Updated December 18, 2017: Question #12 has been added to page 3.

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The U.S. Department of Education, Office of Federal Student Aid (FSA), is embarking on a new vision known as the Next Generation (NextGen) Financial Services Environment. Through this initiative, FSA will create world-class, mobile-first, mobile-complete, omni-channel engagement capabilities and a state-of-the-art technical infrastructure. The new environment will increase awareness and understanding of Federal student aid opportunities and responsibilities, improve operational flexibility, and enhance cost and operational efficiency, producing better outcomes for customers and taxpayers. FSA anticipates commercial solutions will be necessary to meet the objectives of this vision. For additional details, see Appendix A.
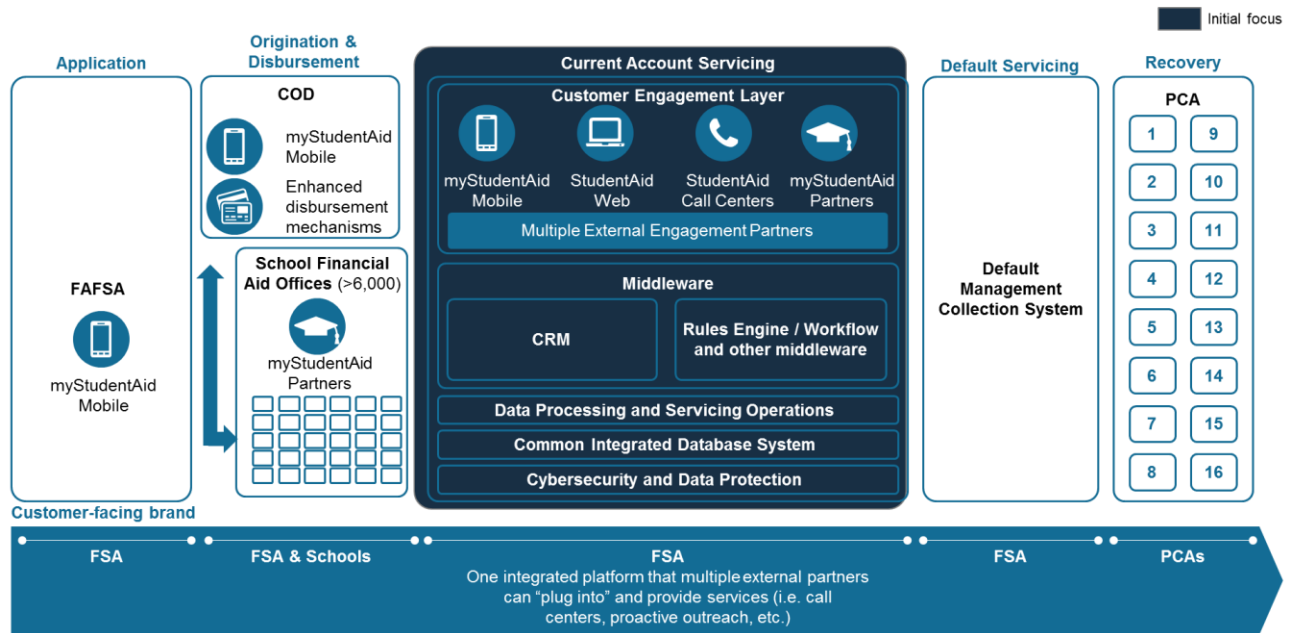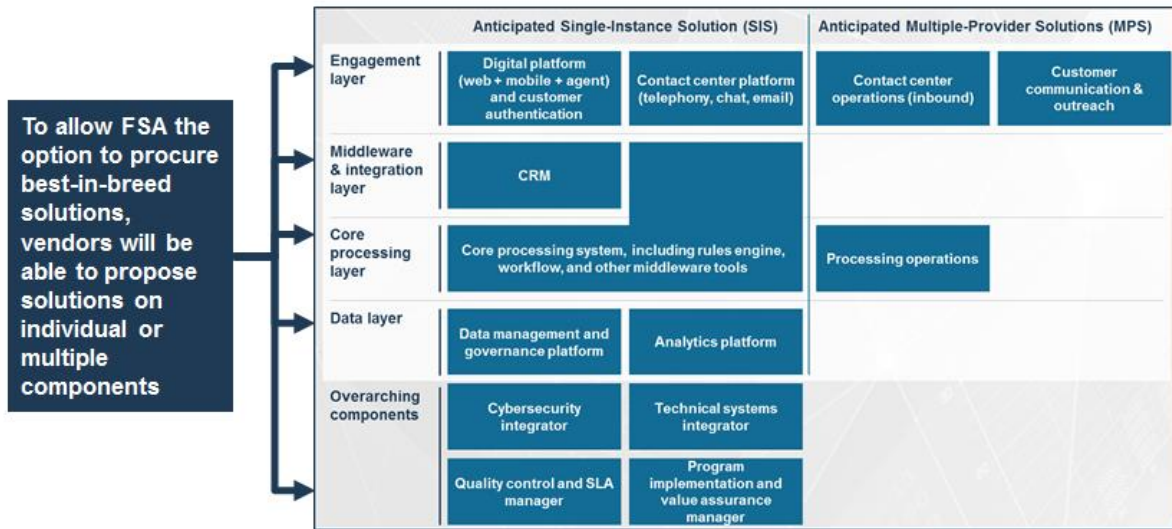

FSA's initial focus is on the FSA Next Generation Processing & Servicing Environment (NextGen), shown in the area highlighted in dark blue above. FSA is requesting comments from potentially interested firms on this posting prior to issuing any potential solicitation(s). FSA intends for some or all components of the dark blue area to expand across the entire aid lifecycle.

This is not a solicitation. No award will be made based on the information received in response to this request for advanced market research. Please note that the responses received may be subject to release if a Freedom of Information Act (FOIA) request is received.

Responses are due by 2 pm Eastern on Thursday, January 4th, 2018 to MPDSETeam@ed.gov. Interested firms are strongly encouraged to register as an "Interested Vendor" on the Federal Business Opportunities website (www.fbo.gov) in order to receive timely updates regarding this initiative.

FSA's procurement approach will be disaggregated to allow selection of different service delivery models

To allow FSA the option to procure best-in-breed solutions, vendors will be able to propose solutions on individual or multiple components

		Anticipated Single-Instance Solution (SIS)		Anticipated Multiple-Provider Solutions (MPS)	
Engagement layer	Digital platform (web + mobile + agent) and customer authentication	Contact center platform (telephony, chat, email)		Contact center operations (inbound)	Customer communication & outreach
Middleware & integration layer	CRM				
Core processing layer	Core processing system, including rules engine, workflow, and other middleware tools			Processing operations	
Data layer	Data management and governance platform	Analytics platform			
Overarching components	Cybersecurity integrator	Technical systems integrator			
	Quality control and SLA manager	Program implementation and value assurance manager			

FSA is considering including the following in any potential solicitation(s):

1. Firms proposing on more than one components should take care to address individual evaluation criteria related to each and include separate pricing structure (e.g., in the solicitation(s), if proposing on contact center platform and contact center operations, firms will need to submit pricing information and technical solution for each).
2. Firms may partner or create non-exclusive teaming agreements with other firms to create more comprehensive proposals.

No generic marketing materials should be provided as a response to this request for advanced market research information; it will not be reviewed. Additionally, FSA will not compensate firms for their responses. Please address the following questions, along with any other comments you would like FSA to consider as it finalizes the solicitation(s), in your response. Responses shall be limited to no more than 30 pages total.

1. Will the objectives, as listed, realize the vision of a world-class customer experience? If not, what is missing or needs modification?
2. What objectives or constraints limit FSA's ability to deliver a world-class experience? How would you modify them?
3. What objectives or constraints are likely to be the biggest drivers of cost? How would you modify them to optimize cost efficiency?
4. What pricing structure would you recommend that FSA establish to achieve a world-class result? (e.g. What would the cost per account per year once the new environment is created? What would the cost per contact per year by type (chat, phone call, etc.)?) FSA understands the pricing recommendations may vary by component.
5. What objectives or constraints introduce the greatest risk to FSA's stated goals and objectives? How would you modify the objectives or constraints?

6. How would you suggest FSA distinguish the quality, time to market, cost, risk, etc. of solutions within each component? What other differentiators should FSA consider in regards to assessing vendor proposals?
7. Is the procurement and implementation timeframe, as identified below, realistic? If not, where would you recommend FSA make changes?
8. How would you recommend FSA implements/procures the necessary components to realize the NextGen vision? Please explain your rationale for the recommendation. (e.g. all components at once; component by component, including the sequence; or clustered components, including the sequence. All components are described in the Objectives section below.)
9. What value could teaming approaches bring to meeting the NextGen objectives?
10. What terms and conditions or constraints would present you with challenges to providing the best commercial product?
11. How should FSA structure contract performance metrics and incentives to drive outstanding performance and better program outcomes for customers and taxpayers?
12. How should FSA structure contracts, including performance metrics, pricing, and incentives, to best allow for transparent oversight and enhanced compliance with Federal consumer protection, fair credit reporting, fair debt collection, and other consumer-focused laws, regulations and guidance.

I.   **Background**

FSA's core mission is to ensure that all eligible individuals benefit from federal financial assistance – grants, loans, and work-study programs – for education beyond high school. The programs FSA administers comprise the nation's largest single source of student financial aid. The FSA environment has a total lending portfolio of over $1.3 trillion and serves 42 million customers. The portfolio is growing at 7% per year driven by nearly $100 billion in annual aid disbursements across more than 15 million loans. FSA and its partners have more than 120 million web visits per year and field nearly 30 million customer service calls annually.

In conjunction with its partner schools and vendors, FSA provides information and services related to the first segment of the customer lifecycle, including application, eligibility determination, and disbursement. Following loan origination, FSA partners with a group of nine loan servicers that service non-defaulted customer loans. Each servicer is fully independent, operating their own websites, mobile tools, and call centers with proprietary branding. There are four core servicing platforms, with two servicers licensing their platforms to two and three smaller servicers, respectively.

These partners perform all standard federal student loan servicing activities including billing, collection, and monitoring. A servicer will typically retain a borrower account until it is paid in full or the borrower defaults. The customer may have several loans on different repayment plans and may have entered special programs (e.g., Public Service Loan Forgiveness (PSLF), Total and Permanent Disability (TPD), or Teacher Education Assistance for College and Higher Education (TEACH)). Therefore, the servicing platforms are customized to service federal student loans, which are unique and complex and include a large number of repayment plans and forbearance, deferment, and recovery rules. The servicing platform must also comply with stringent Federal security, accounting, and audit constraints.

FSA has some visibility into the loan and customer data logged by the servicers, as well as servicer performance data (e.g., call center KPIs) – this data is used along with customer and FSA employee survey results to allocate new borrower accounts among the nine servicers.

FSA is looking to modernize and simplify the servicing platform to create a more unified customer engagement experience under a single FSA brand. With an innovative vision and best-in-class technology, FSA aims to streamline the servicing process for better customer results. Additional information about FSA can be found in the 2017 Annual Report located at: https://www2.ed.gov/about/reports/annual/2017report/fsa-report.pdf.

II.   Goals & Principles

A. Primary Goals

The primary goal is to provide a world-class customer experience throughout the student financial aid lifecycle to improve customer outcomes, which includes ensuring:
- Easier, more seamless customer interactions through a mobile-first, mobile-complete digital platform complemented by an omni-channel engagement strategy;
- More informed customer decision-making that helps customers understand the financial implications of their student debt and navigate the various repayment options and protections available to federal borrowers;
- Consistent customer experience under the FSA brand for all borrowers across all vendors supporting the Next Gen environment.

FSA also aims to improve our operational flexibility by creating an environment that can rapidly integrate new capabilities and features and continuously improve and innovate. Lastly, FSA wants to drive greater operational efficiency to reduce complexity, improve the stability and resiliency of our systems, and provide cost efficient solutions. FSA anticipates this will result in improved repayment outcomes and overall portfolio performance.

B. Design Principles

These goals inform the design principles for FSA's end-state solution:
a. Prioritize quality while minimizing risk by partnering with best-in-breed providers with extensive experience in financial services, experience in customer service and engagement, the capability to handle the complexity of the federal student loan environment, and the ability to comply with federal security regulations.
b. Create a single technology backbone with world-class cybersecurity standards to ensure streamlined, resilient, and consistent operations.
c. Allow for multiple operating partners that can seamlessly "plug in" to the common FSA environment and deliver a consistent customer experience throughout the aid lifecycle.
d. Ensure the new system is adaptable and scalable to support additional enterprise-wide reforms; accommodate the expected growth of FSA's customer base; and incorporate statutory, regulatory, and policy changes.
e. Continuously improve the servicing environment by partnering with providers who have a record of deploying innovative solutions, identifying operational efficiencies, and providing world-class customer experience.
f. Early-stage focus on loan processing and servicing because of the significant opportunity to improve the customer experience, operational flexibility, and cost, but allow for the possibility of later scaling up to include the entire aid lifecycle, including functions like the application and disbursement process.
g. Implement the new system in a phased approach that prioritizes positive customer impact, minimizes risks of disruption during the transition, and is operational by 2019
h. Ensure continuous improvement to repayment performance through informed customer decision-making

C. Key Customer Journeys

FSA's customers undergo six primary journeys after receiving a loan that will be prioritized in the early development and transition timeline:

a. Access account
    1) Provide immediate access to mobile and online servicing by creating accounts that pull all relevant data (grants, loans, payment history, customer preferences, etc.) from FSA systems and allow the user to log in using a single sign-on solution.
b. Learn about my loan
    1) Ensure every customer understands the implications of their debt from the moment their first loan is disbursed.
    2) Ensure every customer selects the best product to fit his or her needs, by providing personalized tools and capabilities to view loan balances, simulate the outcomes of different repayment plans, and understand options such as consolidation, deferment, and forbearance.
    3) Provide entrance and exit counseling for customers that is informed by the latest behavioral science research and industry practices to support effective borrowing and repayment.
c. Make changes to my loan
    1) Provide seamless pathways to change a loan, including switching repayment plans, requesting deferment or forbearance, receiving Public Service Loan Forgiveness (PSLF) or Total and Permanent Disability (TPD) discharge, and changing the repayment schedule.
d. Make or manage my payment
    1) Provide a mechanism for making loan payments by all allowable methods (e.g. debit, ACH, and check).
e. Apply / recertify for a program
    1) Allow borrowers to digitally submit documentation (e.g. for income-driven plans and PSLF).
f. Get Help
    1) Get help through digital self-service that escalates to channels such as chat (or Chatbot), social media, and call center support.
    2) Download documents (e.g. payment history and 1098-E) needed for purposes such as filing taxes.

D. Procurement and transition principles

a. Prioritize customer wins first in 2018, focused on the most important customer journeys.
b. Procure operational readiness to begin servicing loans by 2019.
c. Balance risk appropriately due to unique customer base: FSA must transition with minimal impact on borrowers, while still ensuring high-quality service is provided.
d. Build the solution iteratively, ensuring features are developed with FSA visibility in terms of progress and prioritized feature set, and that new features work before fuller implementation to avoid a "big-bang" transition.
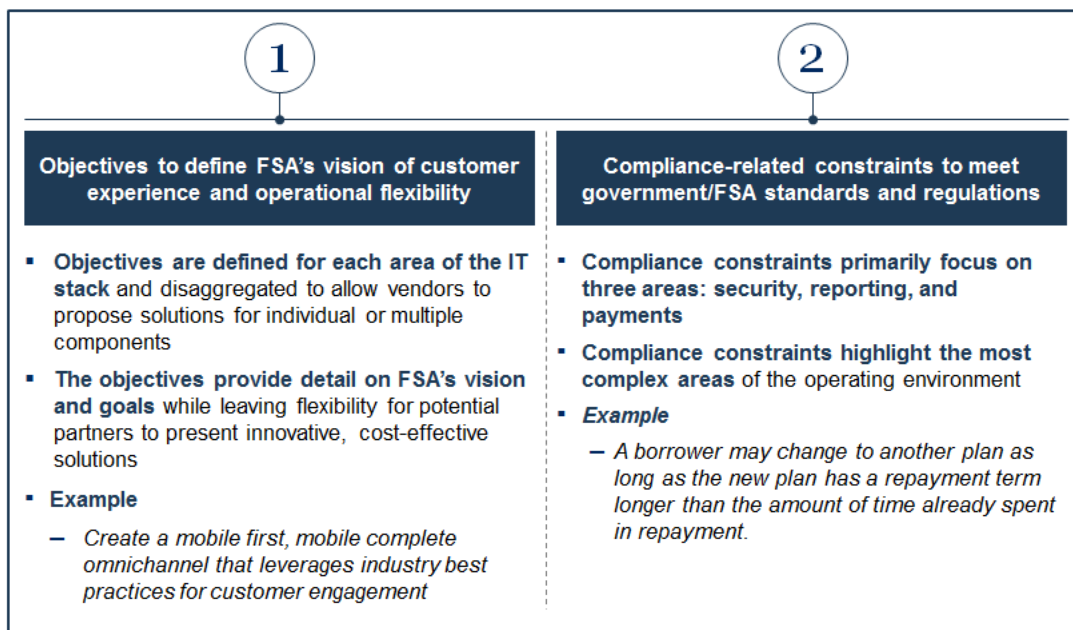
e. Minimize the number of loan migrations across platforms, given that migrations are inherently complex, costly, and create additional risk for customer disruption.
f. Ensure clear and timely customer communications throughout the transition to avoid confusion and, to the extent possible, ensure a seamless experience.

III. Objectives

Objectives and capabilities required for each layer of the servicing environment are presented as discrete components with a vision statement and or capabilities below:
  a. Vision statement: An overview vision of the desired functions and improvements to the status quo.
  b. Objectives and/or Capabilities: Desired functionality within each component.
  c. Constraints: See Section IV. Below.

FSA has defined two types of requirements: 1) objectives that define the Next Generation vision, and 2) compliance-related constraints

1	**2**
Objectives to define FSA's vision of customer experience and operational flexibility	**Compliance-related constraints to meet government/FSA standards and regulations**
▪ **Objectives are defined for each area of the IT stack** and disaggregated to allow vendors to propose solutions for individual or multiple components	▪ **Compliance constraints primarily focus on three areas: security, reporting, and payments**
▪ **The objectives provide detail on FSA's vision and goals** while leaving flexibility for potential partners to present innovative, cost-effective solutions	▪ **Compliance constraints highlight the most complex areas** of the operating environment
▪ **Example**	▪ *Example*
– *Create a mobile first, mobile complete omnichannel that leverages industry best practices for customer engagement*	– *A borrower may change to another plan as long as the new plan has a repayment term longer than the amount of time already spent in repayment.*

Objectives are designated by component for each layer of the stack to specifically delineate desired capabilities

		Anticipated Single-Instance Solution (SIS)		Anticipated Multiple-Provider Solutions (MPS)	
1	**Engagement layer**	Digital platform (web + mobile + agent) and customer authentication	Contact center platform (telephony, chat, email)	Contact center operations (inbound)	Customer communication & outreach
2	**Middleware & integration layer**	CRM			
3	**Core processing layer**	Core processing system, including rules engine, workflow, and other middleware tools		Processing operations	
4	**Data layer**	Data management and governance platform	Analytics platform	Hosting solutions are expected to be integrated with vendor bids	
5	**Overarching components**	Cybersecurity integrator	Technical systems integrator	• Vendors will be able to propose solutions on individual or multiple components	
		Quality control and SLA manager	Program implementation and value assurance manager	• Packaged/team proposals that enhance overall value will be considered	

- Hosting solutions are expected to be integrated with vendor bids
- Vendors will be able to propose solutions on individual or multiple components
- Packaged/team proposals that enhance overall value will be considered

Engagement layer, CRM, and relevant middleware

For ALL components of the engagement layer, capabilities required include the ability to:
- Develop effective solutions for each of the core customer journeys outlined in Section II.C.
- Integrate engagement layer components to allow for seamless escalation and channel switching.
- Integrate with the enterprise CRM solution to inform and record customer interactions to facilitate customer analytics and ensure all CRM users have a complete view of FSA's customers and their journey.
- Integrate with the core processing system and FSA databases to execute customer requests and log relevant customer interactions and account changes, including the ability to receive payments through each customer channel.
- Implement performance management systems that include quality monitoring processes and tools, feedback analysis, and knowledge curation to ensure ongoing user testing and improvements.
- Develop user profiles (e.g. through linking with federal databases) that better inform recommendations about loan protections and benefits customers may be eligible for based on criteria such as military service, income, and current profession.
- Simplify forms and applications to the extent possible under current law and identify other opportunities to improve the customer experience (e.g. through technologies such a pre-population and e-sign).
- Provide FSA with access to a content management tool that allows for direct changes to web content and the ability to immediately update announcements and guidance available to customers.

- Offer English and Spanish language support.
- Host in a secure, available environment that complies with all necessary federal regulations.

Component 1: Digital platform (web + mobile + agent desktop) and customer authentication

Vision statement:
The digital platform will support all major customer journeys for recipients of federal student aid. Unlike the current environment where nine servicers each provide a unique digital solution, customers will interact with FSA through a unified digital platform with a mobile-first, mobile-complete approach. In addition, the digital platform will provide a federally-compliant customer authentication service with industry-leading security standards and capabilities. We expect the new system will significantly improve the customer experience by seamlessly connecting to the core servicing platform(s) and other solutions to provide consistent guidance and best-of-breed capabilities to all users.

Capabilities required:
- Create mobile-first, mobile-complete, omni-channel capabilities that leverage industry best practices for customer engagement.
- Provide omni-channel alignment on all major customer journeys so users can seamlessly switch channels.
- Support self-service solutions while integrating with customer engagement operations (e.g. chat, call center) when escalation is necessary to resolve an issue.
- Support leading browsers and operating systems including Android and iOS.
- Personalize the user experience based on data from FSA databases and the CRM solution.
- Conduct end-to-end customer experience journey mapping to inform the platform design and utilize extensive user experience testing before, during and after launch.
- Develop an agent desktop system to provide detailed guidance and capabilities to address customer concerns in real time that can be utilized by CSRs and school financial aid offices.
- Update the agent desktop system with call scripts, training materials, and other resources provided by FSA and the knowledge management partner.
- Partner with FSA to approve all decisions pertaining to digital platform language and design.
- Provide a federally compliant authentication service across all customer-facing systems, to include single sign-on / single authentication capability, and manage user authorizations for customers, customers' authorized users, and certain third-parties (e.g. financial aid offices).
- Support critical security capabilities and user-friendly functions such as two-factor authentication and biometric identification.
- Securely log relevant data with identity information that can be linked to transactions including financial transactions.
- Provide for data aggregation services with multiple access levels with capability of normalizing transactions across various processors if applicable.

Component 2: Contact Center Platform (telephony, chat, email)

Vision statement:
The contact center platform will ensure customers can connect with the best available customer support representative (CSR) across multiple contact center operations providers. FSA's customers will have a single entry point for support and all CSRs will work off a common telephony and technical backbone. We expect the new system will significantly improve the customer experience by providing a consistent access portal and best-of-breed capabilities to all users, and reduce costs by streamlining the number of systems FSA operates and maintains.

Capabilities required:
■ Provide industry-standard phone number IVR, email, and chat infrastructure to route customers to a third-party contact center from a common phone number and chat platform.
■ Deploy advanced voice technology, AI capabilities, callback capability, and analytics to contain customers within the IVR, reduce overall call volumes, and efficiently route callers to the best-available CSR.
■ Collect real-time customer feedback (e.g. touchpoint surveys) and conduct quality monitoring of third-party CSRs.

Component 3: Contact Center Operations (inbound)
Note: for Contact Center Operations, vendor should separately delineate pricing for Tier 1 support, Tier 2 support, social media support, and knowledge management

Vision statement:
Contact center operations will provide operational personnel who can resolve customer issues live or open a case file to be addressed via follow-up. All CSRs will work off of an agent desktop provided by the digital platform vendor and training materials and knowledge resources provided by the knowledge management vendor. We expect the new system will significantly improve the customer experience by providing consistent guidance and best-of-breed capabilities to all users and reduce costs by streamlining the number of systems FSA operates and maintains.

Capabilities required:
■ Tier 1 support
  – Provide a world-class customer experience for basic customer inquiries.
  – Train CSRs to assist customers using the provided agent desktop and based on standardized scripts and training materials provided by the knowledge management provider.
  – Integrate with common platforms for telephony, chat, and agent desktop.
■ Tier 2 support
  – Provide a world-class customer experience for advanced customer inquiries that have been escalated from the tier one support center or routed directly by the IVR.
  – Train CSRs to assist customers based on standardized scripts and training materials provided by the knowledge management provider.
  – Integrate with common platforms for telephony, chat, and agent desktop.
  – Resolve customer issues accurately, including, when necessary, through additional casework.

- ■ Social Media Support
  - – Support FSA-branded social media (e.g. Facebook, Twitter) by responding to incoming student loan-related inquiries.
- ■ Knowledge management
  - – Develop call scripts and training materials to be used by all third-party CSRs.
  - – Deploy industry-standard techniques to test and improve the effectiveness of CSR materials.
  - – Coordinate with FSA and the digital platform provider to align guidance between the digital and telephony pathways and update the agent desktop.

Component 4: Customer outreach

Vision statement:
The customer outreach provider(s) will conduct proactive outreach and communication via multiple channels (e.g. digital, call, SMS, email, mail, paid advertising) with guidance and advice. Unlike the current environment where nine servicers each direct their own communications and outreach, all outreach will be directed by FSA and with FSA as the front-facing brand. We expect the new system will significantly improve the customer experience by providing consistent guidance to all users, improve borrower outcomes by leveraging advanced marketing capabilities, and reduce costs by streamlining the number of systems FSA operates and maintains.

Capabilities required:
1. Drive effective outcomes for segments of FSA's portfolio by conducting proactive outreach campaigns and notifications via multiple channels (digital, call, SMS, email, mail), including, but not limited to, communications required by statute and regulation.
2. Leverage advanced marketing capabilities (e.g. A/B testing) to improve the effectiveness of outbound campaigns.
3. Use analytics to inform recommendations to FSA regarding outreach campaigns that will improve customer repayment rates and satisfaction.
4. Provide FSA with access to marketing and analytics tool for direct use.

Component 5: CRM

Vision statement:
The CRM system will interface with other middleware tools, such as the rules engine, the engagement layer, and the core processing system, and serve as a tracking and data collection system. It will enable improved outcomes for customers through more tailored self-service and customer service, as well as for FSA by supporting enhanced customer analytics to drive business improvements. The new CRM will create an integrated, servicing platform-wide system on a single software instance, simplifying the current environment of disjointed customer tracking applications. The rules engine and other middleware tools will facilitate seamless connection between the core processing platform and engagement and data layers, and are further specified in the processing layer.

Capabilities required:
- CRM
  - Industry-standard customer relationship management product integrated across all components of the processing and servicing environment.
  - Platform that is customizable to specific FSA customer journeys, interactions, and data fields.
  - Import and validation capabilities for customer data collected and/or hosted in other parts of the FSA environment, including FAFSA, web and mobile applications, call centers, and FSA databases.

Core processing

Component 6: Core processing platform, including rules engine, workflow, and core servicing system

Vision statement:
Combined with the middleware layer, the core processing platform will perform all loan servicing processing across FSA's various repayment plans, customer segments, loan statuses, and special programs (from origination through delinquency). It should automate these functions wherever possible, and rely on streamlined manual processing operations where automation is not possible. The system must be flexible to support changing servicing rules and have the ability to quickly implement new functionality with minimal modifications to the core. Relative to the current FSA environment, the new system will provide a single platform that ensures consistent application of servicing rules and a flexible, technology-enabled system that reduces error rates and processing expense.

Capabilities required:
- A platform capable of performing all loan servicing functions for the seven primary repayment plans in the federal student loan environment:
  - Loan servicing functions include calculating payments due, payment application, balance calculations including capitalized interest, and loan status tracking.
  - Support for retroactive processing, including the retroactive application of deferments, forbearances, payments and other transactions.
  - Traditional repayment plans including Standard, Graduated, and Extended, as well as combinations thereof.
  - Income-driven repayment plans including Income-Contingent, Income-Based, Pay-As-You-Earn, and Revised-Pay-As-You-Earn.
  - Income-driven plans have specific eligibility requirements; have variable payments that are tied to a borrower's income, family situation, and other characteristics which may fluctuate; and require annual recertification and recalculation.
  - Support switching across repayment plans at any time.
  - Scalable to anticipated volumes of loans serviced as discussed later in this document.
- A platform capable of performing loan servicing functions for various customer classes and loan statuses, as well as special programs, within the federal student loan environment:
  - Loans to customers in school and in the grace period.
  - TEACH grants.

- Military customers.
- PSLF and other loan forgiveness programs.
- TPD and other loan discharge programs.
- Loans in forbearance, deferment, and various stages of delinquency.
- Loan consolidation.
■ A platform capable of ingesting usable data from other internal and external databases, both for initial system set up as well as ongoing operations:
- Receipt of and transfer to customer and loan data from existing FSA servicers.
- Receipt of loan origination data from FSA's Common Origination and Disbursement (COD) system.
- Transfer of defaulted loans to FSA's Debt Management and Collection System (DMCS).
- Credit bureau reporting.
■ The processing platform, rules engine, and any associated middleware tools should:
- Provide the ability to easily scale as volumes increase.
- Seamlessly interface with other servicing systems and legacy FSA databases, as well as external operating providers.
- Simplify connections from new partners and applications entering the FSA environment.
- Be capable of quickly implementing new processing functionality with minimal major technical interventions.

Component 7: Processing Operations

Capabilities required:
■ Review, validation, and processing capabilities associated with enrollment, applications, and requests for various borrower programs and loan status adjustments:
- Income-driven repayment plan processing, including application and eligibility review, income checks and payment calculations, and annual recertification activities.
- Processing associated with military service members, including requests for deferment and forbearance, SCRA benefits, and hostile pay benefits.
- School and borrower enrollment processing, including manual entry of hard-copy applications.
- Deferment and forbearance application processing.
- Loan consolidation request processing.
- Special programs processing, including applications and transfers associated with TPD and loan forgiveness programs.
- Processing related to specialty claims, including death, closed school, and borrower defense requests.
■ Error and dispute resolution investigation and processing capabilities:
- Direct and indirect credit bureau disputes filed by borrowers or initiated by the credit bureaus.
- Account maintenance, including manual correction of errors identified through data integrity scans and in response to FSA change requests.
- Payment processing, including researching lost or misapplied payments and payment reapplication at the request of borrowers or FSA.

- ■ Manual processing and support required to assist FSA reporting and oversight:
  - – Accounting reconciliation and financial reporting efforts.
  - – FSA and audit support, including coordination of FSA audit requests, fulfillment of requests for provided-by-client items, and support of FSA monitoring and oversight inquiries.

Component 8: Data management and governance platform

Vision statement:
The data management platform will utilize a data lake or warehouse to maintain a master system of record of a customer's loan history and other relevant information to support accurate record-keeping and enhanced data analytics. It will seamlessly interface with internal and external data sources. As opposed to the current fragmented data environment at FSA, the new platform will be based on a common, integrated solution.

Capabilities required:
- ■ Data warehouse / lake with consistent data logic, capable of securely interfacing with internal and external data sources and responding to ad hoc queries.
- ■ Advanced data monitoring, administration, and governance (metadata management and data lineage) capabilities.
- ■ Ability to maintain a robust data history, including retroactive processing (e.g., "as-was" vs "as-is"), and tracing loans through consolidation transactions.

Component 9: Analytics platform and reporting capabilities

Vision statement:
The analytics platform will allow FSA to analyze disparate data sets within loan servicing to drive meaningful, real-time customer insights into borrower patterns and outcomes and reduce risk. The data analytics platform should also support various predefined and ad-hoc reporting functions with minimal user expertise. This system will improve on the current analytics program through the use of best-in-class analytics tools.

Capabilities required:
- ■ Industry-standard data analytics platform built on top of data lake or similar construct, aligned with emerging industry best practices and capabilities (e.g., data mining and trend identification, Business Intelligence tools, real-time and predictive analytics, machine learning tools).
- ■ Identify new sources of relevant data used in financial services to help inform FSA decision-making.
- ■ Provide various reports to FSA and other government agencies at established frequencies and on-demand basis.

Component 10: Cybersecurity integrator

Vision statement:
The cybersecurity integrator will provide design, monitoring, and response architecture and integration capabilities to enable best-in-class cyber protection while complying with all federal security regulations. The system must adapt to changing federal requirements and be capable of supporting all FSA legacy systems. Relative to the current cyber environment, the new solution will provide an enterprise-wide and coherent cyber strategy, support FSA in developing initial cybersecurity architecture design, conduct ongoing monitoring, and respond to cyber incidents.

Component 11: Technical systems integrator

Vision statement:
The technical systems integrator will coordinate across the various systems and vendors participating in the development and installment of the NextGen servicing platform. This will include ensuring systems are properly integrated with each other and with other parts of the FSA environment; deadlines, requirements, performance indicators, and other contract specifications are being satisfied; and FSA personnel are apprised of and involved with the project implementation as necessary.

Component 12: Quality control and SLA manager

Vision statement:
The quality control and SLA manager responsible for ongoing oversight and management of the NextGen environment will ensure the servicing environment operates effectively and continuously improves. This will include auditing and ensuring SLAs and other performance management measures are accurately measured and tied to key customer or operational outcomes; any technical or operational issues are reported promptly to FSA; and platform enhancements and FSA change requests are coordinated across the relevant vendors. Relative to the current environment, FSA's servicer oversight responsibilities will be complemented by the integrator with FSA continuing to provide strategic direction.

Component 13: Program implementation and value assurance manager

Vision statement:
The program implementation and value assurance manager will support project planning, project management, reporting and oversight during the implementation, helping to manage program oversight and value capture. Activities will include ensuring objective progress reporting, risk identification, program communication, and review of vendors to ensure they deliver on commitments. The manager will also work with FSA's project management team to ensure FSA employees and other stakeholders are prepared for the target operating model that builds on new business processes, policies, and technology. This role is distinct from the role of the technical systems integrator and focuses on ensuring that the implementation project is managed effectively.

Expected volumes relevant to the servicing environment:

■ Size of business:
  – 35 million customers being serviced in the FSA environment.
  – Lending portfolio that exceeds $1 trillion in outstanding principal.
  – Over 18 million loans were assigned to servicers last year with a significant proportion (58 percent) assigned between August and October.
  – Customer base projected to grow over 40% between 2017-26.
■ Customer engagement:
  – The current servicing environment supports a high volume of inbound and outbound customer engagement.
  – Inbound communications:
    □ Over 15 million online accounts accessed each month.
    □ Over 2 million inbound calls per month with an average handle time of 6:51.
    □ Approximately 500,000 items of incoming mail per month.
    □ Over 180,000 incoming emails per month.
    □ Approximately 45,000 customer complaints per month.
  – Outbound communications:
    □ Over 35 million outbound emails per month.
    □ Over 30 million outbound calls initiated per month.
    □ Over 7 million pieces of outbound mail per month.
■ Loan payments processed
  – Over 200 million payment transactions are processed per year.
■ Loan processing
  – Over 450,000 borrowers submit annual re-certifications for an IDR plan each month.
  – Over 300,000 loans are closed or discharged each month due to death, disability, are paid in full, or for other reasons (not including consolidation).
  – Over 250,000 customers change their repayment plan each month, impacting the status of approximately 1.3 million loans.
  – On average, over 350,000 loans are transferred from servicing to DMCS each month.
  – Approximately 75,000 borrowers submit certification for TEACH grants each month.
  – Approximately 70,000 borrowers consolidate their loans each month impacting an average of five loans per borrower.
  – Approximately 35,000 borrowers submit certification for PSLF each month.
  – Over 10,000 borrowers submit certifications for TPD each month.

IV. Constraints

Compliance constraints focus on three areas: security, reporting, and payments.
Example: A borrower may change to another plan as long as the new plan has a repayment term longer than the amount of time already spent in repayment.

For examples of constraints that may be included in a potential solicitation(s), you may review the documents posted for a previous servicing solicitation:
https://www.fbo.gov/spg/ED/FSA/CA/FederalAidServicingSolution/listing.html

These constraints are subject to change based upon input provided in response to this request for market research information.

V. Terms and Conditions

FSA anticipates including the following clauses in a potential solicitation(s):
52.204-19 Incorporation by Reference of Representations and Certifications (Dec 2014)
52.233-4 Applicable Law For Breach Of Contract Claim (OCT 2004)
52.212-4 Contract Terms and Conditions -- Commercial Items (Jan 2017)
52.212-5 Contract Terms and Conditions Required to Implement Statutes or Executive Orders -- Commercial Items (Nov 2017)
The Contracting Officer will indicate which clauses will be included in the potential solicitation(s).

Full text of these clauses can be found at https://www.acquisition.gov/browsefar

When responding to the potential solicitation(s), vendors will be required to register in the System for Award Management (www.sam.gov).

VI. Appendix A: FSA Next Generation Financial Services Environment Vision Presentation

20171207 Market
Research Vision and