

## **FSA - Private Collection Agencies (PCA) Contracts**

### **NEW COLLECTIONS TASK ORDER AWARDS COMPLETED (05/26/05)**

The Department of Education, Federal Student Aid (FSA) has awarded task orders to 17 private collection agencies under the PCA2004 Request for Task Order Proposals (RfTOP). GAO denied the protester's request for reconsideration (B-294797.3) on April 28, 2005. Thus, all protest issues have been resolved. The new contractors began collection activities in February 2005.

The Collections Group of the FSA Borrower Services Channel targeted private collection agencies on the General Services Administration (GSA) Financial Services Schedule of contractors. Agencies with experience in collecting large scale defaulted debt on a national level or collecting defaulted student loans with a proven track record of performance were invited to submit contract proposals. A small business competition was included in the award process, allowing smaller agencies into an area of federal government contracting normally dominated by larger businesses.

On September 30, 2004, FSA awarded task orders to 5 small business private collection agencies, under the small business set-aside. The following small businesses received task order awards:

- Account Control Technology, Canoga Park, CA
- Collection Technology Inc., Burbank, CA
- Continental Service Group, Fairport, NY
- Financial Management Systems, Bethesda, MD
- Premier Credit, Indianapolis, IN

On October 22, 2004, FSA awarded task orders to 12 private collection agencies under the unrestricted competition. The following large businesses received task order awards:

- I Allied Interstate, Inc., Minneapolis, MN
- I The CBE Group, Inc, Waterloo, IA
- I CollectCorp, Toronto, CA
- I Collecto, Inc., Norwell, MA
- I Diversified Collection Service, Livermore, CA
- I Financial Asset Management Systems, Norcross, GA
- I GC Services, Houston, TX
- I National Asset Management Enterprises, Inc., Marietta, GA
- I NCO Financial Systems, Inc., Horsham, PA

- I Pioneer Credit Recovery, Inc., Arcade, NY
- I Progressive Financial Services, Inc., Tempe, AZ
- I Van Ru Credit Corp., Des Plaines, IL

The work performed under these contracts is performance-based and highly competitive. The contracts are "contingency fee" based and therefore result in significant savings to the federal government.

Since 1979, FSA has contracted out its debt collection activity. In FY 2004 alone, FSA collected more than \$1.8 Billion in defaulted student loans with private collection agencies accounting for over \$1.2 Billion.

Comments or questions may be directed to [pca.2004@ed.gov](mailto:pca.2004@ed.gov).