

The Nebraska Alumni Association
Endorsed Credit Card Partnership
Request for Proposals
October 24, 2016

I. PURPOSE

The Nebraska Alumni Association (NAA) is requesting proposals to market, issue and service credit cards (the "Credit Card Program") bearing the names and marks of the University of Nebraska-Lincoln to alumni, fans and friends of the NAA and university through channels available from the NAA as well as the potential partner.

The purpose of this Request for Proposal (RFP) is:

- a. To formally publish the goals and objectives of the NAA for establishing and maintaining relationships with companies capable of marketing and maintaining a Credit Card Program;
- b. To establish a timeline for the bid evaluation and program implementation for bidders;
- c. To provide history and background and other pertinent information for bidders;
- d. To describe certain basic kinds of information the NAA wishes to receive from bidders;
- e. To provide an opportunity for bidders to demonstrate their specific skills, quality, expertise, competitive advantages and methods in the various facets of operating a Credit Card Program;
- f. To standardize the structure of responses for fair and unbiased comparison; and
- g. To communicate total value and compensation structure each bidder brings to the NAA.

II. GOALS OF A CREDIT CARD PROGRAM

The following are the NAA goals in searching for a program provider to market and administer a Credit Card Program:

- a. To help the NAA fulfill its mission by selecting an administrator of a Credit Card Program designed to:
 - i. Provide a program to our members, fans and friends that is deemed as good or better than what is available on the open market;
 - ii. Generate royalty, advertising and/or sponsorship revenue for the NAA;
 - iii. Develop and maintain positive relationships with the largest possible number of Nebraska alumni, fans and friends;
 - iv. Uphold and enhance the image of the NAA through the quality of the marketing methods, service and materials utilized in the program; and
 - v. Provide additional channels to help the NAA keep accurate address and/or contact information on alumni fans and friends where permitted by law.
- b. To endorse quality a Credit Card Program that is appealing to engage with various segments of Nebraska alumni, fans and friends;
- c. To market the Credit Card Program through the most effective marketing methods and techniques available, consistent with item "II-a" above;

- d. To identify a partner that offers top quality administration and customer service to all participants in the program;
- e. To handle confidential NAA and university data responsibly, and where applicable, maintain adherence to NAA confidentiality policy with any third parties; and
- f. To identify a partner that will guarantee a contract period consistent with building such a program.

III. **HISTORY AND BACKGROUND**

The NAA, founded in 1874, is a separate 501c3 organization from The University of Nebraska-Lincoln. Our mission is to promote the achievements and aspirations of the University of Nebraska-Lincoln by connecting and engaging its students, alumni and friends.

While the NAA is separate from the university, we work closely with campus partners as well as the University of Nebraska Foundation to carry out our mission and the priorities of UNL and the shared advancement agenda.

One such way the NAA has brought alumni together has been through passively endorsed affinity partnerships. The NAA defines affinity partnerships as those contractual relationships where an external company offers services and products to alumni through a passively-endorsed marketing program in exchange for royalty, sponsorship and/or advertising support. The NAA considers the endorsed Credit Card Program as such a program.

Passive endorsement refers to the best practices that the NAA will not incur any expense to endorse these programs, such that the costs of marketing will be bared by the partner. That said, regularly carried out functions consistent with our mission that do not utilize additional NAA resources may be used to market the program, such as use of a mailing list, inserting flyers in event packets, use of logos/marks and so on.

The NAA has offered a Credit Card Program for almost four decades with various partners, available to all members, alumni, season ticket holders, donors, fans and friends.

IV. **NAA (AND UNIVERSITY PARTNER) AUDIENCES AND REACH**

Below, please find information that should help you better analyze the NAA organization and other assets available to help prepare your bids. Presently, the NAA wishes to bid for a Credit Card Program only. This is NOT a bid for products outside the scope of Credit Card, and proposals containing banking/investment or other products not strictly defined as insurance can be considered, but must be submitted separately from the response to this RFP.

In short, our various audiences are included below:

- a. NAA has access to approximately 192,300 living alumni that are better educated, with higher disposable income and better overall lifelong earning power than the U.S. population.

- b. Top markets include:
 1. Lincoln, NE
 2. Omaha, NE
 3. Denver area
 4. Kansas City area
 5. Phoenix area
 6. Minneapolis area
 7. Dallas area
 8. Chicago area
 9. Los Angeles area
 10. Grand Island, NE
- c. We have 104,632 available alumni e-mail addresses.
- d. Of those living alumni, approximately 25,000 are currently active members of the NAA, one of the higher membership penetration percentages in the Big Ten as well as the country. In 2015, we reached a record high of paid members.
- e. The University of Nebraska-Lincoln currently hosts 25,260 students and adds approximately 5,220 new graduates to our alumni totals every academic year.
- f. The NAA recognizes 90 chapters and groups across the country which attract thousands of former Nebraskans that have no other tie to the university other than supporting the athletic programs or wanting to socialize with other former Nebraskans.

Athletic audiences may be available as well to market the Credit Card Program:

- a. Husker supports are extremely loyal. In 2015, Nebraska was one of the only programs to have sold-out season tickets for football, women's volleyball and men's basketball.
- b. Nebraska's Memorial Stadium seats 87,000 with weekly attendance averaging 90,000. Further, Nebraska currently hold an ongoing NCAA record for consecutive sell-outs that will hit 350 football games next season. The streak began in 1962, more than 50 years and five national championships ago. Last spring, 77,000 fans attended the spring scrimmage, trailing only the defending national champions at Ohio State.
- c. The Nebraska women's volleyball team holds an NCAA record sellout streak at fifteen years as well, with the Devaney Sports Center holding 8,000 fans for 18-20 contests per year. Nebraska is the reigning NCAA champion and has played in front of the two largest crowds in U.S. history to watch a live volleyball game.
- d. Men's basketball recently re-located to a new downtown arena with seating for 14,970. Season tickets have sold out every year since the move.
- e. Such season-ticket holder lists may be available for Credit Card Program marketing as well.

V. **PROGRAM ACTIVATION DATES**

There is no specific date for the activation of a Credit Card Program. The NAA is able to launch the right program with the right partner at any time, provided the appropriate time

for final approvals and coordination with campus partners to verify rights to the requested marketing assets matching the terms and duration of any prospective agreement.

This entire document is a request for proposals, and specific areas may be altered or adjusted during subsequent contract negotiations with finalists. The NAA is evaluating bids on a variety of different criteria and reserves the right to accept or reject any bid for any reason.

VI. SCOPE OF RIGHTS AND RESPONSIBILITIES

Basic Requirements Credit Card Program provider responsibilities:

- a. Relationship – The named partner will under no circumstances be considered an agent or employee of the NAA and shall have no right to bind the NAA in any manner except as authorized in writing by the NAA.
- b. Branding – Partner will have limited access to the indicia, logos and other intellectual property of the NAA and university, only as contracted.
- c. Data and Lists – Partner will receive access, but no ownership of any lists or alumni data provided by the NAA in accordance with data privacy policies.
- d. Marketing and Service – The NAA services a nationwide alumni base and fan base. As such, any partner should have the capacity to market and provide customer service to customers in all states and relevant territories.

These elements are a proposed general scope of basic requirements. Insufficiencies or elements that bidders would like to counter-propose in any area are by no means grounds for disqualification in the bidding process. The NAA reserves the right to alter or refine the general scope of requirements based on feedback provided in proposals.

The bidder(s) selected as finalists will immediately begin negotiations and contract review to receive the following rights:

- a. Exclusive endorsement of the official Credit Card Program of the Nebraska Alumni Association.
- b. Exclusive rights to marks, tradenames and other intellectual property of the NAA and/or university to market the Credit Card Program
- c. Exclusive marketing of a Credit Card Program through NAA channels

All other rights are subject to the terms of bid responses and any subsequent contact negotiations.

VII. OTHER INFORMATION TO BE INCLUDED IN DETAILED PROPOSALS

- a. Proposed program overview:
 - i. Proposed Credit Card Program name (example: Husker Rewards Card);

- ii. Program descriptions, including a breakdown by different card products and any restrictions – As a national organization with a nationwide alumni base it is important to disclose any states, territories or regions in which specific products are not licensed or cannot be offered for any reason in any particular area;
 - iii. Benefits and/or proposed rates/features to NAA audiences;
 - iv. Rewards components;
 - v. Additional benefit to NAA dues-paying members, if any;
 - vi. Competitive advantage versus other Credit Card Program products presently on the market;
 - vii. Plans for evolving technology in the industry, such as Apple Pay, Samsung Pay or other digital payments; and
 - viii. Overview of compensation nature: i.e. flat annual fee for endorsement, advertising/sponsorship, a royalty paid from basis points and/or cards activated where allowed by law, dividends, milestone bonuses, etc. or a combination of all. Specify any minimum upfront guarantees and conditions thereof.
- b. Corporate History and Background, please include information on:
- i. Ownership and history;
 - 1. Company name/Parent company (if any);
 - 2. Type of business entity;
 - 3. Main address, phone, website, fax, e-mail;
 - 4. Ownership;
 - 5. Year founded;
 - 6. Legislative involvement and changing climate in this arena; and
 - 7. Subsidiaries/Other businesses and products relevant to the NAA audiences.
 - ii. Client Information;
 - 1. Experience in collegiate affinity marketing;
 - 2. Experience in other related association/affinity group marketing and administration (include number of years);
 - 3. Experience specifically in alumni association marketing and administration;
 - 4. List all alumni association or University clients that your privacy statements allow;
 - 5. Names, titles and phone numbers for at least three affinity references;
 - 6. Five largest clients and percent of total revenue they represent;
 - 7. Affinity clients gained in last 18 months; and
 - 8. Affinity clients lost in last 18 months and reason for termination.
 - iii. Number of employees/organizational structure;
 - 1. Relevant organizational chart (limit to those that would interact with NAA);
 - 2. Number of employees in Company and in the affinity division;
 - 3. How the NAA program be supported, managed and staffed; and
 - 4. Division of employees by function.
 - iv. Financial data (will be held confidential);
 - 1. Annual revenues last FY for total Company;
 - 2. Annual revenues last FY for the alumni division;
 - 3. Include a copy of your last annual report; and

4. Provide evidence of financial soundness of your company.
 - v. Indicate any aspect of the program that would be handled outside of your company (provide names of any third party involved in the administration of the program, data handling, etc.).
- c. Marketing and Promotion, including:
- i. Confirmation that there is no expectation for the NAA to bear any costs associated with the marketing, promotion or offering of this program;
 - ii. Your understanding of the alumni marketplace, market research, direct mail marketing, online marketing and proposed marketing strategies;
 - iii. Your typical affinity marketing campaign and samples;
 - iv. Your planned marketing approach for the proposed product(s);
 - v. Your marketing department's achievements, including specific examples of affinity response rates and program growth rates. Please include a marketing sample from another alumni association or affinity program;
 - vi. Your internal capabilities versus use of outside marketing/graphic design/web consultants;
 - vii. How marketing campaigns are selected, planned, tracked, analyzed and reported;
 - viii. Coordination of communication plan with NAA relative to marketing plans and methods, copy approval, etc.;
 - ix. Additional marketing cost responsibilities;
 - x. Program start-up timeline to launch program (if a new vendor); and
 - xi. Sample of a one-year marketing plan for the program. Include definition of target audiences and frequency of mailing and contact.
 - xii. Amount of an annual marketing commitment to launch, activate and maintain a strong credit card portfolio.
- d. Data Handling
- i. Name any third party data manager that you work with;
 - ii. Describe the process that company has in place to manage data;
 - iii. Lay out a proposed plan for how often data requests will be made to the NAA; and
 - iv. Describe how they ensure the security and integrity of the data.
- e. Customer Service and Administration
- i. Describe who has ongoing and permanent responsibility for communications and accountability to the NAA and constituents of the NAA – include the length of their tenure at the organization
 - ii. Describe your customer service functions including the level of staffing;
 - iii. Present information to verify customer satisfaction;
 - iv. Describe the types and frequency of reports and communications relative to program status and marketing results;
 - v. Describe your company's administrative capabilities, including processing of applications, billing, customer service and customer communications, record keeping and computer system support; and
 - vi. Proposed account team, including titles and years of relevant experience.

- f. Proposed Terms
 - i. Please define your preference for the length of the agreement; and
 - ii. Offer acceptable alternative lengths and define any other terms of the bid that would change if your preferred term is shorter or longer.
 - iii. Specific terms and conditions shall be negotiated with finalist(s) upon selection. Bidders understand that NAA will have nominal flexibility on contractual terms such as PCI compliance, privacy, data security and customer service standards.
 - iv. The nature of this program shall be an agreement between the NAA and the winning bidder. The NAA warrants it will pursue certain rights from the University of Nebraska-Lincoln to include as relevant. The University of Nebraska-Lincoln will not be a party to the final agreement.

VIII. REVENUE SCHEDULE AND ARRANGEMENTS

Please refer to Section VII-a above on compensation. If a bid is fully described by responding to that section, no additional responses are necessary to this section, but please offer commentary on the following, if possible. Projections are non-binding.

- i. In addition to guaranteed sponsorship, royalty, advertising and other revenue, please detail and define any additional guaranteed revenue received by the association not covered by the criteria above, such as signing bonuses or one-time agreement commencement fees, if any;
- ii. Please provide a non-binding five-year projection of performance for your program, factoring in program launch, planned marketing programs, projected response rates and projected compensation to the NAA; and
- iii. Please provide a proposed payment schedule for all guaranteed and earned revenue.

IX. PROPOSED PROCESS AND TIMELINES

Proposed timeline is tentative. Only the proposal due dates and the program commencement date shall be hard and fast.

- a. Proposals due date – received by NAA (**11/21/16**);
- b. Completion of follow-up discussions, presentations and review with semi-finalists (**12/7/16**);
- c. Finalists and alternate named, contract negotiations commence (**12/14/16**);
- d. Completion of negotiations and begin legal counsel review of draft contract (**1/15/17**);
- e. NAA Board of Directors review (**2/1/17**);
- f. Execute final contract (**3/1/17**);
- g. Marketing plan and implementation planning (**TBD** – commencement of such planning may run parallel to contract negotiations and legal review if parties are comfortable as such); and
- h. Program implementation and formal launch date (**7/1/17**)

INQUIRY AND SUBMISSION INFORMATION ON FINAL PAGE

QUESTIONS AND BID RESPONSE SUBMISSION INFORMATION

Submit to:
Andrew Washburn
Associate Executive Director, Operations
Nebraska Alumni Association
Wick Alumni Center
1520 R Street
Lincoln, NE 68521

awashburn@huskeralum.org

402-472-4239 • 888-353-1874

PROPOSAL RESPONSE DUE: 11/21/16

PROGRAM ACTIVATION DATES:

TBD

***** ANY INFORMATION RECEIVED BY THE NAA IN THE BIDDING PROCESS
WILL BE HELD IN STRICT CONFIDENCE, ONLY TO BE SHARED WITH
RELEVANT STAFF, DIRECTORS AND INDIVIDUALS ON THE CATERING
SELECTION COMMITTEE*****