

DEBT10 Specifications

To collect debts on behalf of the State of West Virginia and/or its spending units

West Virginia State Code §14-1-18A empowers the Secretary of the Department of Administration to collect, or cause to be collected, debts and claims due the State of West Virginia and/or its spending units. Any changes made in the law will be communicated to the successful vendor(s) by the Purchasing Division of the Department of Administration and made a part of the contract. All collections must be in accordance with West Virginia State Code Chapter 46A. West Virginia Consumer Credit and Protection Act and Chapter 46A-2-122-129. These may be accessed at:

<http://www.legis.state.wv.us/WVCODE/ChapterEntire.cfm?chap=46a&art=2§ion=122#02>

GENERAL

Full Service Collection Effort:

The collection agency selected must be a full service agency and have the ability to handle several classifications of accounts, including educational, medical, and any other account assigned to it.

A minimum of 22 state spending units have indicated to the Purchasing Division that they anticipate the utilization of collection services. Other State Agencies may elect to use the collection services provided by successful bidders.

These spending units are:

Marshall University
Huntington, West Virginia

West Virginia State University
Institute, West Virginia

Shepherd College
Shepherdstown, West Virginia

West Liberty State College
West Liberty, West Virginia

Bluefield State College
Bluefield, West Virginia

Glennville State College
Glennville, West Virginia

Concord College

Athens, West Virginia

West Virginia Northern Community College
Wheeling, West Virginia

West Virginia Graduate College
Institute, West Virginia

Potomac State College
Keyser, West Virginia

West Virginia University Institute of Technology
Montgomery, West Virginia

WV School of Osteopathic Medicine
Lewisburg, West Virginia

West Virginia University
Morgantown, West Virginia

Fairmont State College
Fairmont, West Virginia

Southern West Virginia Community College
Logan, West Virginia

West Virginia Division of Highways
Charleston, West Virginia

West Virginia Department of Transportation (DMV)
Charleston, West Virginia

West Virginia Department of Health and Human Resources
Charleston, WV

West Virginia Department of Tax and Revenue
Charleston, West Virginia

Barboursville Veterans Home
Barboursville, West Virginia

WV Workers' Compensation
Charleston, West Virginia

WV Division of Environmental Protection
Charleston, West Virginia

Vendor(s) will have the responsibility to collect debts from debtors anywhere within the United States.

ALL COLLECTION AGENCIES MUST MEET THE FOLLOWING CRITERIA

License: No person, firm, corporation or association shall operate a collection agency or the business of a collection agency in this state without having first applying for and obtaining a business registration certificate.

Bonds: Each applicant shall file with the State of West Virginia Tax Commissioner a continuing surety bond executed by a corporation licensed to transact business in the State of West Virginia in the amount of \$5,000.00. A separate bond shall be filed for each agency of the vendor including the principal office and each branch office thereof.

Out-of State Collection Agencies: Out-of State collection agencies without an office in the State of West Virginia are restricted to contacting residents of this State for the collection of debts by letters and telephone calls. Prior to award successful bidder is required to designate to the Tax Commissioner a resident agent (name, address and phone number) upon whom notices, orders or other communications may be served and upon whom process may be served. West Virginia Secretary of State may be designated as the resident agent for service of process pursuant to West Virginia State Code §56-3-33.

The Department of Administration reserves the right to request an examination or audit of any or all records relating to matters covered by this contract. Any and all records must be kept a minimum of six (6) years by the vendor.

In accordance with national direct student loan guidelines, all fees charged against student loan accounts will apply only to the original principal and interest owed by the debtor, excluding any added on collection costs.

FULL-SERVICE COLLECTION REQUIREMENTS AND PROCEDURES

The following requirements are mandatory:

Placements

The full service agency(ies) must have the ability to handle several classifications of accounts separately, in order, to provide the spending unit with information on the collection performance for each class of accounts.

By West Virginia State law, a spending unit must attempt to collect a claim for three (3) months before a claim can be placed with a collection agency.

Upon placement of an account with an agency, the spending unit will forward a letter of transmittal to the collection agency in its designated area.

These transmittals will contain the following:

Type of account and description of service

Name of whom the claim is made against

Address, including zip code

Balance due

Date of service or age of account

Telephone number (optional)

Previous collection reports received on individual accounts when available

Any other information deemed important by the spending unit

The collection agency will have at least 180 calendar days to attempt to collect debts. Upon expiration of 180 calendar days, the collection agency will transfer all uncollected debts back to the originating spending unit. Collection agencies are not required to transfer accounts back to the spending unit on which payments are still being received at the end of the 180 day period or validly in dispute or nearing settlement, however, all accounts not paid in full at the end of two (2) years, inclusive of the 180 day period, will be referred back to the originating spending unit unless exempted by the Secretary of Administration. When returning a claim, the collection agency must submit a completed litigation referral form.

PAYMENTS AND REPORTING

The collection agency will forward all payments collected during any month by the 15th day of the following month to the originating spending unit accompanied by the report specified below. The collection effort will continue until an account is paid in full, except as otherwise restricted, or until the spending unit desires collection efforts to be terminated, or until the 180 day period has elapsed.

The collection agency must send a complete report to the spending unit on or before the 15th of every month for the preceding month whether or not any payments were received.

The following information must be included in each report by debtor in alphabetical order:

Debtor's name(s) and social security number(s) or other identification number(s) as agreed upon by the spending unit and collection agency.

Placement date of accounts

Beginning amounts to collect

Additional amount authorized for collection

Amounts previously collected, amounts collected for current month and total collections to date

Balanced owed

Amount(s) forwarded to spending unit and balance due spending unit

Fees assessed, amount collected and balance due

Reason for returned or closed accounts (if applicable)

Remarks

Percent of dollar amounts collected to date

All collection agencies should have the capacity to add accrued interest to applicable accounts on a monthly basis.

Reports to Purchasing:

Successful vendor shall provide quarterly reports and annual summaries showing the quantities, dollar value, agencies and political subdivisions which have used this contract. This report is mandatory and failure of the successful bidder to supply such reports may be grounds for cancellation of contract.

Reports are to be sent to:

Jo Ann Adkins
Department of Administration
Purchasing Division
2019 Washington Street, East
Charleston, WV 25305
Jo.a.adkins@wv.gov

LITIGATION:

Accounts that have not been collected by the collection agencies may be referred to the Attorney General's Office for litigation. When returning a claim to the referring state spending unit, the collection agency must submit a completed litigation referral form which must contain all information requested.

FEES:

Upon payment to the spending unit of all sums collected on behalf of the spending unit by the collection agency, the collection agency will invoice the spending unit for the fee assessed. A collection agency is prohibited from retaining its fee from the amount collected on behalf of the State. Furthermore, fees assessed by a collection agency, for collecting a claim shall never exceed the fee specified in the purchase order issued by the Purchasing Division of the Department of Administration or the amount specified by law.

MANDATORY CONDITIONS:

Vendor submitting proposals must utilize the following format

Name, address and telephone number of vendor and the individual responsible for being the point of contact with the State of West Virginia.

Vendor must specify it meets the following criteria: (This information should be brief and concise.)

Vendor is a full service collection agency capable of handling several classifications of accounts including, but not limited to, educational, medical and any other account assigned to it by the State of West Virginia and/or any of its spending units.

Vendor has a West Virginia business franchise registration certificate for each office it maintains in the State.

Vendor has filed the appropriate surety bonds with the West Virginia State Tax Commissioner. (This must be completed prior to any award.)

Vendor shall describe its experience and capability in providing the services needed and required by the State of West Virginia in collecting claims due. Vendor may provide examples of the usual type of services provided to its clients. Vendor must provide the name, address and telephone number of three (3) references.

Vendor must describe the services it will provide to the State of West Virginia and its spending unit. Vendor should elaborate on the methodology it would use to collect claims, the type of system it would use to track claims, etc. Vendor may offer examples of letters, reports, etc.

Vendor shall specify on the pricing page the fees it will assess for collecting claims in terms of a percentage. West Virginia State Code §46A-2-128 (C) provides that the maximum allowable fees (including attorney fees and collection costs) cannot exceed 33 1/3% of the debt actually collected. However, colleges and universities may pay an additional 5% of the debt actually collected being 38 1/3%. In addition, fees must remain in effect for the life of the purchase order and any renewal thereof.

CONFIDENTIALITY:

The vendor agrees that the vendor will not disclose to anyone, directly or indirectly, an such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing in accordance with the mandates of West Virginia Code §11-10-5d or the disclosure in made pursuant to the agency's policies, procedures and rules and in compliance with the West Virginia Code §11-10-5d. Vendors should visit www.state.wv.us/admin/purchase/privacy for the Notice of Agency Confidentiality Policies.

HIPAA Business Associate Addendum: The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is hereby made part of this Request for Quotation.

Any Collection Agency doing business with any State Agency that is bound by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) must sign the attached agreement and return prior to award of bid.

ORDERING PROCEDURE:

Agencies must contact the low bidder (#1 on the attached DEBT10 - Synopsis) for their agency first. If this vendor is unable to perform the service, the agency should go to the second low bidder (#2 on the attached DEBT10 - Synopsis).