



October 17, 2016

**FINANCIAL AGENT SOLICITATION
CENTRALIZED RECEIVABLES SERVICE**

I. INTRODUCTION

The Bureau of the Fiscal Service (Fiscal Service) plans to select one financial institution to operate, maintain, expand and improve the government's Centralized Receivables Service (CRS). Interested financial institutions should respond with an Initial Proposal as specified in Section IV of this solicitation.

Fiscal Service will conduct the selection pursuant to its Financial Agent Selection Process (FASP). The financial institution selected shall be a financial agent (FA) of the United States, and will have a fiduciary responsibility to act in the best interests of Fiscal Service, including a duty of loyalty and fair dealing. Fiscal Service will expect full transparency in all dealings with the FA, including all communications and pricing.

Fiscal Service will evaluate the proposals submitted by financial institutions in two phases. In Phase 1, Fiscal Service will review all the Initial Proposals and select up to six Finalists. In Phase 2, each Finalist will receive additional detailed information and present its Final Proposal, and Fiscal Service will select one of the Finalists as FA for CRS.

Fiscal Service will enter into a 3-year financial agency agreement (FAA) with the FA. The term of the FAA will commence on or about June 1, 2017. Fiscal Service will have the option to extend the FAA for two additional 1-year terms.

The FA may use third party contractors to assist in providing the services required in the FAA. Fiscal Service encourages its FAs to use small businesses, including minority-owned or women-owned businesses, as contractors.

II. BACKGROUND

A. The Centralized Receivables Service

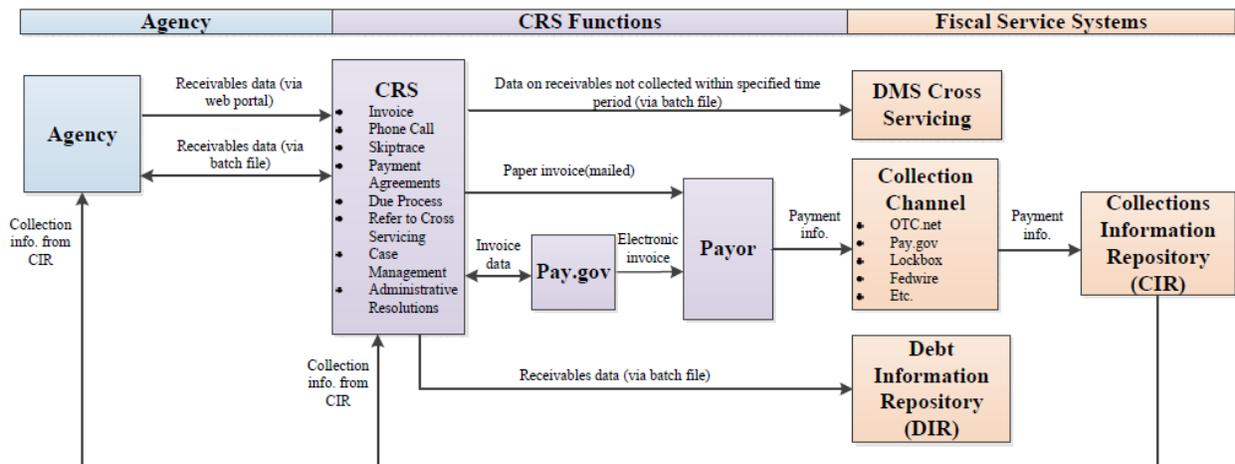
CRS provides billing, collection, and management services for current, non-tax accounts receivables to federal agencies. CRS creates government-wide efficiencies by centralizing the accounts receivable process and allowing customer agencies to increase focus on their core missions. Fiscal Service initiated CRS in December 2012 and selected U.S. Bank as the current

financial agent. CRS services federal non-tax receivables from the point at which customer agencies establish a receivable until the receivable is either paid in full or referred to our delinquent debt collection program, Debt Management Services' (DMS) Cross-Servicing program.

CRS currently services receivables for 53 programs operated by 15 federal agencies. To date, CRS has invoiced over 100,000 receivables valued at \$159 million with approximately 50% of the volume processed in fiscal year 2016. Over the next few years, CRS expects to grow and broaden its customer base and receivables portfolio with the goal to provide more efficient centralized receivables services across the federal government.

The FA selected for CRS will provide a scalable service center, a technology platform, and a fully integrated set of tools including workflow, data storage, customer agency web portal, document management, skip tracing, and auto-dialing. The FA will also continue to integrate CRS with Fiscal Service's Pay.gov eBilling service to create and send electronic bills.

CRS will receive receivables data from customer agencies either through a web portal or file exchange. CRS will update receivables with collections data from our Collections Information Repository (CIR) through file exchange. CRS will also facilitate a seamless, automated transfer of eligible delinquent debts to our DMS Cross-Servicing program. Each individual customer agency program has a specific profile which defines the receivables workflow to be provided by the FA. Data on receivables in CRS will be sent on a daily and monthly basis from CRS to Fiscal Service's Debt Information Repository (DIR). The graphic below depicts a high-level workflow of the CRS receivables management process. The FA selected will be responsible for supporting this workflow in conjunction with Fiscal Service and CRS customer agencies.



B. Objectives

Fiscal Service is seeking a FA that can support CRS in achieving the following business objectives:

- **Operational Excellence:** The FA will maintain outstanding execution of government-wide receivables management service operations in a practical, cost effective, and flexible manner that continues to be scalable as conditions dictate.
- **Allocable and Reasonable Costs:** The FA will charge reasonable costs for federal accounts receivables management through effective benchmarking, and allocate expenses to show cost of activities, services and projects in the proper period to avoid significant outlay of resources.
- **Flexibility and Independence:** The FA will provide a system architecture that results in a flexible platform and allows CRS to adapt, as needed.
- **Industry and Technology Awareness:** The FA will anticipate the need for system enhancements dictated by evolving receivables management market practices.
- **Continuity of Service:** The FA will provide service continuity and avoid any disruption of service and support.

III. GENERAL SERVICES REQUIRED

A. Period of Performance

Fiscal Service will enter into a 3-year FAA with the FA. The term of the FAA will commence on or about June 1, 2017. Fiscal Service will have the option to extend the FAA for two additional 1-year terms. At the end of the term, the FA will be required to transition CRS operations and services to Fiscal Service or to any successor financial agent.

B. Program Support Transition

If Fiscal Service selects a different financial institution to replace U.S. Bank as the FA for CRS, the new FA must support and, if necessary, replace or update elements of the existing CRS receivables management environment. Respondent financial institutions should provide a high-level transition plan, detailing how it will implement CRS processing and transition existing CRS operations to the financial institution if it is selected as the FA for CRS. The transition plan should include details of how the financial institution would work with Federal customer agencies during the transition. The new FA will then provide a more extensive transition plan promptly following its selection defining how it will complete the transition following execution of the FAA. The transition plan should aim to fully transition CRS as quickly as possible, but take no longer than 2 years.

C. Service Categories

Outlined below are the services that will be required from the FA selected through this FASP. These services represent critical categories of CRS program functions. Each financial institution responding to this solicitation will be evaluated on its ability to deliver against these requirements:

- **Receivables Management**
 - a) Generate and maintain receivables cases (cases)

- b) Generate and mail paper (and/or electronic via Pay.gov) invoices, past due notices, and due process notices, and other notification letters as necessary to payors
 - c) Use skiptracing tools to update payor address and phone information, as needed
 - d) Obtain credit bureau reports on payors
 - e) Negotiate, set up, and manage payment plans with payors, in accordance with Fiscal Service standards
 - f) Evaluate payor's qualifications for compromise agreements and set up compromise agreements in accordance with Fiscal Service standards
 - g) Intake and facilitate communication between customer agency and payor related to requests for proof of debt and case disputes
 - h) Process administrative resolutions (bankruptcy/ death/ insolvency)
 - i) Receive and re-process undeliverable mail
 - j) Document all actions taken on a case including, but not limited to, communications with payors and customer agencies, changes to case information, and documents uploaded to the case
 - k) Manage receivables in accordance with federal and other receivables and debt collection standards including, but not limited to, the Debt Collection Improvement Act (DCIA), Fair Debt Collection Practices Act (FDCPA), Telephone Consumer Protection Act (TCPA), Consumer Financial Protection Bureau (CFPB) regulations, Federal Claims Collection Standards (FCCS), and as applicable, the Health Insurance Portability and Accountability Act (HIPAA)
- **Relationship Management/Customer Service:**
 - a) Provide 24/7 customer service options that allow payors to contact the FA with concerns via telephone (with interactive voice response system), email, a web site, and by paper correspondence for the purposes of accessing case information, requesting a statement for resolution, making a payment, or arranging payment agreements
 - b) Provide live agent services from Monday–Friday, excluding federal holidays, in accordance with established service level agreements (SLAs)
 - c) Provide services to accommodate payors that are hearing-impaired, Spanish-speaking (and possibly other languages), and internationally located
 - d) Answer phone calls received from payors during established business hours
 - e) Answer phone calls and emails received from customer agencies and system users, in accordance with established SLAs
 - f) Make phone calls to payors to verify receipt of notices and encourage payment of receivable. Phone calls may be conducted via auto dialer and give debtor the option to speak to an agent or call back if they have any questions
 - g) Work directly with customer agencies to establish CRS set-up
 - h) Provide technical and operational support to customer agencies and system users
 - i) Send prompt communication to customer agencies and system users on system outages
 - j) Draft and maintain procedural and technical training materials for customer agencies and system users
 - k) Support on-site and online trainings for new and existing users

- **System Features and Functionality**
 - a) Provide a scalable web portal platform for customer agencies and Fiscal Service to access case information
 - b) Transmit and intake receivables data to and from the customer agencies using the secure file transfer method designated by Fiscal Service
 - c) Allow customer agencies to create cases via web portal and file transmission
 - d) Provide capability for system users to upload (both manually and via batch file) documents to cases
 - e) Allow customer agencies to update case information (balance, status, holds, payments, etc.) via web portal and file transmission
 - f) Create a confirmation of successful file transfer and send to customer agencies and Fiscal Service
 - g) Provide customizable case settings (balance calculations, timers, and status changes) based on agency requirements
 - h) Transmit information to customer agencies and Fiscal Service systems securely using the file transfer method designated by Fiscal Service
 - i) Create cases with multiple linked sub-cases
 - j) Create cases with multiple co-payors
 - k) Receive and apply collection information from CIR to cases
 - l) Send daily updates to Pay.gov on current balance of e-billing cases
 - m) Maintain database with electronic copies of all documents created (due process notice, etc.) and all actions taken (phone calls, etc.)
 - n) Calculate and apply interest, penalties, and other fees to cases in accordance with customer agency profile requirements
 - o) Transmit case data for delinquent or uncollected receivables to the DMS Cross-Servicing Program or other Fiscal Service or federal programs as necessary using the appropriate file formats
 - p) Record and forward collection information to DMS if a collection is received after a case was sent to Cross-Servicing or to other Fiscal Service or federal programs as necessary
 - q) Create customizable letter templates
 - r) Create customizable payment and compromise agreements
 - s) Provide customizable reports accessible, using role-based security, through the CRS system
 - t) Provide customizable case and transactional level reports based on agreed-upon criteria
 - u) Provide metrics to support assessment of FA performance against the applicable SLA.
- **Governance and Security Requirements**
 - a) Provide access to a web portal using a role-based security model
 - b) Meet all applicable Federal government requirements for (1) physical and personnel security, (2) information technology security, and (3) disaster recovery and continuity of operations.
 - c) Require all FA staff and contractors supporting CRS to be citizens or lawful permanent residents of the United States
 - d) Locate all facilities and systems used to support CRS in the United States
 - e) Record, maintain, and protect system and program data in compliance with all applicable federal requirements including, but not limited to, the Federal Information Security

Management Act (FISMA), National Institute of Standards and Technology (NIST) regulations, and Office of Management and Budget (OMB) security standards and protocols. Additionally, the FA will support any required reporting associated with FISMA, NIST and OMB security standards and protocols

- f) Assist Fiscal Service in performing required technical system reviews by providing information about processes, software, facilities, personnel, and equipment through interviews, on-site inspections, and documentary evidence

- **Project Management**

- a) Develop a project plan and manage transitions from current FA or to future FA as needed
- b) Provide tracking and reporting associated with managing system enhancement releases including, but not limited, to:
 - Developing and maintaining project plans
 - Developing and maintaining business requirements, technical requirements, and functional design documents in accordance with Software Development Life Cycle (SDLC) techniques, including Agile and other methodologies
 - Track and resolve defects associated with enhancement releases
- c) Manage, track, and report on new agency customer implementations
- d) Support OMB program management standards and submissions (i.e., Exhibit 300)

IV. SUBMITTING INITIAL PROPOSALS

To be considered for this solicitation, Initial Proposals must comply with the following requirements and be received by Fiscal Service by 5:00 pm CT on November 14, 2016.

Initial Proposals should clearly describe the financial institution's ability to perform the work and describe the following:

- Ability to provide the general services outlined above in Section III.C, *Service Categories*
- Experience in receivables management services for commercial and government entities, staffing methodology, and program support and human resource management capabilities
- Ability to set up and implement the proposed technology platform
- Ability to set up and implement any transition plans as needed
- Provide references, including private sector and government (other than U.S. Treasury)
- Provide any other relevant information to assist Fiscal Service in its evaluation of the Initial Proposal.

Proposal documents should not be marked as "*Proprietary and Confidential*" and Fiscal Service will not honor any such markings. However, because Initial and Final Proposals may be subject to Freedom of Information Act (FOIA) requests, Congressional inquiries, or other requests, Proposal documents may be labelled as "*Program Sensitive*" to emphasize concerns about confidential business information.

- **Format Specifications:** Initial Proposals must be formatted as follows:

Initial Proposals must include a proposal transmittal letter on the respondent FI's letterhead (see detail below) and be formatted as follows:

- a) No more than twenty (20) one-sided pages (not including any requested attachments or the transmittal letter)
 - b) Paper size 8 ½" x 11"
 - c) Single-spaced
 - d) Font type and size - 12 point Times New Roman font
 - e) Margin size - one inch
 - f) A table of contents is optional (not included in 20-page maximum)
 - g) Number of copies (paper and digitized) - 6 hard copies and 1 digitized copy (CD) in MS Word format, and 1 signed copy in Adobe PDF format.
- **Transmittal Letter:** Initial Proposals must contain a transmittal letter as follows:
 - a. The transmittal letter must be written on the financial institution's letterhead and signed by an official of the financial institution with legal authority to represent and bind the institution.
 - b. The transmittal letter must include the name, title, mailing address, e-mail address, telephone number(s), and fax number of the financial institution's contact person for all communications related to the FASP.
 - c. The financial institution must affirmatively state that it (1) qualifies as a financial agent under 31 CFR Part 202; (2) agrees to the selection and evaluation approach described in this solicitation; and (3) understands that the selection process is subject to Fiscal Service's FASP and is not subject to the Federal Acquisition Regulations.
 - **Contact Information:**

All questions should be directed to CRSFASPSolicitation@fiscal.treasury.gov. Fiscal Service will attempt to answer all questions in writing via e-mail as soon as possible and may share questions and answers with other respondent financial institutions.

Initial Proposals should be submitted by courier or traceable delivery service to:

Mr. John Rogers
Program Manager
U.S. Department of the Treasury
Bureau of the Fiscal Service
P.O. BOX 149058
Austin, TX 78714-9058

V. EVALUATION PROCESS

Phase 1

During Phase 1, Fiscal Service will evaluate Initial Proposals to determine the ability of the financial institution to meet the requirements specified in Section III, *General Services Required*. Fiscal Service will conduct a Phase 1 information session for all interested financial institutions.

The Phase 1 session will provide information regarding the CRS program, the FASP, and the interfaces with Pay.gov, Cross-Servicing, CIR, BMS, and other Fiscal Service systems. Interested financial institutions should send an RSVP for the Phase 1 Information Session to CRSFASPSolicitation@fiscal.treasury.gov. A maximum of 3 representatives from each financial institution will be allowed to attend the information session. Prior to participating in the Phase 1 Information Session, financial institutions will be required to execute a non-disclosure agreement.

Fiscal Service will evaluate all Initial Proposals received and select up to six (6) financial institutions as Finalists. The selection of the Finalists will be at the sole discretion of Fiscal Service.

Each Finalist will be notified by Fiscal Service that its Proposal warrants further consideration and will be invited to participate in Phase 2 of the evaluation process. Financial institutions not selected as Finalists will also be notified.

Phase 2

At the beginning of Phase 2, Finalists will receive pricing templates to submit the Pricing Proposal and a copy of the FAA.

Fiscal Service will conduct a Phase 2 information sessions for all Finalists. The Phase 2 session will provide information regarding the pricing templates, security and audit requirements, details on the types of receivables serviced by CRS, and the Service Level Requirements used by Fiscal Service to evaluate the FA's performance.

Additional information sessions consisting of open dialogue with Fiscal Service, both with individual Finalists and collectively with all Finalists, may occur at the discretion of Fiscal Service. Fiscal Service will provide all Finalists with the opportunity to ask questions and to clarify the terms of their Proposals throughout the evaluation process.

Each Finalist will be invited to present its Final Proposal in an oral presentation held in person at Fiscal Service headquarters in Washington, DC. The Final Proposal presentation should address information in all proposals submitted to Fiscal Service under this FASP, including a description of the Initial Proposal (including its high-level transition plan) and the Pricing Proposal (including Transition Cost and Services Pricing Templates – described below). If a Finalist needs to modify or clarify information previously submitted to Fiscal Service, it should clearly present such modifications or clarifications in its oral presentation and not in a written document. After the oral presentations, Fiscal Service will select one Finalist as the FA for CRS. The FA will be required to execute the FAA with Fiscal Service within 4 weeks after the date it is notified of its selection.

- **Evaluation Timeline:** Fiscal Service plans to follow the schedule below, but any dates may change at the sole discretion of Fiscal Service.

RSVPs (Phase 1 Information Session) and	
Non-disclosure agreements due	October 28, 2016; 5:00 p.m. CT
Phase 1 Information Session	November 3, 2016

Initial Proposals due to Fiscal Service	November 14, 2016; 5:00 p.m. CT
Notifications (Finalists & non-Finalists)	December 12, 2016
RSVPs (Phase 2 Information Session) due	January 4, 2017; 5:00 p.m. CT
Phase 2 Information Session for Finalists	January 10, 2017
Pricing Proposals due to Fiscal Service	January 17, 2016; 5:00 p.m. CT
Final Proposal presentations	January 23- February 3, 2017

- **Selection Criteria:** Fiscal Service will evaluate Proposals based on multiple factors. In Phase 1, Fiscal Service will consider the following factors:
 - Excellence and experience in first-party receivables and debt collections including outreach through letters and phone calls, skip-tracing, and payment plan creation and maintenance, and other services as detailed in Section III.C, *Service Categories*, of the solicitation.
 - Experience in automated mailings, including envelope stuffing and envelope extraction similar to standard lockbox services
 - Excellence and experience in call center and customer service operations in multiple time zones
 - Expertise in scalability, the capability to increase and decrease staff as needed, whether internally or via third parties
 - Extensive knowledge of and experience complying with debt collection policies and procedures regarding the FDCPA, TCPA, CFPB regulations, FCCS, HIPAA and the DCIA
 - Experience with receivables and debt collection software, its integration into a call center environment, and the ability to maintain and modify the software through a project change control process
 - Demonstrated expertise with transaction and data reporting capabilities, methods, and flexibility
 - Expertise in addressing changing system capacity requirements
 - Experience in supporting hardware and the acquisition processes
 - Extensive knowledge of FISMA, NIST, and OMB security standards and protocols
 - Excellence in security standards and assurances – including personnel, physical and information technology – sufficient to comply with FA personnel and physical security requirements and accompanying IT audit requirements
 - Expertise in privacy standards and assurances
 - Experience in data management techniques to establish and maintain data integrity across multiple data stores on multiple platforms, ensure regular updates for all users, and integrate data from new users into the collection environment in a timely manner
 - Experience with SDLC techniques, including Agile and other methodologies
 - Experience with software development and managing large complex projects, including ability to perform maintenance and enhancement of existing software
 - Expertise in OMB program management standards and submissions (i.e., Exhibit 300)
 - Expertise to keep aligned with all new and innovative technologies and the ability to apply those to the debt collection software

- Expertise in program management, architecture, business analysis, development and testing
- **Evaluation of Costs:** In Phase 2, Fiscal Service will consider the factors identified above, and will also consider the cost of providing the services. Each Finalist will be required to submit its Pricing Proposal utilizing two templates. These templates provide a breakdown of:
 - (a) up-front, one-time “conversion costs” that would be incurred, and
 - (b) ongoing service costs (breaking out pass-through costs from transactional and other bases for costs, as will be depicted in the pricing template).

The Transition Cost Template will be used to identify anticipated up-front, one-time conversion costs that would be incurred by the Finalist to establish its own infrastructure and to transition CRS from the current financial agent, taking into account the current transaction volumes and number of agencies currently serviced.

The Services Pricing Template will be used to identify ongoing service costs based on a transaction-based pricing methodology.

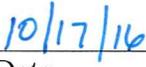
Each Finalist must submit its Pricing Proposal utilizing the two templates.

VI. OTHER

This financial agent solicitation may be amended from time to time, or cancelled in its entirety, in the sole discretion of Fiscal Service.



Jeffrey Schramek
Assistant Commissioner, Debt Management Services



Date