



**STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE
Office of Budget & Management Analysis
Bureau of Fiscal Services
Building 9, Room 234
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July 18, 2013

**Amendment #2 For Request for Proposals (RFP) 13-12
ELECTRONIC CHECK PROCESSING – CHECK 21 SERVICES**

To All Potential Bidders:

The Department is issuing Amendment #2 as clarification to update:

- Section III.A Functional Requirement 4.2 – Updated information regarding the use of third party delivery services.
- Financial Requirements to address the use of third party delivery services.
- Financial Evaluation section to address the use of third party delivery services.
- Attachment 16: Financial Response Form to include the cost of third party delivery services.

Replacement pages are attached. All changes made through this Amendment are in **blue**. Changes made in Amendment #1 are in **red**.

All other requirements and conditions remain as indicated in the RFP.

Amendment #2

<p>the processor and number of total items and the total dollar amount for each unique ICL file transmission to DTF and/or DTF designee(s).</p>	
<p>4.0 Manual Deposits</p>	
<p>4.1 The Contractor must process Physical Checks (Manual Deposits).</p> <p>Note: Certain Physical Checks require Manual Deposit because they are foreign checks or do not pass Check 21 business rules (Rejected Items).</p>	<p>4.1 Affirm understanding of, and agreement to comply with, this requirement. Describe the proposed process utilized for handling Manual Deposits.</p>
<p>4.2 The Contractor must receive and securely transport Manual Deposits Monday - Friday for same day credit from the DTF Albany, NY facility and/or DTF designee(s) site(s), including current designee sites in Binghamton, NY and Kingston, NY.</p> <p>If the Contractor is using a courier service, the courier must be bonded. If the Contractor is using a third party delivery service (e.g. Fedex, UPS, USPS, DHL, etc.), they must:—provide the Department with their account code and all supplies necessary for the shipment of checks. All costs associated with a third party delivery service must be a pass-through expense only and no additional fees may be added.</p> <ul style="list-style-type: none"> • Indicate which delivery service is to be used for transportation of Manual Deposits; • Upon Contract award, the Contractor must provide DTF with the Contractor’s account code with the third party delivery service, and provide all supplies necessary for the transportation of checks; • Provide the address to which the delivery service will deliver checks; • Identify the third party delivery service as a significant Subcontractor; and • Assume all responsibility of risk for lost or stolen checks while in possession of the third party delivery service. 	<p>4.2 Affirm understanding of, and agreement to comply with, this requirement. Describe proposed method for obtaining Manual Deposits from DTF’s processing site(s), including, but not limited to:</p> <ul style="list-style-type: none"> • The method of transportation of Manual Deposits; specifically identify whether a courier service or third party delivery service will be used. • The address where Manual Deposits will be received for processing.

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<p>NOTE: All costs associated with a third party delivery service must be a pass-through expense only and no additional fees may be added. The Department's preferred method of transportation of Manual Deposits is courier service.</p>	
<p>4.3 The Contractor must provide supplies necessary for DTF to process Manual Deposits:</p> <ul style="list-style-type: none">• Three part deposit slips, with DTF defined pre-printed account information.• Secure, weather proof, tamper-proof numbered deposit bags/boxes.	<p>4.3 Affirm understanding of, and agreement to comply with, this requirement. Describe proposed method of providing supplies.</p>

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Please consider the above discussion of the Earnings Credit Rate in preparing the Schedules of Fees and Expenses.

General

1. FDIC fees must not be included within the operational fees. FDIC fees must be a pass-through cost only and no additional fees may be added.
2. If the Contractor is using a third party delivery service, all costs associated with a third party delivery service must not be included within the operational fees. All fees associated with a third party delivery service must be a pass-through cost only and no additional fees may be added.

NOTE: To complete the Financial Response Form, the Contractor must indicate the cost of the delivery of Manual Deposits from each of the DTF sites indicated to the Contractor's check processing site by 10 A.M. Eastern Time the next day.

- ~~3.2.~~ All costs associated with the requirements of this RFP must be incorporated into the categories shown on the Financial Response Form. No other add-on costs are permitted. The State may, by amendment to the Contract, entertain changes in fees under the following circumstances:
 - Billings for additional, enhanced or modified services requested by the State.
 - Other extraordinary cost increases which are beyond the control of the Bank.

Response Requirement

The Bidder must complete and submit **Attachment 16-A and 16-B, Financial Response Form**, detailing the cost of the service for both Direct Fee and Compensating Balances. **The prices quoted will be in effect for the initial term of the Contract.**

Contractor Reimbursement

The Contractor will be reimbursed monthly, in arrears, upon receipt of a proper invoice in accordance with Article XI-A of the New York State Finance Law. Reimbursement will be based on the cost per item for each category on **Attachment 16-A and 16-B, Financial Response Form**. Tiered pricing is required to allow for reimbursement for a range of items within specific categories.

The initial price will be established using the volumes set out in the RFP.

Reimbursement for the period commencing January 1, 2014, will be based on tier 2 pricing, as it expected that IRD volumes will be approximately 4.5 million annually.

At the end of each calendar year, the Department will reconcile the actual volume to the correct tier pricing in order to establish the appropriate price. If a credit is due to the Department, the Contractor will provide the credit on the next invoice. If the Department has been under billed, the Contractor will invoice the Department for the difference on the next invoice and will be compensated in accordance with this section.

b. Phase Two Evaluation

Bidders who pass Phase One of the evaluation will be further evaluated as follows:

- i. Technical Evaluation (50 points)
 - Functional Evaluation
 - Program Development and Support Requirements (Pass/Fail)
 - Implementation Requirements (Pass/Fail)
 - Cash Management Requirements (Pass/Fail)
 - Alternative Language - Performance Standards
 - Alternative Language - Extraneous Terms
- ii. Financial Evaluation (50 points)

Bidders cost proposals will be scored concurrently and separately from the Technical evaluation.

NOTE: All costs related to the use of courier services or third party delivery services **will** be used for evaluation purposes in the scoring of the Financial Response Form.

At the completion of Phase Two, the technical and financial scores will be combined to determine the Bidder ranking. The highest ranked Bidder will proceed to Phase Three of the evaluation. In the event of a tie for the highest rank, all Bidders at the highest score will proceed to Phase Three.

c. Phase Three Evaluation

Financial Stability Review – Pass/Fail

3. Final Ranking/Contract Award

The contract will be awarded to the Bidder whose proposal obtains the highest aggregate score that passes Phase Three - Financial Stability.

The table below summarizes the evaluation point distribution:

Evaluation Component	Points
Technical Evaluation	50
Financial Evaluation	50
TOTAL	100

Attachment 16 – Financial Response Form

Attachment 16-A - Direct Fees

1. Annual Check Processing Fee (Check 21)

Operation Fees	AFP Code	Years 1-3		
		Tier 1 1-3,000,000 (IRD's per year)	Tier 2 3,000,001-5,000,000 (IRD's per year)	Tier 3 5,000,001 + (IRD's per year)
Check 21 fees				
Image Replacement Documents	100229			

Operation Fees	AFP Code	Cost
ICL Transmission – Monthly Fee per Account	100209	
Adjustments		
Dishonorments	1004XX	
ACH Originated	2501XX	
ACH Received	2502XX	
Deposit Corrections	100500	

2. Manual Deposit Fees

Manual Deposit Fees	AFP Code	Cost
Deposited Items	002XX	

3. Other Fees

Miscellaneous Fees	AFP Code	Cost
Deposit Slips – pass through fee	100840	
Courier/Deposit Bags/Boxes – Pass through fee	1008XX	
Courier Service		
Albany	101020	
Binghamton	101020	
Kingston	101020	
Third Party Delivery Service		
Address where Manual Deposits will be received for processing	Contractor Name: _____ Address: _____ City: _____ State: _____ Zip: _____	
Building 8 W.A.Harriman Campus Albany, NY 12227		
20 Wall Street Binghamton, NY 13901-2718		

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575 Boice's Lane Kingston, NY 12401		
Wire Transfer Fee(s)	350XXX	
Monthly Maintenance Fee(s)	010000	

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Attachment 16 – B - Compensating Balances

1. Annual Check Processing Fees (Check 21)

Operation Fees	AFP Code	Years 1-3		
		Tier 1 1-3,000,000 (IRD's per year)	Tier 2 3,000,001-5,000,000 (IRD's per year)	Tier 3 5,000,001 + (IRD's per year)
Check 21 fees				
Image Replacement Documents	100229			

Operation Fees	AFP Code	Cost
ICL Transmission – Monthly Fee per Account	100209	
Adjustments		
Dishonorments	1004XX	
ACH Originated	2501XX	
ACH Received	2502XX	
Deposit Corrections	100500	

2. Manual Deposit Fees

Manual Deposit Fees	AFP Code	Cost
Deposited Items	1002XX	

3. Other Fees

Miscellaneous Fees	AFP Code	Cost
Deposit Slips – pass through fee	100840	
Courier/Deposit Bags/Boxes – Pass through fee	1008XX	
Courier Service		
Albany	101020	
Binghamton	101020	
Kingston	101020	
Third Party Delivery Service		
Address where Manual Deposits will be received for processing	Contractor Name: _____ Address: _____ City: _____ State: _____ Zip: _____	
Building 8 W.A.Harriman Campus Albany, NY 12227		
20 Wall Street Binghamton, NY 13901-2718		

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Wire Transfer Fee(s)	350XXX	
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