for at least 90-days from the date set as the deadline for receipt of proposals.

### (b) OFFEROR'S CERTIFICATION

By signing the proposal, offerors certify that they can and will comply with the following:

- A. the laws of the State of Alaska;
- B. the applicable portion of the Federal Civil Rights Act of 1964;
- C. the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- D. all terms and conditions set out in this RFP;

- E. a condition that the proposal submitted was independently arrived at, without collusion with other offerors, under penalty of perjury;
- F. that the offers will remain open and valid for at least 90 days; and
- G. that programs, services, and activities provided to the general public under the contract resulting from this RFP conform with the Americans with Disabilities Act of 1990, and the regulations issued thereunder by the federal government.

If any offeror fails to comply with [A] through [G] of this paragraph, ACPE reserves the right to disregard the proposal, terminate the contract resulting from this RFP, or consider the contractor in default.

#### (c) VENDOR TAX ID

A valid Vendor Tax ID must be submitted with the proposal or within five days of ACPE's request.

#### (d) CONFLICT OF INTEREST

Each proposal shall include a statement indicating whether the offeror or any individuals who will work on the contract resulting from this RFP has a possible conflict of interest (e.g., currently employed by the State of Alaska or formerly employed by the State of Alaska within the past two years) and, if so, the nature of that conflict. The Executive Officer of the Alaska Student Loan Corporation reserves the right to **consider a proposal non-responsive** or cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the offeror. The Executive Officer's determination regarding any questions of conflict of interest will be final.

#### (e) FEDERAL REQUIREMENTS

The offeror must comply with all known federal requirements that apply to the proposal and any contract resulting from this RFP.

### SEC. 1.09 ASSISTANCE TO OFFERORS WITH A DISABILITY

Offerors with a disability may receive accommodation regarding the means of communicating about this RFP or participating in the procurement process. For more information, contact the Procurement Officer no later than ten days prior to the deadline for receipt of proposals.

### SEC. 1.10 AMENDMENTS TO PROPOSALS

Amendments to or withdrawals of proposals will only be allowed if received prior to the deadline that is set for receipt of proposals. No amendments or withdrawals will be accepted after the deadline unless they are in response to a request in accordance with 2 AAC 12.290.

### SEC. 1.11 AMENDMENTS TO THE RFP

If an amendment is issued, it will be provided to all who received a copy of the RFP directly from ACPE and to those who have registered with the Procurement Officer.

### SEC. 1.12 RFP SCHEDULE

The RFP schedule set out herein represents ACPE's best estimate of the schedule that will be followed. If a component of this schedule, such as the deadline for receipt of proposals, is delayed, the rest of the schedule may be shifted by the same number of days.

- Issue RFP 5/10/2019,

- Pre-Proposal Conference on 5/24/2019,
- Deadline for Receipt of Questions 6/4/2019,
- Deadline for Receipt of Proposals 7/5/2019,
- Proposal Evaluation Committee complete evaluation by 7/19/2019,
- ACPE issues Notice of Intent to Award a Contract 7/23/2019,
- Notification of pending change in servicer to rating agency 7/24/2019
- Request for rating condition submitted to rating agency 8/13/19
- Receive rating condition 9/3/2019
- ACPE issues contract 9/9/2019,
- Contract start 9/13/2019.

ACPE's obligation will commence when the contract resulting from this RFP is signed by ACPE's Executive Director (who is also the Executive Officer of ASLC), or the Executive Director's designee. Upon written notice to the successful offeror, a different starting date for the contract may be set. ACPE will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date. Deliverables noted under Sec. 3.03 (2) must be complete prior to the contract resulting from this RFP is executed and a separate agreement should be executed between ACPE and the successful offeror for compensation of those deliverables.

### SEC. 1.13 PRE-PROPOSAL CONFERENCE

A pre-proposal conference will be held at **9:00 AM**, Alaska Time, on **FRIDAY, MAY 24, 2019** in the main conference room of ACPE office at 3030 Vintage Boulevard, Juneau, Alaska. Offerors may also call 800-315-6338 and use passcode 67881#. The purpose of the conference is to discuss the work to be performed with prospective offerors and allow them to ask questions concerning the RFP.

Offerors with a disability needing accommodation must contact the Procurement Officer prior to the date set for the pre-proposal conference so that reasonable accommodation can be made.

### SEC. 1.14 ALTERNATE PROPOSALS

Offerors may only submit one proposal for evaluation.

In accordance with 2 AAC 12.830 alternate proposals (proposals that offer something different than what is asked for) will be rejected.

### SEC. 1.15 NEWS RELEASES

Vendor news releases related to this RFP may not be issued without prior approval of the Project Director.

## SECTION 2. BACKGROUND INFORMATION

The State of Alaska (State) established its first loan program in 1968. The program was funded by the State until 1988.

In 1987, the Legislature created and capitalized the Alaska Student Loan Corporation (ASLC) to provide a mechanism to fund certain loan programs through the issuance of debt. ASLC contracts with the Alaska Commission on Postsecondary Education (ACPE) for loan servicing and administrative support and holds ACPE responsible for complying with federal statutes and regulations governing education loans. ASLC retains the risk associated with non-compliance.

ASLC and ACPE are two distinct and separate legal entities. ASLC is a public corporation and governmental instrumentality with a legal existence independent of the State. The Corporation is governed by a Board of Directors appointed by the State Governor.

ACPE is a State governmental agency governed by a 14-member commission appointed by the State Governor. The composition of the commission is set out in statute.

ASLC's goals, with regard to the FFELP loan program, are to maintain a financially healthy portfolio while providing borrowers with quality servicing and assistance with loan repayment. Key to these goals are providing 24/7 access to account information and payment processing via an online borrower portal and an interactive voice response system.

The Northwest Education Loan Association, or NELA, is the original guarantor for ASLC's FFELP portfolio. Effective January 1, 2017, NELA transferred its guarantor operations to Great Lakes Higher Education Corporation (GLHEC). In 2018, GLHEC's student loan guaranty operations reorganized under the name Ascendium Education Solutions, Inc. Ascendium, the guarantor servicer, and ACPE exchange student loan information data via Common Account Maintenance (CAM) processes. The contracted backup servicer for ASLC's FFELP portfolio is Pennsylvania Higher Education Assistance Agency (PHEAA).

At April 30, 2019, the FFELP portfolio consisted of 13,051 loans for 3792 borrowers. The outstanding principal balance of the loan portfolio was \$48.8 million. Fifty-one percent of the loans represent unsubsidized Stafford loan, 30% represent subsidized Stafford loans, 10% represent unsubsidized Consolidated Stafford loans, 7% represent subsidized Consolidated Stafford loans and 2% represents PLUS and Grad PLUS loans. Nine percent of the loans are variable rate loans. Thirteen percent of the loans were disbursed before April 1, 2006, 26% were disbursed between April 1, 2006 and September 30, 2007, and 61% were made on or after October 1, 2007. Eighty-five percent of the loans were disbursed on or after July 1, 2006.

ASLC is seeking proposals from vendors (offerors) interested in servicing and potentially purchasing, at a later date, the existing Federal Family Education Loan portfolio.



## SECTION 3. SCOPE OF WORK & CONTRACT INFORMATION

### SEC. 3.01 SCOPE OF WORK

The Alaska Student Loan Corporation (ASLC) and the Alaska Commission on Postsecondary Education (ACPE) are soliciting proposals for servicing an existing Federal Family Education Loan Program (FFELP) portfolio.

ASLC's notes secured by the FFELP portfolio are subject to optional redemption when the portfolio reaches approximately \$14,473,000. Prior to the portfolio reaching approximately \$14,473,000, ASLC may, in its sole discretion, give the successful offeror in response to this RFP notice of its intention to sell the portfolio and in such case allow the successful offeror of this RFP 60 days from such notice to provide an offer for the purchase of the FFELP portfolio. If ASLC chooses not to accept the offer of the successful offeror, ASLC shall retain ownership of the portfolio or sell the portfolio to another purchaser on any date and at any price it deems acceptable, in its sole discretion. A purchaser of the portfolio shall have the option to change the entity servicing the portfolio. No assurance is given that ASLC will elect to sell the FFELP portfolio or that the successful offeror's loan purchase offer would be accepted.

ACPE and ASLC are collectively referred to as ACPE for the remainder of this RFP.

### SEC. 3.02 CONTRACT TERM

The term of the contract resulting from this RFP will be the shorter of four years, with an additional three optional one-year extensions starting on the date the contract is signed, or the date ASLC sells the loan portfolio.

### SEC. 3.03 DELIVERABLES

The distinction between services, which are required, and those that are desired is made by the use of the word "must" (for required) or "should" (for desired).

ACPE reserves the right during the period of negotiations to omit or add to any required duties if such change is warranted.

Offerors are encouraged to propose additional tasks or activities if they will enhance the quality of loan servicing or bring about efficiencies and/or reduce the cost of servicing. These items must be separated from the required items in the cost proposal.

#### **1. COMPLIANCE**

The offeror's systems, operations, procedures and servicing of the portfolio must be handled in accordance with applicable federal and state servicer licensing requirements (there is currently no servicer licensing requirement in Alaska law), laws and regulations, and any applicable sub-regulatory guidance, including but not limited to the Common Manual, guarantor requirements, the Fair Credit Reporting Act, applicable due diligence and truth-in-lending requirements, IRS requirements related to education loans, and ACPE's direction throughout the duration of the contract.

#### **2. DRAFT SERVICING CONTRACT AND TRANSITION PLAN**

ASLC's FFELP portfolio is security for a note that requires a rating condition when the loan servicer is changed. Once the Intent to Award has been issued, the offeror named in the Intent to Award must work with ACPE to develop a draft servicing contract and transition plan that includes detail of the timing of the transition from ACPE to the offeror's servicing system. The rating condition must be obtained before the contract is executed. A separate agreement must be executed between ACPE and the successful offeror for compensation of this deliverable.

**3. SERVICING SYSTEMS AND SOFTWARE****A. GENERAL**

The offeror's servicing system, including modifications and enhancements, must ensure compliance with the contract resulting from this RFP. Modifications and enhancements must be implemented without additional cost to ACPE. The offeror assumes liability and responsibility for costs associated with servicing system noncompliance.

**B. BACKUP AND DISASTER RECOVERY**

The offeror must have and provide a documented backup and recovery plan that includes daily data file backup for data entry and transaction files, master files, as well as systems and application software libraries. Secure, off-site backups are mandatory for data entry, transaction, master and application software files. Upon request by ACPE, the offeror must demonstrate the ability to restore all files. Back-up copies of system documentation, user manuals, and system operations manuals must also be stored off-site. Backup and disaster recovery documentation must be available upon request.

Additionally, the offeror must have in place and provide a fully documented data center disaster recovery plan that identifies backup resources and/or facilities that can continue to service ACPE's portfolio in the event of a disaster. Backup and processing facilities must be operational within 48 hours of the loss of the main processing facilities. Documentation of, and the demonstrated ability to meet, the disaster recovery plan must be provided with the proposal.

**C. SECURITY**

The offeror must provide a high-level security framework document that details the mechanisms and processes used to control access to protected data and information. Additionally, the offeror must provide documentation of annual testing of all access controls and system security features to demonstrate that controls and security features are working properly. Annual certification must be provided in writing to ACPE in the form of a SSAE No. 18 report.

**4. GENERAL SYSTEM AND OPERATIONAL REQUIREMENTS****A. GENERAL**

This deliverable identifies overall systems and operational requirements. Reference to days refers to business days unless specified otherwise. Timeframe requirements noted in this RFP must be adhered to.

**B. STAFF**

Staff must be available, at a minimum, during the following times to respond to borrower calls: 8:00 a.m. to 5:00 p.m. Alaska Standard Time, Monday through Friday, with the exception of holidays observed by the offeror.

The offeror must maintain sufficient staff who are thoroughly trained and capable of addressing issues and questions of a complex nature within the timeframes required in this RFP. Those issues/questions may include but are not limited to originations (for FFEL loans originated from 2000 to 2010), borrower benefits, repayment terms and information, and deferment or forbearance options available.

Staff that perform collection activities must be knowledgeable of the repayment options available for the various programs, and have access to the borrower's loan record and all other necessary data so they may identify all repayment options available to assist the borrower in curing a delinquency.

**C. BILLING STATEMENTS**

The offeror must provide an initial billing statement to the borrower no later than 30 calendar days prior to the due date. Subsequent statements must be mailed monthly and prior to the next due date. Should a duplicate statement be

required or requested, the offeror will issue a duplicate. The offeror must provide the borrower the option to receive billing statements either electronically or by mail. The borrower's Social Security Number must not appear on the billing statement or other correspondence. The borrower's unique identification number must be used.

**D. ONLINE ACCOUNT ACCESS**

ACPE staff prefer "view only" access to the offeror's servicing system to view loan records being serviced for ACPE. If the offeror is not able to provide remote access to their servicing system, the proposal must describe how account level information will be provided to ACPE when requested.

The offeror must provide a secure system for borrowers to access their real-time loan account information online. Borrowers should, at a minimum, have the ability through their secure online account to:

- make electronic payments including setting up and cancelling one-time and recurring automatic payments,
- review payment history,
- review amount due, amount past due and next due date information
- obtain deferment and forbearance forms, billing statements, and annual tax documents,
- locate contact information for the offeror, including mailing address, email, facsimile, and a toll-free telephone number
- determine the amount needed to pay their loan in full

**E. TELEPHONE INQUIRIES**

The offeror must provide toll-free telephone number(s) for use by borrowers, schools, and ACPE.

If the offeror utilizes an automated attendant to respond to calls, callers must be given the option, at a minimum, to speak with a representative during times listed in Sec. 3.03 4.B. The offeror must provide an interactive voice response (IVR) apparatus with service 24 hours per day, seven days a week. The IVR must, at a minimum, provide borrowers self-service account information and the ability to make a payment. The offeror must document the date and purpose of any incoming or outgoing calls.

**F. PRIVACY NOTICES**

The Gramm-Leach-Bliley (GLB) Act requires lenders to provide customers with periodic privacy notices, including an annual privacy notice. The offeror must provide all required notices to ACPE's borrowers in compliance with GLB Act requirements, and with any other applicable requirements.

**G. SINGLE BORROWER WITH MULTIPLE LOANS/ACCOUNTS**

The offeror's servicing system must identify when a single borrower has multiple loans with ACPE and have the capability to provide information and process servicing actions at the loan and account levels. For example, if the servicer's system identifies loans by type, the borrower's account must reflect all the borrower's loans.

**H. HISTORY AND AUDIT TRAIL**

The offeror's servicing system must record, maintain, and provide a complete and accurate transaction history and audit trail of all financial and non-financial activity on an account, and all interactions with a borrower that affects the account record. This includes, but is not limited to:

- written correspondence to and from the borrower,
- oral conversations with the borrower,
- attempts to contact the borrower, school, parents, etc.,
- outgoing payments, including who the payment was sent to, the amount, and the purpose,

- repayment due diligence activities,
- skip tracing efforts,
- receipt date of deferment and forbearance forms,
- approved deferment and forbearance periods,
- rejected deferments and forbearances and the reason(s) for the rejections,
- payment activity and related adjustment activity, including NSF returns,
- application of borrower benefits,
- interest rate changes,
- specific repayment promises or reasons why payments were not made, and,
- claim and cure process activity, which must include the effective date and type of violation, as necessary

Entries must be made within one (1) day of the activity or interaction, be precise, complete, easily understood, and identify all loans affected. The transaction history/audit trail must be maintained in chronological order. At a minimum, the offeror's servicing system must identify the user identification code, the date the transaction was processed, the transaction's effective date, and "change from" and "change to" information for each transaction. Entries must provide all information necessary to support the integrity of the data and to facilitate efforts to analyze and audit loans.

To ensure the integrity of ACPE's records, the offeror's servicing system must allow historical entries to be revised or deleted with appropriate documentation subject to requisite security and controls.

#### **I. STATUS CODES**

The offeror's servicing system must allow for and utilize a series of status codes. Status codes must be updated as activity occurs or time passes, and must be used to identify the appropriate status of an account and/or loans at any point in time. ACPE will provide a list of applicable statuses to the successful offeror.

#### **J. CORRESPONDENCE**

The offeror must provide contact information for borrowers and schools to communicate with the offeror. The offeror must respond to correspondence within five (5) days of receipt.

Correspondence sent to the offeror electronically must be subject to the same processing guidelines as other forms of correspondence. If it is the offeror's standard procedure to reply electronically to correspondence received electronically, the offeror must have the means by which to authenticate the identity of the borrower prior to sending a reply, and to prevent the release of personally identifiable information or nonpublic personal information, even if originally included, to unauthorized individuals.

All incoming and outgoing correspondence must be permanently stored on the borrower's account until transferred to a new servicer or until the record retention date has been reached.

#### **K. GUARANTOR UPDATES AND REPORTS**

The offeror is responsible for promptly processing all guarantor reports received. The offeror is responsible for submitting necessary reports and loan status updates to the guarantor, as required. Reports and data must be submitted as required by the guarantor, and must identify changes that occurred during the time period covered by the report. The offeror must, upon request, be able to provide documentation that the data was provided to the guarantor.

#### **L. ACPE REQUESTS**

If ACPE requests information or specific action from the offeror, the offeror must document that the request or action has been completed within five (5) days.

**M. EXTERNAL AUDIT REQUESTS**

The offeror is responsible for assisting external auditors with financial statement audits, guarantor servicing audits, FFEL program reviews, among others, and providing data requested by external auditors in a timely manner.

**N. RECORD RETENTION**

The offeror must retain the electronic copy of the promissory note(s) and supporting documents obtained through performance of the contract resulting from this RFP, as required by federal and state statute and regulations, guarantor requirements and the Project Director or designee's direction. The offeror must maintain an electronic copy of all incoming and outgoing documents. The offeror must be able to retrieve and make available acceptable copies of such documents as requested by the guarantor and the Project Director or designee.

**O. BORROWER BENEFITS**

ACPE offers certain borrower benefits.

The offeror's system must accommodate the following borrower benefits:

**Automatic Payment** – If borrowers are in a current repayment status and make their payments through an automatically recurring electronic method, an interest rate reduction of 0.25% must be provided.

If borrowers are in a non-payment status and making a minimum of \$50 automatic recurring electronic payments, an interest rate reduction of 0.25% should be provided.

**48 On-Time Payments** – The 48 On-Time Payments benefit awards borrowers who make their first 48 payments on-time (no more than 15 calendar days past due). The cost-reduction benefit must be applied at least quarterly using a methodology that does not advance the due date. Borrowers forfeit this benefit upon default. Additional information will be provided to the successful offeror.

**P. GOOD AND BAD DEMOGRAPHIC FLAG**

The offeror's servicing system must have a method to flag whether the borrower's demographic information is accurate or inaccurate. The offeror must maintain historical demographic information, updates, and flags.

**Q. ANNUAL INTERNAL REVENUE SERVICE REPORTING**

The offeror must provide appropriate tax forms, corrections to tax forms, to the borrower or appropriate party and file related information with the IRS.

**R. REPORTING TO CREDIT BUREAUS, RESPONDING TO CREDIT DISPUTES AND SUBMITTING CORRECTIONS**

At a minimum, on a monthly basis, the offeror will report all borrowers to national credit bureaus. Past due reporting will be reflected when a borrower's loan becomes 30 days delinquent and in accordance Metro II guidelines, or the current standard for credit reporting. At a minimum, monthly updates are required until the loan is no longer outstanding.

The offeror will be responsible for reviewing and responding to credit bureau disputes filed by borrowers as a result of the offeror's reporting to the credit bureau(s). The offeror must respond to such disputes in accordance with all timelines in law and federal loan servicing requirements.

The offeror is responsible for processing Automated Universal Data Processing (AUD) credit updates.

**S. THIRD-PARTY CREDIT VERIFICATION INQUIRIES**

Offeror may not release credit information without authorization of the affected borrower. The offeror must respond to such authorized inquiries on behalf of ACPE within five (5) days of the offeror's receipt of the request.

**5. LOAN: REPAYMENT AND APPLICATION OF PAYMENTS****A. GENERAL**

The offeror will be responsible for all aspects of payment processing: posting, reconciling and resolving issues.

**B. PAYMENT METHODS**

The offeror must, at a minimum, provide the following types of payment methods: online, electronic, telephone, and mail payments.

**C. PAYMENTS RECEIVED**

The offeror will immediately deposit all payments collected in a separate, segregated bank account (Account). The Account must contain all payments received by the offeror from any source for loans being serviced by the offeror, and must not be commingled with any monies of the offeror or any person or entity other than ASLC. All payments, at all times, remain the property of ASLC and are held in trust by the offeror solely for the benefit of ASLC.

The offeror must not use any portion of such payments for any purpose other than to make a daily transfer to ASLC's Trustee, to pay borrower refunds or to repurchase loans from the guarantor. The following business day, the offeror must transfer all funds from the Account to the corresponding ASLC's Trustee account. The offeror will provide required notifications to the Trustee, when needed.

Offeror has no right of offset against payments received (student loan receipts) to satisfy their fees for services provided.

ACPE must have the right of access to the Account and the right to review all records, statements and other documents pertaining to the Account, with or without prior notice to the offeror.

The offeror must apply payments to the loan record within two (2) days of the offeror's receipt of the payment. The effective date of the payment must be the date the offeror, or ACPE, received the payment.

All payments received must be imaged or copied. The payments must be deposited into the Account provided on the date of their receipt.

The offeror must review all correspondence received with the payment for directions from the payee as to the application of the payment and/or to respond to questions from the payee. Any correspondence received with incoming payments must be responded to in accordance with correspondence requirements specified in Sec. 3.03 3.J..

**D. PAYMENTS AND REFUNDS RECEIVED BY ACPE**

The offeror must make available to ACPE a transmittal form to use to transmit information to the offeror regarding payments received by ACPE on loans serviced by the offeror. The transmittal form must include all the necessary information to process the payment. ACPE will deposit the payment into the Account set up for the offeror and will supply the offeror documentation of the deposit. The offeror must apply the payment to the loan record within two (2) days of receipt of ACPE's transmittal.

**E. LATE CHARGES**

ACPE currently does not assess late charges. ACPE reserves the right to implement late charges at any time during the contract term resulting from this RFP. ACPE will notify the offeror 90 days prior to implementation of late charges.

**F. NON-SUFFICIENT FUNDS (NSF)**

If a payment is returned as NSF, the offeror must, within 24 hours of receipt of the returned payment, resubmit for payment. If the payment is accepted after the second submission there is no further processing required by the offeror. If the payment is refused the second time, the offeror must remove the payment from the loan record and resume due diligence. The offeror must document all such actions taken in the loan history.

**G. OVERPAYMENTS OF \$10 OR MORE**

The offeror must review loans with a credit balance of \$10 or more, and resolve the credit balance by transferring the overpayment to another ACPE loan the borrower has with the offeror or issue a refund to the borrower. The offeror must ensure the final payment made by the borrower that resulted in the overpayment clears the financial institution on which it was drawn before returning the overpayment to the borrower.

**H. SMALL ACCOUNT BALANCES**

The offeror will write off loan balances of \$5 or less and increase loan balances between negative \$9.99 and negative \$0.01 to zero, if it has been thirty (30) days since the last bill was sent. In the event subsequent payments are received, the offeror must either:

- Reverse the adjustment and apply the payment, or
- Return the payment to the borrower

**I. PAID-IN-FULL PROCESSING TIME**

The offeror must update the loan's status to paid-in-full, and process the loan as paid-in-full and provide written confirmation to the borrower of that status after enough time has passed to ensure the payment has cleared the bank.

**6. LOAN SERVICING: CLAIM PROCESSING****A. GENERAL**

The offeror must determine if a loan meets claim-filing requirements. If the requirements are met, the offeror must immediately file the appropriate claim with the guarantor, per the guarantor's instruction.

**B. RETURNED CLAIMS**

If the guarantor returns a claim, the offeror must remedy the situation causing the return and re-file the claim within the federally required time frame.

If the reason for the claim return occurred before the offeror began servicing the loan, the offeror must, within one (1) day of notice, contact ACPE to initiate a search of the document(s).

If the reason for the claim return occurred after the time the offeror began servicing the loans, the offeror will be financially responsible for any financial consequences incurred as a result, all as further outlined in Sec. 3.03 7.D. below.

**C. DENIED CLAIM**

If the loan guarantee is lost, the offeror must attempt to cure the violation in compliance with the Common Manual. The offeror may not charge ACPE fees on the related loan if the claim denial is the result of the offeror's error.

**D. PENALTIES**

If the guarantor assesses a penalty, the offeror must review the penalty to determine if it is valid. If the offeror takes issue with the penalty, they must submit a supplemental claim form in accordance with the Common Manual. See Sec. 3.03 7.D. below for financial liability.

**7. LOAN SERVICING: CURE PROCESS FOR LOSS OF GUARANTEE****A. GENERAL**

This deliverable refers to loans, which have had claims denied by the guarantor.

**B. CURE PROCEDURES**

If a cure is permissible or possible under the cure procedures as issued by the U.S. Department of Education, the offeror must attempt to cure the violation(s).

**C. CURE ATTEMPT TIME LIMIT**

The offeror must begin the cure process within ten (10) days of the claim denial notification or the offeror's awareness that a violation has occurred. The offeror has a maximum of twelve (12) months from the violation notification or awareness date to correct the violation. ACPE cannot be charged fees on loans going through the cure process if violations are a result of the offeror's failure to comply with federal or guarantor requirements. See Sec. 3.03 7.D. below for financial liability.

**D. FINANCIAL LIABILITY**

If a penalty is assessed on a loan due to the offeror's error or issues with the offeror's system and the offeror is not successful with an appeal, the offeror will reimburse ACPE the amount of the penalty assessed plus any lost interest benefit or special allowance payment within thirty (30) calendar days of the assessment of the penalty or denial of the appeal.

If a loss of guarantee is due to the offeror's error or issues with the offeror's system and the offeror is not successful in curing the violation, the offeror will reimburse ACPE for the loss incurred at the end of the allowed cure period. Reimbursement must be made within thirty (30) calendar days and cover the outstanding principal and interest due on the loan, plus any lost interest or special allowance benefits, through the date of the offeror's payment to ACPE.

In addition, for claims resubmitted after cure, the offeror will reimburse ACPE for any special allowance and interest benefits which the guarantor does not cover in its claim payment and which was lost as a result of the violation(s) that were due to offeror's error or issues with the offeror's system.

The offeror is financially liable for violations and/or loss of guarantee, which are the result of actions or failure to act by the offeror on and after the date on which they started servicing the loans. The offeror must coordinate with ACPE for violations and/or loss of guarantee, or any other claim related issues, which are the result of actions taken prior to the date they started servicing the loans.

**8. CONVERSION TO OFFEROR****A. GENERAL**

In addition to the resources and personnel, provided by ACPE for conversion, the offeror will be responsible for and must provide resources required for conversion, planning, testing and implementation activities, including, but not limited to:



1. Conversion planning and management, including a dedicated project manager
2. Conducting an on-site analysis at ACPE, to identify and/or document conversion activities and requirements. Costs related to the offeror's participation in an on-site analysis, is the responsibility of the offeror.
3. Documenting specifications, coding, testing, implementation, and verification of all file and data conversion programs, using industry standard program data layout whenever possible.
4. Required hardware, software, modems and circuit lines, etc.
5. Sending an introductory letter to all borrowers within ten (10) days of conversion, which includes the offeror's address and toll-free telephone number and an account statement. This letter must be approved by ACPE's Project Director before distribution. For borrowers with loans already in repayment, the offeror must also immediately provide a billing statement and payment instructions.

**B. WORK PLAN**

Within 30 days of the execution of the contract resulting from this RFP, the offeror must submit a comprehensive work plan. The work plan must include a timeline and a date by which the offeror's servicing will be operational. ACPE's Project Director must approve, in writing, the agreed upon work plan before conversion begins.

The planning, scheduling, testing, evaluation and implementation must be complete before offeror's services are operational. Being operational specifically means the offeror's ability to process all activities included in and required by the contract resulting from this RFP.

In addition to providing a work plan, the offeror must develop and lead a kick-off meeting to be held at ACPE's offices in Juneau, Alaska. The offeror is responsible for all costs associated with the offeror's preparation for, participation in, and travel to and from this meeting.

**C. TEST PLAN**

The offeror must develop and implement a comprehensive systems test of the conversion to confirm that their system is operating correctly and accurately to the specifications defined in the contract resulting from this RFP. Final acceptance testing, including evidence of correctness of all systems transactions, reports and overall system balancing, must be performed to the satisfaction of ACPE's Project Director prior to activation of the system.

**D. PROGRESS REPORTS AND MEETINGS**

Periodic progress reports must be prepared and submitted to ACPE's Project Director or designee identifying the status of the conversion including any problems encountered, delays to the work plan, the next steps and other information necessary for the success of the conversion.

The offeror must participate in periodic meetings requested by ACPE through the contract period.

ACPE and the offeror's project manager will determine the appropriate frequency of such meetings as part of developing the project plans.

**E. DATABASE RECONCILIATION**

The offeror must demonstrate the accuracy and completeness of accounts converted from ACPE's servicing system to the offeror's servicing system. The offeror must provide a reconciliation report to ACPE's Project Director upon conversion, which will include, but is not limited to:

- the total number of loans,
- total number borrowers,

- total current principal balance,
- total current interest outstanding on the converted loans,
- current principal balance and interest outstanding by status, program, and SAP index

**F. COSTS FOR DECONVERSION**

The pricing sheet must contain deconversion costs should the contract resulting from this RFP be terminated.

**9. REPORTING REQUIREMENTS****A. MANAGEMENT LOAN SERVICING REPORTS**

The offeror must provide ACPE with reports necessary to monitor the offeror's performance on the contract. The offeror must maintain appropriate records to support the reporting needs of ACPE and to validate information reported at aggregate levels. If not otherwise stated, reports listed in this section shall be provided no less than monthly.

Reports must be delivered to ACPE in a secure electronic format allowing for electronic storage. Reports must be delivered in a format agreed to by ACPE and the offeror. Reports must be delivered within seven (7) calendar days of the report period close date (weekly, monthly, quarterly, etc.) unless otherwise agreed to by ACPE's Project Director or designee and the offeror.

There may be times when ACPE requires a change to the format or content of loan servicing reports. ACPE's Project Director or designee will provide written notification to the offeror of required changes and will approve related costs. The offeror may bill ACPE for these reports at the price identified on the cost proposal (See Attachment 6) and as approved by ACPE's Project Director or designee.

**B. CALL CENTER STATISTICS**

On a monthly basis, the offeror must provide call center performance statistics related to ACPE's portfolio. Offeror shall provide samples of standard call center performance reports and the frequency these reports will be provided through the contract period. If ACPE requests additional information beyond the standard reports, the offeror may bill ACPE for these reports at the price identified on the cost proposal (See Attachment 6) and as approved by ACPE's Project Director or designee.

**C. COMPLAINTS**

On a quarterly basis, the offeror must provide a comprehensive record of all complaints related to the servicing of ACPE's portfolio. The complaints report must also include the action taken.

**D. PORTFOLIO BREAKDOWN – BY BILLING UNIT**

The purpose of this report is to enable ACPE to reconcile the monthly servicing costs to the outstanding portfolio. This report would not be needed if the billing itself reflects a reconciliation to the complete portfolio.

**E. DELINQUENCY LOAN REPORT**

The purpose of this report is to provide ACPE a listing of each delinquent loan at any level of delinquency so that ACPE may monitor the due diligence servicing of the offeror.

**F. LOAN STATUS CHANGE TO GUARANTOR**

The purpose of this report is to provide ACPE documentation of electronic notifications submitted to the guarantor of status changes made during the reporting cycle on each loan. The status changes reported will be those required by the guarantor. The report to the guarantor and ACPE will be in the format acceptable to the guarantor.

The offeror may submit this report to ACPE on the same schedule as reported to the guarantor.

**G. WRITE-OFF REPORT**

The purpose of this report is to provide ACPE a listing of each loan, which had an amount written off. The offeror must submit this report to ACPE on a monthly basis.

**H. PAID-IN-FULL REPORT**

The purpose of this report is to provide ACPE a monthly listing of each loan that paid-in-full.

**I. DEFAULT CLAIMS FILED**

The purpose of this report is to provide ACPE a listing of loans for which a default claim have been filed with the guarantor during the previous calendar month.

**J. CLAIMS RECALLED**

The purpose of this report is to provide ACPE a monthly listing of loans for which default claims have been recalled from the guarantor because either documentation or payment has been received by the offeror, which brings the loan out of default status and current to within an acceptable level of delinquency, which is determined by the guarantor.

**K. CLAIMS RETURNED**

The purpose of this report is to provide ACPE a listing of loans for which the guarantor has returned the claim for missing documentation, assignment, clarification, or any other reason.

**L. SUPPLEMENTAL CLAIMS FILED**

The purpose of this report is to provide ACPE a listing of supplemental claims filed.

**M. MANUAL CLAIMS FILED**

The purpose of this report is to provide ACPE a listing of returned claims, which have been resubmitted and other manual claims filed.

**N. CLAIMS PAID**

The purpose of this report is to provide ACPE a listing of loans for which a claim has been filed and the guarantor has paid.

**O. LOSS OF GUARANTEE**

The purpose of this report is to provide ACPE a monthly listing of loans for which the guarantee has been lost.

**P. LENDER'S REQUEST FOR ASSISTANCE**

The purpose of this report is to provide ACPE a monthly listing of each loan submitted to the guarantor for pre-claims assistance.

**Q. LOANS WITH LOST INTEREST OR SAP BENEFITS**

The purpose of this report is to provide ACPE a monthly listing of each loan for which interest benefits and/or special allowance benefits have been postponed or not accrued.

**R. PORTFOLIO RECONCILIATION: SUMMARY**

This report will be used to reconcile the offeror's records with ACPE's records and to assist with the preparation of financial statements. The report must include a summary, by transaction type, of activity that occurred separating cash from non-cash activity. ACPE will provide a listing of the different transaction types needed.

The report must show a roll forward of:

- Principal and Capitalized Interest
- Borrower Interest
- Government Interest
- Interest to be capitalized

The report should show the:

- Total number of borrowers
- Total number of loans

The offeror will submit this report to ACPE on a monthly basis.

#### **S. PORTFOLIO RECONCILIATION: DETAIL**

This monthly report is used to monitor transactions posted to individual loan records during the posting period. The report should be organized by transaction type reported on the Summary Report.

#### **T. BANK ACCOUNT RECONCILIATION**

The offeror must reconcile total monthly deposits to the cash activity reported in the Portfolio Reconciliation Summary report. The monthly Account reconciliation and reconciliation to the Portfolio Reconciliation Summary report must be provided to ACPE within 10 business days of the last day of the prior month. Reconciling items must be shown in sufficient detail to ensure they clear on the next month's reconciliation.

#### **U. QUARTERLY LENDER'S INTEREST AND SPECIAL ALLOWANCE REQUEST AND REPORT (LaRS 799)**

The LaRS 799 is a quarterly federal report of loan origination fees, lender fees, interest benefits, special allowance, changes in guaranteed loan principal for the quarter, and guaranteed loan portfolio analysis for end of quarter. The report is a summary of ACPE's portfolio of loans eligible for federal interest benefits, special allowance, origination fees and lender fees applicable for each quarter. This information must be electronically submitted by the offeror to the Department of Education as prescribed by the U.S. Department of Education, and must meet federal guidelines.

A copy of this report must be provided to ACPE at the same time as the report is submitted to the U.S. Department of Education.

#### **V. FLOATING RATE NOTE REPORTS**

The purpose of these reports is to provide ACPE with monthly portfolio information needed to comply with reports required in the trust indenture. Report details are provided in Attachment 7.

#### **W. AD HOC REPORTS**

There may be times when ACPE's Project Director or designee will require a one-time report or wish to receive a new report on a regular basis. ACPE's Project Director or designee will work closely with the offeror to identify report parameters, such as data elements, sort, time period, frequency, etc. The offeror may bill ACPE for these reports at the price identified on the cost proposal (See Attachment 6) and as approved by ACPE's Project Director or designee.

**10. REQUESTED INFORMATION TO BE RETURNED WITH RFP**

The offeror must respond to and provide all requested information to the following items:

**A. Current organization**

1. A chart illustrating the offeror's current organizational structure and, at a minimum, include internal reporting lines, brief descriptions of applicable department and sub-department functions, the number of employees in each applicable department and sub-department, and the total number of employees in your organization.
2. A detailed chart that focuses on the following respective division(s) and key personnel, including the project manager(s) that will be involved in the following:
  - Servicing of the loan portfolio
  - Compliance functions
  - Conversion process
  - Programming staff responsible for maintaining and enhancing the servicing system.

At a minimum, include the names, titles, locations where work is performed, whether they are contractors or employees, a brief description of responsibilities, and the number of years key individuals have been with your organization. Resumes should be provided for senior management positions.

3. Information on in-house and/or outside counsel you utilize to provide guidance on federal and state laws, credit reporting regulations and other regulations affecting the ability to stay in compliance with the contract terms and the process in place to effect subsequent operational changes.
4. A report identifying vacancy and turnover rates for applicable departments and divisions, including management, lockbox operation, customer service, correspondence, collections and other production line business functions.
5. Describe your organization's use of temporary employees, if any, and how you ensure temporary employees are adequately trained for their respective tasks.
6. Provide a description of your business, including but not limited to:
  - a. If you are a lender, or affiliated with a lender, and service your own or the affiliates loans, number of accounts and principal value of those loans outstanding;
  - b. Number of clients you service loans for, number of accounts and principal value of loans outstanding being serviced for third parties;
  - c. Number of employees and locations where you operate;
  - d. Number of years your organization has been servicing FFELP loans.

**B. Financial Stability of the Offeror**

1. Offeror must provide audited financial statements as opined on by an independent CPA for the past five years and unaudited statements for the current year. If the offeror is a subsidiary of a larger organization, financial data reflecting both the subsidiary organization's financial position, as well as the financial data relating to the parent organization, are to be submitted.
2. Include any information on pending litigation involving the offeror that could have a material impact on the offeror's financial stability or ability to perform under a contract as a result of this RFP.

**C. Corporate Goals**

1. A brief description and copy of the offeror's five-year plan or strategic plan, if available.
2. A copy of the organization's mission and vision statements.

**D. Former Clients**

1. A list of clients lost within the last five years which must include:
  - a. Contact name and telephone number
  - b. Length of service for the client
  - c. Reason for the loss of client, if known

**E. References**

1. At least three current references with emphasis on FFELP loan servicing and student loan portfolio conversion.

**F. Experience**

1. A list of clients with student loan portfolios who converted to your system in the last five years, with information about the number of accounts and loans included in those conversions, loan types transferred, and from which servicing system(s) transfers occurred.
2. Describe your experience servicing direct loans.
3. Describe your experience with trust reporting capabilities, including trust-reporting services you currently provide.

**G. Conversion**

1. Describe your conversion process (project management methodology, requirement gathering, conversion process, user acceptance testing, post-implementation testing, timeline, etc.).
2. Provide examples of the data file layouts used for conversion.
3. Describe how existing Automatic Clearing House (ACH) paying customers are handled at conversion, i.e., is a new authorization required?

**H. Legal/Compliance**

1. Provide the following information:
  - Any material finding noted in any audit, DOE negative actions, regulatory and/or CFPB review complaints over the past three years, note whether any of the findings were a result of a conversion.
  - A copy of your most recent Payment Card Industry Data Security Standard Compliance Audit, if applicable
  - Describe your internal audit process
  - Describe the external audits the organization is subjected to.

**I. Disaster Recovery/Business Continuity and Security**

1. Have you encountered any material information security breaches in the past five years, and, if so:
  - a. How many?
  - b. Describe the circumstances surrounding each breach and your response, including any regulatory and/or consumer notifications.

2. Describe safeguards in place to protect customers' data?
3. Provide a copy of your latest customer facing penetration test, detailing any findings and responses thereto.
4. Describe the organization of the crisis response team that would manage security breaches.
5. Describe your procedures to manage security breaches where customer data is obtained by unauthorized means.
6. Describe your process for notifying individuals whose data may have been obtained in an unauthorized manner. Describe your procedure when an instance involves third party client customer data.

**J. Systems and Capabilities**

1. Describe how your systems, procedures and processes are compliant with all applicable regulations regarding the servicing of student loans and how you ensure your servicing system stays current with regulatory requirements.
2. Provide performance data for FFELP claims, including guarantor rejection rates and cure rates.
3. Provide a description of your LaRS process, including:
  - a. File creation and verification process;
  - b. ACPE's expected involvement in the process.
4. Describe your ability to provide data extracts to populate data warehouses, provide loan level detail and to interface with accounting general ledger systems.
5. If you can provide ACPE with "view only" access to ACPE loans being serviced, is there reporting functionality within your system ACPE staff can utilize?

**K. Employee Training and Quality Control**

1. A description of your training program including quality control measures taken to ensure employees possess the necessary skills and knowledge to fulfill their job responsibilities.
2. Describe how you measure the quality and accuracy of each employee's work product.
3. Describe the call monitoring process for determining the quality and accuracy of customer service/collection agent calls.

**L. Use of Subcontractor(s)**

1. If an offeror intends to use subcontractors, the offeror must provide the following:
  - a. A statement that the offeror is responsible for the work of the subcontractor(s)
  - b. Copy of subcontractor(s) most recent SSAE No. 18 report
  - c. Describe controls in place to ensure compliance with the contract between the offeror and the subcontractor(s).

**SEC. 3.04 CONTRACT TYPE**

The contract resulting from this RFP will be a fixed term contract.

### SEC. 3.05 PROPOSED PAYMENT PROCEDURES

ACPE will make payments based on a negotiated payment schedule. Each billing must consist of an invoice and progress report. No payment will be made until the progress report and invoice has been approved by ACPE's Project Director or designee. Alaska statutes require payment for services be made by the date specified under the contract or by 30 days after receipt of a proper billing. Offeror will have no right to offset student loan receipts to satisfy fees for services provided.

### SEC. 3.06 CONTRACT PAYMENT

No payment will be made until the contract resulting from this RFP is executed. Under no conditions will ACPE be liable for the payment of interest or late charges associated with the cost of services provided under the contract resulting from this RFP if the billing is in dispute. ACPE will provide notice to the vendor prior to the payment due date stating the facts surrounding a dispute. ACPE and the vendor agree to work together to resolve disputes timely.

ACPE is not responsible for and will not pay local, state, or federal taxes. All costs associated with the contract resulting from this RFP must be stated in U.S. currency.

### SEC. 3.07 LOCATION OF WORK

The offeror must provide its own workspace. A temporary workspace will be provided to the offeror for required on-site visits.

By signature on the proposal, the offeror certifies that all services to be provided under the proposal must be performed in the United States.

If the offeror cannot certify that all work will be performed in the United States, the offeror must contact the Procurement Officer in writing to request a waiver at least 10 days prior to the deadline for receipt of proposals.

The request must include a detailed description of the portion of work that will be performed outside the United States, where, by whom, and the reason the waiver is necessary.

Failure to comply with these requirements may cause ACPE to reject the proposal as non-responsive, or cancel the contract resulting from this RFP.

### SEC. 3.08 THIRD-PARTY SERVICE PROVIDERS

The offeror must provide a report on management's description of the contractor's system (System and Organization Control (SOC1, Type 1) and the suitability of the design and operating effectiveness of controls (SOC1, Type 2), performed under Statement on Standards for Attestation Engagements (SSAE) No. 18.

The offeror must include a copy of the most recent SOC1 Type 1 and Type 2 report in their proposal.

### SEC. 3.09 SUBCONTRACTORS

Subcontractors may be used to perform work under the contract resulting from this RFP. If an offeror intends to use subcontractors, the offeror must identify in the proposal the names of the subcontractors and the work the subcontractors will perform.

Upon request, the offeror must provide the following information concerning each prospective subcontractor within five working days of the request:

- Complete name of the subcontractor;



- Complete address of the subcontractor;
- Type of work the subcontractor will be performing;
- Percentage of work the subcontractor will be providing;
- Evidence that the subcontractor holds a valid Alaska business license; and
- A written statement, signed by each proposed subcontractor that clearly verifies that the subcontractor is committed to render the services required by the contract resulting from this RFP.

An offeror's failure to provide this information, within the set timeframe, may cause ACPE to consider their proposal non-responsive and reject it. The substitution of one subcontractor for another may be made only at the discretion and prior written approval of ACPE's Project Director or designee.

### **SEC. 3.10 JOINT VENTURES**

Joint venture proposals will not be considered.

### **SEC. 3.11 RIGHT TO AUDIT AND INSPECT PLACE OF BUSINESS**

ACPE reserves the right to conduct audits of the offeror and all subcontractors related to the performance of the contract resulting from this RFP. At a reasonable time, ACPE may inspect those areas of the offeror's place of business and subcontractors place of business related to the performance of the contract resulting from this RFP. If ACPE makes such an audit inspection, the contractor and subcontractor must provide reasonable assistance.

### **SEC. 3.12 INSPECTION & MODIFICATION - REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES**

The offeror is responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and approval by ACPE's Project Director. ACPE may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract resulting from this RFP. ACPE's Project Director may instruct the contractor to make corrections or modifications if needed in order to accomplish the contract's intent. The contractor will not unreasonably withhold such changes.

Substantial failure of the contractor to perform the contract resulting from this RFP may cause ACPE to terminate the contract resulting from this RFP. In this event, ACPE may require the contractor to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

### **SEC. 3.13 CONTRACT CHANGES - UNANTICIPATED AMENDMENTS**

During the course of this contract, the contractor may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, ACPE's Project Director will provide the contractor a written description of the additional work and request the contractor to submit a firm time schedule and firm price proposal for accomplishing the additional work. Cost and pricing data must be provided to justify the cost of such amendments per AS 36.30.400.

The contractor will not commence additional work until a contract amendment has been executed.

### **SEC. 3.14 NONDISCLOSURE AND CONFIDENTIALITY**

Contractor agrees that all confidential information will be used only for the purpose of providing the deliverables and performing the services specified in the contract resulting from this RFP and will not disseminate or allow dissemination of confidential information except as provided for in this section. The contractor must hold as confidential and will use reasonable care (including both facility physical security and electronic security) to prevent unauthorized access by,

storage, disclosure, publication, dissemination to and/or use by third parties of, the confidential information.

“Reasonable care” means compliance by the contractor with all applicable federal and state law, including the Social Security Act and HIPAA. The contractor must promptly notify ACPE in writing if it becomes aware of any storage, disclosure, loss, unauthorized access to or use of the confidential information.

Confidential information, as used herein, means any data, files, software, information or materials (whether prepared by ACPE or its agents or advisors) in oral, electronic, tangible or intangible form and however stored, compiled or memorialized that is classified confidential as defined by State of Alaska classification and categorization guidelines provided by ACPE to the contractor or a contractor agent or otherwise made available to the contractor or a contractor agent in connection with a contract resulting from this RFP, or acquired, obtained or learned by the contractor or a contractor agent in the performance of a contract resulting from this RFP. Examples of confidential information include, but are not limited to: technology infrastructure, architecture, financial data, trade secrets, equipment specifications, user lists, passwords, research data, and technology data (infrastructure, architecture, operating systems, security tools, IP addresses, etc.).

Additional information that the contractor must hold as confidential during the performance of services under a contract resulting from this RFP include:

- Borrower data may not be used for the purposes of outreach or marketing of offeror’s services.

If confidential information is requested to be disclosed by the contractor pursuant to a request received by a third party and such disclosure of the confidential information is required under applicable state or federal law, regulation, governmental or regulatory authority, the contractor may disclose the confidential information after providing ACPE written notice of the requested disclosure (to the extent such notice to ACPE is permitted by applicable law) and giving ACPE opportunity to review the request. If the contractor receives no objection from ACPE, it may release the confidential information within 30 days. Notice of the requested disclosure of confidential information by the contractor must be provided to ACPE within a reasonable time after the contractor’s receipt of notice of the requested disclosure and, upon request of ACPE, must seek to obtain legal protection from the release of the confidential information.

The following information is not considered confidential information: information previously known to be public information when received from the other party; information freely available to the general public; information which now is or hereafter becomes publicly known by other than a breach of confidentiality hereof; or information which is disclosed by a party pursuant to subpoena or other legal process and which as a result becomes lawfully obtainable by the general public.

### SEC. 3.15 INSURANCE REQUIREMENTS

The successful offeror must provide proof of workers' compensation insurance prior to contract approval.

The successful offeror must secure the insurance coverage required by State law and regulation. The coverage must be satisfactory to the Department of Administration Division of Risk Management. An offeror's failure to provide evidence of such insurance coverage is a material breach and grounds for withdrawal of the award or termination of the contract resulting from this RFP.

Offerors must review form **APPENDIX B1**, attached, for details on required coverage. No alteration of these requirements will be permitted without prior written approval from the Department of Administration, Division of Risk Management. Objections to any of the requirements in **APPENDIX B1** must be set out in the offeror’s proposal.

**SEC. 3.16    TERMINATION FOR DEFAULT**

If ACPE's Project Director determines that the contractor has refused to perform the work or has failed to perform the work with such diligence as to ensure its timely and accurate completion, ACPE may, by providing written notice to the contractor, terminate the contractor's right to proceed with part or all of the remaining work.

This clause does not restrict ACPE's termination rights under the contract provisions of Appendix A, attached in **SECTION 8. ATTACHMENTS**.

## SECTION 4. PROPOSAL FORMAT AND CONTENT

### SEC. 4.01 PROPOSAL FORMAT AND CONTENT

ACPE discourages overly lengthy and costly proposals, however, in order for ACPE to evaluate proposals fairly and completely, offerors must follow the format set out in this RFP and provide all information requested.

### SEC. 4.02 INTRODUCTION

Proposals must include the complete name and address of offeror's firm and the name, mailing address, and telephone number of the person ACPE should contact regarding the proposal.

Proposals must confirm that the offeror will comply with all provisions in this RFP and/or identify those provisions with which it cannot comply, and why it cannot comply. If applicable, offeror must provide notice that the firm qualifies as an Alaskan bidder per Alaska Statute 36.30.321(a) and 36.30.990(2). Proposals must be signed by a company officer empowered to bind the company. An offeror's failure to include these items in their proposal may cause the proposal to be determined to be non-responsive and the proposal may be rejected.

### SEC. 4.03 UNDERSTANDING OF THE REQUESTED SERVICES

Offerors must provide comprehensive narrative statements that illustrate their understanding of the services being requested.

### SEC. 4.04 METHODOLOGY

Offerors must provide comprehensive narrative statements that set out the methodology they intend to employ and illustrate how the methodology will serve to accomplish the work and meet ACPE's needs.

### SEC. 4.05 MANAGEMENT PLAN FOR THE REQUESTED SERVICES

Offerors must provide comprehensive narrative statements that set out the management plan they intend to follow and illustrate how the plan will serve to accomplish the work and meet ACPE's needs.

### SEC. 4.06 COST PROPOSAL

Cost proposals must include an itemized list of all direct and indirect costs associated with the performance of a contract as the result of this RFP, including, but not limited to, one-time costs related to transferring loans and beginning servicing, ongoing routine monthly costs and the basis for assessing those costs, and custom or ad-hoc costs and the basis for assessing those costs. Costs not included in the cost proposal will not be authorized for payment without prior approval by ACPE's Project Director or designee.

### SEC. 4.07 EVALUATION CRITERIA

All proposals will be reviewed to determine if they are responsive. Proposals determined to be responsive will be evaluated using the criterion set out in **SECTION 5. EVALUATION CRITERIA AND OFFEROR SELECTION**.

An evaluation may not be based on discrimination due to the race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, disability, or political affiliation of the offeror.

## SECTION 5. EVALUATION CRITERIA AND OFFEROR SELECTION

THE TOTAL NUMBER OF POINTS USED TO SCORE THIS PROPOSAL IS 100

### SEC. 5.01 UNDERSTANDING OF THE SERVICES REQUESTED (10%)

**Proposals will be evaluated against the questions set out below:**

- 1) How well has the offeror demonstrated a thorough understanding of the purpose and scope of the services requested?
- 2) How well has the offeror identified pertinent issues and potential problems related to the services requested?
- 3) To what degree has the offeror demonstrated an understanding of the deliverables ACPE expects it to provide?

### SEC. 5.02 METHODOLOGY USED FOR THE DELIVERABLES (10%)

**Proposals will be evaluated against the questions set out below:**

- 1) How comprehensive is the methodology and does it depict a logical approach to fulfilling the requirements of the RFP?
- 2) How well does the methodology match and achieve the objectives set out in the RFP?

### SEC. 5.03 MANAGEMENT PLAN FOR THE SERVICES REQUESTED (10%)

**Proposals will be evaluated against the questions set out below:**

- 1) How well does the management plan support all of the requirements and logically lead to the deliverables required in the RFP?
- 2) How well is accountability completely and clearly defined?
- 3) Is the organization of the project team clear?
- 4) How well does the management plan illustrate the lines of authority and communication?
- 5) To what extent does the offeror already have the hardware, software, equipment, and licenses necessary to perform the contract?
- 6) Has the offeror gone beyond the minimum tasks necessary to meet the objectives of the RFP?
- 7) To what degree is the proposal practical and feasible?
- 8) To what extent has the offeror identified potential problems?

### SEC. 5.04 EXPERIENCE AND QUALIFICATIONS (20%)

**Proposals will be evaluated against the questions set out below:**

#### **1) Questions regarding the personnel:**

- a) Do the individuals assigned have experience on similar projects?
- b) Do the individuals assigned demonstrate backgrounds that would be desirable for individuals engaged in the required deliverables?

- c) How extensive is the applicable experience of the personnel designated to work on the services to be provided?

**2) Questions regarding the firm:**

- a) How well has the firm demonstrated experience in delivering services on time and within budget?
- b) What is the general history of the firm regarding timely and successful delivery of services?
- c) Has the firm provided at least three current references with emphasis on FFELP loan servicing and student loan portfolio conversion?
- d) Has the firm provided a list of clients lost within the last five years and provided contact name and telephone information, length of service for the client and the reason for the loss if known?
- e) Did the current references recommend the firm?
- f) Did any of the clients lost within the last five years provide any feedback that would cause concern with respect to the firm's ability to successfully provide the services requested?
- g) If a subcontractor will perform work on the contract, how well do they measure up to the evaluation used for the offeror?

**SEC. 5.05 CONTRACT COST (40%)**

Overall, a minimum of **40%** of the total evaluation points will be assigned on the basis of cost. The cost amount used for evaluation may be affected by one or more of the preferences referenced under Section 6.

**Converting Cost to Points**

The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined through the method set out in Section 6.12.

**SEC. 5.06 ALASKA OFFEROR PREFERENCE (10%)**

If an offeror qualifies for the Alaska Bidder Preference, the offeror will receive the Alaska Offeror Preference. The preference represents 10% of the total available points.

## SECTION 6. GENERAL PROCESS INFORMATION

### SEC. 6.01 ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES

Prior to the award of a contract, an offeror must hold a valid Alaska business license. However, in order to receive the Alaska Bidder Preference and other related preferences, such as the Alaska Veteran and Alaska Offeror Preference, an offeror must hold a valid Alaska business license prior to the deadline for receipt of proposals. To obtain an Alaska business license visit [www.commerce.alaska.gov/web/cbpl/BusinessLicensing/NewBLOnline.aspx](http://www.commerce.alaska.gov/web/cbpl/BusinessLicensing/NewBLOnline.aspx). In addition, you can obtain information or assistance by emailing [businesslicense@Alaska.gov](mailto:businesslicense@Alaska.gov) or contacting the **Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing, PO Box 110806, Juneau, Alaska 99811-0806**. Acceptable evidence that the offeror possesses a valid Alaska business license may consist of any one of the following:

- copy of an Alaska business license;
- certification on the proposal that the offeror has a valid Alaska business license and has included the license number in the proposal;
- a canceled check for the Alaska business license fee;
- a copy of the Alaska business license application with a receipt stamp from the state's occupational licensing office; or
- a sworn and notarized statement that the offeror has applied and paid for the Alaska business license.

Prior to the award of the contract, the successful offeror must provide proof of holding a Professional License as a Collection Agency required by Alaska Statute.

### SEC. 6.02 SITE INSPECTION

ACPE may conduct on-site visits to evaluate the offeror's capacity to perform the services requested. An offeror must agree to provide ACPE reasonable access to relevant portions of its work sites, at risk of being found non-responsive and having its proposal rejected. Individuals designated by ACPE's Project Director will make site inspections. The costs incurred by ACPE for site inspections will be ACPE's responsibility.

### SEC. 6.03 CLARIFICATION OF OFFERS

In order to determine if a proposal is reasonably susceptible for award, communications by the Procurement Officer or the proposal evaluation committee (PEC) are permitted with an offeror to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications may not result in a material or substantive change to the proposal. The evaluation by the Procurement Officer or the PEC may be adjusted as a result of a clarification under this section.

### SEC. 6.04 DISCUSSIONS WITH OFFERORS

ACPE may conduct discussions with offerors in accordance with AS 36.30.240 and 2 AAC 12.290. The purpose of these discussions will be to ensure full understanding of the requirements of the RFP and proposal. Discussions will be limited to specific sections of the RFP or proposal identified by the Procurement Officer. Discussions will only be held with offerors who have submitted a proposal deemed reasonably susceptible for award by the Procurement Officer. Discussions, if held, will be after initial evaluation of proposals by the Procurement Officer or the PEC. If modifications are made as a result of these discussions they will be put in writing. Following discussions, the Procurement Officer may

set a time for best and final proposal submissions from those offerors with whom discussions were held. Proposals may be reevaluated after receipt of best and final proposal submissions.

If an offeror does not submit a best and final proposal or a notice of withdrawal, the offeror's immediate previous proposal is considered the offeror's best and final proposal.

Offerors with a disability needing accommodation should contact the Procurement Officer prior to the date set for discussions so that reasonable accommodation can be made. Any oral modification of a proposal must be reduced to writing by the offeror.

## SEC. 6.05 EVALUATION OF PROPOSALS

The Procurement Officer, or an evaluation committee made up of at least three state employees or public officials, will evaluate proposals. The evaluation will be based solely on the evaluation factors set out in **SECTION 5. EVALUATION CRITERIA AND OFFEROR SELECTION**.

After receipt of proposals, if there is a need for any substantial clarification or material change in the RFP, an amendment will be issued. The amendment will incorporate the clarification or change, and a new date and time established for the submission of new or amended proposals. Evaluations may be adjusted as a result of receiving new or amended proposals.

## SEC. 6.06 OFFEROR NOTIFICATION OF SELECTION

After the completion of contract negotiation, the Procurement Officer will issue a written Notice of Intent to Award (NIA) and send copies to all offerors. The NIA will set out the names of all offerors and identify the proposal selected for award.

## SEC. 6.07 PROTEST

AS 36.30.560 provides that an interested party may protest the content of the RFP.

An interested party is defined in 2 AAC 12.990(a) (7) as "an actual or prospective bidder or offeror whose economic interest might be affected substantially and directly by the issuance of a contract solicitation, the award of a contract, or the failure to award a contract."

If an interested party wishes to protest the content of a solicitation, the protest must be received, in writing, by the Procurement Officer at least ten days prior to the deadline for receipt of proposals.

AS 36.30.560 also provides that an interested party may protest the award of a contract or the proposed award of a contract.

If an offeror wishes to protest the award of a contract or the proposed award of a contract, the protest must be received, in writing, by the Procurement Officer within ten days after the date the Notice of Intent to Award the contract is issued.

A protester must have submitted a proposal in order to have sufficient standing to protest the proposed award of a contract. Protests must include the following information:

- the name, address, and telephone number of the protester;
- the signature of the protester or the protester's representative;
- identification of the contracting State and the solicitation or contract at issue;



- a detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and the form of relief requested.

Protests filed by telex or telegram are not acceptable because they do not contain a signature. Fax copies containing a signature are acceptable.

The Procurement Officer will issue a written response to the protest. The response will set out the procurement officer's decision and contain the basis of the decision within the statutory time limit in AS 36.30.580. A copy of the decision will be furnished to the protester by certified mail, fax or another method that provides evidence of receipt.

All offerors will be notified of any protest. The review of protests, decisions of the Procurement Officer, appeals, and hearings, will be conducted in accordance with the State Procurement Code (AS 36.30), Article 8 "Legal and Contractual Remedies."

## SEC. 6.08 APPLICATION OF PREFERENCES

Certain preferences apply to all contracts for professional services, regardless of their dollar value. The Alaska Bidder, Alaska Veteran, and Alaska Offeror preferences are the most common preferences involved in the RFP process. Additional preferences that may apply to this procurement are listed below. Guides that contain excerpts from the relevant statutes and codes, explain when the preferences apply and provide examples of how to calculate the preferences are available at the **Department of Administration, Division of General Service's** web site:

<http://doa.alaska.gov/dgs/pdf/pref1.pdf>

- Alaska Products Preference - AS 36.30.332
- Recycled Products Preference - AS 36.30.337
- Local Agriculture and Fisheries Products Preference - AS 36.15.050
- Employment Program Preference - AS 36.30.321(b)
- Alaskans with Disabilities Preference - AS 36.30.321(d)
- Alaska Veteran's Preference - AS 36.30.321(f)

The Division of Vocational Rehabilitation in the Department of Labor and Workforce Development keeps a list of qualified employment programs and individuals who qualify as persons with a disability. As evidence of a business' or an individual's right to the Employment Program or Alaskans with Disabilities preferences, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of these preferences, a business or individual must be on the appropriate Division of Vocational Rehabilitation list prior to the time designated for receipt of proposals. Offerors must attach a copy of their certification letter to the proposal. **An offeror's failure to provide this certification letter with their proposal will cause ACPE to disallow the preference.**

## Sec. 6.09 ALASKA BIDDER PREFERENCE

An Alaska Bidder Preference of 5% will be applied to the price in the proposal. The preference will be given to an offeror who:

- 1) holds a current Alaska business license prior to the deadline for receipt of proposals;
- 2) submits a proposal for goods or services under the name appearing on the offeror's current Alaska business license;

- 3) has maintained a place of business within the State staffed by the offeror, or an employee of the offeror, for a period of six months immediately preceding the date of the proposal;
- 4) is incorporated or qualified to do business under the laws of the State, is a sole proprietorship and the proprietor is a resident of the State, is a limited liability company (LLC) organized under AS 10.50 and all members are residents of the State, or is a partnership under AS 32.06 or AS 32.11 and all partners are residents of the State; and
- 5) if a joint venture, is composed entirely of ventures that qualify under (1)-(4) of this subsection.

**Alaska Bidder Preference Statement**

In order to receive the Alaska Bidder Preference, the proposal must include a statement certifying that the offeror is eligible to receive the Alaska Bidder Preference.

If the offeror is a LLC or partnership as identified in (4) of this subsection, the statement must also identify each member or partner and include a statement certifying that all members or partners are residents of the State.

If the offeror is a joint venture which includes a LLC or partnership as identified in (4) of this subsection, the statement must also identify each member or partner of each LLC or partnership that is included in the joint venture and include a statement certifying that all of those members or partners are residents of the State.

**SEC. 6.10 ALASKA VETERAN PREFERENCE**

An Alaska Veteran Preference of 5%, not to exceed \$5,000, will be applied to the price in the proposal. The preference will be given to an offeror who qualifies under AS 36.30.990(2) as an Alaska bidder and is a:

- A. sole proprietorship owned by an Alaska veteran;
- B. partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;
- C. limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or
- D. corporation that is wholly owned by individuals, and a majority of the individuals are Alaska veterans.

**Alaska Veteran Preference Statement**

In order to receive the Alaska Veteran Preference, the proposal must include a statement certifying that the offeror is eligible to receive the Alaska Veteran Preference.

**SEC. 6.11 ALASKA OFFEROR PREFERENCE**

2 AAC 12.260(e) provides Alaska offerors a 10% overall evaluation point preference. Alaska bidders, as defined in AS 36.30.990(2), are eligible for the preference. An Alaska offeror will receive 10 percent of the total available points added to their overall evaluation score as a preference.

**SEC. 6.12 FORMULA USED TO CONVERT COST TO POINTS**

The distribution of points based on cost will be determined as set out in 2 AAC 12.260(c). The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined using the formula:

$$[(\text{Price of Lowest Cost Proposal}) \times (\text{Maximum Points for Cost})] \div (\text{Cost of Each Higher Priced Proposal})$$

**SEC. 6.13 EXAMPLES: CONVERTING COST TO POINTS & APPLYING PREFERENCES****(a) FORMULA USED TO CONVERT COST TO POINTS****STEP 1**

List all proposal prices, adjusted where appropriate by the application of applicable preferences claimed by the offeror.

Offeror #1	\$40,000
Offeror #2	\$42,750
Offeror #3	\$47,500

**STEP 2**

In this example, the RFP allotted 40% of the available 100 points to cost. This means that the lowest cost will receive the maximum number of points.

**Offeror #1 receives 40 points.**

The reason they receive that amount is because the lowest cost proposal, in this case \$40,000, receives the maximum number of points allocated to cost, 40 points.

**Offeror #2 receives 37.4 points.**

$\$40,000 \text{ lowest cost} \times 40 \text{ maximum points for cost} = 1,600,000 \div \$42,750 \text{ cost of Offeror \#2's proposal} = 37.4$

**Offeror #3 receives 33.7 points.**

$\$40,000 \text{ lowest cost} \times 40 \text{ maximum points for cost} = 1,600,000 \div \$47,500 \text{ cost of Offeror \#3's proposal} = 33.7$

**(b) ALASKA OFFEROR PREFERENCE****STEP 1**

Determine the number of points available to qualifying offerors under this preference.

100 Total Points Available in RFP x 10% Alaska offerors preference = 10 Points for the Preference

**STEP 2**

Determine which offerors qualify as Alaska bidders and thus, are eligible for the Alaska offerors preference. For the purpose of this example, presume that all of the proposals have been completely evaluated based on the evaluation criteria in the RFP. The scores at this point are:

Offeror #1	83 points	No Preference	0 points
Offeror #2	74 points	Alaska Offerors Preference	10 points
Offeror #3	80 points	Alaska Offerors Preference	10 points

**STEP 3**

Add the applicable Alaska offerors preference amounts to the offeror's scores:

Offeror #1	83 points	
Offeror #2	84 points	(74 points + 10 points)
<b>Offeror #3</b>	<b>90 points</b>	<b>(80 points + 10 points)</b>

**STEP 4**

**Offeror #3** is the highest scoring offeror and would get the award, provided their proposal is responsible and responsive.

## SECTION 7. GENERAL LEGAL INFORMATION

### SEC. 7.01 STANDARD CONTRACT PROVISIONS

The contractor will be required to sign and submit the State's Standard Agreement Form for Professional Services Contracts (form 02-093/Appendix A). This form is attached in **SECTION 8. ATTACHMENTS** for your review. The contractor must comply with the contract provisions set out in this attachment. No alteration of these provisions will be permitted without prior written approval from the Department of Law. Objections to any of the provisions in Appendix A must be set out in the offeror's proposal.

### SEC. 7.02 PROPOSAL AS A PART OF THE CONTRACT

Part or all of this RFP and the successful proposal may be incorporated into the contract.

### SEC. 7.03 ADDITIONAL TERMS AND CONDITIONS

ACPE reserves the right to add terms and conditions during contract negotiations. These terms and conditions will be within the scope of the RFP and will not affect the proposal evaluations.

### SEC. 7.04 HUMAN TRAFFICKING

By signature on their proposal, the offeror certifies that the offeror is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.

The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <http://www.state.gov/j/tip/>

Failure to comply with this requirement will cause ACPE to reject the proposal as non-responsive, or cancel the contract.

### SEC. 7.05 RIGHT OF REJECTION

Offerors must comply with all of the terms of the RFP, the State Procurement Code (AS 36.30), and all applicable local, State, and federal laws, codes, and regulations. The Procurement Officer may reject any proposal that does not comply with all of the material and substantial terms, conditions, and performance requirements of the RFP.

Offerors may not qualify the proposal nor restrict the rights of ACPE. If an offeror does so, the Procurement Officer may determine the proposal to be a non-responsive counter-offer and the proposal may be rejected.

Minor informalities that:

- do not affect responsiveness;
- are merely a matter of form or format;
- do not change the relative standing or otherwise prejudice other offers;
- do not change the meaning or scope of the RFP;
- are trivial, negligible, or immaterial in nature;
- do not reflect a material change in the work; or
- do not constitute a substantial reservation against a requirement or provision;

may be waived by the Procurement Officer.

ACPE reserves the right to refrain from making an award if it determines that to be in its best interest.

**A proposal from a debarred or suspended offeror must be rejected.**

## **SEC. 7.06 ACPE NOT RESPONSIBLE FOR PREPARATION COSTS**

ACPE will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal.

## **SEC. 7.07 DISCLOSURE OF PROPOSAL CONTENTS**

All proposals and other material submitted become the property of the State of Alaska and may be returned only at ACPE's option. AS 40.25.110 requires public records to be open to reasonable inspection. All proposal information, including detailed price and cost information, will be held in confidence during the evaluation process and prior to the time a Notice of Intent to Award is issued. Thereafter, proposals will become public information.

Trade secrets and other proprietary data contained in proposals may be held confidential if the offeror requests, in writing, that the Procurement Officer does so, and if the Procurement Officer agrees, in writing, to do so. The offeror's request must be included with the proposal, must clearly identify the information they wish to be held confidential, and include a statement that sets out the reasons for confidentiality. Unless the Procurement Officer agrees in writing to hold the requested information confidential, that information will also become public after the Notice of Intent to Award is issued.

## **SEC. 7.08 ASSIGNMENT**

Per 2 AAC 12.480, the contractor may not transfer or assign any portion of the contract without prior written approval from the Procurement Officer.

## **SEC. 7.09 DISPUTES**

A contract resulting from this RFP is governed by the laws of the State of Alaska. If the contractor has a claim arising in connection with the agreement that it cannot resolve with ACPE by mutual agreement, it must pursue the claim, if at all, in accordance with the provisions of AS 36.30.620 – AS 36.30.632. To the extent not otherwise governed by the preceding, the claim must be brought only in the Superior Court of the State of Alaska and not elsewhere.

## **SEC. 7.10 SEVERABILITY**

If any provision of the contract or agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

## **SEC. 7.11 SUPPLEMENTAL TERMS AND CONDITIONS**

Proposals must comply with SEC. 7.05 RIGHT OF REJECTION. However, if ACPE fails to identify or detect supplemental terms or conditions that conflict with those contained in this RFP or that diminish ACPE's rights under any contract resulting from the RFP, the term(s) or condition(s) will be considered null and void. After award of contract:

- if conflict arises between a supplemental term or condition included in the proposal and a term or condition of the RFP, the term or condition of the RFP will prevail; and
- if ACPE's rights would be diminished as a result of application of a supplemental term or condition included in the proposal, the supplemental term or condition will be considered null and void.

## **SEC. 7.12 CONTRACT INVALIDATION**

If any provision of this contract is found to be invalid, such invalidation will not be construed to invalidate the entire contract.

## **SEC. 7.13 SOLICITATION ADVERTISING**

Public notice has been provided in accordance with 2 AAC 12.220.

## SECTION 8. ATTACHMENTS

### SEC. 8.01 ATTACHMENTS

**Attachments:**

- 1) Proposal Submission Cover Sheet
- 2) Proposal Evaluation Form
- 3) Standard Agreement Form - Appendix A
- 4) Insurance Requirement - Appendix B1
- 5) Notice of Intent to Award
- 6) Cost Proposal
- 7) FRN Monthly Reports



## ATTACHMENT 1: PROPOSAL SUBMISSION COVER SHEET

## OFFEROR INFORMATION, AMENDMENTS, CERTIFICATIONS, PREFERENCES AND CHECKLIST

**OFFEROR INFORMATION:** This form shall be the cover page for the Offeror's Technical Response portion of their proposal. In the space provided, enter the requested Offeror identification information. Use this form to indicate your acknowledgement of the response conditions.

<b>RFP Number:</b>	
<b>RFP Name:</b>	
<b>Company Name:</b>	
<b>Mailing Address:</b>	
<b>Contact Person:</b>	
<b>Title:</b>	
<b>Telephone Number:</b>	
<b>Alternate Phone:</b>	
<b>Federal Tax Id #:</b>	
<b>Alaska Business License # (if you have one)</b>	
<b>E-Mail Address:</b>	
<b>Alternate Email:</b>	
<b>Fax Number:</b>	

**AMENDMENT ACKNOWLEDGEMENT:** Offeror acknowledges receipt of the following amendments and has incorporated the requirements of such amendments into the Proposal. *(List all amendments issued for this RFP):*

No.	Date	No.	Date	No.	Date

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EDUCATION LOAN PORTFOLIO**

**OFFEROR CERTIFICATION:** Acknowledge the following statements, condition, and information by clearly marking the space provided. Failure to comply with this item may cause the proposal to be determined nonresponsive and the proposal may be rejected, or the State may terminate the contract or consider the Contractor in default.

	<b>MINIMUM PRIOR EXPERIENCE REQUIREMENTS: In order for offerors to be considered responsive offerors must meet these minimum prior experience requirements.</b>	<b>RESPONSE</b>
1	Offeror certifies they have a minimum of three (3) years of experience servicing Federal Family Education Loan Programs loans.	<input type="checkbox"/> YES <input type="checkbox"/> NO
2	Offeror certifies they have had no significant audit findings in the last three (3) years.	<input type="checkbox"/> YES <input type="checkbox"/> No

	<b>STATE OF ALASKA PREFERENCES: If claiming please answer the following questions.</b>	
	<b>Questions</b>	<b>RESPONSE</b>
1	Do you currently hold an Alaska business license?	<input type="checkbox"/> YES <input type="checkbox"/> NO
2	Is the company name submitted on this Proposal the same name that appears on the current Alaska Business License?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3	Has your company maintained a place of business within the State of Alaska staffed by the Offeror or an employee of the Offeror for a period of six months immediately preceding the date of the Proposal?	<input type="checkbox"/> YES <input type="checkbox"/> NO
4	Is your company incorporated or qualified to do business under the laws of the State, is a sole proprietorship and the proprietor is a resident of the State, is a limited liability company organized under AS 10.50 and all members are residents of the State, or is a partnership under former AS 32.05, AS 32.06, or AS 32.11 and all partners are residents of the State?	<input type="checkbox"/> YES <input type="checkbox"/> NO
5	If claiming the Alaskans with Disabilities Preference, or the Employment Program Preference, do you have a copy of your certification letter from Division of Vocational Rehabilitation?	<input type="checkbox"/> YES <input type="checkbox"/> NO

**Please list below all Alaska preferences claimed in this proposal:**

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**PROPOSAL CHECKLIST:** The following documents are required with proposal submission. Acknowledge you have submitted each document in the proper format by clearly marking in the space provided.

DOCUMENT	REQUIREMENT	INCLUDED?
<b>Proposal Submission Cover Sheet</b>	<ul style="list-style-type: none"> <li>Required Document – Must be submitted with proposal.</li> </ul>	<input type="checkbox"/> YES
<b>Cost Proposal</b>	<ul style="list-style-type: none"> <li>Required Document – Must be submitted with Proposal; separate from technical proposal</li> </ul>	<input type="checkbox"/> YES
<b>Requested Documents</b>	<ul style="list-style-type: none"> <li>All requested documents noted within Section 1.04 and Section 3.03(10) of the RFP</li> </ul>	<input type="checkbox"/> YES

DOCUMENT	Documents below are required if claiming Alaska preferences	
<b>AK Business License</b>	<ul style="list-style-type: none"> <li>Required Document – Must be received with the Proposal if claiming the Alaska Offeror Preference.</li> </ul>	<input type="checkbox"/> YES
<b>Certification Letter</b>	<ul style="list-style-type: none"> <li>Required Document – Must be received with the Proposal if claiming the Alaskans with Disabilities Preference or the Employment Program Preference</li> </ul>	<input type="checkbox"/> YES

**AUTHORIZED SIGNATURE:** Must be signed by an individual authorized to bind the offeror to the provisions of this RFP.

**Signed:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## ATTACHMENT 2: PROPOSAL EVALUATION FORM

All proposals will be reviewed for responsiveness and then evaluated using the criteria set out herein.

Offeror Name: \_\_\_\_\_  
Evaluator Name: \_\_\_\_\_  
Date of Review: \_\_\_\_\_  
RFP Number: **NUMBER** \_\_\_\_\_

### EVALUATION CRITERIA AND SCORING

THE TOTAL NUMBER OF POINTS USED TO SCORE THIS PROPOSAL IS **100**

#### 5.01 Understanding of the Services Requested— 10 Percent

**Maximum Point Value for this Section - 10 Points**

**100 Points x 10 Percent = 10 Points**

**Proposals will be evaluated against the questions set out below.**

- 1) How well has the offeror demonstrated a thorough understanding of the purpose and scope of the services requested?
- 2) How well has the offeror identified pertinent issues and potential problems related to the services requested?
- 3) To what degree has the offeror demonstrated an understanding of the deliverables ACPE expects it to provide?

NOTES:

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**EVALUATOR'S POINT TOTAL FOR 5.01:** \_\_\_\_\_

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#### 5.02 Methodology Used for the Deliverables—10 Percent

**Maximum Point Value for this Section - 10 Points**

**100 Points x 10 Percent = 10 Points**

**Proposals will be evaluated against the questions set out below.**

- 1) How comprehensive is the methodology and does it depict a logical approach to fulfilling the requirements of the RFP?
- 3) How well does the methodology match and achieve the objectives set out in the RFP?

NOTES:

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EVALUATOR'S POINT TOTAL FOR 5.02: \_\_\_\_\_

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### 5.03 Management Plan for the Services Requested—10 Percent

Maximum Point Value for this Section - 10 Points

100 Points x 10 Percent = 10 Points

Proposals will be evaluated against the questions set out below.

- 1) How well does the management plan support all of the requirements and logically lead to the deliverables required in the RFP?
- 2) How well is accountability completely and clearly defined?
- 3) Is the organization of the project team clear?
- 4) How well does the management plan illustrate the lines of authority and communication?
- 5) To what extent does the offeror already have the hardware, software, equipment, and licenses necessary to perform the services requested?
- 6) Has the contractor gone beyond the minimum tasks necessary to meet the objectives of the RFP?
- 7) To what degree is the proposal practical and feasible?
- 8) To what extent has the offeror identified potential problems?

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EVALUATOR'S POINT TOTAL FOR 5.03: \_\_\_\_\_

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### 5.04 Experience and Qualifications—20 Percent

Maximum Point Value for this Section - 20 Points

100 Points x 20 Percent = 20 Points

Proposals will be evaluated against the questions set out below.

**1) Questions regarding the personnel.**

- a) Do the individuals assigned have experience on similar projects?
- b) Do the individuals assigned demonstrate backgrounds that would be desirable for individuals engaged in the work the RFP requires?
- c) How extensive is the experience of the personnel designated to provide requested services?

**2) Questions regarding the firm.**

- a) How well has the firm demonstrated experience in delivering services on time?
- b) How successful is the general history of the firm regarding timely and successful delivery of services?
- c) Has the firm provided at least three current references with emphasis on FFELP loan servicing and student loan portfolio conversion?
- d) Has the firm provided a list of clients lost within the last five years and provided contact name and telephone information, length of service for the client and the reason for the loss if known?
- e) Did the current references provide any feedback that would cause concern in the firm's ability to successfully provide the services requested?
- f) Did contact with clients lost within the last five years provide any feedback that would cause concern in the firm's ability to successfully provide the services requested?
- g) How much of the work is subcontracted and does the offeror have an adequate monitoring process to ensure subcontractors are performing as expected?

NOTES:

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**EVALUATOR'S POINT TOTAL FOR 5.04:** \_\_\_\_\_

**EVALUATOR'S COMBINED POINT TOTAL FOR ALL EVALUATED SECTIONS:** \_\_\_\_\_

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**5.05 Contract Cost — 40 PERCENT**

**Maximum Point Value for this Section — 40 Points**

**100 Points x 40 PERCENT = 40 Points**

Overall, a minimum of **40** percent of the total evaluation points will be assigned to cost. The cost amount used for evaluation may be affected by one or more of the preferences referenced under **SECTION 6**.

**Converting Cost to Points**

The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined through the method set out in **SECTION 6.12**.

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#### **5.06 Alaska Offeror Preference — 10 Percent**

##### **Point Value for this Section — 10 Points**

**100 Points x 10 Percent = 10 Points**

If an offeror qualifies for the Alaska Bidder Preference, the offeror will receive an Alaska Offeror Preference. The preference will be 10 percent of the total available points. This amount will be added to the overall evaluation score of each Alaskan offeror.

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## ATTACHMENT 3: STANDARD AGREEMENT FORM – APPENDIX A

**The parties' contract comprises this Standard Agreement Form, as well as its referenced Articles and their associated Appendices**

1. Agency Contract Number	2. Contract Title	3. Agency Fund Code	4. Agency Appropriation Code
5. Vendor Number	6. IRIS GAE Number (if used)	7. Alaska Business License Number	
<b>This contract is between the State of Alaska,</b>			
8. Department of	Division	hereafter the State, and	
9. Contractor hereafter the contractor			
Mailing Address	Street or P.O. Box	City	State ZIP+4
<p>10.</p> <p><b>ARTICLE 1. Appendices:</b> Appendices referred to in this contract and attached to it are considered part of it.</p> <p><b>ARTICLE 2. Performance of Service:</b></p> <p>2.1 Appendix A (General Provisions), Articles 1 through 16, governs the performance of services under this contract.</p> <p>2.2 Appendix B sets forth the liability and insurance provisions of this contract.</p> <p>2.3 Appendix C sets forth the services to be performed by the contractor.</p> <p><b>ARTICLE 3. Period of Performance:</b> The period of performance for this contract begins _____, and ends _____.</p> <p><b>ARTICLE 4. Considerations:</b></p> <p>4.1 In full consideration of the contractor's performance under this contract, the State shall pay the contractor a sum not to exceed \$_____ in accordance with the provisions of Appendix D.</p> <p>4.2 When billing the State, the contractor shall refer to the Authority Number or the Agency Contract Number and send the billing to:</p>			
11. Department of	Attention: Division of		
Mailing Address	Attention:		
<b>12. CONTRACTOR</b>		<p>14. <b>CERTIFICATION:</b> I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation, or that there is a sufficient balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alternations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under AS 11.56.815-.820. Other disciplinary action may be taken up to and including dismissal.</p>	
Name of Firm			
Signature of Authorized Representative	Date		
Typed or Printed Name of Authorized Representative			
Title			
<b>13. CONTRACTING AGENCY</b>		Signature of Head of Contracting Agency or Designee	Date
Department/Division	Date		
Signature of Project Director		Typed or Printed Name	
Typed or Printed Name of Project Director		Title	

**NOTICE: This contract has no effect until signed by the head of contracting agency or designee.**



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**APPENDIX A**  
**GENERAL PROVISIONS****Article 1. Definitions.**

- 1.1 In this contract and appendices, "Project Director" or "Agency Head" or "Procurement Officer" means the person who signs this contract on behalf of the Requesting Agency and includes a successor or authorized representative.
- 1.2 "State Contracting Agency" means the department for which this contract is to be performed and for which the Commissioner or Authorized Designee acted in signing this contract.

**Article 2. Inspections and Reports.**

- 2.1 The department may inspect, in the manner and at reasonable times it considers appropriate, all the contractor's facilities and activities under this contract.
- 2.2 The contractor shall make progress and other reports in the manner and at the times the department reasonably requires.

**Article 3. Disputes.**

- 3.1 If the contractor has a claim arising in connection with the contract that it cannot resolve with the State by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of AS 36.30.620 – 632.

**Article 4. Equal Employment Opportunity.**

- 4.1 The contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, or because of age, disability, sex, marital status, changes in marital status, pregnancy or parenthood when the reasonable demands of the position(s) do not require distinction on the basis of age, disability, sex, marital status, changes in marital status, pregnancy, or parenthood. The contractor shall take affirmative action to insure that the applicants are considered for employment and that employees are treated during employment without unlawful regard to their race, color, religion, national origin, ancestry, disability, age, sex, marital status, changes in marital status, pregnancy or parenthood. This action must include, but need not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting out the provisions of this paragraph.
- 4.2 The contractor shall state, in all solicitations or advertisements for employees to work on State of Alaska contract jobs, that it is an equal opportunity employer and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, disability, sex, marital status, changes in marital status, pregnancy or parenthood.
- 4.3 The contractor shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers' compensation representative of the contractor's commitments under this article and post copies of the notice in conspicuous places available to all employees and applicants for employment.
- 4.4 The contractor shall include the provisions of this article in every contract, and shall require the inclusion of these provisions in every contract entered into by any of its subcontractors, so that those provisions will be binding upon each subcontractor. For the purpose of including those provisions in any contract or subcontract, as required by this contract, "contractor" and "subcontractor" may be changed to reflect appropriately the name or designation of the parties of the contract or subcontract.
- 4.5 The contractor shall cooperate fully with State efforts which seek to deal with the problem of unlawful discrimination, and with all other State efforts to guarantee fair employment practices under this contract, and promptly comply with all requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practices.
- 4.6 Full cooperation in paragraph 4.5 includes, but is not limited to, being a witness in any proceeding involving questions of unlawful discrimination if that is requested by any official or agency of the State of Alaska; permitting employees of the contractor to be witnesses or complainants in any proceeding involving questions of unlawful discrimination, if that is requested by any official or agency of the State of Alaska; participating in meetings; submitting periodic reports on the equal employment aspects of present and future employment; assisting inspection of the contractor's facilities; and promptly complying with all State directives considered essential by any office or agency of the State of Alaska to insure compliance with all federal and State laws, regulations, and policies pertaining to the prevention of discriminatory employment practices.
- 4.7 Failure to perform under this article constitutes a material breach of contract.

**Article 5. Termination.**

The Project Director, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the State. In the absence of a breach of contract by the contractor, the State is liable only for payment in accordance with the payment provisions of this contract for services rendered before the effective date of termination.

**Article 6. No Assignment or Delegation.**

The contractor may not assign or delegate this contract, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Project Director and the Agency Head.

**Article 7. No Additional Work or Material.**

No claim for additional services, not specifically provided in this contract, performed or furnished by the contractor, will be allowed, nor may the contractor do any work or furnish any material not covered by the contract unless the work or material is ordered in writing by the Project Director and approved by the Agency Head.

**Article 8. Independent Contractor.**

The contractor and any agents and employees of the contractor act in an independent capacity and are not officers or employees or agents of the State in the performance of this contract.

**Article 9. Payment of Taxes.**

As a condition of performance of this contract, the contractor shall pay all federal, State, and local taxes incurred by the contractor and shall require their payment by any Subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by the State under this contract.

**Article 10. Ownership of Documents.**

All designs, drawings, specifications, notes, artwork, and other work developed in the performance of this agreement are produced for hire and remain the sole property of the State of Alaska and may be used by the State for any other purpose without additional compensation to the contractor. The contractor agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. Nevertheless, if the contractor does mark such documents with a statement suggesting they are trademarked, copyrighted, or otherwise protected against the State's unencumbered use or distribution, the contractor agrees that this paragraph supersedes any such statement and renders it void. The contractor, for a period of three years after final payment under this contract, agrees to furnish and provide access to all retained materials at the request of the Project Director. Unless otherwise directed by the Project Director, the contractor may retain copies of all the materials.

**Article 11. Governing Law; Forum Selection**

This contract is governed by the laws of the State of Alaska. To the extent not otherwise governed by Article 3 of this Appendix, any claim concerning this contract shall be brought only in the Superior Court of the State of Alaska and not elsewhere.

**Article 12. Conflicting Provisions.**

Unless specifically amended and approved by the Department of Law, the terms of this contract supersede any provisions the contractor may seek to add. The contractor may not add additional or different terms to this contract; AS 45.02.207(b)(1). The contractor specifically acknowledges and agrees that, among other things, provisions in any documents it seeks to append hereto that purport to (1) waive the State of Alaska's sovereign immunity, (2) impose indemnification obligations on the State of Alaska, or (3) limit liability of the contractor for acts of contractor negligence, are expressly superseded by this contract and are void.

**Article 13. Officials Not to Benefit.**

Contractor must comply with all applicable federal or State laws regulating ethical conduct of public officers and employees.

**Article 14. Covenant Against Contingent Fees.**

The contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee except employees or agencies maintained by the contractor for the purpose of securing business. For the breach or violation of this warranty, the State may terminate this contract without liability or in its discretion deduct from the contract price or consideration the full amount of the commission, percentage, brokerage or contingent fee.

**Article 15. Compliance.**

In the performance of this contract, the contractor must comply with all applicable federal, state, and borough regulations, codes, and laws, and be liable for all required insurance, licenses, permits and bonds.

**Article 16. Force Majeure:**

The parties to this contract are not liable for the consequences of any failure to perform, or default in performing, any of their obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the respective party. For the purposes of this Agreement, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required; inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities.

**ATTACHMENT 4: INSURANCE REQUIREMENT - APPENDIX B1****APPENDIX B1  
INDEMNITY AND INSURANCE****Article 1. Indemnification**

The Contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The Contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "Contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work.

**Article 2. Insurance**

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the contracting officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the contractor's services. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS 21.

**2.1 Workers' Compensation Insurance:** The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

**2.2 Commercial General Liability Insurance:** covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

**2.3 Commercial Automobile Liability Insurance:** covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per claim.

## ATTACHMENT 5: NOTICE OF INTENT TO AWARD



Department of Administration  
Division of General Services  
Seventh Floor – State Office Bldg.  
333 Willoughby Street  
P.O. Box 110210  
Juneau, Alaska 99811-0210

**THIS IS NOT AN ORDER****DATE ISSUED:****RFP NO.:****RFP DEADLINE:****RFP SUBJECT:****CONTRACTING OFFICER:****SIGNATURE:** \_\_\_\_\_

This is notice of the state's intent to award a contract. The figures shown here are a tabulation of the offers received. The responsible and responsive offeror whose proposal was determined in writing to be the most advantageous is indicated. An offeror who wishes to protest this Notice of Intent must file the protest within ten calendar days following the date this notice is issued. If the tenth day falls on a weekend or holiday, the last day of the protest period is the first working day following the tenth day. **The offeror identified here as submitting the most advantageous proposal is instructed not to proceed until a contract, or other form of notice is given by the contracting officer.** A company or person who proceeds prior to receiving a contract, Contract Award, or other form of notice of Award does so without a contract and at their own risk. AS 36.30.365.

Offerors	Responsive	Total Score	Most Advantageous

**LEGEND:** @ -- MOST ADVANTAGEOUS  
Y -- RESPONSIVE PROPOSAL  
N -- NON-RESPONSIVE PROPOSAL

**SUMMARY**

## ATTACHMENT 6: COST PROPOSAL

SERVICING AN EXISTING FEDERAL FAMILY EDUCATION LOAN PORTFOLIO RFP Number -		
Contract Costs*	Unit/Basis for Cost	Notes/Comments
Conversion/Implementation Costs:		
<i>Please add itemized costs associated with this section.</i>		
Recurring/Monthly Servicing Costs		
<i>Please add itemized costs associated with this section.</i>		
Ad Hoc/Custom Costs		
<i>Please add itemized costs associated with this section.</i>		
Other Costs:		
<i>Please add itemized costs associated with this section.</i>		

All costs, or possible costs, should be listed in the cost proposal, including the cost of deconversion if necessary, custom requests, and others.

\*Costs not included in the cost proposal will not be authorized for payment without prior approval by the Project Director or designee as noted in Sec. 4.06 Cost Proposal of the RFP

## ATTACHMENT 7: FRN MONTHLY REPORTS

Total Collections and Funds Available	
<b>Interest Collections</b>	
Regular interest collections	x
Interest Subsidy/Special Allowance Payments	x
Reimbursement by Guarantor	x
<b>Total Interest Collections</b>	<b>x</b>
<b>Principal Collections</b>	
Regular Principal collections	x
Prepayments	x
Reimbursement by Guarantor	x
<b>Total Principal Collections</b>	<b>x</b>

Portfolio Activity		
	Principal Only	Principal Plus Accrued Interest and Fees
Beginning Balance	x	x
Loans Repurchased from Guarantor	x	x
Balances written off	x	x
Loans Repaid/Prepaid	x	x
Loans Purchased by Guarantor	x	x
Capitalized Interest	x	
Interest Accrual		x
Timing Adjustments	x	x
<b>Ending Balance</b>	<b>x</b>	<b>x</b>

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<b>Gross Defaults/Claims and Claim Reject Status</b>	<b>Default Amount During Period</b>	
<b><u>Claims</u></b>		
Subsidized Stafford	X	
Unsubsidized Stafford	X	
Consolidation	X	
PLUS and Grad PLUS	X	
<b>Total Net Claims</b>	X	
Claims Denied	X	
Servicer Deny Rate (FFELP) (%)		x.xx%
Cumulative Servicer Deny Rate (FFELP) (%)		x.xx%

<b>Weighted Average Payments Made</b>		
	<b>% of Pool</b>	<b>WA Time until Repayment (Months)</b>
In School	x.xx%	xx.xx
Grace	x.xx%	xx.xx
Deferment	x.xx%	xx.xx
Forbearance	x.xx%	xx.xx
	<b>% of Pool</b>	<b>WA Time in Repayment (Months)</b>
Repayment	xx.xx%	xx.xx
Claims	xx.xx%	xx.xx
<b>Total Portfolio</b>	100.00%	

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Portfolio Statistics								
	Number of Loans		Principal Balance		Accrued Interest		% if Balance Plus Accrued Interest	
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending
<a href="#">Loans by Program Type</a> Subsidized Stafford Unsubsidized Stafford Subsidized Consolidation Unsubsidized Consolidation PLUS and Grad PLUS								
<a href="#">Total Portfolio</a>								

Loans by Program Type	Borrower Rate				WA Remaining Term (Months)	
	WA Statutory Borrower Rate		WA Effective			
	Beginning	Ending	Beginning	Ending	Beginning	Ending
	Subsidized Stafford	x.xx%	x.xx%	x.xx%	x.xx%	xxx.xx
Unsubsidized Stafford	x.xx%	x.xx%	x.xx%	x.xx%	xxx.xx	xxx.xx
Subsidized Consolidation	x.xx%	x.xx%	x.xx%	x.xx%	xxx.xx	xxx.xx
Unsubsidized Consolidation	x.xx%	x.xx%	x.xx%	x.xx%	xxx.xx	xxx.xx
PLUS and Grad PLUS	x.xx%	x.xx%	x.xx%	x.xx%	xxx.xx	xxx.xx
Total Portfolio	x.xx%	x.xx%	x.xx%	x.xx%	xxx.xx	xxx.xx



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Portfolio Statistics - continued								
	Number of Loans		Principal Balance		Accrued Interest		% if Balance Plus Accrued Interest	
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending
<a href="#">Loans by Loan Status</a>								
Repayment								
Current								
31-60 Days Delinquent								
61-90 Days Delinquent								
91-120 Days Delinquent								
121-180 Days Delinquent								
181-270 Days Delinquent								
271+ Days Delinquent								
<b>Total Repayment</b>								
In School								
Grace								
Forbearance								
Deferment								
Claims in Progress								
Claims Denied (can be cured)								
<b>Total Portfolio</b>								
<a href="#">Loans by School Type</a>								
4 Year								
2 Year								
Proprietary								
Other								
<b>Total Portfolio</b>								
<a href="#">Loans by SAP Index</a>								
LIBOR + 1.34								
LIBOR + 1.74								
LIBOR + 1.94								
LIBOR + 2.24								
LIBOR + 2.34								
LIBOR + 2.64								
<b>Total Portfolio</b>								

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<a href="#">Loans by ACH/EFT Rate Reduction Borrower Benefit:</a> 25 bp None								
<b>Total Portfolio</b>								
<a href="#">Loans by Principal Reduction Borrower Benefit:</a> 1% - Eligible 1% - Qualified 2% - Eligible 2% - Qualified None								
<b>Total Portfolio</b>								