REQUEST FOR PROPOSAL (RFP)
FOR
Services for 3rd Party Collection of Past Due
Student Loans and Receivables

September 2019

SPECIAL NOTE: This Request for Proposal (RFP) does not obligate the Minnesota State Colleges and Universities (Minnesota State) system, its Board of Trustees or Minnesota State to award a contract or complete the proposed project and each reserves the right to cancel this RFP if it is considered to be in its best interest. Proposals must be clear and concise. Proposals that are difficult to follow or that do not conform to the RFP format or binding specifications may be rejected. Responding vendors must include the required information called for in this RFP. Minnesota State reserves the right to reject a proposal if required information is not provided or is not organized as directed. Minnesota State also reserves the right to change the evaluation criteria or any other provision in this RFP by posting notice of the change(s) on the Minnesota State website, https://www.minnstate.edu/vendors/index.html. For this RFP, posting on the captioned web site above constitutes written notification to each vendor. Vendors should check the site daily and are expected to review information on the site carefully before submitting a final proposal.
# REQUEST FOR PROPOSAL (RFP)
FOR
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Section I. General Information

Background

Minnesota State Colleges and Universities is the fourth largest system of higher education in the United States. Minnesota State is comprised of 37 state colleges and universities with 54 campuses located in 47 Minnesota communities. The System serves approximately 375,000 students each year. Minnesota State is an independent state entity that is governed by a 15-member Board of Trustees.

For more information about Minnesota State Colleges and Universities, please view its website at www.minnstate.edu.

Minnesota State is requesting proposals to serve as a collection agency for collection of defaulted student loans and accounts receivable. Minnesota State, under M.S. 16D.04 Subd. B, is mandated to turn all first referral of debts at 121 days past due to the Minnesota Department of Revenue, Collection Division, Minnesota’s State Collection Agency. If accounts are not resolved, debts are returned to Minnesota State.

Nature of RFP

Minnesota State is requesting proposals to assist in the collections of delinquent student loans and accounts receivable. This RFP is undertaken by Minnesota State pursuant to the authority contained in provisions of Minnesota Statutes § 136F.581 and other applicable laws. The purpose of this RFP is to select multiple private collection agencies that may be used by Minnesota State in the placement of primarily second and third referrals of debts owed to Minnesota State and some first referrals of out-of-state debtors. These debts consist of Federal Perkins loans, Nursing loans, student tuition and fees and other debt types as determined by the colleges and universities.

Minnesota State cannot determine at this time how many referrals will be made and is not committing to any specific amount. The vendor will provide all labor and materials, including but not limited to, office space, equipment, and computer programs necessary to complete the required services.

Accordingly, Minnesota State shall select the vendor(s) whose proposal(s), and oral presentation(s), if requested, demonstrate in Minnesota State’s sole opinion, the clear capability to best fulfill the purposes of this RFP in a cost effective manner. Minnesota State reserves the right to accept or reject proposals, in whole or in part, and to negotiate separately as necessary in order to serve the best interests of Minnesota State. This RFP shall not obligate Minnesota State to award a contract or complete the proposed project and it reserves the right to cancel this RFP if it is considered to be in its best interest.

General Selection Criteria

General criteria upon which proposals will be evaluated include, but are not limited to, the following:

- Provide proof of bonding and acknowledge that your agency meets all Federal and State regulations. Federal regulations for student loans require a fidelity bond equal to at least two months of expected collections.
- For Title IV debts: You agree to comply with the final regulations governing third-party servicers. (34 CFR § 668.25)
- Currently hold, or will hold by the date of the Contract commencement, a Collection Agency license from the State of Minnesota Department of Commerce, and must currently hold at least one state Debt Collector License in Minnesota as well as licenses in all other states requiring licensure in order to engage in debt collection activities there on behalf of Minnesota State.
- Assign a client number for each of the different debt types and colleges.
• Provide the most recent address and phone information when accounts are closed and returned.
• Verify all payoff balances with Minnesota State prior to accepting payment in full. Contractor will be held liable for any remaining balance with Minnesota State if Contractor notifies borrower that the account is paid in full without verifying balance with Minnesota State.
• Advance all court costs and attorney fees.
• Complete Attachments A-N, limiting responses to 80 pages.

Selection Process

The selection process will consist of a committee. This group will evaluate the proposals and make the final decision.

Selection and Implementation Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>Wednesday, September 25, 2019</td>
<td>Minnesota State publishes RFP notice</td>
</tr>
<tr>
<td>Wednesday, October 16, 2019 by 3:00pm CT</td>
<td>Deadline for RFP proposal submissions</td>
</tr>
<tr>
<td>Thursday, October 17 to Tuesday, November 26, 2019</td>
<td>Review RFP proposals</td>
</tr>
<tr>
<td>Wednesday, November 27, 2019</td>
<td>Complete selection process</td>
</tr>
<tr>
<td>March 1, 2020</td>
<td>Deadline for executing contract</td>
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Contract Term

Minnesota State desires to enter into a contract with the successful vendor(s) effective March 1, 2020. The length of such contract(s) shall be 5 years. If Minnesota State and the vendor is unable to negotiate and sign a contract by March 1, 2020 then Minnesota State reserves the right to seek an alternative vendor(s).

Parties to the Contract

Parties to this contract shall be the State of Minnesota, acting through its Board of Trustees of the Minnesota State Colleges and Universities on behalf of Minnesota State System Office, all its colleges and universities, and the successful vendor(s).

Contract Termination

The State of Minnesota, acting through its Board of Trustees of the Minnesota State Colleges and Universities, may cancel the contract(s) upon 30 days written notice, with or without cause. The vendor(s) may cancel the contract(s) upon 181 days written notice, with or without cause.

Definitions

Wherever and whenever the following words or their pronouns occur in this proposal, they shall have the meaning given here:

Minnesota State: State of Minnesota, acting through its Board of Trustees of the Minnesota State Colleges and Universities.


Vendor: The firm selected by the System Office as the successful responder(s) responsible to execute the terms of a contract.
Applicable Law

A contract entered into as a result of this RFP shall be governed and interpreted under the laws of the State of Minnesota.

Contract Assignment

A contract or any part hereof entered into as a result of this RFP shall not be assigned, sublet, or transferred directly or indirectly without prior written consent of the Director of Financial Collections at the System Office.

Entire Agreement

A written contract and any modifications or addenda thereto, executed in writing by both parties constitutes the entire agreement of the parties to the contract. All previous communications between the parties, whether oral or written, with reference to the subject matter of this contract are void and superseded. The resulting contract may be amended at a future date in writing by mutual agreement of the parties.

Deviations and Exceptions

Deviations from and exceptions to terms, conditions, specifications or the manner of this RFP shall be described fully on the vendor's letterhead stationery, signed and attached to the proposal submittal page(s) where relevant. In the absence of such statement the vendor shall be deemed to have accepted all such terms, conditions, specifications and the manner of the RFP. A vendor's failure to raise an issue related to the terms, conditions, specifications or manner of this RFP prior to the proposal submission deadline in the manner described shall constitute a full and final waiver of that vendor's right to raise the issue later in any action or proceeding relating to this RFP.

Pre-award Vendors Conference

N/A

Duration of Offer

All proposal responses must indicate they are valid for a minimum of one hundred eighty (180) calendar days from the date of the proposal opening unless extended by mutual written agreement between Minnesota State and the vendor.

Prices and terms of the proposal as stated must be valid for the length of the resulting contract.

Authorized Signature

The proposal must be completed and signed in the firm's name or corporate name of the vendor, and must be fully and properly executed and signed in blue or black ink by an authorized representative of the vendor. Proof of authority of the person signing must accompany the response.

Proposal Rejection and Waiver of Informalities

This RFP does not obligate the Minnesota State Colleges and Universities (Minnesota State) system, its Board of Trustees to award a contract or complete the proposed project and each reserves the right to cancel this RFP if it is considered to be in its best interest. Minnesota State system also reserves the right to waive minor informalities and, not withstanding anything to the contrary, reserves the right to:
1. reject any and all proposals received in response to this RFP;
2. select a proposal for contract negotiation other than the one with the lowest cost;
3. negotiate any aspect of the proposal with any vendor;
4. terminate negotiations and select the next most responsive vendor for contract negotiations;
5. terminate negotiations and prepare and release a new RFP;
6. terminate negotiations and take such action as deemed appropriate.

Section II. Parties to the RFP

Minnesota State Colleges and Universities, System Office - Loans

All Minnesota State Colleges and Universities - Accounts Receivable debts

Section III. Vendor Requirements

1. Contractor must comply with all terms of the RFP, and all applicable local, state, and federal laws, rules, codes and regulations.

2. Prompt Undertaking
   The contractor must agree to promptly undertake the collection of all accounts assigned by Minnesota State without regard to the amount of debt to achieve a maximum recovery of debts. Any account assigned will include the total amount of principal, interest, late fees and costs due Minnesota State. Under current practice the collection fees due is paid by the debtor. This practice is subject to change based on legal restrictions.

3. Contractor should automatically return accounts to Minnesota State if no payments have been received within a time period of 12 months from referral. The Contractor may request approval, from Minnesota State, to keep an account if legal action is pending or immediate payment is expected.

4. Contractor Reports. The following monthly reports or the equivalence thereof must be available to Minnesota State for download on the Contractor’s secure website. Contractor should provide 1-2 page sample(s) for each type of report with the response.
   a. Acknowledgement Report
   b. Inventory Report
   c. Payment/Remittance Report
   d. Performance Analysis Report
   e. Close and Return Report detailing why the account is being returned, including address and phone number
   f. Address Update Report

   Upon request the Contractor will provide other reports as deemed appropriate by Minnesota State for inventory reconciliation and performance evaluations. Individual debtor payment histories may be requested to reconcile payment discrepancies. Response should indicate whether Minnesota State will have the ability to view individual debtor payment histories on the Contractor’s secure website.

5. Litigation, Special Attorney Appointment, and Compromises
   a. The Contractor will specify the name of any attorney(s) it requests to be named and appointed as “special attorney” authorized to handle litigation for Minnesota State cases referred to the Contractor. If approved by the Office of the Attorney General, a special attorney appointment will be issued for that attorney to handle litigation authorized by Minnesota State.
b. Should, in the Contractor’s opinion, legal action be deemed necessary on a referred case, the Contractor will request approval from Minnesota State in writing.

c. Any litigation rate will apply to accounts only where the Contractor has drafted and served a summons and complaint on or entered judgment against the debtor; taken a deposition or conducted other court rule discovery; made any court appearances, including conciliation court; served garnishment or attorney levy; or enforced liens.

d. Special attorneys or other attorneys hired by the Contractor will be compensated in accordance with any agreement between the attorney and the Contractor. Neither the attorney nor the Contractor will attempt to recover any court costs, filing fees, or other legal and attorney’s fees of any kind or type from Minnesota State separate and apart from the applicable collection fee to the Contractor.

e. Minnesota State maintains the option of recalling at any time any accounts placed for litigation by the Contractor for subsequent action by the Attorney General.

f. In the event the Contractor or an attorney retained by the Contractor compromises an account without prior written authorization of Minnesota State then the Contractor must reimburse Minnesota State for any amounts so compromised including principal and interest.

g. Minnesota State will provide witnesses as deemed necessary and appropriate by Minnesota State and Minnesota State will absorb the employee’s salary expenses. The Contractor must absorb the travel costs of Minnesota State employees to serve as witnesses. To assure that Minnesota State travel regulations are complied with, Minnesota State will pay an employee’s travel expenses and then request reimbursement from the Contractor. All Minnesota State employee travel, and reimbursement for the same, will be governed by Minnesota State travel regulations and union contract provisions.

h. Contractor is responsible for advancing all court costs and attorney fees.

6. Fee Adjustments
The following exceptions to Contractor fees will be applied:

a. No fee will be paid on the reduced amount when additional information received by Minnesota State results in a reduction or full payment of the account receivable, such as misapplied payments or audit adjustments.

b. Regular collection rates will not be paid on the full amount referred when efforts by Minnesota State, with the knowledge of or at the request of the Contractor, are utilized in collecting the account receivable.

c. No fee will be paid on the amount reduced when a tax offset (revenue recapture) is received.

d. The Contractor shall return to Minnesota State, upon request and without fee, any accounts placed in error or involving deferments or cancellation for Federal Loans within ten (10) working days of the request.

e. No collection fees shall be paid to Contractor on accounts that are referred for collection but on which Minnesota State receives payment prior to any collection efforts being performed by the Contractor.

f. Contractor shall not be entitled to collection fees for any overpayments.

7. Remittance Procedures

a. For Loans, Contractor will remit collections to Educational Computer Systems, Inc. (herein ECSI, Minnesota State’s loan servicer). Remittance is due on or before the 5th calendar day of the month.

b. For Receivables, Contractor will remit collections to the Minnesota State college or university on a monthly basis. Remittance is due on or before the 5th calendar day of the month.

c. For both Loans and Receivables, detail of the payment must include: date collected, account name, identification number, the amount collected and the amount of fee. Any debtor checks returned for insufficient funds, closed accounts, etc. are to be recorded on a separate statement.
d. Contractor must be able to remit payments, through a secured means, electronically to ECSI, Minnesota State’s billing provider, or the individual Minnesota State college or university, whichever is requested.

8. Complaints and Corrective Action
The Contractor will provide Minnesota State in writing, a response to all complaints received by Contractor or Minnesota State on any alleged actions taken by the Contractor’s employee. The response will be made by someone designated by the Contractor and the response will be made within five (5) working days upon notification by Minnesota State. All questions and statements made by Minnesota State concerning the alleged actions will be addressed in the Contractor’s response.

9. Minimum Collection Activity
Upon receiving the accounts referred from Minnesota State, the Contractor will use its best efforts to collect the total amount due on each account. The Contractor will use the following guide as the minimum acceptable standard of collection activity:

a. Notify the debtor within ten (10) calendar days of receipt of the account from the campus that the debt has been referred to the Contractor for collection action.
b. Attempt to contact the debtor by telephone and/or mail or other acceptable means.
c. Perform skip tracing efforts, if necessary.
d. Contractor will monitor its employees to ensure compliance with state, federal, and local laws.
e. Contractor is to keep records that will verify that collection activities are being performed as agreed. Upon written request by Minnesota State, the Contractor will provide proof of all collection activity on the requested debt.
f. Contractor must have the ability to record and review debtor calls.

10. Automated Collection System
a. The Contractor will own, lease or otherwise have continual, guaranteed access to an automated system for collecting, organizing and documenting collection activities. The Contractor’s automated system will meet requirements for tracking and reporting accounts. The Contractor will have the capability to send and receive secure electronic messages between the Contractor and Minnesota State.
b. The automated system must be able to calculate interest (both fixed and variable rates) on debts referred as reported by Minnesota State.
c. The Contractor must be able to remit payments and receive referrals electronically either through ECSI (or designated Minnesota State servicer) or the college or university.

11. Reconciliation of Account Inventories
Minnesota State will periodically reconcile Minnesota State’s account inventory and balances against the records of the Contractor. The Contractor will be expected to promptly work with Minnesota State to resolve any discrepancies and identify any root causes of the differences.

12. Designated Project Manager
The Contractor will assign a project manager who will be present at meetings scheduled, if necessary, with Minnesota State staff. The project manager, or designee, will be available to Minnesota State staff on a daily basis to solve problems. The Contractor will assign a back-up individual to this position in the event that the project manager is not available. The Contractor will provide a toll free telephone line dedicated for the purpose of Minnesota State communicating with the Contractor regarding various issues.

13. Contractor Training
The Contractor will provide its staff with training regarding Minnesota State collection information. Contractor will verify that the employees have received Fair Debt Collection Practices Act (FDCPA)
training and provide specific training with respect to unique issues to higher education including Federal Student Loans and Receivable Debts.

14. Security
The Contractor will present a security policy explaining how personal financial information, as required by the Gramm-Leach-Bliley Act, would be protected.

15. Bonding.
Prior to the execution of this contract, CONTRACTOR will provide proof of bonding and acknowledge that your agency meets all Federal and State regulations. Federal regulations for student loans require a fidelity bond equal to at least two months of expected collections.

The Contractor must currently hold, or will hold by the date of the Contract commencement, a Collection Agency license from the State of Minnesota Department of Commerce, and at least one state Debt Collector License in Minnesota as well as licenses in all other states requiring licensure in order to engage in debt collection activities there on behalf of Minnesota State.

17. Miscellaneous Duties of Contractor:
   a. Assign a client number for each of the different debt types and college or university.
   b. Provide the most recent address and phone information when accounts are closed and returned.
   c. Verify all payoff balances with Minnesota State prior to accepting payment in full. Contractor will be held liable for any remaining balance with Minnesota State if Contractor notifies borrower that the account is paid in full without verifying balance with Minnesota State.
   d. Advance all court costs and attorney fees.

RFP Information Contact

Minnesota State’s agent for purposes of responding to inquiries about the RFP is:

   Name: Judy Yang
   Title: Director of Financial Collections
   Address: 30 7th Street East, Suite 350, St. Paul, Minnesota 55101
   Telephone: 651-201-1503
   Fax: 651-215-3979
   E-mail address: judy.yang@minnstate.edu

Prospective responders who have any questions regarding this request for proposal must submit their questions in writing via email to the contact listed above.

Questions must be received within 10 calendar days after the posting date of the RFP and should include the name of the questioner and his/her telephone number, fax number and/or e-mail address. Anonymous inquiries will not be answered.

Other persons are not authorized to discuss RFP requirements before the proposal submission deadline and Minnesota State shall not be bound by and responders may not rely on information regarding RFP requirements obtained from non-authorized persons or contractors.
Section IV. Response Evaluation

All responses received by the End Date and time will be reviewed by Minnesota State. Proposals will first be reviewed for responsiveness to determine if the minimum requirements have been met. Proposals that fail to meet minimum requirements will not advance to the next phase of the evaluation.

Mandatory Requirements (Scored as Pass/Fail)
The following will be considered on a pass/fail basis:
1. A proposal must be received on or before the Event End Date and time specified for this RFP in order to be considered.
2. The proposal must be signed in order to be considered.
3. The vendor must have previous student loans and accounts receivable collection experience.
4. The vendor must have the ability to assess all collection charges to the debtor.

Evaluation Factors
Each proposal which moves beyond the pass/fail stage will be scored and may receive up to a maximum total of 1,000 points broken down as follows:

1. Qualifications of the vendor and its personnel (experience of personnel who are committed to work on the contract will be given greater weight than that of the company) 300 points
2. Collection strategy and outline of proposed activities 200 points
3. Cost Detail 300 points
4. Completeness, thoroughness and detail of response as requested in Attachments A-N 100 points
5. References 100 points

Total Points Possible: 1,000

In some instances, an interview will also be part of the evaluation process.

Minnesota State reserves the right to name a date at which all responding vendors will be invited to present demonstrations or participate in an interview. Minnesota State does not agree to reach a decision by any certain date although it is hoped the evaluation and selection will be completed by the date identified in the Selection and Implementation Timeline above.

A proposal may be rejected if it is determined that a vendor’s ability to work with the existing infrastructure will be too limited or difficult to manage.

Section V. Additional RFP Response and General Contract Requirements

Responses
Contractors may provide additional information about their company; however, must provide response and documents in Attachments A-N order, limiting the total number of pages to 80.

Problem Resolution Process
The Contractor will provide Minnesota State in writing, a response to all complaints received by Contractor or Minnesota State on any alleged actions taken by the Contractor’s employee. The response will be made by someone designated by the Contractor and the response will be made within five (5) working days upon notification by Minnesota State. All questions and statements made by Minnesota State concerning the alleged actions will be addressed in the Contractor’s response.
Affidavit of Non-Collusion

All responding vendors are required to complete the Affidavit of Non-Collusion form, Attachment A, and submit it with the response.

Affirmative Action and Human Rights Requirements

For all contracts estimated to be in excess of $100,000 all responding vendors are required to complete the Human Rights Certification Information and Affirmative Action Data Page, Attachment B, and submit it with the response. As required by Minnesota Rule 5000.3600, “It is hereby agreed between the parties that Minnesota Statutes §363A.36 and Minnesota Rule 5000.3600 are incorporated into any contract between these parties based upon this specification or any modification of it.” Copies of Minnesota Statutes §363A.36 and Minnesota Rules 5000.3400 - 5000.3600 are available at https://www.revisor.leg.state.mn.us. All responding vendors shall comply with the applicable provisions of the Minnesota Affirmative Action law, Minnesota Statutes §363.A36. Failure to comply shall be grounds for rejection.

Preference to Targeted Group and Economically Disadvantaged Business and Individuals

In accordance with Minnesota Rules, part 1230.1810, subpart B and Minnesota Rules, part 1230.1830, certified Targeted Group Businesses and individuals submitting proposals as prime contractors shall receive the equivalent of a six percent preference in the evaluation of their proposal, and certified Economically Disadvantaged Businesses and individuals submitting proposals as prime contractors shall receive the equivalent of a six percent preference in the evaluation of their proposal. For information regarding certification, contact the Materials Management Helpline at 651.296.2600, or you may reach the Helpline by e-mail at mmd.help.line@state.mn.us. For TTY/TDD communications, contact the Helpline through the Minnesota Relay Services at 1.800.627.3529.

Veteran-Owned Preference

In accordance with Minn. Stat. § 16C.16, subd. 6a, (a) Except when mandated by the federal government as a condition of receiving federal funds, the commissioner shall award up to a six percent preference, but no less than the percentage awarded to any other group under this section on state procurement to certified small businesses that are majority-owned and operated by veterans.

In accordance with Minn. Stat. § 16C.19 (d), a veteran-owned small business, the principal place of business of which is in Minnesota, is certified if it has been verified by the United States Department of Veterans Affairs as being either a veteran-owned small business or a service disabled veteran-owned small business, in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74.

To receive a preference the veteran-owned small business must meet the statutory requirements above by the solicitation due date and time.

If you are claiming the veteran-owned preference, attach documentation, sign and return the Veteran-Owned Preference Form, Attachment F, with your response to the solicitation. Only eligible veteran-owned small businesses that meet the statutory requirements and provide adequate documentation will be given the preference.

Insurance Requirements

A. The selected vendor will be required to submit an ACORD Certificate of Insurance to the Minnesota State authorized representative prior to execution of the contract. The selected vendor shall not commence work under the contract until they have obtained all the insurance described below and Minnesota State
has approved evidence of such insurance. Vendor shall maintain such insurance in force and effect throughout the term of the contract.

B. The selected vendor will be required to maintain and furnish satisfactory evidence of the following:

1. Workers’ Compensation Insurance. The vendor must provide workers’ compensation insurance for all its employees and, in case any work is subcontracted, the vendor will require the subcontractor to provide workers’ compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer’s Liability, at limits not less than $100,000.00 bodily injury by disease per employee; $500,000.00 bodily injury by disease aggregate; and $100,000.00 bodily injury by accident.

2. Commercial General Liability. The vendor will be required to maintain a comprehensive commercial general liability insurance (CGL) policy protecting it from bodily injury claims and property damage claims which may arise from operations under the contract whether the operations are by the vendor or by a subcontractor or by anyone directly or indirectly employed under the contract. The minimum insurance amounts will be:

- $2,000,000.00 per occurrence
- $2,000,000.00 annual aggregate
- $2,000,000.00 annual aggregate – Products/Completed Operations

In addition, the following coverages must be included:

- Premises and Operations Bodily Injury and Property Damage
- Personal and Advertising Injury
- Products and Completed Operations Liability
- Blanket Contractual Liability
- Name the following as Additional Insureds:
  - Board of Trustees of the Minnesota State Colleges and Universities
  - Minnesota State Colleges and Universities

3. Commercial Automobile Liability. The vendor will be required to maintain insurance protecting it from bodily injury claims and property damage claims which may arise from operations of vehicles under the contract whether such operations were by the vendor, a subcontractor or by anyone directly or indirectly employed under the contract. The minimum insurance amounts will be:

- $2,000,000.00 per occurrence Combined Single Limit (CSL)

In addition, the following coverages should be included:

- Owned, Hired, and Non-owned

4. Errors and Omissions (E & O) Insurance. The vendor will be required to maintain insurance protecting it from claims the vendor may become legally obligated to pay resulting from any actual or alleged negligent act, error or omission related to the vendor’s professional services required under this contract. The minimum insurance amounts will be:

- $2,000,000.00 per occurrence
- $2,000,000.00 annual aggregate

Any deductible will be the sole responsibility of the vendor and may not exceed $50,000 without the written approval of Minnesota State. If the vendor desires
authority from Minnesota State to have a deductible in a higher amount, the vendor shall so request in writing, specifying the amount of the desired deductible and providing financial documentation by submitting the most current audited financial statements so that Minnesota State can ascertain the ability of the vendor to cover the deductible from its own resources.

The retroactive or prior acts date of such coverage shall not be after the effective date of this contract and vendor shall maintain such insurance for a period of at least three (3) years, following completion of the work. If such insurance is discontinued, extended reporting period coverage must be obtained by vendor to fulfill this requirement.

Additional Insurance Conditions:

- Vendor’s policy(ies) shall be primary insurance to any other valid and collectible insurance available to Minnesota State with respect to any claim arising out of vendor’s performance under this contract;
- If vendor receives a cancellation notice from an insurance carrier affording coverage herein, vendor agrees to notify Minnesota State within five (5) business days with a copy of the cancellation notice, unless vendor’s policy(ies) contain a provision that coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) days advance written notice to Minnesota State;
- Vendor is responsible for payment of contract related insurance premiums and deductibles;
- If vendor is self-insured, a Certificate of Self-Insurance must be attached;
- Vendor’s policy(ies) shall include legal defense fees in addition to its liability policy limits, with the exception of B.4 above;
- Vendor shall obtain insurance policy(ies) from insurance company(ies) having an “AM BEST” rating of A- (minus); Financial Size Category (FSC) VII or better, and authorized to do business in the State of Minnesota; and
- An Umbrella or Excess Liability insurance policy may be used to supplement the vendor’s policy limits to satisfy the full policy limits required by the contract.

C. Minnesota State reserves the right to immediately terminate the contract if the vendor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the vendor. All insurance policies must be available for inspection by Minnesota State and copies of policies must be submitted to Minnesota State's authorized representative upon written request.

State Audit

The books, records, documents and accounting practices and procedures of the vendor relevant to the contract(s) must be available for audit purposes to Minnesota State and the Legislative Auditor’s Office for six (6) years after the termination/expiration of the contract.

Minnesota Government Data Practices Act

The requirements of Minnesota Statutes § 13.05, subd. 11 apply to the contract. The vendor must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by Minnesota State, its schools and the System Office in accordance with the contract and as it applies to all data created, gathered, generated or acquired in accordance with the contract. All materials submitted in response to this RFP will become property of the State of Minnesota and will become public record after the evaluation process is completed. Pursuant to the statute, completion of the evaluation process occurs when Minnesota State has completed negotiating the contract with the selected
vendor. If the vendor submits information in response to this RFP that it believes to be trade secret materials as defined by the Minnesota Government Data Practices Act, the vendor must:

- mark clearly all trade secret materials in its response at the time the response is submitted;
- include a statement with its response justifying the trade secret designation for each item;
- defend any action seeking release of the materials it believes to be trade secret, and indemnify and hold harmless the State of Minnesota, Minnesota State, its agents and employees, from any judgments or damages awarded against the State or Minnesota State in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives Minnesota State’s award of a contract. In submitting a response to this RFP, the responder agrees this indemnification survives as long as the trade secret materials are in possession of Minnesota State.

Minnesota State will not consider the prices submitted by the Responder to be proprietary or trade secret materials.

Conflict of Interest

The vendor must provide a list of all entities with which it has relationships that create, or appear to create, a conflict of interest with the work that it is contemplated in this Request for Proposal. The list should indicate the names of the entity, the relationship, and a discussion of the conflict.

Organizational Conflicts of Interest

The responder warrants that, to the best of its knowledge and belief, and except as otherwise disclosed, there are no relevant facts or circumstances that could give rise to organizational conflicts of interest. An organizational conflict of interest exists when, because of existing or planned activities or because of relationships with other persons, a vendor is unable or potentially unable to render impartial assistance or advice, or the vendor’s objectivity in performing the contract work is or might be otherwise impaired, or the vendor has an unfair competitive advantage. The responder agrees that, if after award, an organizational conflict of interest is discovered, an immediate and full disclosure in writing must be made to the respective school’s chief financial officer or the System Office’s Business Manager that must include a description of the action which the vendor has taken or proposes to take to avoid or mitigate such conflicts. If an organizational conflict of interest is determined to exist, the school or System Office may, at its discretion, cancel the contract. In the event the responder was aware of an organizational conflict of interest prior to the award of the contract and did not disclose the conflict to the contracting officer, the school or System Office may terminate the contract for default. The provisions of this clause must be included in all subcontracts for work to be performed similar to the service provided by the prime contractor, and the terms “contract,” “contractor,” and “contracting officer” modified appropriately to preserve Minnesota State’s rights.

Physical and Data Security

The vendor is required to recognize that on the performance of the contract the vendor will become a holder of and have access to private data on individuals and nonpublic data as defined in the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13; and other applicable laws.

In performance of the contract, the vendor agrees it will comply with all applicable state, federal and local laws and regulations, including but not limited to the laws under Minnesota Statute Chapters 13 relating to confidentiality of information received as a result of the contract. The vendor agrees that it, its officers, employees and agents will be bound by the above confidentiality laws and that it will establish procedures for safeguarding the information.
The vendor agrees to notify its officers, employees and agents of the requirements of confidentiality and of the possible penalties imposed by violation of these laws. The vendor agrees that neither it, nor its officers, employees or agents will disclose or make public any information received by the vendor on behalf of Minnesota State.

The vendor shall recognize Minnesota State’s sole and exclusive right to control the use of this information. The vendor further agrees it shall make no use of any of the described information, for either internal or external purposes, other than that which is directly related to the performance of the contract.

The vendor agrees to indemnify and hold harmless the State of Minnesota and Minnesota State from any and all liabilities and claims resulting from the unauthorized disclosure by the vendor, its officers, employees or agents of any information required to be held confidential under the provisions of the contract. The vendor must return all source data to the “Authorized Representative” to be identified in the contract.

Section VI. RFP Responses

Submission

Sealed proposals must be received at the following address no later than **3:00pm CT on Wednesday, October 16, 2019**:

- **Institution:** Minnesota State Colleges and Universities, Student Loan Service Center
- **Name:** Judy Yang
- **Title:** Director of Financial Collections
- **Mailing Address:** 30 7th Street East, Suite 350, St. Paul, Minnesota 55101

The responder shall submit one (1) signed original and two (2) paper copies of its RFP response and a flash drive with the RFP response in Microsoft Word or PDF format. Proposals are to be sealed in mailing envelopes or packages with the responder’s name and address clearly written on the outside. The original signed paper copy of the proposal must be unbound and signed in blue ink by an authorized representative of the vendor. Proof of authority of the person signing must accompany the response.

Proposals received after this date and time will be returned to the responder unopened.

Fax and e-mail responses will not be considered.

Proposals made in pencil will be rejected. Alterations in cost figures used to determine the lowest priced proposal will be rejected unless initialed in ink by the person responsible for or authorized to make decisions as to price quoted. The use of “white out” is considered an alteration.

Section VII. Sample Contract

You should be aware of the Minnesota State Colleges and Universities’ standard contract terms and conditions in preparing your response. Attachment O is a sample of the Minnesota State Colleges and Universities Professional/Technical Services Contract for your reference. Much of the language reflected in the contract is required by statute.
STATE OF MINNESOTA
AFFIDAVIT OF NON-COLLUSION

I swear (or affirm) under the penalty of perjury:

1. That I am the Responder (if the Responder is an individual), a partner in the company (if the Responder is a partnership), or an officer or employee of the responding corporation having authority to sign on its behalf (if the Responder is a corporation);

2. That the attached proposal submitted in response to the ________________________ Request for Proposal has been arrived at by the Responder independently and has been submitted without collusion with and without any agreement, understanding or planned common course of action with, any other Responder of materials, supplies, equipment or services described in the Request for Proposal, designed to limit fair and open competition;

3. That the contents of the proposal have not been communicated by the Responder or its employees or agents to any person not an employee or agent of the Responder and will not be communicated to any such persons prior to the official opening of the proposals; and

4. That I am fully informed regarding the accuracy of the statements made in this affidavit.

Responder’s Firm Name: __________________________________________

Authorized Signature: _____________________________________________

Date: __________________________________________________________

Subscribed and sworn to me this ________ day of ___________

Notary Public: _________________________________________

My commission expires: ________________________________
ATTACHMENT B

MINNESOTA STATE COLLEGES AND UNIVERSITIES
NOTICE TO CONTRACTORS
AFFIRMATIVE ACTION
CERTIFICATION OF COMPLIANCE

It is hereby agreed between the parties that Minnesota State will require that affirmative action requirements be met by contractors in relation to Minnesota Statutes §363A.36 and Minnesota Rules, 5000.3400 to 5000.3600. Failure by a contractor to implement an affirmative action plan or make a good faith effort shall result in revocation of its certificate or revocation of the contract (Minnesota Statutes §363A.36, subdivisions 3 and 4).

Under the Minnesota Human Rights Act, §363A.36, businesses or firms entering into a contract over $100,000 which have more than forty (40) full-time employees within the state of Minnesota on a single working day during the previous twelve (12) months, or businesses or firms employing more than forty (40) full-time employees on a single working day during the previous twelve (12) months in a state in which its primary place of business is domiciled and that primary place of business is outside of the State of Minnesota but within the United States, must have submitted an affirmative action plan that was received by the Commissioner of Human Rights for approval prior to the date and time the responses are due. A contract over $100,000 will not be executed unless the firm or business having more than forty (40) full-time employees, either within or outside the State of Minnesota, has received a certificate of compliance signifying it has an affirmative action plan approved by the Commissioner of Human Rights. The Certificate is valid for four (4) years. For additional information, contact the Department of Human Rights, Freeman Building, 625 Robert Street North, Saint Paul, MN 55155.

Effective July 1, 2003. The Minnesota Department of Human Rights is authorized to charge a $150.00 fee for each Certificate of Compliance issued. A business or firm must submit its affirmative action plan along with a cashier's check or money order in the amount of $150.00 to the Minnesota Department of Human Rights or you may contact the Department for additional information at the Compliance Services Unit, Freeman Building, 625 Robert Street North, Saint Paul MN 55155.
State Of Minnesota – Affirmative Action Certification

If your response to this solicitation is or could be in excess of $100,000, complete the information requested below to determine whether you are subject to the Minnesota Human Rights Act (Minnesota Statutes 363A.36) certification requirement, and to provide documentation of compliance if necessary. It is your sole responsibility to provide this information and—if required—to apply for Human Rights certification prior to the due date of the bid or proposal and to obtain Human Rights certification prior to the execution of the contract. The State of Minnesota is under no obligation to delay proceeding with a contract until a company receives Human Rights certification.

**BOX A – For companies which have employed more than 40 full-time employees within Minnesota on any single working day during the previous 12 months. All other companies proceed to BOX B.**

Your response will be rejected unless your business:

- has a current Certificate of Compliance issued by the Minnesota Department of Human Rights (MDHR)  
- or—
- has submitted an affirmative action plan to the MDHR, which the Department received prior to the date the responses are due.

Check one of the following statements if you have employed more than 40 full-time employees in Minnesota on any single working day during the previous 12 months:

- We have a current Certificate of Compliance issued by the MDHR. **Proceed to BOX C. Include a copy of your certificate with your response.**
- We do not have a current Certificate of Compliance. However, we submitted an Affirmative Action Plan to the MDHR for approval, which the Department received on __________________ (date). **Proceed to BOX C.**
- We do not have a Certificate of Compliance, nor has the MDHR received an Affirmative Action Plan from our company. **We acknowledge that our response will be rejected. Proceed to BOX C. Contact the Minnesota Department of Human Rights for assistance.** (See below for contact information.)

**Please note:** Certificates of Compliance must be issued by the Minnesota Department of Human Rights. Affirmative Action Plans approved by the Federal government, a county, or a municipality must still be received, reviewed, and approved by the Minnesota Department of Human Rights before a certificate can be issued.

**BOX B – For those companies not described in BOX A**

Check below.

- We have not employed more than 40 full-time employees on any single working day in Minnesota within the previous 12 months. **Proceed to BOX C.**

**BOX C – For all companies**

By signing this statement, you certify that the information provided is accurate and that you are authorized to sign on behalf of the responder. You also certify that you are in compliance with federal affirmative action requirements that may apply to your company. (These requirements are generally triggered only by participating as a prime or subcontractor on federal projects or contracts. Contractors are alerted to these requirements by the federal government.)

Name of Company: ______________________________ Date __________________

Authorized Signature: __________________________ Telephone number: ________________

Printed Name: __________________________ Title: __________________________

For assistance with this form, contact:
Minnesota Department of Human Rights, Compliance & Community Relations
Freeman Building, 625 Robert Street North, Saint Paul, MN 55155
Phone: 651-296-5663 Toll Free: 800-657-3704
Fax: 651-296-9042 TTY: 651-296-1283
Web: mn.gov/mdhr
Email: compliance.mndh@state.mn.us

Affirmative Action Certification Page, Revised 6/11 – MDHR
The amended Minnesota Human Rights Act (Minnesota Statutes §363A.36) divides the contract compliance program into two categories. Both categories apply to any contracts for goods or services in excess of $100,000.

The first category applies to businesses that have had more than 40 full-time employees within Minnesota on a single working day during the previous 12 months. The businesses in this category must have submitted an affirmative action plan to the Commissioner of the Department of Human Rights prior to the due date and time of the response and must have received a Certificate of Compliance prior to execution of the contract or agreement.

The secondary category applies to businesses that have had more than 40 full-time employees on a single working day in the previous 12 months in the state in which its primary place of business is domiciled. The businesses in this category must certify to Minnesota State that it is in compliance with federal affirmative action requirements before execution of the contract. For further information, contact the Department of Human Rights, Compliance Services Unit, 625 Robert Street North, Saint Paul MN 55155; Voice: 651-296-5663; Toll Free: 800-657-3704; TTY: 651-296-1283.

Minnesota State is under no obligation to delay the award or the execution of a contract until a vendor has completed the Human Rights certification process. It is the sole responsibility of the vendor to apply for and obtain a Human Rights certificate prior to contract execution.

It is hereby agreed between the parties that Minnesota State will require affirmative action requirements be met by vendors in relation to Minnesota Statutes §363A.36 and Minnesota Rules, 5000.3400 to 5000.3600.

Under the Minnesota Human Rights Act, §363A.36, subdivision 1, no department or agency of the state shall execute an order in excess of $100,000 with any business within the State of Minnesota having more than 40 full-time employees in a single working day during the previous 12 months unless the firm or business has an affirmative action plan for the employment of minority persons, women, and the disabled that has been approved the Commissioner of Human Rights. Receipt of a Certificate of Compliance issued by the Commissioner shall signify that a firm or business has an affirmative action plan approved by the Commissioner.

Failure by the vendor to implement an affirmative action plan or make a good faith effort shall result in revocation of its certificate or revocation of the order (Minnesota Statutes §363A.36, subdivisions 3 and 4). A certificate is valid for a period of four (4) years.
DISABLED INDIVIDUAL CLAUSE

A. A vendor shall not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The vendor agrees to take disabled individuals without discrimination based on their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection of training, including apprenticeship.

B. The vendor agrees to comply with the rules and relevant order of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

C. In the event of a vendor’s noncompliance with the requirements of this clause, actions for noncompliance may be taken by the Minnesota Department of Human Rights pursuant to the Minnesota Human Rights Act.

D. The vendor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Commissioner of the Minnesota Department of Human Rights. Such notices shall state the vendor obligation under the law to take affirmative action to employ and advance in employment qualified disabled employees and applicants for employment and the rights of applicants and employees.

E. The vendor shall notify each labor union or representative of workers with which it has a collective bargaining agreement or other order understanding, that the vendor is bound by the terms of Minnesota Statutes §363A.36 of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment physically and mentally disabled individuals.

It is hereby agreed between the parties that Minnesota Statutes §363A.36 and Minnesota Rules 5000.3400 to 5000.3600 are incorporated into any order of Minnesota Statutes §363A.36 and Minnesota Rules, 5000.3400 to 5000.3600 are available from Minnesota Bookstore, 660 Olive Street, St. Paul, Minnesota 55155.

By signing this statement the vendor certifies that the information provided is accurate.

NAME OF COMPANY: ______________________________________________

AUTHORIZED SIGNATURE: _________________________________________

TITLE: ____________________________________________________________

DATE: ____________________________________________________________
Equal Pay Certificate Application

- We are in compliance with Title VII of the Civil Rights Act of 1964, the Equal Pay Act of 1963, the Minnesota Human Rights Act, and the Minnesota Equal Pay Act for Equal Work Law.
- The average compensation for female employees is not consistently below the average compensation for male employees, taking into account mitigating factors, within each of the major job categories in your EEO-1 report. If you are not required to file an EEO-1 report, taking into account mitigating factors, the average compensation for female employees is not consistently below the average compensation for male employees within your organization.
- We make hiring, retention and promotion decisions without regard to gender, nor do we limit employees based on gender to certain job classifications.
- We promptly correct wage and benefit disparities.
- We evaluate wages and benefits (annually) (two year period) (other, please specify) to ensure compliance with the above identified laws.
- In determining our employee compensation we use: (check below)
  ___ Market pricing approach
  ___ State prevailing wage or union contract requirements
  ___ Performance pay system
  ___ An internal analysis
  ___ Other method (please specify) __________________________________________

________________________________________

Enclosed is our application fee of $150, made payable to the “Minnesota Department of Human Rights.”

In signing below, I affirm that I am the Board Chairperson or Chief Executive Officer and that the above information to the best of my understanding is accurate and complete.

Signature

Print Name

Date

Business Name

Business Address
STATE OF MINNESOTA
VETERAN-OWNED PREFERENCE FORM

In accordance with Minn. Stat. §16C.16, subd. 6a, the Minnesota State may award up to a 6% preference in the amount bid on state procurement to certified small businesses that are majority owned and operated by veterans.

Veteran-Owned Preference Requirements - See Minn. Stat. §16C.19(d):

1. Principal place of business is in Minnesota.

   and

2. The United States Department of Veterans Affairs verifies the business as being a veteran-owned small business under Public Law 109-461 and Code of Federal Regulations, title 38, part 74.

Statutory requirements and appropriate documentation must be met by the solicitation response due date and time to be awarded the veteran-owned preference. The preference applies only to the first $500,000 of a solicitation response.

Claim the Preference

By signing below I confirm that:

My company is claiming the veteran-owned preference afforded by Minn. Stat. § 16C.16, subd. 6a. by making this claim, I verify that:

• My company’s principal place of business is in Minnesota; and
• The United States Department of Veteran’s Affairs verifies my company as being a veteran-owned small business. (Supported By Attached Documentation)

Name of Company: _____________________________ Date: __________________________

Authorized Signature: _____________________________ Telephone: __________________________

Printed Name: _____________________________ Title: __________________________

Attach documentation, sign, and return this form with your solicitation response to claim the veteran-owned preference.
The undersigned has carefully examined all instructions, requirements, specifications, terms and conditions of this RFP; understands all instructions, requirements, specifications, terms and conditions of this RFP; and hereby offers and proposes to furnish the products and/or services described herein at the prices quoted in Respondent's proposal, and in accordance with the requirements, specifications, terms and conditions of this RFP.

The Respondent also certifies:

1. Its proposal is a valid and irrevocable offer for Minnesota State’s acceptance for a minimum of <><><> days from the Submittal Date and Time shown on the Title Page of this RFP to allow time for evaluation, negotiation, selection, and any unforeseen delays, and that its proposal, if accepted, shall remain valid for the life of the contract.

2. It is a reputable company regularly engaged in providing products and/or services necessary to meet requirements, specifications, terms and conditions of the RFP.

3. It has the necessary experience, knowledge, abilities, skills, and resources to satisfactorily perform the requirements, specifications, terms and conditions of the RFP.

4. It is aware of, is fully informed about, and is in full compliance with all applicable federal, state and local laws, rules, regulations and ordinances.

5. All statements, information and representations prepared and submitted in response to this RFP are current, complete, true and accurate. Respondent acknowledges that Minnesota State will rely on such statements, information and representations in selecting the successful Respondent.

6. It is not currently debarred or suspended from doing business with the Federal government, the State of Minnesota, or any of their respective agencies.

7. It shall be bound by all statements, representations, warranties, and guarantees made in its proposal, including but not limited to, representations as to price, performance, and financial terms.

8. Submission of a proposal indicates the Respondent's acceptance of the evaluation technique and the Respondent's recognition that some subjective judgments may be made by Minnesota State as part of the evaluation.

9. The Respondent represents and warrants that Materials produced or used under this contract do not and will not infringe upon any intellectual property rights of another, including, but not limited to, patents, copyrights, trade secrets, trade names, and service marks and names.

Respondent Name: ____________________________________________
Street Address: _______________________________________________
City: ________________________________________ State: ______ Zip: ______
Phone: __________________ Fax: __________ E-Mail: ________________

I certify that I am a duly authorized representative of the Respondent listed above. Minnesota State is hereby authorized to request from any individual or company any information it deems necessary to verify any information provided by Respondent in its proposal and to determine the capacity and responsibility of Respondent as a prospective contractor with Minnesota State.

Signature: ____________________________________________
(Must be signed in full in ink by an officer of your company)

Name: ____________________________________________
(please type or print)

Title: ____________________________________________
(please type or print)

Date: ____________________________________________
EXPERIENCE IN COLLECTION OF STUDENT LOANS AND RECEIVABLES
INCLUDING PRIOR EXPERIENCE WITH MINNESOTA STATE

1. Describe the types of student accounts that you are currently collecting.

2. List the number of individual student loan accounts handled.

3. What is the average amount of each student loan account?

4. What is the average amount collected per student account?

5. List the total number of collectors assigned to student accounts.

6. What is the average number of accounts assigned to each collector?

7. Describe the collection process taken once a debt is received, including legal.

8. Describe your skip tracing techniques and dollar thresholds, national locator network and access to credit reporting agencies.

9. Describe your experience, current and past, with Minnesota State.

10. Describe your in house training process.

11. List membership with Higher Education organizations.

12. Provide a sample report of: payment remittance, close and return

13. Will Minnesota State have online access to your accounts through a secure website?

14. List the name and qualifications of the main personnel who will be working on this contract.

15. Do you currently provide training for the colleges and universities that you work with?
    Give some examples.
DESCRIPTION OF SERVICES

NOTE: Response should positively acknowledge that the Respondent is able to perform or provide the services or features listed below. Otherwise, the Response must clearly identify any services or features listed below that are not available from or provided by the Respondent. Please state whether seeking 2nd, 3rd or all placements and when services would only be available for placement of accounts. Specifically identify what services can/cannot be provided for 1st, 2nd or 3rd placements.

Failure to satisfy these minimum requirements will render Contractor’s proposal ineligible for further consideration by the Evaluation Committee.

If selected, your agency must agree to:

1. Carry all required bonds for the term of the contract:
   a. The State of Minnesota requires a surety bond in the sum of at least $50,000, see M.S. § 332.34.
   b. Federal regulations for student loans requires a fidelity bond equal to at least two months of expected collections
   c. Provide proof of bonding and acknowledge that your agency meets the Federal Regulation above.
2. The Contractor must currently hold, or will hold by the date of the Contract commencement, a Collection Agency license from the State of Minnesota Department of Commerce, and at least one state Debt Collector License in Minnesota and must be licensed in all other states requiring licensure in order to engage in debt collection activities there on behalf of Minnesota State.
3. All remittances must include the name of the borrower, identification number, amount paid per account, amount due to Minnesota State, the college or university per account and agency fee
4. Assign a client number for each of the Minnesota State colleges or universities as well as a distinction between loans and receivables
5. Provide close and return notices and placement acknowledgements at least monthly
6. Provide the most recent address and phone information when accounts are closed and returned
7. Update interest on each account referred monthly
8. Verify all payoff balances with Minnesota State
9. Advance all court costs and attorney fees
10. Contact Minnesota State for approval on legal action, compromise settlements, requests for teacher cancellations, deferments, rehabilitation payment arrangements, et.al.
11. Pursue all legal action under the name of the college or university that holds the debt. Send all copies of judgments to Minnesota State.
12. Satisfy judgments taken by your agency which result in payment in full while at the agency.
13. Contracts with outside agencies/attorneys must include language stating that they will close and return any accounts immediately upon our request, remove their names from judgments or legal proceedings or actions taken, forward copies of all documents concerning any and all legal actions taken by your agency or sub-contractor on Minnesota State’s behalf, and abide by terms of this contract;
14. Close and return all bankruptcy accounts with information of same upon notification
15. Agree to reduce amount outstanding due to any cancellation processed with no charge to Minnesota State
16. Agree to reduce amount outstanding due to any payment from revenue recapture (tax offset) with no charge to Minnesota State
17. Retain account with no payments for no longer than twelve (12) months, except with approval of Minnesota State
18. Assess all collection charges to the debtor to the extent allowed by contract, law and regulation.

If selected, we prefer that your agency:

• Return accounts when borrower is verified as deceased and provide all possible information or documents to assist Minnesota State Colleges & Universities in obtaining a death certificate for loan cancellation purposes; i.e., location of death, date of death, etc.
• Provide monthly account status listings.
• Remit, no less frequently than the 5th of each month, all collections (principal and interest, late fees, court costs, attorney fees, agency fees) made during the month.
• At the end of the contract, Minnesota State reserves the right to determine whether to leave existing placement accounts with the agency, or to have them close and returned for placement with the new contract holders.

Agree to:
Signature: ____________________________ Date____________________
RESPONDENT PROFILE AND EXECUTIVE SUMMARY

**Company Profile** – Attach additional pages if necessary.

1. Legal name of the Respondent: 
2. Address of office which will fulfill this contract: 
3. Federal ID number: 
4. Number of years in business related to RFP: 
6. Number of employees dedicated to fulfillment of this contract: 
7. Company-wide Annual Sales Volume: __________

**Financial Stability & Capacity to Perform**

8. Is Respondent currently for sale or involved in any transaction to expand or to become acquired by another business entity?  
   - [ ] Yes  - [ ] No

9. Provide any details of all past or pending litigation or claims filed against Respondent that would affect Respondent's performance under a contract with Minnesota State.

10. Is Respondent currently in default on any loan agreement or financing agreement with any bank, financial institute, or other entity?  
    If yes, specify date(s), details, circumstances, and prospects for resolution.  
    - [ ] Yes  - [ ] No

11. Does any current relationship whether a relative, business associate, capital funding agreement or any other such kinship, exist between Respondent and any Minnesota State employee? If yes, explain relationship?  
    - [ ] Yes  - [ ] No

12. Are there any circumstances impacting Respondent that could affect Respondent's ability to perform under any award made through RFP process?  
    - [ ] Yes  - [ ] No

**Service and Support**

13. Describe your company's service/support philosophy, how it is carried out, and how success is measured.

14. Describe your company's quality assurance program, its requirements and how are they measured.

15. Indicate the principal personnel who would be responsible for this Contract and describe their experience and responsibilities.
Financial Statements

Please provide copies of agency’s last two years’ financial statements.
REFERENCES for:

Provide a customer reference list of no fewer than four (4) organizations of a size and scope similar to Minnesota State with whom Respondent currently has contracts and/or has previously provided student loan and receivables collections within the past five (5) years. Reference list is to include school name, contact person, telephone number and e-mail address, project description, length of business relationship and any other relevant information.

**Minnesota State** reserves the option to obtain and use additional references from other sources.

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Notice of Litigation Regulatory Action

The Responder must answer each of the following questions. Identification of one or more issues may result in your proposal being rejected. If the answer to any question is in the affirmative, all relevant circumstances must be explained in detail, including the current status and ultimate disposition of each matter:

1. Has the Responder been declared in default of any contract?

2. Has the Responder forfeited any payment of a performance bond issued by a surety company on any contract?

3. Has an uncompleted contract been assigned by the Responder’s surety company on any payment or performance bond issued to the Responder arising from its failure to fully discharge all contractual obligations there under?

4. Within the past three (3) years has the Responder filed for reorganization, protection from creditors, or dissolution under the bankruptcy statutes?

5. Is the Responder now the subject of any litigation in which an adverse decision might result in a material change in the company’s financial position or future viability?
PRICING

Minnesota State Colleges and Universities, under M.S. 16D.04 Subd. B, is mandated to turn all first referral of debts at 121 days past due to the Minnesota Department of Revenue, Collection Division, Minnesota’s State Collection Agency. If accounts are not resolved, debts are returned to Minnesota State. There may be opportunities for collection of first referrals for debtors outside of the State of Minnesota.

Federal Student Loans:

1. List what your commission rate will be on first placements: ________
2. List what your commission rate will be on second and greater placements: ________
3. List what your commission rate will be for legal on first placements: ________
4. List what your commission rate will be for legal on second and greater placements: ________
5. Explain and list any additional costs or fees that may be assessed:
_________________________________________________________________________
_________________________________________________________________________
_________________________________________________________________________
_________________________________________________________________________

Account Receivables:

1. List what your commission rate will be on first placements: ________
2. List what your commission rate will be on second and greater placements: ________
3. List what your commission rate will be for legal on first placements: ________
4. List what your commission rate will be for legal on second and greater placements: ________
5. Explain and list any additional costs or fees that may be assessed:
_________________________________________________________________________
_________________________________________________________________________
_________________________________________________________________________
SECURITY

Provide a statement showing you are in compliance with:

1. Payment Card Industry Data Security Standard (PCIDSS) and Cardholders Information Security Program.

2. The Gramm-Leach-Bliley Act (GLBA)

3. FTC Red Flag Identity Theft Prevention Program

ATTACHMENT O

[If you take exception to any of the terms, conditions or language in the contract, you must indicate those exceptions in your response to the RFP; certain exceptions may result in your proposal being disqualified from further review and evaluation. Only those exceptions indicated in your response to the RFP will be available for discussion or negotiation.]

STATE OF MINNESOTA
MINNESOTA STATE COLLEGES AND UNIVERSITIES

PROFESSIONAL/TECHNICAL SERVICES CONTRACT
For 3rd Party Collection of Past Due
Student Loans and Receivables

THIS CONTRACT, and amendments and supplements thereto, is between the State of Minnesota, acting through its Board of Trustees of the Minnesota State Colleges and Universities, on behalf of Minnesota State Colleges and Universities and the System Office (hereinafter Minnesota State), and [CONTRACTOR’S LEGAL NAME AND FULL ADDRESS], an independent contractor, not an employee of the State of Minnesota (hereinafter CONTRACTOR).

WHEREAS, Minnesota State, pursuant to Minnesota Statutes Chapter 136F, is empowered to procure from time to time certain professional/technical services, and

WHEREAS, Minnesota State is in need of professional/technical services, and

WHEREAS, the CONTRACTOR represents it is duly qualified and willing to perform the services set forth in this contract,

NOW, THEREFORE, it is agreed:

1. **TERM OF CONTRACT.** This contract is effective on March 1, 2020 or upon the date the final required signature is obtained by Minnesota State, whichever occurs later, and shall remain in effect until February 28, 2025 or until all obligations set forth in this contract have been satisfactorily fulfilled, whichever occurs first. The CONTRACTOR understands that no work should begin under this contract until all required signatures have been obtained and the CONTRACTOR is notified to begin work by Minnesota State’s authorized representative.

2. **CONTRACTOR’S DUTIES.** The CONTRACTOR will:
   
   1. Prompt Undertaking
      The Contractor must agree to promptly undertake the collection of all accounts assigned by Minnesota State without regard to the amount of debt to achieve a maximum recovery of debts. Such procedures may include, to the extent allowed by law and regulation, but are not limited to skip tracing, a reasonable number of telephone calls, mail efforts, and litigation upon authorization by Minnesota State.

   2. Any account assigned will include the total amount of principal, interest, late fees and costs due Minnesota State.

   3. Retain accounts with no payments for no longer than twelve (12) months, except with approval.

   4. Special Attorney Appointment, Litigation, Bankruptcy and Compromises
a. At the time the contract is signed, the Contractor will specify the name of any attorney(s) it requests to be named and appointed as “special attorney” authorized to handle litigation for Minnesota State cases referred to the Contractor. If approved by the Office of the Attorney General, a special attorney appointment will be issued for that attorney to handle litigation approved by Minnesota State and when required, the Office of the Attorney General.
b. Should, in the Contractor’s opinion, legal action be deemed necessary on a referred case, the Contractor will request approval from Minnesota State in writing.
c. Any litigation rate will apply to accounts only where the Contractor has drafted and served a summons and complaint on or entered judgment against the debtor; taken a deposition or conducted other court rule discovery; made any court appearances, including conciliation court; served garnishment or attorney levy; or enforced liens.
d. Special attorneys or other attorneys hired by the Contractor will be compensated in accordance with any agreement between the attorney and the Contractor. Neither the attorney nor the Contractor will attempt to recover any court costs, filing fees, or other legal and attorney’s fees of any kind or type from Minnesota State separate and apart from the applicable collection fee to the Contractor.
e. Minnesota State maintains the option of recalling at any time any accounts placed for litigation by the Contractor for subsequent action by the Attorney General.
f. In the event the Contractor or an attorney retained by the Contractor compromises an account without prior written authorization of Minnesota State then the Contractor must reimburse Minnesota State for any amounts so compromised including principal and interest.
g. Minnesota State will provide witnesses as deemed necessary and appropriate by Minnesota State and Minnesota State will absorb the employee’s salary expenses. The Contractor must absorb the travel costs of Minnesota State employees to serve as witnesses. To assure that Minnesota State travel regulations are complied with, Minnesota State will pay an employee’s travel expenses and then request reimbursement from the Contractor. All Minnesota State employee travel, and reimbursement for the same, will be governed by Minnesota State travel regulations and union contract provisions.
h. Contractor is responsible for advancing all court costs and attorney fees.
i. Should, in the Contractor’s opinion, legal action is deemed necessary on a referred case, the Contractor will so notify Minnesota State in writing. The Contractor or its special attorney must receive prior written approval and authorization from Minnesota State before taking action on the case. If judgments are obtained, a copy of the judgment must be sent to Minnesota State.
j. In the event a case generates any counterclaims, Minnesota State must be notified of that fact. Minnesota State will determine whether the case should be returned to Minnesota State for defense of the counterclaim.
k. The Contractor will make every effort to collect accounts prior to making litigation recommendations and will furnish evidence to Minnesota State of such a claim.
l. When the Contractor receives any notices or notification that a debtor for a referred account has filed for protection under the Federal Bankruptcy Code, the Contractor will immediately forward a copy of the petition or notification to Minnesota State and close the debt.
m. In the event that a claim is made by the debtor against the Contractor or Minnesota State, the Contractor will immediately notify Minnesota State in writing. Failure to so notify Minnesota State in writing may result in termination of the agreement and revocation of the special attorney designation. In no case, may the Contractor or the special attorney obligate Minnesota State in any settlement or other levy or assessment as the result of such claim by a debtor if they have not received prior written permission from Minnesota State.
n. Plaintiff in suits shall be listed as the individual college only. If the Contractor obtains a judgment against a debtor, the Contractor must provide Minnesota State a copy of the judgment showing the docket date, the county and state of the court issuing the judgment showing the dollar amount of the judgment, the name(s) of the party(s) against whom the judgment was entered, and the expiration date of the judgment.

5. Fee Adjustments
The following exceptions to Contractor fees will be applied:
a. No fee will be paid on the reduced amount when additional information received by Minnesota State results in a reduction or full payment of the account receivable, such as misapplied payments or audit adjustments.

b. Regular collection rates will not be paid on the full amount referred when efforts by Minnesota State, with the knowledge of or at the request of the Contractor, are utilized in collecting the account receivable.

c. No collection fee will be paid on the amount reduced when a tax offset (revenue recapture) is received.

d. The Contractor shall return to Minnesota State, upon request and without fee, any accounts placed in error or involving deferments or cancellation for Federal Loans within ten (10) working days of the request.

e. No collection fees shall be paid to Contractor on accounts that are referred for collection but on which Minnesota State receives payment prior to any collection efforts being performed by the Contractor.

f. Contractor shall not be entitled to collection fees for any overpayments.

6. Remittance Procedures
   a. Contractor will remit electronically payment to Educational Computer Systems, Inc. (ECSI) (Minnesota State’s loan servicer) or the individual Minnesota State school (for receivable) on a monthly basis. Remittance is due on or before the 5th day of the month.
   b. Detail of the payment must include: date collected, account name, identification number, the amount collected and the amount of fee. Any debtor checks returned for insufficient funds, closed accounts, etc. are to be recorded on a separate statement.

7. Contractor Reports. Contractor shall provide electronically the following reports on a monthly basis:
   a. Acknowledgement Report
   b. Inventory Report
   c. Payment/Remittance Report
   d. Performance Analysis Report
   e. Close and Return Report listing why the account is being returned along with most current address and phone number.
   f. Other Reports: The Contractor will also submit other reports as deemed appropriate by Minnesota State for inventory matches and performance evaluations.

8. Complaints and Corrective Action
   Contractors shall respond within five business days to complaints or inquiries received directly from debtors, or from the Consumer Financial Protection Bureau, Better Business Bureau, Attorney General’s office, any other entity or forwarded by Minnesota State. Contractor shall provide copies of all complaints and responses to Minnesota State. Minnesota State reserves the right to investigate and ultimately cancel the Contract based upon verification of repeated complaints by consumers.

9. Minimum Collection Activity
   Upon receiving the accounts referred from Minnesota State, the Contractor will use its best efforts to collect the total amount due on each account. The Contractor will use the following guide as the minimum acceptable standard of collection activity, provided such activity is in accordance with law and regulation:
   a. Notify the debtor within ten (10) calendar days of receipt of the account from the campus that the debt has been referred to the Contractor for collection action.
   b. Attempt to contact the debtor by telephone and/or mail.
   c. Perform skip tracing efforts, if necessary.
   d. The Contractor will monitor its employees to ensure compliance with state, federal, and local laws.
   e. The Contractor is to keep records that will verify that collection activities are being performed as agreed. Upon written request by Minnesota State, the Contractor will provide proof of all collection activity on the requested debt.
   f. Contractor must have the ability to record and review debtor calls.
10. Automated Collection System
   a. The Contractor will own, lease or otherwise have continual, guaranteed access to an automated system for collecting, organizing and documenting collection activities. The Contractor’s automated system will meet requirements for tracking and reporting accounts. The Contractor will have the capability to send and receive secure electronic messages between the Contractor and Minnesota State.
   b. The automated system must be able to calculate interest on debts referred as reported by Minnesota State.
   c. The Contractor must be able to remit payments to ECSI, Minnesota State’s loan servicer, electronically and have the capability of receiving referrals through the ECSI website.

11. Designated Contractor Manager
   The Contractor will assign a project manager who will be present at meetings scheduled, if necessary, with Minnesota State staff. The time and forum for meetings will be determined by mutual agreement between Minnesota State and the Contractor. The project manager, or designee, will be available to Minnesota State staff on a daily basis to solve problems. The Contractor will assign a back-up individual to this position in the event that the project manager is not available. The Contractor will provide a toll free telephone line dedicated for the purpose of Minnesota State communicating with the Contractor regarding various issues.

12. Contractor Training
   In order for the Contractor’s staff to have an understanding of Minnesota State debt type, the Contractor will provide its staff with training regarding Minnesota State collection information. Contractor will verify that the employees have received Fair Debt Collection Practices Act (FDCPA) training and provide specific training with respect to unique issues to Federal Student Loans and Receivable Debts.

13. Security
   The Contractor will present a security policy explaining how personal financial information, as required by the Gramm-Leach-Bliley Act, would be protected.

14. Bonding
   Prior to the execution of this contract, provide, CONTACTOR will provide proof of bonding and acknowledge that your agency meets all Federal and State regulations. Federal regulations for student loans require a fidelity bond equal to at least two months of expected collections.

15. Collection Agency License
   At the time of the execution of this contract, the CONTRACTOR shall hold a Collection Agency license from the State of Minnesota Department of Commerce, and must currently hold at least one state Debt Collector License in Minnesota as well as licenses in all other states requiring licensure in order to engage in debt collection activities there on behalf of Minnesota State.

16. Miscellaneous Duties of Contractor:
   a. Provide the most recent address and phone information when accounts are closed and returned.
   b. Verify all payoff balances with Minnesota State prior to accepting payment in full. Contractor will be held liable for any remaining balance with Minnesota State if Contractor notifies borrower that the account is paid in full without verifying balance with Minnesota State.

3. **CONSIDERATION AND TERMS OF PAYMENT.**
   a. Consideration for all services performed and goods or materials supplied by the CONTRACTOR pursuant to this contract shall be paid by Minnesota State as follows:
i. Compensation will be for ALL services performed, unless a specific payment schedule is mutually agreed upon. Minnesota State DOES NOT make regular payments based on the passage of time, it only pays for services performed or work delivered AFTER it is accomplished.

Gross payment collected for the month shall be made to ECSI/Minnesota State (loan servicer) or Minnesota State, for receivable debt, by the 5th of each following month. Payment is only made after the submission of an authorized invoice, detailing individual payments by borrowers.

ii. Reimbursement CONTRACTOR will not be reimbursed for any travel or subsistence expenses.

b. Terms of Payment

i. Payment shall be made by Minnesota State promptly after the CONTRACTOR’S presentation of invoices for services performed and acceptance of such services by Minnesota State’s authorized representative. All services provided by the CONTRACTOR pursuant to this contract shall be performed to the satisfaction of Minnesota State, as determined at the sole discretion of its authorized representative, and in accordance with all applicable federal, state and local laws, ordinances, rules and regulations. The CONTRACTOR shall not receive payment for work found by Minnesota State to be unsatisfactory or performed in violation of any applicable federal, state or local law, ordinance, rule or regulation.

Payment is made based on the following collection fee of dollars collected:

For Second Referrals or more:
Loans: Regular Collection Fee: ____
Account Receivables: Regular Collection Fee: ____
Legal Collection Fee: ____
Legal Collection Fee: ____

For First Referrals:
Loans: Regular Collection Fee: ____
Account Receivables: Regular Collection Fee: ____
Legal Collection Fee: ____
Legal Collection Fee: ____

ii. Nonresident Aliens. Pursuant to 26 U.S.C. §1441, Minnesota State is required to withhold certain federal income taxes on the gross compensation paid to nonresident aliens, as defined by Internal Revenue Code §7701(b). Minnesota State will withhold all required taxes unless and until CONTRACTOR submits documentation required by the Internal Revenue Service indicating that CONTRACTOR is a resident of a country with tax treaty benefits. Minnesota State makes no representations regarding whether or to what extent tax treaty benefits are available to CONTRACTOR. To the extent that Minnesota State does not withhold these taxes for any reason, CONTRACTOR agrees to indemnify and hold Minnesota State harmless for any taxes owed and any interest or penalties assessed.

4. AUTHORIZED REPRESENTATIVES. All official notifications, including but not limited to, cancellation of this contract must be sent to the other party’s authorized representative.

a. Minnesota State’s authorized representative for the purpose of administration of this contract is:

Name: Judy Yang
Address: 30 7th Street East, Suite 350
St. Paul, MN 55101
Telephone: 651-201-1503
E-Mail: judy.yang@minnstate.edu
Fax: 651-215-3979

Such representative shall have final authority for acceptance of the CONTRACTOR’S services and, if such services are accepted as satisfactory, shall so certify on each invoice presented pursuant to Clause 3, paragraph b.

b. The CONTRACTOR’S authorized representative for the purpose of administration of this contract is:

Name:
Address:
Telephone:
E-Mail:
Fax:

5. CANCELLATION AND TERMINATION.

a. This contract may be canceled by Minnesota State at any time, with or without cause, upon thirty (30) days written notice to the CONTRACTOR. In the event of such a cancellation, the CONTRACTOR shall be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed.

b. Termination for Insufficient Funding. Minnesota State may immediately terminate this contract if it does not obtain funding from the Minnesota Legislature or other funding source, or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the CONTRACTOR within a reasonable time of Minnesota State receiving notice that sufficient funding is not available. Minnesota State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the CONTRACTOR will be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed to the extent that funds are available. Minnesota State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature or other funding source not to appropriate funds.

6. ASSIGNMENT. The CONTRACTOR shall neither assign nor transfer any rights or obligations under this contract without the prior written consent of Minnesota State.

7. LIABILITY. The CONTRACTOR shall indemnify, save, and hold Minnesota State, its representatives and employees harmless from any and all claims or causes of action, including all attorney’s fees incurred by Minnesota State, arising from the performance of this contract by the CONTRACTOR or CONTRACTOR’S agents or employees. This clause shall not be construed to bar any legal remedies the CONTRACTOR may have for Minnesota State’s failure to fulfill its obligations pursuant to this contract.

8. WORKERS’ COMPENSATION. The CONTRACTOR certifies it is in compliance with Minnesota Statutes §176.181, subd. 2 pertaining to workers’ compensation insurance coverage. The CONTRACTOR’S employees and agents will not be considered Minnesota State employees. Any claims that may arise under the Minnesota Workers’ Compensation Act on behalf of these employees or agents and any claims made by any third party as a consequence of any act or omission on the part of these employees or agents are in no way Minnesota State’s obligation or responsibility.

9. PUBLICITY. Any publicity given to the program, publications, or services provided resulting from this contract, including, but not limited to, notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the CONTRACTOR or its employees individually or jointly with others, or any subcontractors shall identify Minnesota State as the sponsoring agency and shall not be released prior to receiving the approval of Minnesota State’s authorized representative.

10. MINNESOTA STATUTES §181.59.

The Contractor will comply with the provisions of Minnesota Statutes §181.59 which require:
Every contract for or on behalf of the State of Minnesota, or any county, city, town, township, school, school district, or any other district in the state, for materials, supplies, or construction shall contain provisions by which the contractor agrees: (1) that, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or vendor, shall, by reason or race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; (2) that no contractor, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color; (3) that a violation of this section is a misdemeanor; and (4) that this contract may be canceled or terminated by the state, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.

11. **DATA DISCLOSURE.**

   a. As a condition of this contract, CONTRACTOR is required by Minn. Stat. §270C.65 to provide a social security number, a federal tax identification number or Minnesota tax identification number. This information may be used in the enforcement of federal and state tax laws. These numbers will be available to federal and state tax authorities and state personnel involved in approving the contract and the payment of state obligations. Supposing these numbers could result in action to require CONTRACTOR to file state tax returns and pay delinquent state tax liabilities. This contract will not be approved unless these numbers are provided.

   b. Independent Contractors. Minn. Stat. §256.998 requires Minnesota State to report the name, address and social security number of independent contractors to the New Hire Reporting Center of the Minnesota Department of Human Services unless this Contract is for less than two months in duration with gross earnings of less than $250.00 per month. This information may be used by state or local child support enforcement authorities in the enforcement of state and federal child support laws.

12. **GOVERNMENT DATA PRACTICES ACT.** The requirements of Minnesota Statutes § 13.05, subd. 11 apply to this contract. The CONTRACTOR and Minnesota State must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by Minnesota State in accordance with this contract, and as it applies to all data, created, collected, received, stored, used, maintained, or disseminated by the CONTRACTOR in accordance with this contract. The civil remedies of Minnesota Statutes §13.08 apply to the release of the data referred to in this clause by either the CONTRACTOR or Minnesota State.

**FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT.** CONTRACTOR must comply with the provisions of the Family Educational Rights and Privacy Act ("FERPA") (20 USC 1232g; 34 CFR Part 99; Minn. Stat. 13.32, Subd. 3(e)) as they apply to personally identifiable information on students ("education data") provided to CONTRACTOR in accordance with this contract. Those provisions include, but are not limited to: CONTRACTOR may use the education data provided only for the purposes intended by this contract, unless otherwise authorized by law; if conducting studies on behalf of Minnesota State, CONTRACTOR must conduct its work in a manner that does not permit personal identification of parents or students by individuals other than representatives of CONTRACTOR and CONTRACTOR must destroy in a secure manner or return the education data to Minnesota State when no longer needed for the purposes intended, as the parties determine. CONTRACTOR may not redisclose education data to any person or entity unless authorized by law.

CONTRACTOR is notified that if the U.S Department of Education finds that CONTRACTOR has violated applicable provisions of FERPA, Minnesota State may not allow access to education data for at least five years.
In the event the CONTRACTOR receives a request to release the data referred to in this clause, the CONTRACTOR must immediately notify Minnesota State. Minnesota State will give the CONTRACTOR instructions concerning the release of the data to the requesting party before the data is released.

13. **OWNERSHIP OF MATERIALS AND INTELLECTUAL PROPERTY RIGHTS.**

   a. Minnesota State shall own all rights, title and interest in all of the materials conceived or created by the CONTRACTOR, or its employees or subcontractors, either individually or jointly with others and which arise out of the performance of this contract, created and paid for under this contract, including any inventions, reports, studies, designs, drawings, specifications, notes, documents, software and documentation, computer based training modules, electronically, magnetically or digitally recorded material, and other work in whatever form (hereinafter MATERIALS).

   The CONTRACTOR hereby assigns to Minnesota State all rights, title and interest to the MATERIALS. The CONTRACTOR shall, upon request of Minnesota State, execute all papers and perform all other acts necessary to assist Minnesota State to obtain and register copyrights, patents or other forms of protection provided by law for the MATERIALS. The MATERIALS created under this contract by the CONTRACTOR, its employees or subcontractors, individually or jointly with others, shall be considered “works made for hire” as defined by the United States Copyright Act. All of the MATERIALS, whether in paper, electronic, or other form, shall be remitted to Minnesota State by the CONTRACTOR, its employees and any subcontractors, and the CONTRACTOR shall not copy, reproduce, allow or cause to have the MATERIALS copied, reproduced or used for any purpose other than performance of the CONTRACTOR’S obligations under this contract without the prior written consent of Minnesota State’s authorized representative.

   b. The CONTRACTOR represents and warrants that MATERIALS produced or used under this contract do not and will not infringe upon any intellectual property rights of another, including, but not limited to, patents, copyrights, trade secrets, trade names, and service marks and names. The CONTRACTOR shall indemnify and defend, to the extent permitted by the Attorney General, Minnesota State at the CONTRACTOR’S expense from any action or claim brought against Minnesota State to the extent that it is based on a claim that all or part of the MATERIALS infringe upon the intellectual property rights of another. The CONTRACTOR shall be responsible for payment of any and all such claims, demands, obligations, liabilities, costs and damages, including, but not limited to, reasonable attorney fees arising out of this contract, amendments and supplements thereto, which are attributable to such claims or actions.

   If such a claim or action arises, or in the CONTRACTOR’S or Minnesota State’s opinion is likely to arise, the CONTRACTOR shall, at Minnesota State’s discretion, either procure for Minnesota State the right or license to continue using the MATERIALS at issue or replace or modify the allegedly infringing MATERIALS. This remedy shall be in addition to and shall not be exclusive to other remedies provided by law.

14. **ANTITRUST.** The CONTRACTOR hereby assigns to the State of Minnesota any and all claims for overcharges as to goods or services provided in connection with this contract resulting from antitrust violations which arise under the antitrust laws of the United States or the antitrust laws of the State of Minnesota.

15. **JURISDICTION AND VENUE.** This contract, and amendments and supplements thereto, shall be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of this contract, or breach thereof, shall be in the state or federal court with competent jurisdiction in Ramsey County, Minnesota.

16. **AMENDMENTS.** Any amendments to this contract shall be in writing and shall be executed by the same parties who executed the original contract, or their successors in office.
17. **STATE AUDITS.** The books, records, documents, and accounting procedures and practices of the CONTRACTOR relevant to this contract shall be subject to examination by Minnesota State and the Legislative Auditor for a minimum of six (6) years from the end of the contract.

18. **SURVIVAL OF TERMS.** The following clauses survive the expiration, cancellation or termination of this contract: Liability; Publicity; Data Disclosure; Government Data Practices Act; Ownership Of Materials and Intellectual Property Rights; Jurisdiction and Venue; and State Audits.

19. **AFFIRMATIVE ACTION REQUIREMENTS FOR CONTRACTS IN EXCESS OF $100,000.00 AND THE CONTRACTOR HAS MORE THAN 40 FULL-TIME EMPLOYEES IN MINNESOTA OR ITS PRINCIPAL PLACE OF BUSINESS.**

Minnesota State intends to carry out its responsibility for requiring affirmative action by its CONTRACTORS.

   a. **Covered Contracts and Contractors.** If the contract exceeds One Hundred Thousand and 00/100 Dollars ($100,000.00) and the CONTRACTOR employed more than forty (40) full-time employees on a single working day during the previous twelve (12) months in Minnesota or in the state where it has its principle place of business, then the CONTRACTOR must comply with the requirements of Minnesota Statutes §363A.36 and Minnesota R. Parts 5000.3400-5000.3600. A CONTRACTOR covered by Minnesota Statutes §363A.36 because it employed more than forty (40) full-time employees in another state and the CONTRACTOR does not have a Certificate of Compliance, said CONTRACTOR must certify that it is in compliance with federal affirmative action requirements.

   b. **Minnesota Statutes §363A.36.** Minnesota Statutes §363A.36 requires CONTRACTOR to have an affirmative action plan for the employment of minority persons, women, and qualified disabled individuals approved by the Minnesota Commissioner of Human Rights (hereinafter COMMISSIONER) as indicated by a certificate of compliance. The law addresses suspension or revocation of a certificate of compliance and contract consequences in that event. A contract awarded without a certificate of compliance may be voided.

   c. **Minnesota R. 5000.3400-5000.3600.**

      i. **General.** Minnesota R. 5000.3400-5000.3600 implement Minnesota Statutes §363A.36. These rules include, but are not limited to: criteria for contents, approval, and implementation of affirmative action plans; procedures for issuing certificates of compliance and criteria for determining a contractor’s compliance status; procedures for addressing deficiencies, sanctions, and notice and hearing; annual compliance reports; procedures for compliance review; and contract consequences for non-compliance. The specific criteria for approval or rejection of an affirmative action plan are contained in various provisions of Minnesota R. 5000.3400-5000.3600, including, but not limited to, parts 5000.3420-5000.3500 and 5000.3552-5000.3559.

      ii. **Disabled Workers.** The CONTRACTOR must comply with the following affirmative action requirements for disabled workers.

         A. The CONTRACTOR must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The CONTRACTOR agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates
of pay or other forms of compensation, and selection for training, including apprenticeship.

B. The CONTRACTOR agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

C. In the event of the CONTRACTOR'S noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with Minnesota Statutes §363A.36, and the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

D. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Commissioner of the Minnesota Department of Human Rights. Such notices must state the CONTRACTOR'S obligation under the law to take affirmative action to employ and advance in employment qualified disabled employees and applicants for employment, and the rights of applicants and employees.

E. The CONTRACTOR must notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the CONTRACTOR is bound by the terms of Minnesota Statutes §363A.36 of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment physically and mentally disabled persons.

iii. Consequences. The consequences for the CONTRACTOR’S failure to implement its affirmative action plan or make a good faith effort to do so include, but are not limited to, suspension or revocation of a certificate of compliance by the COMMISSIONER, refusal by the COMMISSIONER to approve subsequent plans, and termination of all or part of this contract by the COMMISSIONER or Minnesota State.

iv. Certification. The CONTRACTOR hereby certifies it is in compliance with the requirements of Minnesota Statutes §363A.36 and Minnesota R. 5000.3400-5000.3600 and is aware of the consequences for noncompliance.

20. PAYMENT CARD INDUSTRY DATA SECURITY.

a. CONTRACTOR agrees to establish security procedures to protect cardholder data and comply with the Payment Card Industry Data Security Standards (PCI DSS). Contractor can find details of the PCI DSS at https://www.pcisecuritystandards.org/security_standards/pci_dss.shtml

b. CONTRACTOR agrees to notify Minnesota State within 30 days if either CONTRACTOR establishes that it is not PCI-compliant or CONTRACTOR is notified by a Qualified Security Assessor (QSA) or CONTRACTOR’s acquiring bank that CONTRACTOR is not PCI-compliant.

c. CONTRACTOR agrees to comply with all applicable laws that require the notification of individuals in the event of unauthorized release of cardholder data. In the event of a breach of any of CONTRACTOR's security obligations or other event requiring notification under applicable law, CONTRACTOR agrees to assume responsibility for informing all such individuals in accordance with applicable law and to indemnify, hold harmless and defend Minnesota State Colleges and Universities and the System Office and its trustees, officers, and employees from and against any claims, damages, or other harm related to such a breach.

d. CONTRACTOR agrees to notify Minnesota State’s authorized representative within 24 hours in the event of unauthorized release of cardholder data.
21. FEDERAL TRADE COMMISSION RED FLAG IDENTITY THEFT PREVENTION.

The Federal Trade Commission (FTC), the federal bank regulatory agencies, and the National Credit Union Administration (NCUA) have issued regulations (the Red Flags Rules) requiring financial institutions and creditors to develop and implement written identity theft prevention programs, as part of the Fair and Accurate Credit Transactions (FACT) Act of 2003. The programs must be in place and must provide for the identification, detection, and response to patterns, practices, or specific activities – known as “red flags” – that could indicate identity theft.

CONTRACTOR agrees that in fulfilling the duties of this agreement, CONTRACTOR is responsible for complying with the Federal Trade Commission’s Red Flag Rules, implementing Section 114 of the Fair and Accurate Credit Transactions Act of 2003. CONTRACTOR agrees to have policies and procedures to detect relevant Red Flags that may arise in the performance of this agreement and to take appropriate steps to prevent or mitigate identify theft relating to this agreement. CONTRACTOR shall provide a copy of its written program to Minnesota State. If requested by Minnesota State, CONTRACTOR shall report any Red Flags concerning Minnesota State’s covered accounts and this contract to Minnesota State’s authorized representative.

22. GRAMM LEACH BLILEY ACT. The Gramm-Leach-Bliley Act (GLBA) requires Minnesota State to implement safeguards to insure the security and confidentiality of certain non-public customer information. The GLBA protects certain private information identifiable to individuals that is obtained when Minnesota State offers or delivers a financial product or service to them. Minnesota State and the CONTRACTOR mutually agree to comply with the requirements of the Gramm Leach Bliley Act (“GLB”) dealing with the confidentiality of customer information and the Safeguards Rule.

A. Definitions:

1. Covered Data and Information includes Student Financial Information (defined below) required to be protected under the Gramm Leach Bliley Act (GLB), as well as any credit card information received in the course of business by Minnesota State, whether or not such credit card information is covered by GLB. Covered data and information includes both paper and electronic records.

2. Student Financial Information is that information that Minnesota State has obtained from a customer in the process of offering a financial product or service, or such information provided to Minnesota State by another financial institution. Offering a financial product or service includes offering student loans to students, receiving income tax information from a student’s parent when offering a financial aid package, and other miscellaneous financial services as defined in 12 C.F.R. § 225.28. Examples of student financial information include addresses, phone numbers, bank and credit card account numbers, income and credit histories and Social Security numbers, in both paper and electronic format.

B. Acknowledgement of Access to Covered Data and Information: The CONTRACTOR acknowledges that this contract allows the CONTRACTOR access to Covered Data and information. Specifically, access to student financial information as defined in paragraph 1b is anticipated under this contract.

C. Prohibition on Unauthorized Use or Disclosure of Covered Data and Information: The CONTRACTOR agrees to hold the covered data and information in strict confidence. The CONTRACTOR shall not use or disclose Covered Data and Information received from or on behalf of Minnesota State except as permitted or required by this contract, as required by law, or as otherwise authorized in writing by Minnesota State.

D. Safeguard Standard: The CONTRACTOR agrees that it will protect the Covered Data and Information it receives from or on behalf of Minnesota State according to commercially acceptable standards and no less rigorously than it protects its own confidential information.

E. Destruction of Covered Data and Information: Upon termination, cancellation, expiration or other conclusion of this contract, the CONTRACTOR shall extend the protections of this section to Covered
Data and Information received from or created on behalf of Minnesota State, and limit further uses and disclosures of such Covered Data and Information, for so long as CONTRACTOR maintains the Covered Data and Information. When the CONTRACTOR no longer needs to maintain the Covered Data and Information, the CONTRACTOR shall destroy the Covered Data and Information in a secure manner.

F. Term and Termination:
   1. In addition to the rights of the parties established herein, if Minnesota State reasonably determines in good faith that CONTRACTOR has materially breached any of its obligations under this section, Minnesota State, in its sole discretion, shall have the right to:
      i. Exercise any of its rights to reports, access and inspection under this section; and/or
      ii. Require CONTRACTOR to submit to a plan of monitoring and reporting, as Minnesota State may determine necessary to maintain compliance with this section; and/or
      iii. Provide CONTRACTOR with a fifteen (15) day period to cure the breach; and/or
      iv. Terminate this contract immediately if CONTRACTOR has breached a material term of this section and cure is not possible.

   2. Before exercising any of these options, Minnesota State shall provide written notice to CONTRACTOR describing the violation and the action it intends to take.

G. Subcontractors and Agents: If CONTRACTOR provides any Covered Data and Information which was received from, or created for, Minnesota State to a subcontractor or agent, then CONTRACTOR shall require such subcontractor or agent to agree to the same restrictions and conditions as are imposed on CONTRACTOR by this section.

H. Maintenance of the Security of Electronic Information: CONTRACTOR shall develop, implement, maintain and use appropriate administrative, technical and physical security measures to preserve the confidentiality, integrity and availability of all electronically maintained or transmitted Covered Data and Information received from, or on behalf of, Minnesota State.

I. Reporting of Unauthorized Disclosures or Misuse of Covered Data and Information: CONTRACTOR shall report to Minnesota State any use or disclosure of Covered Data and Information not authorized by this Addendum or in writing by Minnesota State. CONTRACTOR shall make the report to Minnesota State not less than one (1) business day after CONTRACTOR learns of such use or disclosure. CONTRACTOR’s report shall identify: (i) the nature of the unauthorized use or disclosure, (ii) the Covered Data and Information used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what CONTRACTOR has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and (v) what corrective action CONTRACTOR has taken or shall take to prevent future similar unauthorized use or disclosure. CONTRACTOR shall provide such other information including a written report, as reasonably requested by Minnesota State.

23. ENTIRE AGREEMENT. This Contract represents the entire agreement between the parties and supersedes any previous discussions or agreements, either verbal or written that occurred between the parties. This Contract may not be amended except by written agreement signed by the parties hereto. In the event of any conflict or inconsistency between this Contract and any riders, exhibits, addenda, or other document incorporated herein, this Contract shall govern.

24. OTHER PROVISIONS, NONE
IN WITNESS WHEREOF, the parties have caused this contract to be duly executed intending to be bound thereby.

APPROVED:

1. **CONTRACTOR:**
   CONTRACTOR certifies that the appropriate person(s) have executed the contract on behalf of CONTRACTOR as required by applicable articles, by-laws, resolutions, or ordinances.

   By (authorized signature and printed name)

   Title

   Date

   By (authorized signature and printed name)

   Title

   Date

2. **VERIFIED AS TO ENCUMBRANCE:**
   Employee certifies that funds have been encumbered as required by Minnesota Statutes §16A.15.

   By (authorized signature and printed name)

   Title

   Date

3. **MINNESOTA STATE COLLEGES AND UNIVERSITIES SYSTEM OFFICE:**

   By (authorized signature and printed name)

   Title

   Date

4. **AS TO FORM AND EXECUTION:**

   By (authorized signature and printed name)

   Title

   Date