



CHESLA™

Connecticut Higher Education
Supplemental Loan Authority

Request for Proposal For

DEFAULTED LOAN COLLECTION SERVICES

DATE: January 10, 2023

State of Connecticut Higher Education Supplemental Loan Authority

DEADLINE: No Later than 2:00 p.m. (Eastern Time) on Tuesday, February 7, 2023





www.chesla.org

Connecticut Higher Education Supplemental Loan Authority
10 Columbus Boulevard, 7th Floor, Hartford, Connecticut 06106
(860) 520-4001 Outside CT • (800) 252-3357 in CT • FAX (860) 520-4004

January 10, 2023

The Connecticut Higher Education Supplemental Loan Authority (the "Authority" or "CHESLA") is requesting proposals from qualified firms wishing to provide Defaulted Loan Collection Services to the Authority for a period not to exceed three (3) years.

The Authority seeks proposals from firms with established expertise in the area of defaulted debt collection generally and private student loans specifically. Firms are expected to have substantial and demonstrable expertise in fair debt collection practices and knowledge of higher education lending laws and other areas of legal and collection services pertinent to the Authority.

Proposals should highlight the recent experience of your firm in its collection efforts and course of action working with private supplemental student loans.

Responses to the RFP

Your firm's submission relating to this RFP must include a response to the questions and requests for information included in the attached **Exhibit A**, as well as completed Exhibit C.

Proposal Schedule

- RFP Issued on **January 10, 2023**
- Questions are due no later than **January 23, 2023 at 3:00 p.m. (Eastern Time)** and must be emailed to Josh Hurlock, Assistant Director at jhurlock@chesla.org
- Response to questions will be posted on the CT DAS (das.ct.gov) and CHESLA websites on **January 31st at 3:00 p.m. (Eastern Time)**
- Proposals are due no later than **2:00 p.m. (Eastern Time) February 7, 2023**
- Interviews, if necessary, to be conducted the week of **February 20, 2023**
- Authority Board Action on Selection of Collection Agency on **March 23, 2023**

The initial term of this Agreement shall be from April 1, 2023 until March 31, 2026.

Selection Process

Management will review proposals from service providers and make a recommendation to the Board of Directors for approval. Evaluation of firms will include, but will not be limited to: the reputation of the firm, the scope of services to be provided, proposed fees, the reputation and experience of the management and staff to be assigned to the Authority, and other value added services that may be provided.

Contractual Relationships with Quasi-Public Agencies

1. Penalty for False Statement (C.G.S. §1-126)

Any quasi-public agency, as defined in Section 1-120 of the General Statutes, shall require any application, agreement, financial statement, certificate or other writing submitted to such quasi-public agency with respect to any loan, mortgage, guarantee, investment, grant, lease, tax relief, bond financing or other extension of credit or financial assistance made or provided by such quasi-public agency and that provides information on which the decision of such quasi-public agency was based, to be signed under penalty of false statement as provided in Section 53a-157b of the General Statutes. The Authority requires that proposals in response hereto be provided on the same basis.

Include the following statement with your proposal:

“The information provided herein is submitted by the undersigned firm under penalty of false statement as provided in the Connecticut General Statutes, Section 53a-157b.”

2. State Election Enforcement Commission Campaign Contribution and Solicitation Ban (C.G.S. §9-612(f))

The Authority is required to provide prospective state contractors with a copy of, or internet link to, the *Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations* (“SEEC Notice”), attached as **Exhibit B** and available at

<https://seec.ct.gov/Portal/data/forms/ContrForms/SEECStateContractorNotice.pdf>

By submitting a proposal, the authorized signatory to the proposal expressly acknowledges receipt and review of the SEEC Notice and agrees to inform the proposer’s principals (as defined in such notice) of the contents of the SEEC Notice.

3. Campaign Contribution Certification - C.G.S §9-612(f)(2)(F)

A prospective state contractor submitting a proposal to the Foundation must make the disclosures and certifications set forth on the Campaign Contribution Certification form attached as **Exhibit C** and also available in a fillable form at:

<https://portal.ct.gov/-/media/OPM/Fin-General/OPM-Form1-GiftandCampaignContributionCertificationRev-07222021-FINAL--GDB.pdf>

Each proposer must complete and submit the Campaign Contribution Certification form with their proposal.

4. Nondiscrimination - C.G.S. §§4a-60 and 4a-60a

C.G.S. §§4a-60 and 4a-60a, require (a) any entity or individual entering into a contract with a state agency or quasi-public agency to comply with the provisions of these statutes and (b) the inclusion of the provisions set forth in C.G.S. §§4a-60a(a)(1)-(4), 4a-60a(b)(1), 4a-60(a)(1)-(5) 4a-60(c)(1), and in any such contract. Any contract entered into with the Authority in connection with this RFP will include the provisions required by the above referenced

statutes. See paragraphs 1-3 of attached **Exhibit D** for the provisions that will be included in any contract entered into with the Authority.

5. Consulting Agreement Affidavit (C.G.S. §4a-81)

C.G.S. §4a-81 prohibits a state agency or quasi-public agency from executing a contract for the purchase of goods or services, which contract has a total value of fifty thousand dollars or more in any calendar or fiscal year, unless such contract contains the representations set forth in C.G.S. §4a-81(b)(1) & (3) pertaining to whether any consulting agreement has been entered into in connection with such contract. The representations must be to the best knowledge and belief of the person signing the contract and shall be subject to the penalties of false statement as provided in Connecticut General Statutes Section 53a-157b. See paragraph 7 of attached **Exhibit D** for the representations that will be contained in any contract entered into with the Authority in connection with this RFP.

6. Gift Ban Policy - C.G.S. §4-252 and Executive Order No. 21-2

In accordance with C.G.S. Section 4-252(c) and Executive Order No. 21-2 of Susan Bysiewicz, Acting Governor of the State of Connecticut, the authorized signatory of the proposer must include the following representations with the proposal:

"I [*name and title*] of [*Proposer*] hereby represent to the Foundation that:

- (a) No gifts were made by (i) the proposer, (ii) any principals and key personnel of the proposer, who participate substantially in preparing bids, proposals or negotiating state contracts, or (iii) any agent of the proposer or principals and key personnel, who participates substantially in preparing bids, proposals or negotiating state contracts, to (1) any public official or state employee of the state agency or quasi-public agency soliciting bids or proposals for state contracts, who participates substantially in the preparation of bid solicitations or requests for proposals for state contracts or the negotiation or award of state contracts, or (2) any public official or state employee of any other state agency, who has supervisory or appointing authority over such state agency or quasi-public agency;
- (b) No such principals and key personnel of the proposer, or agent of the proposer or of such principals and key personnel, knows of any action by the proposer to circumvent such prohibition on gifts by providing for any other principals and key personnel, official, employee or agent of the proposer to provide a gift to any such public official or state employee; and
- (c) The proposer is submitting bids or proposals without fraud or collusion with any person."

7. Contract Language

By submitting a response to this RFP, a Proposer agrees to inclusion of the language set forth in **Exhibit D** in any contract entered into with CHESLA in connection with this RFP.

8. Freedom of Information Act

CHESLA is a "public agency" for purposes of the Connecticut Freedom of Information Act ("FOIA"). A proposal submitted in response to this RFP, and any files or documents associated with the proposal, including e-mails or other electronic files, will be public records and subject to disclosure under the FOIA. See Conn. Gen. Stat. §§1-200, et seq. The FOIA includes exemptions for, among other things, "trade secrets" and "commercial or financial information given in confidence, not required by statute." See Conn. Gen. Stat. §1-210(b).

Due regard will be given for the protection of proprietary or confidential information contained in all proposals received. However, all materials associated with this RFP are subject to the terms of the FOIA and all applicable rules, regulations and administrative decisions. If a proposer is interested in preserving the confidentiality of any part of their proposal, it will not be sufficient to state generally in the proposal that the proposal is proprietary or confidential in

nature and therefore not subject to release to third parties. Instead, those particular sentences, paragraphs, pages or sections that a proposer believes to be exempt from disclosure under the FOIA must be specifically identified as such. Convincing explanation and rationale sufficient to justify each exemption consistent with Section 1-210(b) of the FOIA must accompany the proposal. The rationale and explanation must be stated in terms of the reasons the materials are legally exempt from release pursuant to the FOIA.

Confidential information must be separated and isolated from other material in the proposal, labeled CONFIDENTIAL, and submitted in a separate envelope and in a separate PDF. All proposal materials not placed in a separate envelope and PDF clearly marked as confidential will not be treated as confidential and will be made available for public view upon receipt of a FOIA request. Proposers should not request that their entire proposal, nor the majority of the proposal, be confidential and CHESLA reserves the right to reject any such proposal.

CHESLA has no obligation to initiate, prosecute or defend any legal proceeding or to seek a protective order or other similar relief to prevent disclosure of any information that is sought pursuant to a FOIA request. The proposer has the burden of establishing the availability of any FOIA exemption in any proceeding where it is an issue. In no event shall CHESLA or any of its officers, directors or employees have any liability for the disclosure of documents or information in CHESLA's possession where CHESLA, or such officer, director or employee believes disclosure is required under the FOIA or other law.

RFP Format and Submission Requirements

- A. The total length of the response is limited to 15 pages (excluding required State forms and documents requested by the Authority in the attached Exhibit A).
- B. Please submit a copy of your firm's response to this RFP via email no later than **2:00 p.m. (Eastern Time) on Tuesday, February 7, 2023** in PDF format to Josh Hurlock, Assistant Director at jhurlock@chesla.org and Shannon Reynolds at sreynolds@chesla.org.

The Authority reserves the following rights (without limitation or waiver):

1. To reject any or all proposals.
2. To conduct investigations or request further information relating to the qualifications of any or all proposers.
3. To supplement, modify or cancel this request for proposals without notice or substitution of another such request.
4. To reevaluate a proposal or selection if there are any changes in the substance of the proposal.
5. Waive or modify any irregularities in proposals received.
6. Accept a proposal based on considerations other than cost.
7. Negotiate with any firm in any manner deemed to be in the best interest of the Authority.

A final decision is expected at the March 2023 Board of Directors' Meeting. The Authority shall not be liable for any cost incurred in connection with responding to this proposal. Please email any questions no later than **January 23, 2023 at 3:00 p.m. (Eastern Time)** to Josh Hurlock at jhurlock@chesla.org.

Sincerely,

Jeanette W. Weldon

Jeanette Weldon
Executive Director

Exhibits Attached

General Information and Requirements

The defaulted loans were made by the Authority under CHESLA's loan programs. Presently, over 51,000 loans have been made under the In-School Loan Program and over 200 loans with CHESLA's relatively new Refinance Program. Approximately 720 loans are currently placed with the Authority's collection agent. The defaulted loans range in size from \$100 to \$40,000 and total approximately \$10.5 million (total principal, interest, and fees), and in age from a few months to 11+ years.

Many borrowers have more than one loan in default. Some borrowers with defaulted loans reside outside the State of Connecticut. The Authority believes the loans to be generally non-dischargeable in bankruptcy pursuant to Section 523 of the Bankruptcy Code.

- A. The Authority will not be liable for any cost incurred by Proposers in the preparation of the response to or oral presentation of the RFP.
- B. In addition to the proposal, the Authority will consider fees to be charged for services.
- C. Proposers shall provide a copy of its standard contract for review by the Authority and provide evidence of sufficient bonding ability and/or coverage. The Authority reserves the right to use its form of contract and negotiate the terms and conditions of the contract with the selected Proposer. By submitting a response to this RFP, a Proposer agrees to the inclusion of the language set forth in Exhibit D in any contract entered into with CHESLA in connection with this RFP.
- D. Under no circumstances shall the Proposer engage in unfair collection practices or violate any laws or regulations in the process of collecting the Authority's delinquent/defaulted accounts.
- E. The Authority requires Proposer to provide information on individual borrowers on a monthly basis detailing: (1) the status of collection and/or litigation pertaining to each account, (2) payments received, (3) the status of performing and non-performing accounts according to the Authority's policy, and (4) updates alerting the Authority as to the status of problem accounts. The Proposer must update the interest accrued monthly until the account is completely resolved. **(Note: Performing loans are defined as accounts 120 days past due for which consecutive payments have been received for the most recent three months. Non-performing loans are defined as accounts 120 days past due for which consecutive payments have not been received for the most recent three months).** If an account is performing and the borrower misses three consecutive payments, the account will return to non-performing status. Proposer will provide other information reports on loan accounts on a periodic basis, as needed by CHESLA.
- F. The Proposer will be required to maintain appropriate accounting and management controls with respect to its financial operation and CHESLA's loan accounts and will be required to document these controls.
- G. The Proposer will be required to document and coordinate all efforts taken in the collection process as prescribed by all applicable state and federal laws and regulations.

- H. The collection of all accounts, including principal, interest, and collection and legal fees, referred by the Authority, regardless of the amount, must be initiated promptly by the Proposer. The Proposer must accept for collection all accounts that the Authority refers for collection.
- I. The Authority, its board members, employees and advisors must be held harmless and indemnified from all claims, demands, causes of action, damage of property or loss and liability including attorney's legal fees as a result of the performance of the services required from the Proposer.
- J. The Proposer may not assign its obligations to perform the services without the prior written consent of CHESLA. CHESLA will not assume liability for legal expenses other than for its own defense or to bring an action to collect an account.
- K. In the event that the Proposer renegotiates a repayment agreement with a borrower, the agency must notify CHESLA in writing of this action within fifteen (15) days.
- L. The Proposer is required to utilize best efforts to maximize the recovery of the accounts CHESLA referred for collection. This includes, but is not limited to, telephone calls, mail efforts, skip tracing, use of a national credit bureau, filing of suits, and location of assets to satisfy a judgment.
- M. The Proposer may not accept or compromise a settlement for any account referred for collection without the prior written consent of CHESLA. Otherwise, the Proposer will be responsible for any unpaid balance in the borrower's account after accepting or compromising the settlement.
- N. The Proposer will generate formal collection letters upon placement, on behalf of CHESLA, to inform the borrower that his/her account has been referred to the collection agency for payment.
- O. The Proposer may not initiate legal proceedings against a borrower to collect moneys due without prior written consent from CHESLA.
- P. The Proposer shall submit to CHESLA copies of any correspondence or notice of other communications received from borrowers referred by the Authority alleging complaints against the Proposer within five (5) days of receipt of such correspondence or communication.
- Q. The Proposer shall submit to CHESLA a copy of a judgment within fifteen (15) days of filing said judgment.
- R. CHESLA retains the right to submit accounts, which have been previously placed with other collection agencies. These accounts will be identified as second/third placements for the borrower, first placements for the Proposer.
- S. CHESLA may transfer an account to another collection agency six months after referring the account to the Proposer unless: (1) the loan is performing (according to CHESLA's method of calculating performing loans) and there is documentation on file to verify performing status, or (2) a dispute between the borrower and the Proposer exists and can be documented.
- T. The Proposer shall document all efforts taken in the collection process as prescribed by applicable state and federal laws and regulations.

- U. In addition to the borrowers outstanding debt, the Proposer will collect a 15% collection fee (calculated on outstanding principal and interest due CHESLA prior to placement with the Proposer) payable to CHESLA on each defaulted loan. The Proposer will not assess a fee to CHESLA for collection of the 15% collection fee or court cost recovered from the borrower.
- V. The payment to CHESLA for moneys collected from borrowers must be submitted to CHESLA on a semi-monthly basis on the 15th and the 30th of each month. These payments shall be made in a check form or electronically. The amount paid must be in agreement with a detailed invoice, which will depict the names, account numbers, gross amount paid by the borrower, amount applied towards interest, collection fees, and amount paid to CHESLA. These remittances must be made for the gross amount collected from the borrowers without deductions of any kind. Up-front payment of attorney's fees will not be authorized by CHESLA. No up-front payment of other costs of collection may take place without prior written consent by CHESLA.
- W. CHESLA reserves the right to receive and accept payments directly from borrowers. Collection fees will be paid based on the amounts received and the Proposer will be informed thereafter.

Overview of CHESLA's Payment, Settlement & Legal Authorization Policies

A – Payment Plans

Generally, CHESLA will accept a payment plan on an account if the following arrangement is agreed to:

1. Payment in Full, or
2. One-third payment immediately followed by 12-24 monthly installments on the outstanding balance (amount may change due to costs, fees and accrued interest).

B - Regular Collection Account(s) transferred to Legal Collection Account(s)

In order to reduce the number of collection accounts requiring legal action, CHESLA requests the following information to support "Authorization for Legal Action".

The information should include:

1. Detail concerning the payment/lack of payment arrangements made by the borrower/co-applicant.
2. Explanation of collection agency's work to secure a settlement offer for a minimum of principal before transferring a file to legal.
3. Notification to CHESLA if borrower(s) has obtained legal counsel.
4. Copies of any disputes from the borrower(s) concerning obligation to pay the loan or disputing the amount owed.
5. Any additional information deemed necessary to support the transfer of the file to legal.

C - Collection Settlement Offers and Payment Plans

CHESLA prefers to resolve accounts prior to any legal action. If legal action is necessary, settlement offers are encouraged in order to achieve results prior to any court action.

D - Settlement Process for CHESLA loans:

1. CHESLA does not accept offers that are less than the principal balance outstanding.
2. The Authority tries to recoup at least court costs and some of the interest due.

Please provide the following information in the order in which it is requested:

- (1) The steps the Proposer proposes to take in collecting the Authority's loans and applying payments towards principal, interest and fees; electronically wiring defaulted borrower tape to the Connecticut Department of Administrative Services to intercept Connecticut state income tax refunds; and compiling Federal 1098E statements for collection accounts, including a description of security measures taken to assure that all data is transmitted in compliance with all applicable privacy laws and regulations;
- (2) The Proposer's knowledge and experience in matters related to loan collection and/or student loan collection;
- (3) Has your firm been the subject of any CFPB or regulatory complaints or actions within the last five years? If yes, please provide details and outcome of the same.
- (4) Who are your preferred attorneys in Connecticut?
- (5) The backgrounds and experience of all attorneys and professional staff who would be assigned to work with CHESLA, including each person's probable area of responsibility and percentage of time which would be available to CHESLA;
- (6) The Proposer's experience in the area of creditor's rights;
- (7) The procedures Proposer will use in order to reduce potential liability to CHESLA in the process of collecting on accounts referred by the Authority, including procedures followed to ensure compliance with all applicable fair debt collection laws and privacy laws;
- (8) The Proposer's annual collection volume and rate of collection success and the percentage of this volume derived from collections for higher education agencies and non-profit institutions;
- (9) The standard monthly reports Proposer will provide to CHESLA;
- (10) The Proposer's policy on notifying clients of changes in key personnel;
- (11) Affirmative Action: What is your firm's Affirmative Action and Equal Employment Policy and what proportion of your firm's professionals are minorities and women?
- (12) Describe training provided to your staff to ensure compliance with applicable fair debt collection laws and privacy laws;
- (13) Please describe in as much detail as necessary, any pending or threatened litigation, claim or investigation against your firm or any employees of your in connection with any transaction with which your firm is now working or has rendered services within the past five (5) years, including but not limited to alleged violations of fair debt collection laws or privacy laws;

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- (14) Please submit the names, addresses and positions of two (2) references from within the student lending community; and
- (15) Briefly, what other facts about your firm should we know in order to help determine whether you could provide high quality services to the Authority?
- (16) Please provide a fee proposal for services to CHESLA.
- (17) Insurance: Provide evidence in the form of a standard Accord form (or the equivalent) of insurance as listed below. Any policy having an annual aggregate limit of liability shall disclose that limit. The Authority reserves the right to deem any annual aggregate limits as acceptable.

Commercial General Liability: \$1,000,000
Workers' Compensation: as required applicable law
Professional Liability insurance: \$5,000,000
Employee Dishonesty Bond/Insurance: \$1,000,000
Cyber Liability Insurance: \$1,000,000
Umbrella Excess Liability \$5,000,000

The proposer's insurance coverage shall be written for not less than any limits of ability herein specified or required by Connecticut law, whichever is greater.

- (18) Describe how your organization plans to secure its systems and facilities to protect the Authority's records. This includes access to all computer and record facilities so that only authorized personnel are permitted entry into the facilities and controls that prevent the unauthorized access, entry or deletion of data into and from the database.
- (19) Provide a copy of your organization's Disaster Recovery/Business Continuity plan in the event of a disaster affecting your main facilities. This plan needs to identify backup resources and/or facilities that can continue to provide the services required of the Authority as outlined in this RFP. Backup facilities must be operational within three business days from the loss of use of the main facilities. Please provide in the Appendix a summary of the most recent test of your Disaster Recovery/Business Continuity plan.

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- (20) A copy of any of the firms most recent SOC 1 and SOC 2 reports. The proposer shall provide copies of such reports on a yearly basis at no cost to the Authority.
- (21) Please include a copy of your company's [IRS Form W-9](#) with your proposal.



Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Limitations

Please note: A copy of, or a hyperlink to, the electronic version of this notice must be provided in the bid specifications or requests for proposals for a state contract. Notice of the contribution certification requirements detailed below must also be given. No state agency or quasi-public agency shall execute a state contract unless such contract contains a representation that the chief executive officer or authorized signatory of the contract has received such notice and the written certifications have been provided by the state contractor.

CAMPAIGN CONTRIBUTION AND SOLICITATION LIMITATIONS

No *state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor*, with regard to a *state contract or state contract solicitation* with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder, of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee (which includes town committees).

In addition, no holder or principal of a holder of a valid prequalification certificate, shall make a contribution to (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of State senator or State representative, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

On and after January 1, 2011, no state contractor, prospective state contractor, principal of a state contractor or principal of a prospective state contractor, with regard to a state contract or state contract solicitation with or from a state agency in the executive branch or a quasi-public agency or a holder, or principal of a holder of a valid prequalification certificate, shall knowingly *solicit* contributions from the state contractor's or prospective state contractor's employees or from a subcontractor or principals of the subcontractor on behalf of (i) an exploratory committee or candidate committee established by a candidate for nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State Comptroller, Secretary of the State or State Treasurer, (ii) a political committee authorized to make contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee.

DUTY TO INFORM

State contractors and prospective state contractors are required to inform their principals of the above prohibitions, as applicable, and the possible penalties and other consequences of any violation thereof.

CERTIFICATION REQUIREMENT

A state contractor or prospective state contractor submitting a bid or proposal for a state contract must disclose on the certification form (typically OPM Form 1,) all contributions made by any of its principals to any party committee, exploratory committee, candidate for state-wide office or for the General Assembly, or political committee authorized to make contributions to or expenditures to or for the benefit of such candidates *for a period of four years prior* to the signing of the contract or date of the response to the bid, whichever is longer, and certify that all contributions have been disclosed.

Furthermore, a state contractor or prospective state contractor submitting a bid or proposal for a state contract shall certify that neither the contractor or prospective state contractor, nor any of its principals, have made any contributions to, or solicited any contributions on behalf of, any party committee, exploratory committee, candidate for state-wide office or for the General Assembly, or political committee authorized to make contributions to or expenditures to or for, the benefit of such candidates, *in the previous four years*, that were determined by the State Elections Enforcement Commission to be in violation of General Statutes § 9-612, without mitigating circumstances being found.

Each certification shall be sworn as true to the best knowledge and belief of the person signing the certification, subject to the penalties of false statement. If there is any change in the information contained in the most recently filed certification, such person shall submit an updated certification not later than thirty days after the effective date of any such change or upon the submittal of any new bid or proposal for a state contract, whichever is earlier.

For further information on the notice and certifications, and to find answers to many questions raised by this notice, please see the Frequently Asked Questions – State Contractors section of the Commission's website at <https://seec.ct.gov/Portal/SCCB/FAQs>.



PENALTIES FOR VIOLATIONS

Contributions or solicitations of contributions made in violation of the above prohibitions may result in the following civil and criminal penalties:

Civil penalties—Up to \$2,000 or twice the amount of the prohibited contribution, whichever is greater, against a principal or a contractor. Any state contractor or prospective state contractor which fails to make reasonable efforts to comply with the provisions requiring notice to its principals of these prohibitions and the possible consequences of their violations may also be subject to civil penalties of up to \$2,000 or twice the amount of the prohibited contributions made by their principals.

Criminal penalties—Any knowing and willful violation of the prohibition is a Class D felony, which may subject the violator to imprisonment of not more than 5 years, or not more than \$5,000 in fines, or both.

CONTRACT CONSEQUENCES

In the case of a state contractor, contributions made or solicited in violation of the above prohibitions may result in the contract being voided.

In the case of a prospective state contractor, contributions made or solicited in violation of the above prohibitions shall result in the contract described in the state contract solicitation not being awarded to the prospective state contractor, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

The State shall not award any other state contract to anyone found in violation of the above prohibitions for a period of one year after the election for which such contribution is made or solicited, unless the State Elections Enforcement Commission determines that mitigating circumstances exist concerning such violation.

Additional information about state contractors campaign finance limitations may be found on the website of the State Elections Enforcement Commission, <https://portal.ct.gov/seec>. Click on the link to “State Contractor and Lobbyist Provisions.”

DEFINITIONS

“State contractor” means a person, business entity or nonprofit organization that enters into a state contract. Such person, business entity or nonprofit organization shall be deemed to be a state contractor until December thirty-first of the year in which such contract terminates. “State contractor” does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

“Prospective state contractor” means a person, business entity or nonprofit organization that (i) submits a response to a state contract solicitation by the state, a state agency or a quasi-public agency, or a proposal in response to a request for proposals by the state, a state agency or a quasi-public agency, until the contract has been entered into, or (ii) holds a valid prequalification certificate issued by the Commissioner of Administrative Services under section 4a-100. “Prospective state contractor” does not include a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person's capacity as a state or quasi-public agency employee.

“Principal of a state contractor or prospective state contractor” means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a state contractor or prospective state contractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a state contractor or prospective state contractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a state contractor or prospective state contractor, which is not a business entity, or if a state contractor or prospective state contractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any state contractor or prospective state contractor who has *managerial or discretionary responsibilities with respect to a state contract*, (v) the spouse or a *dependent child* who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the state contractor or prospective state contractor.



DEFINITIONS (CONTINUED)

“State contract” means an agreement or contract with the state or any state agency or any quasi-public agency, let through a procurement process or otherwise, having a value of fifty thousand dollars or more, or a combination or series of such agreements or contracts having a value of one hundred thousand dollars or more in a calendar year, for (i) the rendition of services, (ii) the furnishing of any goods, material, supplies, equipment or any items of any kind, (iii) the construction, alteration or repair of any public building or public work, (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan guarantee. “State contract” does not include any agreement or contract with the state, any state agency or any quasi-public agency that is exclusively federally funded, an education loan, a loan to an individual for other than commercial purposes or any agreement or contract between the state or any state agency and the United States Department of the Navy or the United States Department of Defense.

“State contract solicitation” means a request by a state agency or quasi-public agency, in whatever form issued, including, but not limited to, an invitation to bid, request for proposals, request for information or request for quotes, inviting bids, quotes or other types of submittals, through a competitive procurement process or another process authorized by law waiving competitive procurement.

“Managerial or discretionary responsibilities with respect to a state contract” means having direct, extensive and substantive responsibilities with respect to the negotiation of the state contract and not peripheral, clerical or ministerial responsibilities.

“Dependent child” means a child residing in an individual’s household who may legally be claimed as a dependent on the federal income tax of such individual.

“Solicit” means (A) requesting that a contribution be made, (B) participating in any fundraising activities for a candidate committee, exploratory committee, political committee or party committee, including, but not limited to, forwarding tickets to potential contributors, receiving contributions for transmission to any such committee, serving on the committee that is hosting a fundraising event, introducing the candidate or making other public remarks at a fundraising event, being honored or otherwise recognized at a fundraising event, or bundling contributions, (C) serving as chairperson, treasurer or deputy treasurer of any such committee, or (D) establishing a political committee for the sole purpose of soliciting or receiving contributions for any committee. Solicit does not include: (i) making a contribution that is otherwise permitted by Chapter 155 of the Connecticut General Statutes; (ii) informing any person of a position taken by a candidate for public office or a public official, (iii) notifying the person of any activities of, or contact information for, any candidate for public office; or (iv) serving as a member in any party committee or as an officer of such committee that is not otherwise prohibited in this section.

“Subcontractor” means any person, business entity or nonprofit organization that contracts to perform part or all of the obligations of a state contractor’s state contract. Such person, business entity or nonprofit organization shall be deemed to be a subcontractor until December thirty first of the year in which the subcontract terminates. “Subcontractor” does not include (i) a municipality or any other political subdivision of the state, including any entities or associations duly created by the municipality or political subdivision exclusively amongst themselves to further any purpose authorized by statute or charter, or (ii) an employee in the executive or legislative branch of state government or a quasi-public agency, whether in the classified or unclassified service and full or part-time, and only in such person’s capacity as a state or quasi-public agency employee.

“Principal of a subcontractor” means (i) any individual who is a member of the board of directors of, or has an ownership interest of five per cent or more in, a subcontractor, which is a business entity, except for an individual who is a member of the board of directors of a nonprofit organization, (ii) an individual who is employed by a subcontractor, which is a business entity, as president, treasurer or executive vice president, (iii) an individual who is the chief executive officer of a subcontractor, which is not a business entity, or if a subcontractor has no such officer, then the officer who duly possesses comparable powers and duties, (iv) an officer or an employee of any subcontractor who has managerial or discretionary responsibilities with respect to a subcontract with a state contractor, (v) the spouse or a dependent child who is eighteen years of age or older of an individual described in this subparagraph, or (vi) a political committee established or controlled by an individual described in this subparagraph or the business entity or nonprofit organization that is the subcontractor.



STATE OF CONNECTICUT
CAMPAIGN CONTRIBUTION CERTIFICATION

Written or electronic certification to accompany a bid or proposal or a non-competitive contract with a value of \$50,000 or more, pursuant to C.G.S. § 9-612.

INSTRUCTIONS:

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of submission of your bid or proposal (if no bid or proposal- submit this completed form with the earliest submittal of any document to the state or quasi-public agency prior to the execution of the contract), and if there is a change in the information contained in the most recently filed certification, such person shall submit an updated certification either (i) not later than thirty (30) days after the effective date of such change or (ii) upon the submittal of any new bid or proposal for a contract, whichever is earlier.

Check One:

[] Initial Certification

[] Updated Certification because of change of information contained in the most recently filed certification

CAMPAIGN CONTRIBUTION CERTIFICATION:

I certify that neither the contractor or prospective state contractor, nor any of its principals, have made any contributions to, or solicited any contributions on behalf of, any party committee, exploratory committee, candidate for state-wide office or for the General Assembly, or political committee authorized to make contributions to or expenditures to or for, the benefit of such candidates, in the previous four years, that were determined by the State Elections Enforcement Commission to be in violation of subparagraph (A) or (B) of subdivision (2) of subsection (f) of Section 9-612 of the General Statutes, without mitigating circumstances having been found to exist concerning such violation. Each such certification shall be sworn as true to the best knowledge and belief of the person signing the certification, subject to the penalties of false statement. If there is any change in the information contained in the most recently filed certification, such person shall submit an updated certification not later than thirty days after the effective date of any such change or upon the submittal of any new bid or proposal for a state contract, whichever is earlier.

All Campaign Contributions on behalf of any party committee, exploratory committee, candidate for state-wide office or for the General Assembly, or political committee authorized to make contributions to or expenditures to or for, the benefit of such candidate, for a period of four years prior to signing the contract or date of the response to the bid, whichever is longer, include:

Table with 5 columns: Contribution Date, Name of Contributor, Recipient, Value, Description. Includes multiple empty rows for data entry.

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Printed Contractor Name

Printed Name of Authorized Official

Signature of Authorized Official

Subscribed and acknowledged before me this _____ day of _____, 20_____.

Commissioner of the Superior Court (or Notary Public)

_____ **My Commission Expires**



EXHIBIT D

State of Connecticut Contracting Requirements

1. **CGS Section 4a-60.** In accordance with Connecticut General Statutes Section 4a-60(a), as amended, and to the extent required by Connecticut law: (i) **[CONTRACTOR'S NAME]** (“Contractor”) agrees and warrants that in the performance of the Agreement such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, status as a veteran, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut; and the Contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, status as a veteran, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved; (ii) the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an “affirmative action-equal opportunity employer” in accordance with regulations adopted by the Commission on Human Rights and Opportunities; (iii) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers’ representative of the Contractor’s commitments under General Statutes Section 4a-60, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (iv) the Contractor agrees to comply with each provision of Connecticut General Statutes Sections 4a-60, 46a-68e and 46a-68f and with each regulation or relevant order issued by the Commission on Human Rights and Opportunities pursuant to Connecticut General Statutes Sections 46a-56, 46a-68e, 46a-68f, and 46a-86; and (v) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of Connecticut General Statutes Sections 4a-60 and 46a-56, and (vi) the Contractor shall include provisions (i) through (v) of this section in every subcontract or purchase order entered into by the Contractor in order to fulfill any obligation of this Agreement, and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission on Human Rights and Opportunities and take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions in accordance with Connecticut General Statutes Section 4a-60.

2. **CGS Section 4a-60a.** In accordance with Connecticut General Statutes Section 4a-60a(a), as amended, and to the extent required by Connecticut law: (i) the Contractor agrees and warrants that in the performance of the Agreement, such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (ii) the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers’ representative of the Contractor’s commitments under Connecticut General Statutes Section 4a-60a, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (iii) the Contractor agrees to comply with each provision of Connecticut

General Statutes Section 4a-60a and with each regulation or relevant order issued by the Commission on Human Rights and Opportunities pursuant to Connecticut General Statutes Section 46a-56; (iv) the Contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of Connecticut General Statutes Sections 4a-60a and 46a-56; and (v) the Contractor shall include provisions (i) through (iv) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of this Agreement, and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission on Human Rights and Opportunities and take such action with respect to any such subcontract or purchase order as the Commission on Human Rights and Opportunities may direct as a means of enforcing such provisions in accordance with Connecticut General Statutes Section 4a-60a.

3. **Nondiscrimination Affirmation.** The Contractor hereby affirms that it understands the obligations of Connecticut General Statutes Sections 4a-60 and 4a-60a and will maintain a policy for the duration of this Agreement to assure that the Agreement will be performed in compliance with the nondiscrimination requirements of such statutes. The authorized signatory of this Agreement demonstrates their understanding of the obligation set forth in this section by signing this Agreement.
4. **State Contract Representation for Contractor.** Pursuant to section 4-252 of the Connecticut General Statutes and Acting Governor Susan Bysiewicz Executive Order No. 21-2, promulgated July 1, 2021, the Contractor, for itself and on behalf of all of its principals or key personnel who submitted the proposal to the Connecticut Higher Education Supplemental Loan Authority (CHESLA) represents the following:
 - (a) That no gifts were made by (i) the CONTRACTOR, (ii) any principals and key personnel of the CONTRACTOR, who participate substantially in preparing bids, proposals or negotiating State contracts, or (iii) any agent of the CONTRACTOR or principals and key personnel, who participates substantially in preparing bids, proposals or negotiating State contracts, to (1) any public official or state employee of the state agency or quasi-public agency soliciting bids or proposals for state contracts, who participates substantially in the preparation of bid solicitations or requests for proposals for state contracts or the negotiation or award of state contracts, or (2) any public official or state employee of any other state agency, who has supervisory or appointing authority over such state agency or quasi-public agency;
 - (b) That no such principals and key personnel of the Contractor, or agent of the Contractor or of such principals and key personnel, knows of any action by the Contractor to circumvent such prohibition on gifts by providing for any other principals and key personnel, official, employee or agent of the Contractor to provide a gift to any such public official or state employee; and
 - (c) The Contractor is submitting bids or proposals without fraud or collusion with any person.
5. **Contract Representation of CHESLA's Authorized Signatory.** Pursuant to section 4-252 of the Connecticut General Statutes and Acting Governor Susan Bysiewicz Executive Order No. 21-2, promulgated July 1, 2021, CHESLA's authorized signatory to this Agreement represents that the selection of the corporation was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.
6. **CGS 9-612(f) Campaign Contribution Restrictions.** For all State contracts, defined in section 9-612(f)(1)(C) of the General Statutes as having a value in a calendar year of \$50,000 or more, or a combination or series of such agreements or contracts having a value of \$100,000 or more, the Contractor's

authorized signatory to this Agreement represents that they have received the State Elections Enforcement Commission's notice advising prospective state contractors and state contractors of state campaign contribution and solicitation prohibitions, and will inform the Contractor's principals of the contents of the notice. The Contractor confirms that it has submitted a Campaign Contribution Certification form to the Authority, as required by Connecticut General Statutes Section 9-612(f)(2)(F).

7. **Consulting Agreements Representation.** Pursuant to section 4a-81 of the Connecticut General Statutes, the Contractor's authorized signatory of this Agreement, represents to its best knowledge and belief and subject to the penalty of false statement as provided in Connecticut General Statutes Section 53a-157b, that the Contractor has not entered into any consulting agreements in connection with this Agreement, except for the agreements listed below. "Consulting agreement" means any written or oral agreement to retain the services, for a fee, of a consultant for the purposes of (a) providing counsel to a contractor, vendor, consultant or other entity seeking to conduct, or conducting, business with the State, (b) contacting, whether in writing or orally, any executive, judicial, or administrative office of the State, including any department, Contractor, bureau, board, commission, authority, official or employee for the purpose of solicitation, dispute resolution, introduction, requests for information, or (c) any other similar activity related to such contracts. "Consulting agreement" does not include any agreements entered into with a consultant who is registered under the provisions of chapter 10 of the Connecticut General Statutes as of the date such contract is executed in accordance with the provisions of section 4a-81 of the Connecticut General Statutes.

[If no agreements leave blank]

Consultant's Name and Title	Name of Firm (if applicable)
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Start Date	End Date	Cost
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The basic terms of the consulting agreement are: _____

Description of Services Provided: _____

Is the consultant a former State employee or former public official?

YES NO

If YES: _____
 Name of Former State Agency Termination Date of Employment