

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 19
DATE: September 20, 2011

RECOMMENDATION
CONTRACT EXTENSION WITH CMD OUTSOURCING SOLUTIONS, INC. FOR
FINANCIAL AID CALL CENTER SERVICES

ACTION REQUESTED

It is recommended that the Board of Regents approve a one year extension of the contract with CMD Outsourcing Solutions, Inc. for financial aid call center services.

STAFF SUMMARY

Eastern entered into a five year contract with CMD in June 2008 for call center services related to student financial aid and student billings and accounts. Eastern provides a high level of service and responsiveness to our students through the call center and CMD's quality of delivery of the services has been equally strong. CMD handles approximately 80,000 calls annually.

We approached CMD earlier this year to discuss per-call pricing for the remaining two years of the contract as well as other ways that the service level could be maintained at lower cost. In response, CMD offered a reduction in per-call pricing in exchange for an additional year added to the contract. The contract termination date would be August 2014.

CMD offers other services beyond just one-on-one call services that can be utilized to answer more routine student and family questions more cost-effectively than a one-on-one call. We are recommending that Eastern adopt two of CMD's additional services – Live Chats and Frequently Asked Questions (FAQ) Web Videos. The costs to Eastern for these two additional services are minimal and by reducing the number of more costly one-on-one calls, total costs will be reduced.

We recommend approval of the one year contract extension and expanding the service offerings to include the Live Chats and FAQ Web Videos.

FISCAL IMPLICATIONS

The contract extension and adoption of the additional services is project to generate savings over the three year period of approximately \$180,000 including \$125,000 from the lower per-call pricing and \$55,000 from a reduced volume of calls resulting from the new service offerings.

ADMINISTRATIVE RECOMMENDATION

The proposed Board action has been reviewed and is recommended for Board approval.

University Executive Officer

9/20/11

Date