



# TEXAS HIGHER EDUCATION COORDINATING BOARD

Request for Offers (RFO)

## Student Loan Management and Origination System

Texas Higher Education Coordinating Board  
1200 East Anderson Lane  
Austin, Texas 78752

**RFO No. 781-1-24494**

NIGP: 920-07

**Solicitation Post Date:** July 1, 2021  
**Written Questions Deadline:** July 30, 2021, by 11:30 p.m. CST/CDT  
**Proposal Deadline:** August 16, 2021, by 11:30 p.m. CST/CDT

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## **1.0 Introduction**

The Texas Higher Education Coordinating Board (THECB or the Board) is a state agency that provides leadership and coordination for higher education in the state of Texas. In addition to higher education policy development and grant administration, the Board also manages the Hinson-Hazlewood Loan Program. This program, in place since 1965, provides low interest, alternative student loans known as College Access Loans (CAL) for eligible Texas students attending institutions of higher education in Texas. The Board also administers the Texas Armed Services Scholarship Program (TASSP), a service cancelable program. In addition to the loan products currently being offered, the Board is servicing and collecting a legacy portfolio of loans no longer being originated (e.g., B-On-Time (BOT), Health Education Assistance Loan, Federal Family Education Loan Program). Loans for all programs are originated and serviced by the THECB. As of June 28, 2021, the Board's loan portfolio consists of 653,825 loans totaling \$1.6 billion. Additional information on the Board's loan programs can be found at <http://www.hhloans.com/>.

THECB is seeking the most effective, creative, and cost-efficient solution for the management and administration of its alternative student loan portfolio. The solution shall have all functionality required for the continued administration of an alternative student loan portfolio including loan origination, loan account servicing, payment processing, accounting, reporting, document generation/management, debtor identification and location, collections, litigation tracking and post default collections, and customer portal. The solution selected will convert THECB's existing loan portfolio, originate and service future alternative student loans, and provide a secure and robust user environment for both THECB staff and clients. The proposed solution may be software and/or Software as a Service.

The THECB has the authority to enter into this contract pursuant to Texas Education Code § 61.067. The THECB and Respondent shall comply with all applicable procurement laws of the state of Texas.

## **2.0 Minimum Eligibility Criteria**

It is imperative that the system/solution meets the following criteria:

- The software/service must be able to convert, load, and manage data from the Board's existing Higher Education Loan Management System (HELMS) loan management system.
- The software must meet industry standard security measures, be available 24/7/365, and provide for backup and disaster recovery.
- The solution must meet the requirements of the Family Education Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g, and the implementing federal regulations, 34 C.F.R. Part 99.

### **3.0 Scope of Work**

The Board seeks to replace its current HELMS loan management system with a more efficient, secure, and technologically advanced student loan management solution. The solution shall have all functionality required for the continued administration of an alternative student loan portfolio including loan origination, loan account servicing, payment processing, accounting, reporting, document generation/management, debtor identification and location, collections, litigation tracking and post default collections, and customer portal.

Attachment E contains a list of all requested features that will allow the THECB to administer the loan program effectively and securely. This attachment is being provided to prospective respondents so that respondents may more clearly understand the objective THECB is striving to meet with this RFO. It is not expected that any one firm will be able to provide every feature listed on Attachment E. Respondents' proposed solutions may offer alternative features that allow the THECB to achieve the same objective.

Requirements of the proposed solution are as follows:

#### **3.01 Technical Requirements**

- General Functionality – The proposed solution will be required to convert THECB's existing HELMS student loan management system, originate and service new student loans, and serve as the Board's ongoing loan management solution.
- Loan Origination – THECB currently originates the College Access Loan (CAL), a fixed-rate alternative student loan used to cover the cost of attendance less other financial aid. Also, THECB originates the Texas Armed Services Scholarship Program (TASSP), a conditional scholarship which converts to a loan if the recipient fails to satisfy requirements of the scholarship. The proposed solution shall originate, disburse, and service both credit and non-credit loans and accept cosigners for credit-based loans, with appropriate authentication of loan applicants.
- Loan Account Servicing – The proposed solution will be required to perform all aspects of servicing existing and new student loans, including creation of repayment schedules, billing statements, letters, and transaction history documents. The solution shall allow for: interest capitalization or no capitalization of interest; a 0% interest rate; the ability to change interest rates, including variable rates; and deferments, forbearance, and forgiveness. The solution shall allow tracking for both borrowers and cosigners, provide automated collections, and provide 1098E/1099C tax reporting.
- Payment Processing – The proposed solution shall accept automatic debits, manual updates, file uploads, payments by phone, cash, credit cards, e-check, EFT,

lock box, Interactive Voice Response (IVR), etc. from both borrowers and cosigners and provide for payment processing through the THECB's cash receipts system as well as through receipt and reporting of various forms of electronic transactions. Successful Respondent shall comply with the Payment Card Industry Data Security Standard (PCI DSS) with respect to Cardholder Data as defined therein. The proposed solution should have the ability to apply payments globally to multiple loan types based on individual loan amount or to specific loans. The proposed system shall apply payments regardless of loan status (e.g., deferment/forbearance, current, paid ahead), allow for the advancement of payment due dates based on posted payments, and provide Automated Clearing House functionality which must include borrower benefit functionality.

- Reporting – The proposed solution shall have the ability to generate reports, including exception reports and ad-hoc reports, with the ability to set up automatic delivery of reports to THECB Staff as needed.
- Accounting – The proposed solution shall serve as THECB's subsidiary ledger and, as such, will be required to:
  - Generate general ledger accounting entries for THECB's accounting systems (Sage Fund Accounting Software (a.k.a. MIPS), USAS)
  - Create daily text files for upload into THECB accounting systems (Sage Fund Accounting Software (a.k.a. MIPS), USAS)
  - Process refund entries
  - Allow full or partial write offs of loan principal, interest, or fee balances
  - Provide financial reports based on user-defined variables
- Document Generation/Management – The proposed solution shall allow for correspondence to be generated and sent to borrowers/cosigners, for any account status, via regular mail or a customer portal based on user defined fields and provide for fillable, on-demand letters.
- Debtor Identification and Location – The proposed solution will require skip tracing functionality including integration with external databases such as Accurint/LexisNexis, provide workflow, and contact and correspondence management.
- Collections – The proposed solution shall provide collection due diligence for delinquent individuals who need to be contacted for payment of a past due amount, using phone calls, letters, emails, text messaging, and other avenues that may be developed. Parameters for performing the collection activities need to be flexible and rule based, with the ability for THECB Staff to monitor activities to determine what activities need to be performed.

- Litigation Tracking and Post Default Collections – The proposed solution will be required to handle defaulted loans entering the litigation process, including:
  - Case file creation and tracking
  - Document generation and management
  - Fee assessment and management
  - Provide for workflow management
  - Create repayment schedules, billing statements, letters, and transaction history documents
  - Separately yet simultaneously track borrower and cosigner demographic and debt and legal case information
  - Provide for automated monitoring of repayment agreements
  - Provide for document generation based on manual or automated triggers
  - Allow for the categorization of defaulted loans based on collectability
  
- Customer Portal for Borrowers, Cosigners, and Internal THECB Staff – The proposed solution shall allow for borrowers and cosigners to access/change account information and apply for loans using a variety of communication devices including personal computers, Apple computers, tablets, and smart phones. The solution shall also be accessible via all major web browsers (Chrome, MS Edge, etc.) and allow for the e-signing of documents. The proposed solution shall allow THECB staff to view/shadow the borrower and cosigner through the portal, and change borrower/cosigner information when required. The solution will be required to meet all federal and State of Texas accessibility rules.
  
- Customer Portal for Institutions and Internal THECB Staff – THECB’s student loan program requires interaction with financial aid staff at colleges and universities in Texas. The solution will be required to allow financial aid staff at colleges and universities to view/query, edit, and certify their customer’s student loans, eligibility, and status messages. The solution shall also allow an institution’s financial aid administrators to manage their respective staff’s authorized online users (add, delete, reset passwords, set rights, etc.). The proposed solution shall allow THECB staff to view/shadow schools through the portal.
  
- Interfaces and Import/Export Requirements – The proposed solution will require the ability to interface with various THECB and external systems, including, but not limited to:
  - THECB internal accounting systems (Sage Fund Accounting Software (a.k.a. MIPS), USAS)
  - THECB cash receipts system
  - Third party transaction processing systems
  - National Student Loan Data System (NSLDS)
  - Credit Reporting Bureaus
  - E-Oscar
  - Data Center Services (DCS)

- Respondents should comprehensively list their infrastructure or compute requirements, to be hosted in either a DCS public or private cloud, for financial review by THECB. THECB will facilitate the process to request an estimate of the cost to host the solution within the DCS program. If the Respondent intends to propose Software as a Service (SaaS), then Respondent must demonstrate that the solution must clearly meet the National Institute of Standards and Technology (NIST) standard definition of SaaS (NIST Definition of Cloud Computing SP 800-145). THECB will be required to request and receive from DIR a DCS program exemption before a contract can be awarded to a Respondent.
- Federal Loan Servicing – The proposed solution shall support all functions and reporting associated with servicing of the existing federal loan portfolio, maintaining compliance with all student loan federal regulations.
- Other – The proposed solution shall provide other functionality as described in more detail in Attachment E.
- Technology Requirements – The proposed solution shall address the technology requirements as detailed in Attachment E. as well as the infrastructure requirements as detailed in Attachment F.
- System Security, Backup/Recovery – THECB’s student loan data is required to comply with applicable federal and state statutes (e.g. the Family Education Rights and Privacy Act (FERPA) and the Fair Credit Reporting Act (FCRA)). The proposed solution shall provide the proposed product’s security features, backup/recovery options, audit trail features, and ability to protect data from unauthorized access.
- Customer Service/Service Level Agreements/Response Times – The solution will require 24/7/365 availability. The proposed solution shall include your firm’s proposed customer service response times and service levels agreement options for the proposed solution.
- Data Conversion and Migration from the THECB’s Existing HELMS Loan Management System – The proposed solution will be required to convert and migrate data from THECB’s existing HELMS loan management system. The proposed solution shall describe your firm’s experience with the HELMS loan management system (if applicable) and converting a portfolio of student loan data from that system, or similar systems.
- Installation/Implementation of Project Work Plan –The proposed solution must include a brief description of your firm’s proposed implementation and project work plan for the following tasks and a proposed time frame/schedule for the accomplishment of these tasks:
  - Project management

- Gap Analysis
  - Infrastructure Setup
  - Installation
  - Configuration
  - Data Conversion from Existing HELMS Loan Management System
  - Web Interface Design/Implementation
  - Staff Training
  - Testing
  - User Acceptance
  - Customer Support when solution “Goes Live”
- Training and Documentation – The proposed solution must briefly describe your firm’s proposed training plan (costs, duration, etc.) and documentation to be provided upon implementation of the solution for the following:
    - THECB System Administrators
    - THECB Loan Operations Staff, certain Office of the Attorney General Staff in Student Loan Collections, and appropriate THECB technical Information Solutions and Services staff
    - Ongoing technical support for the duration of the contract and optional extensions
    - Annual training classes
    - Training manuals/documentation
- Firm Information, Background/References/Staff – Please provide information regarding the following:
    - Corporate Structure
    - Key Staff
    - Years in Business
    - Number of clients using proposed solution
    - References – Please provide contact information for three clients currently using your firm’s proposed solution
    - Name, title, email, and phone of the person authorized to negotiate the contract on behalf of the organization
    - Name, title, email, and phone of person to be Project Manager
    - Names and titles of proposed Project Team members
    - Liability Coverage/Proof of Insurance – Firms selected for demonstration of product will be required to provide proof of coverage
    - Contingency plans for THECB access to software and data in the event that your firm is no longer in business



- Proposed Costs/Fees – Please provide your firm’s proposed costs for the following licenses/services:
  - Annual Software License
    - Is licensing fee dependent on loan portfolio size?
    - If yes, please describe
  - Software Maintenance
  - Gap Analysis
  - Installation, Configuration, and Conversion
    - Project Management
    - Software Customization/Programming/Reports
    - Interfaces
    - Testing
    - System Admin Training
    - Training for THECB staff
    - Other (Please list)
  - Total Proposal Cost
  
- Billing Methodology – Please describe your firm’s proposed contract term and optional extensions. Please also provide your firm’s proposed billing/invoicing methodology (upfront, quarterly, annual, etc.).
  
- Additional Information: Any proposed software solutions requiring standalone servers will be required to obtain such servers through the Department of Information Resources (DIR) Data Center Services contract with Xerox. *See* DIR website for more information.

## **4.0 Payment and Pricing Terms**

### **4.01 Payment Terms and Award Summary**

Contractors will be reimbursed for services rendered or deliverables completed. The Contractor will submit invoices to THECB that detail the itemized associated costs of the services rendered or deliverables completed.

To the extent the Awarded Contractor is not a Texas state agency, THECB will make payments for services in accordance with the Texas Prompt Payment Laws, Texas Government Code §§ 2251.001-.055. If the Awarded Contractor is a Texas state agency, THECB will make payments for services in accordance with the Interagency Cooperation Act, Texas Government Code §§ 771.001-.010.

The Awarded Contractor agrees not to begin or provide any services until issuance of a Contract by THECB. THECB does not guarantee a specific compensation to the Awarded Contractor throughout the term of the Contract. The Awarded Contractor is not guaranteed minimum compensation.

THECB will not apply for credit nor will THECB prepay. THECB shall pay, subject to the terms of the Texas Prompt Payment Laws, upon the receipt of a properly submitted invoice after all goods and services have been received.

THECB shall award the Contract to the most qualified Respondent(s) successfully meeting the criteria and conditions as outlined in this RFO.

#### **4.02 Adding New Services to the Contract After Award**

Following the Contract award, additional services of the same general category that could have been encompassed in the award of this Contract, and that are not already on the Contract, may be added. A formal written request may be sent to Awarded Contractor(s) to provide a Proposal on the additional services, and Contractor(s) shall submit Proposals to THECB as instructed. All prices are subject to negotiation with a Best and Final Offer.

THECB may accept or reject any or all Proposals and may issue a separate RFO or IFB (Invitation for Bid) for the services after rejecting some or all the Proposals. The services covered under this provision shall conform to the terms, conditions, specifications, and requirements as outlined in the request.

### **5.0 Contract Term and Termination**

The Contract shall commence upon the execution of a Contract by THECB with the Awarded Contractor(s) and shall automatically expire four (4) years from the date of execution with options for renewal at THECB's sole discretion for four (4) one-year optional renewal periods. The term of the Contract, including renewal periods, may not exceed eight (8) years.

Once a Contract is executed with the Contractor(s), this period will be referred to as the "Contract Term."

### **6.0 Terms and Conditions**

See Attachment C, Anticipated Contract.

### **7.0 Anticipated Schedule of Activities**

#### **7.01 Due Date for Proposals**

Respondents shall submit Proposals to THECB no later than the Proposal Due Date indicated in the Calendar of Events section below. Proposals submitted late will be rejected and will not be considered for evaluation.

## 7.02 Calendar of Events

The solicitation process for this RFO will proceed according to the schedule below. THECB reserves the right to revise this schedule or any portion of this RFO by published Addendum on the Electronic State Business Daily (ESBD) and THECB's website.

EVENT	DEADLINE
Publication of RFO on the ESBD and THECB's website	July 1, 2021
Last Day to Submit Written Questions	July 30, 2021, by 11:30 p.m. CST/CDT
Response to Written Questions	August 6, 2021
Proposal Due Date and Time	August 16, 2021, by 11:30 p.m. CST/CDT
Post-Proposal Interviews/Presentations, if required	September 2021
Anticipated Contract Start Date	December 2021

THECB will only accept written questions and requests for clarification via email to the Point of Contact listed below.

## 7.03 Point of Contact

Respondents shall direct all inquiries, written questions, requests for clarification, and communications concerning this RFO to the Point of Contact listed below. Inquiries and comments must reference RFO No. 781-1-24494.

Contact:  
Linda Natal  
Director, Contracts and Procurements  
Office of General Counsel  
Texas Higher Education Coordinating Board  
[eBids@highered.texas.gov](mailto:eBids@highered.texas.gov)

Questions submitted to THECB will be answered in accordance with the calendar of events above. THECB will post additional information, responses to written questions, RFO modifications, and addenda on the ESBD and THECB's website. It is the responsibility of interested parties to periodically check the ESBD and THECB's website for updates to the RFO prior to submitting a Proposal. Respondent's failure to periodically check the ESBD and THECB's website will in no way release the selected Contractor(s) from the requirements of "addenda or additional information" nor will any resulting additional costs to meet the requirements be allowed after award(s).

Please Note: Ms. Natal is the only permitted point of contact. Contact or attempted contact with other THECB employees, including Commissioners and their staff, may result in a Respondent's immediate disqualification.

All THECB responses must be in writing to be binding. Any information THECB deems to be important and of general interest or which modifies requirements of the RFO shall be provided in the form of an addendum to the RFO on the ESBD and THECB's website.

## **8.0 Proposal Format and Content (Required)**

### **8.01 Solicitations Attachments**

This RFO also includes the following attachments, which are posted on the ESBD and THECB's website:

Attachment A: Execution of Proposal (Required), including the following:

1. Respondent Information
2. Texas Family Code § 231.006(c)
3. Texas Government Code § 669.003
4. Preferences
5. Exceptions to Terms and Conditions
6. Respondent Acknowledgement
7. Signature

Attachment B: HUB Subcontracting Plan (Required)

Attachment C: Anticipated Contract (for reference only)

Attachment D: Conflict of Interest Disclosure Statement (Required)

Attachment E: Staff Recommended Features

Attachment F: Data Center Services (DCS) Infrastructure Requirements

### **8.02 Organization of the Proposal for Submission**

Proposals shall include all required attachments and certifications and be in the format described herein. THECB will not accept attachments and certifications submitted after the proposal deadline. Failure to submit all required information shall make the Proposal nonresponsive and thus disqualified from consideration. Respondents are solely responsible for thoroughly understanding this RFO and its attachments. Any questions concerning this RFO should be directed to the Point of Contact by the Deadline for Submitting Questions identified in Section 7.02. Respondent is cautioned to pay particular attention to the clarity and completeness of its Proposal. Respondent is solely responsible for its Proposal and all documentation submitted.

Respondents shall be as precise, accurate, and succinct as possible. Respondents shall provide detailed descriptions of how they will fulfill each requirement. The clarity and completeness of a Proposal may be considered by the THECB evaluators.

**Respondents shall submit two files in Portable Document Format (PDF) as noted below.** No mailed, hand-delivered, or faxed Proposals will be accepted.

The first PDF shall contain responses to the following:

1. Scope of Work under Section 3.0 and all subsections of Section 3.0.
2. Qualifications;
3. Cost of the Project;
4. References.

Each Respondent shall provide at least three references, including contact information. THECB prefers references from clients for whom Respondent has performed similar work, including other state agencies. Do not use THECB or any individuals employed by THECB as a reference.

The second PDF shall contain the following:

1. Attachment A: Execution of Proposal – All information on Attachment A is required to be completed.
2. Attachment B: HUB Subcontracting Plan – All information on Attachment B is required to be completed.

In compliance with Texas Government Code §§ 2161.001-.253, it is THECB's policy to promote and encourage contract and subcontract opportunities for State of Texas certified Historically Underutilized Businesses in all contracts. Eligible Respondents are encouraged to become State of Texas HUB certified, applications may be found at: <https://comptroller.texas.gov/purchasing/vendor/hub/>.

Definitions for State of Texas HUB certifiable businesses can be found in the Texas Administrative Code. [34 Tex. Admin. Code § 20.282](#).

A HUB Subcontracting Plan Form must be filled out and returned with the Proposal to be considered responsive. If the Proposal does not include a HUB Subcontracting Plan, it shall be rejected as a material failure to comply with advertised specifications. Please see the attached HUB Subcontracting Plan for further instructions which requires vendors to identify the specific areas intended for subcontracting.

Search the State of Texas HUB Database for HUB vendors by the NIGP class and item [here](#). Additional minority and women owned business association resources are available for subcontracting notices are available on the Texas Comptroller's

[website](#). Additional information and training regarding how to complete a HUB Subcontracting Plan can be found [here](#).

Please note you must allow HUBs at least seven (7) working days to respond to your notice prior to your bid response submission to THECB.

3. Attachment C: Anticipated Contract (for reference only)
4. Attachment D: Conflict of Interest Disclosure Statement

The Conflict of Interest Disclosure Statement is required and must be attested to by an unsworn declaration. Respondents shall be neutral and impartial, shall not advocate specific positions to THECB. Respondents shall identify the extent, nature, and length of these relationships or engagements. Entities having a conflict of interest, as determined by THECB, will not be eligible for contract award.

If a Respondent does not have any known or potential conflict of interest, the Proposal should include such a statement. Failure to provide either a statement on potential conflicts of interest or a statement that no potential conflicts exist shall automatically disqualify Respondent.

This Conflict of Interest Disclosure Statement shall be signed by the highest-ranking officer of Respondent's entity having responsibility for vetting corporate conflicts of interest, e.g. a corporate Executive Vice President rather than the head of an operating or regional unit of the firm.

THECB will determine whether a conflict of interest or the perception of a conflict of interest exists from the perspective of a reasonable person uninvolved in the matters covered by the resulting contract. THECB is the sole arbiter of whether a conflict or the appearance of a conflict of interest exists.

THECB encourages Respondents to provide complete disclosure of matters that might be considered a conflict of interest. Completeness of disclosure may be a factor in evaluating Proposals.

Each Respondent must also address how Respondent intends to ensure that no interest arising or potentially arising as a result of its activities or those of its parent, affiliate, or other related entity shall conflict with Respondent's duty should it be selected to provide these services.

THECB may not enter a contract with a person it has been employed within the past twelve (12) months. Persons who have been employed by THECB or by another state agency in Texas more than twelve (12) months but fewer than twenty-four (24) months ago shall disclose in the Proposal the nature of previous employment with the state agency and the date the employment ended.

NOTE: THECB, as a state agency, is prevented by the Texas Constitution from indemnifying a Respondent. Respondent is discouraged from including a term in its Proposal that requires THECB to indemnify it. Such a term may result in the Proposal being deemed nonresponsive.

5. Transmittal Letter: Respondent shall provide a Transmittal Letter addressed to the Point of Contact that identifies the person or entity submitting the Proposal and includes a commitment by that person or entity to provide the services required by THECB through this RFO and the Anticipated Contract.

The Transmittal Letter must be signed by a person legally authorized to bind Respondent. The letter must specifically identify that the Proposal is in reference to THECB's RFO for Student Loan Management and Origination System. The letter must state, "The Proposal enclosed is binding and valid at the discretion of THECB."

Additionally, the Transmittal Letter shall indicate that the Proposal is good for one hundred twenty (120) days. The letter must also include "full acceptance of the terms and conditions described in this Request for Offers, including as detailed in the Anticipated Contract."

Any exceptions to this RFO and the Anticipated Contract must be specifically noted in the letter. However, any exceptions may disqualify the Proposal from further consideration. If Respondent takes any exceptions to any provision of this RFO or the Anticipated Contract, these exceptions must be specifically and clearly identified by Section and Respondent's proposed alternative must also be provided. Respondent cannot take a "blanket exception" to the entire RFO or the Anticipated Contract. If any Respondent takes a "blanket exception" to this entire RFO or the Anticipated Contract or does not provide proposed alternative language, the Proposal may be disqualified from further consideration.

Any terms and conditions attached to a Proposal will not be considered unless specifically referred to in this RFO and Respondent's attachment of such terms and conditions to a Proposal may disqualify the Proposal.

Respondents are strongly encouraged to submit written questions during the inquiry period regarding any terms and conditions of this RFO or the Anticipated Contract.

The Proposal shall include all information required in this RFO. Respondent is solely responsible for thoroughly understanding the RFO and its attachments, exhibits, and forms. Questions should be directed to the Point of Contact by the Deadline for Submitting Questions. Respondent is cautioned to pay particular attention to the clarity and completeness of its Proposal. Respondent is solely responsible for its Proposal and all documentation submitted.

Respondent shall be as precise, accurate, and succinct as possible. Respondent shall provide detailed descriptions of how they will fulfill each requirement. The clarity and completeness of a Proposal may be considered by the THECB evaluators.

## **9.0 Proposal Submission**

Proposals must be submitted to the Point of Contact by an authorized representative via email to [eBids@highered.texas.gov](mailto:eBids@highered.texas.gov) prior to the deadline. The subject line of the email shall be entitled "Proposal Submitted for RFO No. 781-1-24494 – Student Loan Management and Origination System." The email submission should contain two files as noted in Section 8.0 above. THECB recommends a limit of 75 MB for each attachment. This may result in the sending of multiple emails to THECB for submission of all documentation contained in a Proposal. No mailed, hand-delivered, or faxed Proposals will be accepted.

THECB will not accept a Proposal submitted after the deadline. Failure to provide all required information shall make the Proposal nonresponsive and thus disqualified from consideration. THECB may reject a Proposal that fails to include required contents.

THECB will confirm receipt of the submitted Proposal via email. If a Respondent does not receive a confirmation from THECB, Respondent should contact the Point of Contact.

A Respondent may be required to provide proof of timely submission of the Proposal. THECB shall not be responsible for Proposals that are captured, blocked, filtered, quarantined, or otherwise prevented from reaching the proper destination server by THECB or Respondent's anti-virus or other security software.

THECB reserves the right to waive any minor or immaterial Proposal requirement noted in the submission process. Submission of Proposals confers no legal rights upon any Respondent.

## **10.0 Proposal Evaluation**

### **10.1 Evaluation and Award of Contract**

A Contract will be awarded by THECB to the Awarded Contractor(s) in response to this RFO.

THECB reserves the right to award Contract(s) without any negotiations and reserves the right to not make awards. Submission of a Proposal confers no rights on Respondent to an award or to a subsequent Contract if there is one. The issuance of this RFO does not guarantee that a Contract will ever be awarded. THECB reserves the right to withdraw the RFO entirely for any reason solely at THECB's discretion. An individual Proposal may be rejected if it fails to meet any requirements of this RFO.



THECB may seek clarification from Respondent at any time during the evaluation period, and failure to respond may be cause for rejection of a Proposal.

Upon execution of a Contract resulting from this RFO, the term “Respondent” shall have the same meaning as “Contractor.” The Contractor agrees not to begin or provide services until issuance of a Contract by the THECB.

Respondent is strongly encouraged to provide its best price in its Proposal. THECB shall award a Contract(s) to the Respondent(s) whose Proposal is considered to be the best value to the state, as defined in Texas Government Code § 2155.074. Attachment C of this RFO represents the Anticipated Contract (along with its incorporated exhibits) which will be entered into with the Contractor(s) and lists the additional terms and conditions governing this RFO. THECB may make its award to Respondent(s) based on any combination, including, but not limited to line items or commodity groups that provide best value to the State.

The State of Texas may consider, at its option, alternative services for award which may not meet the full specifications, however, represent a best value to the State of Texas within the listed service classification.

Proposals will be evaluated by THECB employees and, if applicable, by other non-THECB employees who may be invited to assist as evaluators. Each evaluated Proposal will be reviewed and scored according to the table set out below.

**Evaluation Criteria for each of the Proposal Components:**

Criteria	Weight
<b>Business Requirements</b>	30%
• Loan Origination	
• Loan Account Servicing	
• Payment Processing	
• Reporting	
• Accounting	
• Document Generation/Management	
• Debtor Identification and Location	
• Collections	
• Litigation Tracking and Post Default Collections	
<b>Customer Portal</b>	10%
• Customer Portal for Borrowers and Cosigners	
• Customer Portal for Institutions	
<b>Technology Requirements</b>	35%
• Interfaces & Import/Export Requirements	
• Technology Requirements (including Servers, DB Platform, Workstations, Etc.)	
• System Security, Backup/Recovery	
• Customer Service, Service Level Agreements/Response Times	
• Data Conversion and Migration from HELMS	
• Infrastructure Requirements (Attachment F)	
<b>Installation &amp; Training</b>	10%

<b>Contract Cost &amp; Administration</b>	15%
<ul style="list-style-type: none"> <li>• Firm Information – Background, References, Staff</li> <li>• Proposed Costs/Fees</li> <li>• Billing Invoicing – Contact Terms, Extensions</li> </ul>	
<b>TOTAL</b>	<b>100</b>

In determining the best value, the THECB shall consider all the Evaluation Criteria in addition to the following factors:

- (1) Respondent should have experience in loan data conversions and migrations of size and scope similar to THECB’s loan portfolio described herein.
- (2) The proposed solution’s required servers, database platform, workstation requirements, etc. should have a low impact on the existing THECB IT infrastructure.
- (3) The project implementation plan should be thorough and realistic. Respondent should have a good understanding of the project and experience implementing solutions with other customers.
- (4) The proposed solution should provide training and documentation that is complete and thorough.
- (5) The Respondent’s firm information, background, references, and staff should all indicate experience in student loan management. Respondent’s references should provide positive feedback.
- (6) Respondent should propose price and ongoing fees that are competitive.
- (7) Respondent’s exceptions, if any, to the Proposed Contract Terms and Optional Extensions are fair.
- (8) A Respondent’s past performance will be measured based upon pass/fail criteria, in compliance with applicable provisions of Texas Government Code §§ 2155.074, 2155.075, 2156.007, 2157.003, and 2157.125. Respondents may fail this selection criterion for the following conditions:
  - Currently under a THECB Corrective Action Plan;
  - Repeated negative Vendor Performance Reports for the same reason;
  - A record of repeated non-responsiveness to Vendor Performance issues; or
  - A history of purchase orders or other contracts that have been cancelled in the previous twelve (12) months for non-performance (e.g. late delivery, etc.).

THECB may conduct reference checks with other entities, in addition to those provided as references by Respondent, regarding past performance. In addition to evaluating performance through the Vendor Performance Tracking System, THECB may examine other sources of vendor performance including, but not limited to, notices of termination, cure notices, assessments of liquidated damages, litigation, audit reports, and non-renewals of Contracts. Such sources of vendor performance may include any governmental entity, whether an agency or political subdivision of the State of Texas, another state, or the Federal government. Further, THECB may initiate such examinations of vendor performance based upon media reports. Any such investigations shall be at the sole discretion of THECB, and any negative findings, as determined by THECB, may result in non-award to the Respondent.

THECB's evaluation team will begin proposal evaluation as soon as practicable after the submission deadline. Evaluation team members will score each Proposal individually using the criteria stated above. After ranking each Proposal, the evaluation team will meet and discuss the Proposals. The evaluation team may pose clarifying questions of or ask for best and final offers from the highest-ranking Respondents. The evaluation team may rank the Proposals again following questions, requests for best and final offers, or oral presentations/discussion sessions and will make a recommendation for selection or a recommendation to take further action.

THECB will begin contract negotiations shortly after notification. The successful Respondent may offer changes to these terms or additional terms in their Proposal, but THECB may reject them. The Parties will negotiate a final schedule for performance that will be incorporated into the final contract.

THECB will notify each Respondent of the final action taken upon execution of a contract with the selected Respondent.

## **10.2 Multiple Awards**

THECB may award multiple Contracts from this solicitation. Respondents providing the best value to the State for each NIGP group description may be chosen as the State's primary or "best value vendor" for that group. Additional Respondents may be awarded Contracts at the sole discretion of THECB in order to provide alternate resources for meeting the requirements of the requested services.

## **11.0 Additional Instructions**

### **11.01 Accuracy of the Proposal**

Respondent's Proposal shall be true and correct and shall contain no cause for claim of omission or error. Proposals may be withdrawn in writing at any time prior to the submittal deadline.

### **11.02 Cost of Submitting the Proposal**

THECB will not reimburse Respondent for any cost related to its Proposal. Respondent is responsible for any expense related to the preparation and submission of its Proposal.

### **11.03 Public Information Act Disclosures**

THECB is a government agency subject to the Texas Public Information Act (PIA), Texas Government Code §§ 552.001-.376. The Proposal and other information submitted to THECB by Respondent are subject to release as public information. The Proposal and other submitted information shall be presumed to be subject to disclosure unless a specific exception applies to disclosure under the PIA. If it is

necessary for Respondent to include proprietary or otherwise confidential information in its Proposal or other submitted information, Respondent must clearly label that proprietary or confidential information and identify the specific PIA exception that applies to disclosure. Merely making a blanket claim that the entire Proposal is protected from disclosure because it contains some proprietary information is not acceptable and shall make the entire Proposal subject to release under the PIA. In order to trigger the process of seeking an Attorney General Opinion on the release of proprietary or confidential information, the specific provisions of the Proposal that are considered by Respondent to be proprietary or confidential must be clearly labeled as described above. Any information which is not clearly identified as proprietary or confidential shall be deemed to be subject to disclosure pursuant to the PIA. Respondent is required to make any information created or exchanged with the State pursuant to the solicitation or contract, and not otherwise excepted from disclosure under the PIA, available in a format that is accessible by the public at no additional charge to the State.

Respondent, by submitting a Proposal, shall thereby be irrevocably deemed to have fully indemnified and agreed to defend THECB from any claim of infringement in the intellectual rights of Respondent or any third party for any materials appearing in the Proposal.

#### **11.04 Working Paper Access and Retention**

Respondent shall, upon request, provide the internal auditor and the State Auditor's Office access to all relevant data relating to the cost incurred under this agreement. Respondent understands that acceptance of state funds under this agreement acts as acceptance of the authority of the State Auditor's Office, or any successor agency, to audit or investigate the expenditure of state funds under this agreement. Respondent further agrees to cooperate fully with the State Auditor's Office or its successor, including providing all records requested. Respondent will ensure that this clause concerning authority to audit state funds received indirectly by subcontracts through Respondent and the requirement to cooperate is included in any subcontract it awards. The State Auditor's Office shall receive a copy of the executed contract.

All working papers and reports must be retained at the auditor's expense, in accordance with Government Auditing Standards, unless the auditor is notified in writing by THECB of the need to extend the retention period. The auditor is required to make working papers available, upon request, to THECB and all parties designated by the federal and state government or by THECB as part of an audit quality review process. Specifically, the State Auditor's Office shall have access to all working papers related to audits conducted. And, the State Auditor's Office shall have access to all draft and final reports and memoranda of discussions with agency management.

In addition, the auditor shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

## **11.05 Irrevocability of the Proposal**

The Proposal is irrevocable for ninety (90) calendar days following the Proposal Opening Date and Time identified in this RFO. This period may be extended at THECB's request with Respondent's written agreement.

## **11.06 Affirmations and Required Clauses**

**Anti-trust Affirmation.** Respondent represents and warrants that, in accordance with Texas Government Code § 2155.005, neither Respondent nor the firm, corporation, partnership, or institution represented by Respondent, or anyone acting for such a firm, corporation or institution has (1) violated any provision of the Texas Free Enterprise and Antitrust Act of 1983, Texas Business and Commerce Code Chapter 15, or the federal antitrust laws, or (2) communicated directly or indirectly the contents of its Response to any competitor or any other person engaged in the same line of business as Respondent.

**Assignment.** Respondent shall not assign its rights under any contract awarded as a result of this Request for Offers or delegate the performance of its duties under the contract without prior written approval from THECB. Any attempted assignment in violation of this provision is void and without effect.

**Buy Texas.** To the extent applicable, in accordance with Texas Government Code § 2155.4441, Respondent agrees that during the performance of a contract for services it shall purchase products and materials produced in Texas when they are available at a price and time comparable to products and materials produced outside this state.

**Texas Bidder Affirmation.** Respondent certifies that if a Texas address is shown as the address of the Respondent on this Response, Respondent qualifies as a Texas Bidder as defined in Texas Government Code § 2155.444(c)(2).

**Excess Obligations Prohibited.** Any contract awarded as a result of this Request for Offers is subject to termination or cancellation, without penalty to THECB, either in whole or in part, subject to the availability of state funds.

**Executive Head of a State Agency.** In accordance with Texas Government Code § 669.003, relating to contracting with the executive head of a state agency, Respondent certifies that it is not (1) the executive head of THECB, (2) a person who at any time during the four years before the date of the contract was the executive head of THECB, or (3) a person who employs a current or former executive head of THECB.

**Financial Participation Prohibited.** Pursuant to Texas Government Code § 2155.004(a), Respondent certifies that neither Respondent nor any person or entity represented by Respondent has received compensation from THECB for participating in the preparation of the specifications for this solicitation. Respondent certifies that the individual or business entity named in the Response or contract is not ineligible to

receive the specified contract and acknowledges that the contract may be terminated, and payment withheld if this certification is inaccurate.

**Dealings with Public Servants Affirmation.** Respondent has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted Proposal.

**Excluded Parties.** Respondent certifies that it is not listed on the federal government's terrorism watch list as described in Executive Order 13224.

**Foreign Terrorist Organizations.** Respondent represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization as prohibited by Texas Government Code § 2252.152.

**False Statements.** Respondent represents and warrants that all statements and information prepared and submitted in its Proposal are current, complete, true, and accurate. Submitting a Proposal with a false statement or material misrepresentation made during the performance of a contract is a material breach of contract and may void the submitted Proposal and any resulting contract.

**Suspension and Debarment.** Respondent certifies that it and its principals are not suspended or debarred from doing business with the state or federal government as listed on the State of Texas Debarred Vendor List maintained by the Texas Comptroller of Public Accounts and the System for Award Management (SAM) maintained by the General Services Administration.

**Child Support.** Pursuant to Texas Family Code § 231.006(d) regarding child support, Respondent certifies that the individual or business entity named in this Proposal is not ineligible to receive the specified payment and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate. Furthermore, any bidder subject to Texas Family Code § 231.006 must include names and Social Security numbers of each person with at least 25% ownership of the business entity submitting the bid. This information must be provided prior to award.

**Debts and Delinquencies.** Respondent agrees that any payments due under this contract will be applied towards any debt or delinquency, including but not limited to delinquent taxes and child support, that is owed to the State of Texas.

**Dispute Resolution.** The dispute resolution process provided for in Texas Government Code Chapter 2260 must be used to attempt to resolve any dispute arising under a contract awarded pursuant to this Request for Offers.

**Governing Law and Venue.** Any contract awarded as a result of this Request for Offers shall be governed by and construed in accordance with the laws of the State of

Texas, without regard to the conflicts of law provisions. The venue of any suit arising under the contract is fixed in any court of competent jurisdiction of Travis County, Texas, unless the specific venue is otherwise identified in a statute which directly names or otherwise identifies its applicability to THECB.

**Human Trafficking Prohibition.** Under Texas Government Code § 2155.0061, Respondent certifies that the individual or business entity named in this Response or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate

**Indemnification.** RESPONDENT SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE STATE OF TEXAS AND THECB, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF, OR RESULTING FROM ANY ACTS OR OMISSIONS OF RESPONDENT OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT AND ANY PURCHASE ORDERS ISSUED UNDER THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY RESPONDENT WITH THE OFFICE OF THE ATTORNEY GENERAL OF TEXAS WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND RESPONDENT MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL OF TEXAS. RESPONDENT AND THECB AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

**Prior Disaster Relief Contract Violation.** Under Texas Government Code §§ 2155.006 and 2261.053, Respondent certifies that the individual or business entity named in this Response or contract is not ineligible to receive the specified contract and acknowledges that any resulting contract may be terminated and payment withheld if this certification is inaccurate.

**Signature Authority.** By submitting the Response, Respondent represents and warrants that the individual submitting this document and the documents made part of this Response is authorized to sign such documents on behalf of the Respondent and to bind the Respondent under any contract that may result from the submission of this Response.

**Contracting Information Responsibilities.** Respondent represents and warrants that it will comply with the requirements of Texas Government Code § 552.372(a). Except as provided by Texas Government Code § 552.374(c), the requirements of Texas Government Code Chapter 552, Subchapter J, may apply to the contract and the Respondent agrees that the contract can be terminated if the Respondent knowingly or intentionally fails to comply with a requirement of that subchapter.

### **Data Location**

Regardless of any other provision of this Contract or its incorporated or referenced documents, all of the data must remain in the continental United States. Data should be stored, processed, accessed, viewed, transmitted, and received, always and exclusively within the contiguous United States.

**Cybersecurity Training.** Respondent represents and warrants that it will comply with the requirements of Texas Government Code § 2054.5192 relating to cybersecurity training and required verification of completion of the training program.

**Entities that Boycott Israel.** Respondent represents and warrants that (1) it does not, and shall not for the duration of the contract, boycott Israel or (2) the verification required by Texas Government Code § 2271.002 does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Respondent shall promptly notify THECB.

### **11.07 Conflicting RFO Language**

If language contained in a particular Section of the RFO is found to conflict with language in another Section, the most stringent requirement(s) shall prevail.

### **11.08 Contractor Responsibilities**

THECB shall look solely to the Contractor(s) for compliance with all the requirements of this RFO and the resulting Contract(s). Contractor(s) shall be the sole point of Contract responsibility and shall not be relieved of non-compliance of any subcontractor.

Failure to meet service requirements and/or specifications authorizes THECB to purchase goods and services of this RFO elsewhere and charge any increased costs for the goods and services, including the cost of re-soliciting, to the Contractor. Failure to pay a damage assessment is cause for Contract termination.

## **12.0 Definitions**

When capitalized, the following terms and acronyms have the meaning set forth below. All other terms have the meaning set forth in Webster's II New College Dictionary.

**Contract** - Any contract(s) resulting from this solicitation Note: There is no guarantee that any contract will result from this solicitation.

**Contractor or Awarded Contractor** - The Respondent(s) awarded a Contract as a result of the RFO.



**ESBD** - The Electronic State Business Daily, which is available online at <http://www.txsmartbuy.com/esbd>.

**HUB** – Historically Underutilized Business.

**National Institute of Governmental Purchasing (NIGP)** – A coding taxonomy used primarily to classify products and services procured by state and local governments.

**Party/Parties** - Either THECB or Respondent separately or collectively.

**Proposal** - The response submitted by a Respondent to the THECB as a result of this solicitation.

**Respondent** - Any person or vendor who submits a Proposal in response to this solicitation

**RFO** - Request for Offers, which is the type of solicitation embodied in this document.

**THECB** - The Texas Higher Education Coordinating Board, the state agency issuing this solicitation.