

CHAPTER III: INSTRUCTIONS

A. BIDDER RESPONSIBILITY

Each bidder shall be solely responsible for carefully examining the RFP, any addenda thereto, and all related materials and data referenced in the RFP. The bidder shall become fully aware of the nature, location, and scope of work, and the conditions to be encountered in performing the work.

B. UNIVERSITY CONTACT

This RFP is being issued by the University Purchasing Department which is the only office authorized to change, modify, clarify, etc., the provisions of this RFP and to award any contract(s) resulting from the RFP.

The single point of contact for administrative and technical issues regarding this RFP is:

U. S. Mail or Courier Service:
Cindi Lamoureux, Principal Buyer
UCLA Purchasing Department
10920 Wilshire Boulevard #650
Los Angeles, CA 90024

E-mail Address: *clamoureux@be.ucla.edu*

Telephone Number: 310-794-6030

Facsimile Machine: 310-794-8020

C. RESTRICTION ON COMMUNICATIONS

Except for the designated contact listed above, bidders are not permitted to communicate with University staff regarding this solicitation during the period between the Request for Proposal issue date and the announcement of awards, except during:

- The course of a Bidders' Conference
- Oral presentations and site visits, if conducted.

If a bidder is found to be in violation of this provision, the University reserves the right to reject the bid.

D. PREREQUISITES TO AWARD

The specific conditions that a proposal and bidder must meet to be considered for award are as follows:

1. The bidder has been pre-qualified as an eligible company for participating in the University's Request for Proposal for Student Loan Services process. As such, the bidder has received an invitation to submit a bid response to the RFP.
2. The number of points awarded to the bidder's proposal must meet or exceed the minimum point threshold (refer to Section P, Item 2 of this Chapter).

E. QUESTIONS, CONCERNS, ERRORS, AND RESPONSES

Questions or concerns about this RFP, acquisition, process, required or desired services, or model contract must be submitted using the form as provided in Exhibit D of this RFP document no later than February 20, 2004, (February 3, 2004, for discussion at the Bidders' Conference).

Please submit questions via email (preferred) or fax to:

Cindi Lamoureux,
UCLA Purchasing Department
Phone: (310) 794-6030
Fax: (310) 794-8020
clamoureux@be.ucla.edu

with copy to:

Jackie Ito-Woo
University of California Office of the President
SAS - Student Financial Services
Fax: (510) 987-9546
jackie.ito-woo@ucop.edu

University responses to questions, in written or oral form, shall not be deemed to amend the RFP unless and until the response is included in an amendment to the RFP. If the response to a question alters the RFP, it will be formally incorporated into the RFP by an amendment.

If a bidder discovers any ambiguity, conflict, discrepancy, omission, or other error in this RFP, the bidder shall immediately send written notification of each error to the University Contact, identified in Section B of this Chapter, and request clarification or modification. If, prior to the date set for receipt of questions and requests for changes, a bidder fails to notify the University Contact of an error that reasonably should have been known, the bidder shall submit the proposal at its own risk and, if an Agreement is executed with that bidder, shall not be entitled to additional compensation or time by reason of the error or its later correction.

Questions or concerns about, or notifications of ambiguity, conflict, discrepancy, omission, or other errors in, this RFP document must be submitted using the form as provided in Exhibit D of this RFP document no later than February 20, 2004.

F. BIDDERS' CONFERENCE

Bidder's attendance at this conference shall be mandatory and shall be no more than eight (8) representatives from each company. Any bidder not in attendance shall be considered non-responsive and shall be disqualified from further consideration. Bidders should bring a copy of this RFP to the meeting.

The details of the Bidders' Conference are:

Date: Wednesday, February 11, 2004
Time: 10:00 a.m. – 4:00 p.m.
Place: University of California, Office of the President
1111 Franklin Street, Conference Room 5320
Oakland, California.

Directions to the Bidders' Conference location are available at the following website:

<http://www.ucop.edu/services/direction.html>

As part of the University's security procedures, the names of the bidders' representatives should be emailed to the addresses below, by 5 p.m., PST, Friday, February 6, 2004.

Email address: clamoureux@be.ucla.edu
Email address: Jackie.Ito-Woo@ucop.edu

Access by the bidders' representatives to the Conference Room will be available from 9:30 a.m. on February 11.

Bidders are strongly advised to use the Conference as a means of answering any questions they have about the RFP. Bidders are encouraged to inspect the RFP material and are requested to submit questions on or before 5 p.m., PST, on February 3, 2004, per the instructions provided in Section E of this Chapter.

The University will attempt to answer questions received on or before February 3, 2004, at the Conference; the University's response will not disclose the name of the bidder submitting the inquiry. The University will also accept oral questions during the Conference and will make a reasonable attempt to provide answers prior to its conclusion. Oral answers shall not be binding on the University. Bidders are solely responsible for any misunderstandings and misconceptions they have about the RFP.

All costs associated with the bidder's attendance at the Conference shall be borne entirely by the bidder.

G. RFP AMENDMENTS

The University may modify the RFP, prior to the date set for its receipt of proposals, by issuance of amendments, sent by one or more of the following methods: facsimile, overnight courier, certified mail with return receipt requested, or email to all bidders who received a copy of this RFP from the University. Amendments will be clearly marked as such. Each amendment will be numbered consecutively and will become part of this RFP.

Any bidder who fails to receive such amendments shall not be relieved of any obligation under its proposal as submitted.

No oral or written statements made by University personnel shall be considered amendment to this RFP unless the statement is contained in a written document identified as a written amendment to this RFP.

H. RFP DISTRIBUTION

The University is the agency authorized to distribute proposals. Distribution of proposals to parties other than those specifically designated by the University is not authorized. Failure to observe this guideline may result in bidder disqualification.

I. COSTS FOR PROPOSAL DEVELOPMENT

All costs associated with the development of the proposal shall be borne entirely by the bidder.

J. PRESENTATION

At the University's discretion, bidders may be required to make an oral presentation of their proposal and a demonstration of their proffered services. Such presentations provide an opportunity for the bidder to clarify the proposal to ensure thorough mutual understanding. The University Contact, identified in Section B of this Chapter, will notify bidders of the date, time, and location for these presentations. If any such meetings are held, they will be conducted separately with each selected bidder, and all costs associated with the bidder's attendance at that meeting should be borne entirely by the bidder. Failure to comply with this presentation requirement may result in bidder disqualification.

Despite this provision for individual meetings with bidders, bidders are strongly discouraged from submitting proposals that are ambiguous or incomplete, contain contradictory information, or are in any other way unclear; the University may consider such proposals as non-responsive and disqualify the bidders without giving them any further opportunity to provide clarifications or additional explanations. An oral presentation and demonstration by a bidder may not be used as an opportunity to change the bidder's proposal, but only to clarify and demonstrate the proposal.

K. PROPOSAL FORMAT AND CONTENTS

The proposal shall be prepared in a straightforward and concise manner, identifying clearly and succinctly any and all Deviations, Enhancements, and other differences that exist between the proffered services and those described in Chapter IV "Basic Services" and Chapter V "Services for an Additional Fee" of this RFP. **Emphasis should be placed on conformance to the RFP instructions, responsiveness to the RFP requirements, and completeness and clarity of content.** The proposal should include a Table of Contents that gives page numbers and should be in sufficient detail to facilitate easy reference to all requested information.

Proposals shall be submitted in the following format. Proposals in any other format will be considered informal and will be rejected. Conditional proposals will not be considered. An individual authorized to extend a formal proposal must sign all proposals. If the bidder fails to provide any of the following information, with the exception of the mandatory proposal certification, The University may at its sole option, ask the bidder to provide the missing information or evaluate the proposal without the missing information.

Proposals must include all of the elements listed, be clearly indexed and assembled (in accordance with the numbers and order listed below) and reference the corresponding RFP Sections and paragraphs.

The proposal shall consist of the following parts:

1. Vendor Certification/Signature Page (Exhibit C)

The proposal shall be signed by an individual who is authorized to bind the bidder contractually.

An unsigned proposal shall be rejected.

2. Corporate Attributes

As part of its proposal, the bidder shall provide the following information:

a. Corporate philosophy

An explanation of the bidder's corporate philosophy and management style and how they are incorporated into the bidder's organizational structure and day-to-day operation.

b. Present organizational charts

- 1) A chart that illustrates the entire company's present organizational structure and, at a minimum, includes internal reporting lines, brief descriptions of job responsibilities, the number of employees in each job classification, and the total number of employees in the bidder's organization.
- 2) A detailed chart that focuses on the part of the organization that is involved in the support and delivery of campus-based student loan services and, at a minimum, includes the names, titles, a brief description of responsibilities, and the number of years that key individuals have been with the company.

c. Proposed organizational charts

A description of the staffing changes (e.g., staff level increases, reorganization, or both) that the bidder would implement should an Agreement be executed between the bidder and the University; include a brief description, including the name, title, area of responsibility, type and years of experience, of each of the individuals who would be directly involved in handling the University's account both during and after conversion.

d. Employee training and performance standards

- 1) A description of the bidder's training program, including, but not limited to, an explanation of the classification of employees for whom the training program is designed (e.g. clients or call center), the program's curricula, the type of testing conducted, and any other quality control measures taken to ensure that the employees who complete the program possess the

necessary skills and knowledge to fulfill their job responsibilities at a satisfactory level.

- 2) With respect to performance evaluations of personnel responsible for the day-to-day processing of activity on student loan accounts, an explanation of the bidder's standards of performance and the way by which the bidder measures the quality and accuracy of work each employee produces.
- 3) With respect to manually processed work, e.g., deferment forms, borrower correspondence, client-requested adjustments, etc., an explanation of how work is monitored to ensure that it is processed within an acceptable time frame and the steps that are taken to handle higher-than-usual workload periods.

e. Subcontractors

- 1) List the name(s) of the companies with which your company would subcontract any portion of the responsibilities or services that would be performed pursuant to this Agreement.
- 2) For each company listed, provide a brief description of those services that would be subcontracted and the length of time your company has subcontracted those services to that company.

f. Communication

- 1) An explanation of the different types of positions that are responsible for both written and oral communications with clients and with clients' borrowers. With regard to communication with clients, an explanation that delineates the respective areas of responsibility of each position, e.g., which staff position(s) responds to clients regarding questions or problems concerning specific accounts, complaints about the performance of the bidder's staff, questions pertaining to the system and how it performs certain tasks, systems problems or desired enhancements, and requests for special services.
- 2) A description of the various ways by which and the extent to which the bidder initiates communication with its clients. At a minimum, the description shall include the frequency with which a client is typically contacted by the bidder, the type of issues that are likely to be discussed, the staff position responsible for contacting the client, and the manner by which the contact is made.

g. Accommodation of the needs of a multi-campus system

A description of the extent to which, and the ways by which, the bidder would adjust its staff training and its processing procedures and routines to meet the differing needs or desires of the campuses.

h. Systems development

- 1) A detailed organizational chart of the systems and programming staff responsible for maintaining and enhancing the campus-based student loan system.
- 2) An explanation of the criteria for determining which “elective” projects (those not required for regulatory compliance) will be undertaken and the process for establishing their relative priority for implementation.
- 3) An explanation of the type of client (e.g., large or small) for whom new or enhanced services are typically designed as well as an explanation of how the needs of that type of client are defined, by whom, and the extent to which input from clients is sought in the design of new or enhanced services to the campus-based student loan system.
- 4) If the University’s needs are different than those of your “typical” client or the majority of your client base, an explanation of how the University’s needs would be defined and then taken into account in the design of new or enhanced services.
- 5) An explanation of the types of technology and/or technological enhancements that have been implemented in the past five (5) years to support the provision of campus-based student loan services and the uses of this technology.
- 6) An explanation of the company's expectation as to the types of technological advances it expects to implement in the campus-based student loan services area in the next five (5) years, the uses of that technology, and the time table for implementation.

i. Corporate goals

A brief description of the bidder's long-term goals, including a response to the following questions:

- 1) What is the bidder's five-year plan?
- 2) What is the bidder's ten-year corporate vision statement?
- 3) What methods does the bidder use in developing its corporate goals?

- 4) Under what circumstances does the bidder consult with clients regarding corporate goals and long-range planning?
- j. Changes in bidder qualification information submitted in response to the Request for Information, (RFI)

Provide any new and/or changes in the information provided in response to the RFI # UCOP041CL.

If the bidder is concerned about the confidentiality of any of its responses to the items under "Corporate Attributes," the bidder shall mark each of those responses as a "trade secret" (refer to Section M "Disclosure of Information" of this Chapter).

The responses to the Corporate Attributes issues should be presented immediately following the signed proposal.

3. "Basic Services Response Form" (Bidder Response Form 1)

Chapter IV "Basic Services" consists of a description, and in some cases, detailed specifications, of each of the services that the University either requires or desires and, with the exception of Section A "Conversion" of that Chapter, the fee for which shall be included on the "Schedule of Basic Servicing Fees" (Price Sheet 2). A separate price shall be quoted on Price Sheet 1 "Conversion Costs" (refer to Item 8 "Price Sheets" of this Section) for the services requested in Section A "Conversion" of Chapter IV.

The bidder shall complete a "Basic Services Response Form" for each Basic Service that is highlighted, in **bold-face type**, in Chapter IV "Basic Services" of this RFP (these bolded items are also listed in the Table of Contents, under Chapter IV). The bidder shall record on the form the Section and Item number and title, as provided in Chapter IV "Basic Services" of this RFP, that correspond to the bidder's response.

The purpose of the "Basic Services Response Form" is to provide a standard method by which bidders can clearly and accurately state the services they are offering relative to the University's specifications of each Basic Service. The bidder shall complete these forms in accordance with the instructions set forth in this Chapter.

If an item requires a written description or explanation, the bidder does not need to use complete sentences if clarity can be achieved without them.

The following is an explanation of the key components of the "Basic Services Response Form," and instructions on when and how to complete them.

a. Compliance Level

The bidder shall record in the space reserved for "Compliance Level," the letter that describes the highest compliance level that each of its proffered services will attain in meeting the University's Basic Service specifications. (The bidder shall not be awarded any points for a Basic Service for which no compliance level rating has been recorded; however, if an Agreement is executed with that bidder, the bidder shall be held responsible for providing the Basic Service exactly as described by the University.) The bidder shall record one of the following compliance ratings for each highlighted Basic Service: "A," "B," "C-Additional Fee" or "C-Not Supported." The compliance level rating definitions are as follows:

- 1) A = The bidder attests that--as of the date or within the time line specified by the University, or as of July 1, 2004, if no date or time line is specified--its proffered service shall, at a minimum, fully satisfy all of the University's specifications in every way, without the imposition of additional limitations or restrictions beyond those that the University may have specified, and that the full cost to the University of such Basic Service is included in the prices quoted on the "Schedule of Basic Servicing Fees" (Price Sheet 2). Additionally, the bidder agrees that, upon execution of the Agreement, the Basic Service responsibilities shall become obligations of the bidder, i.e., the "should(s)" used in reference to the bidder's responsibilities in the description of a specific Basic Service in Chapter IV "Basic Services" of this RFP shall be interpreted as "shall(s)."

Irrespective of whether the bidder's comments, exhibits, or any other information that the bidder provides contradict the bidder's "A"-rated compliance-level response, the bidder shall be held to its "A"-rated commitment.

No Deviations can be noted for "A"-rated Basic services.

No explanations need be given for "A"-rated Basic Services on the "Basic Services Response Form."

The University shall not be subject to any additional fees for the bidder's provision of "A"-rated Basic Services.

- 2) B = The bidder attests that--as of the date or within the time line specified by the University, or as of July 1, 2004, if no date or time line is specified--its proffered service shall be similar, or shall serve a similar function, to the Basic Service, but acknowledges one or more of the following:
 - a. Not all of the University's specifications will be met exactly as stated; and/or

- b. Limitations exist that could result in an overall reduction in service to the University; and
 - c. The University shall not be subject to any additional fees for the bidder's provision of "B"-rated Basic Services.
- 3) C - Additional Fee = The bidder acknowledges that the proffered service either fully, or partially, meets the Basic Service specifications, but the bidder proposes to charge the University an additional fee for all or a portion of that Basic Service.
 - 4) C - Not Supported = The bidder acknowledges that, as of the date or within the time line specified by the University, or as of July 1, 2004, if no date or time line is specified, the bidder will provide neither the Basic Service nor a similar service.

b. Deviations

This column is to be used by the bidder to disclose, in a succinct manner, all the ways that the bidder's proffered service will deviate from the University's specifications for a given Basic Service. The reasons why the specifications may not be met include, but are not limited to, one or more of the following:

- 1) One or more aspects of the Basic Service will not be supported as of the date or within the time line specified by the University or as of July 1, 2004, if no date or time line is specified;
- 2) One or more aspects of the Basic Service is supported but at a reduced quantity, or at a reduced level or standard of service than that which the University desires;
- 3) The bidder proposes to charge an additional fee for one or more aspects of the Basic Service (cannot apply to "A" or "B" rated compliance levels);
- 4) One or more aspects of the Basic Service is subject to conditions or restrictions not provided for in the University's specifications and could result in an overall reduction in service to the University;
- 5) The bidder proposes an alternative method or approach to satisfy the Basic Service specifications, and the proposed alternative does not meet all of the University's specifications; and/or
- 6) For other reasons than those stated, above, the bidder acknowledges that its proffered service will not meet the University's expectations.

No matter how insignificant a Deviation may be, or how immaterial a University specified feature or element of a service may seem, the bidder shall clearly identify, in this column of the "Basic Service Response Form," each and every feature, data element, or other aspect of the Basic Service that will not be provided exactly as specified by the University or for which an additional fee has been quoted on Price Sheet 3b "Schedule of Additional Fees--Basic Services" [refer to Item 8c(2) of this Section]. When identifying the aspect of the Basic Service specification(s) that will not be met or that will be subject to an additional fee, the bidder shall reference the specific item number to which the description of the Deviation applies and shall explain the reason for the Deviation, e.g., note number field not available, additional fee for paper reports, etc.

If the bidder proposes an alternative approach or method to providing a Basic Service, in whole or in part, and the alternative approach falls short of meeting all of the University's specifications, the bidder shall include in the "Deviations" column of the form a description of the aspect of the Basic Service specification that will not be met; the bidder may use the "Comments" column (refer to Item 3d of this Section) of the "Basic Service Response Form" to explain the proposed alternative approach or method in greater detail.

For Basic Services with a Compliance Level rating of "B" or "C-Additional Fee," the University will assume that the Basic Service specifications not identified by the bidder in the "Deviations" column of the form will be provided exactly as described in Chapter IV "Basic Service" of this RFP at no additional charge to the University for "B"-rated Basic Services or at no additional charge to the University beyond the fee(s) identified for the "C-Additional Fee" Basic Services.

The bidder shall complete this column of the "Basic Service Response Form" for each Basic Service that has a Compliance Level rating of "B" or "C-Additional Fee." No Deviations shall be listed if the Compliance Level is "A" or "C-Not Supported."

c. Enhancements

There are two columns to be used by the bidder to describe a proffered Enhancement to a Basic Service: "Description" and "Benefits."

The bidder shall identify each feature or aspect of its service that exceeds the University's Basic Service specifications and explain the specific manner by which the University will benefit from the Enhancement. If applicable, the bidder shall reference the specific item number to which the Enhancement description or benefits explanation applies. The bidder shall clearly delineate whether the Enhancement is incorporated as part of the bidder's standard

service, e.g., a “mandatory enhancement,” or is available at the option of each campus.

The bidder is eligible to receive "bonus" points for Enhancements (refer to Section P, Item 1 "Number of Quality Points Possible" of this Chapter).

If the bidder proposes to charge the University an additional fee for a Basic Service augmentation, the bidder shall not use the "Enhancement" column to describe the augmentation but rather, shall list it on Price Sheet 3c "Schedule of Additional Fees--Services Not Specified by the University" [refer to Item 8c(3) of this Section]; if more explanation is necessary than can be accommodated on Price Sheet 3c, the bidder may provide a more detailed explanation on Bidder Response Form 5c "Services for an Additional Fee Response Form--Services Not Specified by the University" [refer to Item 7c of this Section]. The bidder should use the "Comments" column of the "Basic Services Response Form" (refer to Item 3d of this Section) to direct the University to the appropriate sections of the proposal for more information.

The bidder may use the "Enhancements" columns ("Description" and "Benefits") of the "Basic Services Response Form" for each Basic Service that has a compliance level rating of "A" or "B." The bidder shall not use these columns for Basic Services that have a compliance level rating of "C-Additional Fee" or “C-Not Supported.”

d. Comments

This is an optional column for the bidder to provide additional information, such as to direct the University to other sections of the bidder's proposal, e.g., to reference a particular exhibit or an item listed on one of the Schedules of Additional Fees. This column may also be used to provide explanations so that the University can better understand the bidder's proffered service and how it specifically addresses the University's needs. Bidders are reminded, however, that this column is not to be used to provide explanations or information that belong under the "Deviations" column of the form.

The bidder may duplicate this form from the master furnished with this RFP so that a sufficient supply is available. If an explanation or description extends beyond one page, the bidder shall continue its explanation or description on additional copies of the form and shall provide sufficient information on the continuation pages as to the specific item to which the response applies. The bidder shall number the pages so that the complete answer can be found easily.

The completed set of "Basic Services Response Forms" should be presented immediately following the Corporate Attributes section.

4. "Narrative Response Form" (Bidder Response Form 2)

Bidders shall respond to the series of questions and/or required descriptions or explanations ("Narrative Response Items") that are presented at the end of most of the Sections in Chapter IV "Basic Services" of the RFP. Bidders shall furnish the required information, using the "Narrative Response Form." If, however, the requested information is available elsewhere in the proposal, e.g., provided as an exhibit, the bidder may provide a summarized response on the "Narrative Response Form" and direct the University to the appropriate section in the proposal for the more complete response. The bidder should provide thorough but concise responses.

The bidder may duplicate the "Narrative Response Form" from the master furnished with this RFP so that a sufficient supply is available.

The bidder should complete one "Narrative Response Form" for each "Narrative Response Item." The completed "Narrative Response Forms" should be presented in the same order in which the "Narrative Response Items" are listed. The completed "Narrative Response Forms" for a given Section should be presented immediately following the completed "Basic Services Response Form" for that same Section. If a response requires more than one page, additional pages may be used.

5. "Outstanding Systems Modification Form" (Bidder Response Form 3)

The bidder shall use the "Outstanding Systems Modification Form" to identify the Basic Services, or specific aspects of such services, that the bidder has committed itself to provide--by the date or within the time line specified by the University, or by July 1, 2004, if no date or time line is specified--but that, as of July 1, 2004, such services, or aspects of services, are not available. The bidder shall reference the applicable Basic Services section and item number, provide a brief description of the needed systems modification, and record the expected date of completion of the systems modification (the "date of completion" refers to the date of production release, which means that the systems change has been programmed, fully tested, and debugged).

The bidder may duplicate this form from the master furnished with this RFP so that a sufficient supply is available.

The systems modifications relating to the Basic Services for a specific Section should be grouped together and listed sequentially on the form by item number. (More than one systems modification may be listed on an "Outstanding Systems Modification Form.") If there are no systems modifications for a specific Section, the bidder shall so indicate that fact and should type the word "None" on the form. The completed "Outstanding Systems Modification Form" for a given Section should be presented immediately following the completed "Narrative Response

Form" for that same Section; if there is no "Narrative Response Form" for that Section, then the completed "Outstanding Systems Modification Form" should be presented immediately following the completed set of "Basic Services Response Forms."

6. "Additional Basic Services Form" (Bidder Response Form 4)

The bidder shall complete the "Additional Basic Services Form" for each proffered "Additional Basic Service." The University defines an "Additional Basic Service" as one that the bidder offers to provide at no extra cost to the University, but such service was not specified by the University in Chapter IV "Basic Services." The bidder shall complete the "Additional Basic Services Form," describing fully the proffered service and an explanation of how this service would provide a beneficial use to the University.

The bidder shall assign an item number to each Additional Basic Service, beginning with Item 1 and shall group them under a new Section R, titled "Additional Basic Services," which shall be incorporated as part of the bidder's response to Chapter IV "Basic Services."

If the bidder does not offer any Additional Basic Services, the bidder should type the word "None" on the "Additional Basic Services Form."

The bidder is eligible to receive "bonus" points for Additional Basic Services (refer to Section P, Item 1 "Number of Quality Points Possible" of this Chapter).

The completed "Additional Basic Services Form" should be presented, following the completed "Outstanding Systems Modification Form" for Section Q "Return of Data."

7. "Services for an Additional Fee Response Form" (Bidder Response Forms 5a, 5b, and 5c)

- a. "Services for an Additional Fee Response Form--Chapter V" (Bidder Response Form 5a)
 - 1) Chapter V "Services for an Additional Fee" of the RFP consists of a description of the services that the University desires and for which the University is requesting a separate fee from those listed on Price Sheet 1 "Conversion Costs" and on Price Sheet 2 "Schedule of Basic Servicing Fees."

The bidder shall complete a "Services for an Additional Fee Response Form--Chapter V" for each service the University has specified in Chapter V of the RFP. The bidder shall record on the form the item number and

title, as provided in Chapter V of the RFP, that corresponds to the bidder's response.

The bidder shall describe its proffered service and clearly identify any University requested specifications that will not be met.

- 2) If the bidder proposes not to charge the University an additional fee beyond those quoted on Price Sheet 1 "Conversion Costs" and Price Sheet 2 "Schedule of Basic Servicing Fees" for the provision of one or more services described by the University in Chapter V "Services for an Additional Fee" of the RFP, the bidder shall indicate on both the "Services for an Additional Fee Response Form--Chapter V" and on Price Sheet 3a "Schedule of Additional Fees--Chapter V" [refer to Item 8c(1) of this Section] that the item will be provided at no additional fee. The bidder shall also complete Bidder Response Form 6 "Additional Basic Services Form" (refer to Item 6 of this Section), describing its proffered service, clearly identifying any University requested specifications that will not be met, describing any Enhancements that will be provided that exceed the University's specifications, and explaining the benefits the University will accrue from those Enhancements.

The bidder shall reference on the "Services for an Additional Fee Response Form--Chapter V," Price Sheet 3a "Schedule of Additional Fees--Chapter V," and Bidder Response Form 6 "Additional Basic Services Form" the item number and title, as provided in Chapter V of the RFP, as well as cross-reference the new number assigned, pursuant to the "Additional Basic Services Form" instructions (refer to Item 6 of this Section), that corresponds to the bidder's response.

- b. "Services for an Additional Fee Response Form--Basic Services" (Bidder Response Form 5b)

If the bidder proposes to charge an additional fee for a Basic Service, in whole or in part, and if more space is needed than is available on the Price Sheet 3b "Schedule of Additional Fees--Basic Services" [refer to Item 8c(2) of this Section] to provide an explanation or clarification to the University, the bidder shall use the "Services for an Additional Fee Response Form--Basic Services" to provide a more complete description of the Basic Service, or aspect of the Basic Service, to which the additional fee applies. To the extent possible, the bidder shall reference the original Section, item number, and title, as indicated in Chapter IV "Basic Services" of the RFP, for each item listed on the "Services for an Additional Fee Response Form--Basic Services."

- c. "Services for an Additional Fee Response Form--Services Not Specified by the University" (Bidder Response Form 5c)

If the bidder proposes to charge an additional fee for a service not specified by the University in either Chapter IV "Basic Services" or Chapter V "Services for an Additional Fee," the bidder shall describe on the "Services for an Additional Fee Response Form--Services Not Specified by the University" the service to which the additional fee applies.

The completed "Services for an Additional Fee Response Form" should be presented, following the completed "Additional Basic Services Form."

8. Price Sheets

a. "Conversion Costs" (Price Sheet 1)

The bidder shall furnish a completed "Conversion Costs" Price Sheet. The prices quoted shall include all costs related to the bidder's satisfactory completion, as evaluated by the University, of the conversion of the University's portfolio. For a new bidder, the conversion involves the transfer of the University's portfolio from the incumbent's database to the proposed system, including the all responsibilities described in Chapter IV, Section A "Conversion" of this RFP and the commitments made by the bidder in its proposal. For the incumbent servicer, the conversion involves the establishment of non-SSN based account numbers for the University's loans, as described in Chapter IV, Section A1 "Conversion to Non-SSN Based Account Numbers."

After an Agreement is executed, conversion cost increases to perform the services under the Agreement will not be allowed.

b. "Schedule of Basic Servicing Fees" (Price Sheet 2)

The bidder shall furnish a completed "Schedule of Basic Servicing Fees." The prices quoted on the "Schedule of Basic Servicing Fees" are to cover the cost of all services the bidder is committed to provide as indicated in its proposal, including, but not limited to, the responses on the "Basic Services Response Form," "Narrative Response Form," and "Additional Basic Services Form," and shall represent the prices as a per-loan fee that would be charged monthly.

c. Schedule of Additional Fees (Price Sheets 3a, 3b, and 3c)

The bidder shall furnish the completed "Schedule of Additional Fees" Price Sheets. The primary purpose of these Price Sheets is to provide a standard method by which bidders can identify additional fees it proposes to charge the University beyond those quoted on Price Sheet 1 "Conversion Costs" or Price Sheet 2 "Schedule of Basic Servicing Fees." The instructions on the use of Price Sheets 3a, 3b, and 3c are provided below:

- 1) "Schedule of Additional Fees--Chapter V" (Price Sheet 3a)
The bidder shall furnish the information requested on the "Schedule of Additional Fees--Chapter V" for the services described in Chapter V "Services for an Additional Fee" of the RFP to which an additional fee applies.

If the bidder proposes not to charge any fees to the University beyond those quoted on Price Sheet 1 "Conversion Costs" or Price Sheet 2 "Schedule of Basic Servicing Fees" for one or more services, or aspects of a service, the bidder shall follow the instructions in Item 7a(2) of this Section.

- 2) "Schedule of Additional Fees--Basic Services" (Price Sheet 3b)
If the bidder proposes to charge an additional fee for services requested by the University in Chapter IV "Basic Services," the bidder shall furnish the information requested on the "Schedule of Additional Fees--Basic Services" for each service, or component of a service, to which the additional charge applies.

If no Basic Services are subject to an additional fee beyond those quoted on Price Sheet 1 "Conversion Costs" and Price Sheet 2 "Schedule of Basic Servicing Fees," the bidder shall type the word "None" on the form.

- 3) "Schedule of Additional Fees--Services Not Specified by the University" (Price Sheet 3c)

If the bidder proposes to charge an additional fee for services not specifically requested by the University, the bidder shall furnish the information requested on the "Schedule of Additional Fees Form--Services Not Requested by the University" for each service, or component of a service, to which the additional charge applies.

If the bidder does not propose to charge any additional fees for services not specifically requested by the University, the bidder shall type the word "None" on the form.

The bidder shall provide sufficient information on the form, or if necessary, further information on the appropriate Bidder Response Form 5a-c "Services for an Additional Fee Response Form" to make clear to the University the description of the item to which the fee applies (unit), the unit price, and the manner by which the fee would be calculated.

The bidder shall present completed Price Sheets 1, 2, and 3a-c ("Conversion Costs," "Schedule of Basic Servicing Fees," and "Schedule of Additional

Fees," respectively) as a group following the completed "Services for an Additional Fee Response Form."

9. Report Samples

The bidder shall submit a sample copy of the layout of each report that the bidder proposes to provide, including those that may be uniquely requested in this RFP. The bidder shall include documentation pertaining to each report that describes the purpose, content, and use of the report, the frequency of report generation, and other pertinent information.

The bidder may present the report samples and documentation for proposed reports as a separate section of the bidder's proposal from those for established reports. The location(s) of the report samples and documentation should be easily identified and located in the bidder's proposal.

10. Manuals

The bidder shall provide copies of its manuals that document and explain the various facets of the bidder's system, services, and products. Such manuals may include, but are not limited to, operations manuals, manuals that explain the use of the on-line system, and in-house training manuals. If samples of the billing statement, due diligence notices, exit interview materials, cancellation and deferment forms, text of standard letters sent to borrowers, and on-line screen layouts are not included in at least one of the types of manuals provided, the bidder shall ensure that samples of these documents are included in its proposal.

L. SUBMISSION OF PROPOSAL

1. Withdrawal and/or Resubmission

A bidder may withdraw its proposal any time prior to the fixed deadline for receipt of proposals (RFP Closing Date) by submitting to the University Contact, identified in Section B of this Chapter, a written notification of its withdrawal, signed by the bidder or its authorized agent. The bidder may thereafter submit a new or modified proposal prior to such date and time set for receipt of proposals.

2. Irrevocable Offer

Proposals in the possession of the University at the closing time for receipt of proposals will be considered final and will be held as an irrevocable offer for one hundred twenty (120) days from that date.

M. DISCLOSURE OF INFORMATION

All information and materials submitted to the University in response to this RFP may be reproduced by the University for the purpose of providing copies to authorized University personnel involved in the evaluation of the proposals but shall be exempt from public inspection under the California Public Records Act until such time as an Agreement is executed. Once an Agreement is executed, the California Public Records Act limits the University's ability to withhold data to trade secrets, as defined by statute. If a bidder's proposal contains any such trade secrets that the bidder does not want disclosed to the public, subsequent to the execution of the Agreement, each sheet of such information must be marked by the bidder as a "trade secret." If, after the Agreement is executed, a third party requests a copy of any bidder's proposal and such documents contain material marked "trade secret," the University shall withhold that information if it meets the statutory definition of trade secret and the bidder agrees to defend, indemnify, and hold harmless the University in any subsequent legal action based on its withholding.

The University shall have the right to use and disclose information marked as a "trade secret" under the following conditions:

1. Such information was already in possession of the University;
2. Such information has entered the public domain other than by the University's breach of any agreement to keep it confidential;
3. Such information is obtained lawfully from a third party; or
4. Such information has been provided to a third party without confidentiality obligations.

N. REJECTION OF PROPOSALS

The University reserves the right to reject proposals, which are non-responsive, including, without limitation, proposals containing the following defects:

1. Late;
2. Incomplete proposals;
3. Failure to conform to the rules or requirements contained in the Request for Proposal;
4. Failure to sign the proposal;
5. Proof of collusion among bidders, in which case all proposals involved in the collusive action will be rejected;
6. Noncompliance with applicable law, unauthorized additions or deletions, conditional bids, incomplete proposals, or irregularities of any kind which may tend to make the proposal incomplete, indefinite or ambiguous as to its meaning;

7. Provisions reserving the right to accept or reject an award, or to enter into a contract containing terms and conditions that are contrary to those in the solicitation.

O. EVALUATION PROCEDURES

A University Evaluation Committee, comprised of two (2) campus Directors of Student and Financial Services, three (3) campus Loan Collection Managers, and one (1) Office of the President representative will evaluate proposals; several other University representatives may be consulted during the evaluation process.

The overall perspective of the Evaluation Committee will be the examination of each proposal to determine how effectively it satisfies this RFP within the guidelines provided.

The responsiveness of each proposal is determined as of the deadline for submission of the material.

1. Format Review

Proposals shall be reviewed for adherence to the RFP requirements. If a proposal fails to meet an RFP requirement, the University may reject it as non-responsive.

Exceptions taken in proposals, or irregularities therein, may be negotiated with or corrected by the bidder involved provided that, in the judgment of the University, such action conforms with the State competitive bidding statute applicable to the University and to the University's procurement policies. Generally speaking, such exceptions or irregularities may be waived only if they do not produce a material advantage over other bidders, do not affect the amount of the bid, or give a benefit not allowed to the other bidders. The University's waiver of a non-material deviation or defect shall in no way modify the RFP documents or excuse the bidder from full compliance with the RFP specifications in the event an Agreement is executed with that bidder.

2. Evaluation Criteria

a. Corporate Attributes

The University will evaluate the responses to the Corporate Attributes issues, taking into account the bidder's written responses as well as information from any other sources available to the University. The evaluation will include, but is not limited to, the degree of compatibility of the bidder's philosophy, work and communication styles, and long-term corporate goals with those of the University. The University also will take into consideration such factors as the experience of key individuals in the organization as well as of those who

would be directly involved in handling the University's account; the plans for accommodating the University's business, including the accommodation of the needs of a highly decentralized, multi-campus system; the quality of the bidder's staff training program; the performance standards of the bidder's staff; the quality control measures to ensure the highest possible level of accuracy and timeliness in processing work; the resources dedicated to and depth of knowledge and experience of the systems and programming staff in supporting the bidder's campus-based student loan system; the extent to and manner by which enhanced and new services are expected to benefit the University and meet its needs; the extent to and manner by which the University will be involved in discussions to identify the University's needs that enhanced and new services should meet; and the technological advances that the bidder has implemented and plans to implement to support its campus-based student loan services. The information provided regarding subcontractors will not be evaluated.

b. Basic Services

The University will conduct a detailed evaluation of the bidder's proposal, including but not limited to, the completed "Basic Services Response Form," "Narrative Response Form," and "Additional Basic Services Form," to determine how closely the proffered services meet the University's Basic Services specifications and needs, described in Chapter IV "Basic Services," and to assess the value to the University of any service enhancements. Applying the following criteria the University will make these determinations and assessments:

- 1) Basic Service: the extent to which the Basic Service specifications will be met as of the date or within the time line specified by the University or by July 1, 2004, if no date or time line is specified; of those that will not be met, their impact on the University, its borrowers, and on individual campus operations on such matters as cost and workload. (Any Basic Service, in whole or in part, for which the bidder proposes to charge an additional fee, e.g., Basic Services with a compliance level rating of "C-Additional Fee," will be treated as though that Basic Service will not be met.)
- 2) Enhancement: the extent to which the enhancement upgrades the quality of the Basic Service, based on the University's assessment of the value of the benefits to be gained.

c. Outstanding Systems Modifications

The information furnished on the "Outstanding Systems Modification Form" will not be included in the proposal evaluation process but will be used to

monitor the bidder's progress in meeting its systems modification schedule on a post-award basis.

d. Additional Basic Services

The Additional Basic Services offered by the bidder will be evaluated as a total package, based on the University's assessment of the value of the benefits to be gained.

e. Services for an Additional Fee

None of the services listed on any of the "Schedule of Additional Fees" (Price Sheets 3a-c) will be included in the proposal evaluation process, unless the bidder proposes to not charge the University an additional fee to provide one or more items described by the University in Chapter V "Services for an Additional Fee" and has so indicated that fact on the "Schedule of Additional Fees—Chapter V" (Price Sheet 3a). Chapter V services for which the University will not be charged an additional fee will be classified and treated as "Additional Basic Services."

P. BASIS OF AWARD

This RFP will be awarded on a two-step basis. The first step, which has been completed as a result of the Request for Information for Pre-Qualification for the Student Loan Services Request for Proposal, involved a determination as to bidder qualification, which took into account such factors as financial responsibility and resources, scope of bidder's relevant experience, client references, and adequacy of security measures. Those prospective bidders who were deemed qualified as a result of the RFI process are now eligible to participate in the Student Loan Services RFP. If, however, any bidder qualification information has changed between the conclusion of the pre-qualification (RFI) process and the RFP submittal date, the University reserves the right to consider such new information and determine that a bidder is no longer qualified to provide services to the University.

The second step will be an evaluation of the merits of the proposals, submitted in response to the RFP. Award shall be made based on the lowest cost –per- quality point as determined by the University. The evaluators will examine each proposal to determine, through the application of uniform criteria, the effectiveness of the proposal in meeting the University's requirements. The bidder with the lowest cost-per-quality point score will be recommended for award and provided the first opportunity to negotiate final terms of the Agreement. If agreement is reached on the final terms, an Agreement will be executed.

Submission of partial data may result in the bidder being deemed non-responsive. If there are any requirements defined in this RFP which are not included in a bidder's

proposal at the RFP closing date, a bidder's proposal may be deemed non-responsive and will be rejected.

1. Number of Quality Points Possible

Using the evaluation criteria provided in Section O, Item 2 "Evaluation Criteria" of this Chapter the University will evaluate the bidder's proposal and assign a maximum of 250,000 quality points to the bidder's proposal.

The quality points are divided into two categories: base (200,000) and bonus (50,000) points. Base points are the quality points available for the bidder's responses to the Corporate Attributes and the Basic Services specified in Chapter IV of the RFP; bonus points are the quality points for Enhancements to the Basic Services and for Additional Basic Services, including those Chapter V services for which the University will not be charged an additional fee and, as such, are being treated as "Additional Basic Services."

2. Minimum Point Threshold

Any proposal that receives less than eighty (80) percent of the base points possible for Basic Services shall be considered non-responsive and shall not be considered further for award purposes.

3. Quality Point Value

The final Quality Point Value for a proposal will be the average of the quality points (both base and bonus) awarded by the Evaluation Committee to that proposal.

4. Cost Calculation

The Evaluation Committee will use the figures quoted on Price Sheet 1 "Conversion Cost," Price Sheet 2 "Schedule of Basic Servicing Fee, and Price Sheet 3b "Schedule of Additional Fees--Basic Services" to calculate a monthly cost figure. The University will use its best judgment to determine a monthly cost for any fees listed on Price Sheet 3b, if applicable volumes have not been established in this RFP. The Conversion Costs will be amortized over a thirty-six (36) month period.

5. Cost-Per-Quality Point Score Determination

The following formula will be used to compute the bidder's cost-per-quality point score:

$$\frac{\text{Monthly Cost (as derived from the Cost Calculation)}}{\text{-----}} \times 100,000 = \text{cost-per-quality point score}$$

Quality Point Value

6. Opportunity Awarded

The bidder whose proposal has the lowest cost-per-quality point score will be awarded the opportunity to engage in final negotiations on the provisions of the Agreement. If, however, the University and the bidder with the lowest cost-per-quality point score are unable to reach agreement, the University reserves the right to cease negotiations with that bidder and either award the bidder with the next lowest quality point score the opportunity to negotiate or reject all proposals. If the parties are unable to reach agreement, the University reserves the right to cease negotiations with the second bidder and reject all proposals. Either agreement on the provisions of the Agreement is reached or the University rejects all proposals.

7. Contract Award in Best Interest

The University reserves the right to accept or reject proposals on each item separately or as a whole, to reject any or all proposals without penalty, to waive any informalities or irregularities therein, and to contract as the best interest of the University may require in order to obtain the system which best meets the needs of the University, as expressed in this RFP. The University reserves the right to negotiate the modification of proposed terms and conditions with the bidder offering the best value to the University, in conjunction with the award criteria contained herein, prior to the execution of a contract to ensure a satisfactory contract.