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| **ERic Mostert**  Chief Financial Officer | **CATHERINE GOLDEN**  Procurement Director | **Patrick Ryan**  Budget and Accounting Director |

**May 4, 2015**

**Response to Round 2 Bidder Questions and Amendment 5**

**For Request for Proposals (RFP) 14-05**

**COLLECTION SERVICES FOR DELINQUENT TAX DEBT**

To All Potential Bidders:

Attached are the Department’s responses to Questions received for Round 2 of the above referenced RFP.

The Department is also issuing Amendment 5 to:

* Amend the Schedule of Events; and
* Amend Section IV. General Contract Requirements, K. Insurance

Replacement pages are attached after Question Responses. All deletions are shown as shaded, strike-through text; all additions are made in green text.

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

| **#** | **RFP Section** | **RFP Page #** | **Question** | **Answer** |
| --- | --- | --- | --- | --- |
| 1 | IV. General Contract Requirements / Section K. Insurance | Page 23 of 195 | Will the Department accept the following proposed revision?  Propose removal of section IV., K., iv. (which starts in the first line on Page 23 of 195 and says, : “iv) be endorsed to provide the Department with written notice at least thirty (30) days prior to the cancellation, non-renewal or material alteration of such policies, which notice shall be sent in accordance with the notice provision of the Contract”) and replace the sentence as follows: “Contractor shall provide written notice to the Department at least thirty (30) days prior to the cancellation, non-renewal or material alteration of such policies.” | Yes. See Amendment 5 attached. |
| 2 | IV. General Contract Requirements / Section K. Insurance, last sentence of fifth paragraph | p. 23 | Will the Department accept the following proposed revision?  Propose removing the last sentence of the fifth paragraph of section IV, K (p. 23) and replace it as follows: “The Subcontractor shall provide notice to the Department at least thirty (30) days prior to the cancellation, non-renewal or material alteration of such policies.” | No. See Amendment 5 attached. |
| 3 | IV. General Contract Requirements / Section K. Insurance / 1. Specific Coverage and Limits / e. Crime Insurance | p. 25-26 | Will the Department accept the following proposed revision?  Propose adding “or loss discovery form” to section IV, K, 1, e after “loss sustained form” (p. 25) and changing “loss payee” to “joint loss payee” (p. 26). | Yes. See Amendment 5 attached. |
| 4 | IV. General Contract Requirements / Section K. Insurance / 1. Specific Coverage and Limits / F. Cyber (Internet) Liability | p. 26 | Will the Department accept the following proposed revision?  (p. 26) Propose removing “loss of income due to online business interruption” from section IV, K,1. F. | No. |
| 5 | IV. General Contract Requirements / Section U. Disengagement Phase/IV,U, beginning on page 31 | p. 31-32 | Will the Department accept the following proposed revision?  Propose to add to the end of the third bullet point: “It is understood that information in an intangible or electronic format cannot be removed, erased or otherwise deleted from archival systems (also known as “computer or system back-ups”) but that such information will continue to be protected under the confidentiality requirements contained in the Contract.” | No. |
| 6 | IV. General Contract Requirements / Section FF, Storage of Department Data/Information | p. 35 | Will the Department accept the following proposed revision?  Propose to add to the end of the third bullet point: “It is understood that information in an intangible or electronic format cannot be removed, erased or otherwise deleted from archival systems (also known as “computer or system back-ups”) but that such information will continue to be protected under the confidentiality requirements contained in the Contract.” | No. Note there are no bullet points in the RFP Section referenced. |
| 7 | IX. Proposal Evaluation | p. 73-75 | What weight, if any, does the proposer’s headquarters location and/or proposed call center location have in the evaluation? (Does a proposer headquartered in New York State or that proposes to perform the call center work in New York State earn any additional points in the evaluation? If yes, how much weight are these factors assigned?) | There are no specific evaluation points awarded if the bidder’s proposed headquarters or call center are located in New York State. |
| 8 | Amendment #3 | 176-178, 186, 192, 194 | Could the Department please provide the amended Attachments B, H, M and N response forms in Word format? (They were provided in PDF format in Amendment #3.) | These forms were posted in Word format to the Department’s website on 4/17/15. |
| 9 | Attachment 17 – Encouraging Use of New York State Businesses in Contract Performance | p. 173 | What weight, if any, does the vendor’s proposed use of New York State suppliers or subcontractors have in the proposal evaluation? | There are no specific evaluation points awarded if the Bidder uses New York State suppliers or subcontractors. |
| 10 | General | General | Who is responsible for filing fees for out-of-state court costs? If it is the vendor, is there reimbursement for court fees? | The Vendor will be responsible for the filing fees. As stated in the RFP, Section VI. Financial Requirements, the fixed rate proposed for Litigation Services must be inclusive of all costs associated with Litigation Services as outlined in this RFP, including any court filing and/or related fees that may arise during the performance of services. |
| 11 | General | General | Please confirm whether or not FTI (Federal Tax Information) will be placed with the vendors. | The Vendor will be receiving Federal Tax Information. |
| 12 | C. IT Requirements | 40 | Does the NY Department of Taxation require vendors to utilize Zscaler for Internet facing web sites? | The Vendor’s application must function with the Department’s use of the Zscaler proxy server. |
| 13 | Amendment 1 and VIII Proposal Submission, B. Submission of Proposals | 71 | The address that must be “visibly inscribed on the outside of all containers” is not as detailed as the one contained in the letterhead of Amendment 1. Given the multi-tiered nature of delivery of proposals to the Department, please confirm whether the address provided in the original RFP is still sufficient and correct for inscribing purposes, or whether bidders should also add any portion of the letterhead address – Bureau of Fiscal Services, Building 9, Room 234 – to their labeling. | The delivery address in the RFP is the address that should be used on the outside of the containers. |
| 14 | VIII Proposal Submission, B. Submission of Proposals | 71 | Volume Three will be a small volume. Can bidders bind Volume Three using a comb binder or other means, or should they use a hard cover three-ring binder? | A comb binder or other means is acceptable. |
| 15 | Amendment 2, Response to Question 56 | Pg. 11 of Amendment | Please confirm (or clarify) the following understanding: Proposals will be time and date stamped upon receipt at the 90 Cohoes Avenue address. A proposal that is time and date stamped at the Cohoes Avenue location prior to the due date will be considered as received on time, even if it has yet to be delivered to Director Catherine Golden at the W. A. Harriman State Office Building Campus in Albany. A bidder’s proposal must only reach the 90 Cohoes Avenue address prior to the deadline, and the schedule of delivery to Albany is the sole responsibility of the Department. | A proposal that has been received at the 90 Cohoes Avenue by the due date and time, is timely received. |
| 16 | Amendment 3, Replacement pages with updated content for Attachments B, H, M and N | Pgs. 10-15 of Amendment (numbered originally as 176-178; 186; 192; 194 | Should bidders use the replacement pages exactly as provided within the Amendment, to include showing shaded and strike-through text, in the pages of their proposals? Or should bidders correct the shaded and strike-through text and present clean versions (with all updated text) of these attachments in their proposals? | Yes, the Department prefers to receive replacement pages as presented in the Amendments. |
| 17 | V. Technical Requirements, A. Soft Collection Services Requirements  Attachment E | Pgs. 37; 181 | Bidders are asked to confirm and/or describe whether their collection system uses Graphical User Interface (GUI). Can you briefly describe the Department’s needs and interests where GUI is concerned? | The Department desires a Graphical User Interface (GUI) based system as opposed to a text-based interface.  We consider GUI to be more efficient. |
| 18 |  |  | Given the list of MWBEs from the State of NY’s site are primarily from the NY state region, and the RFP provides litigation opportunity outside of the state of NY – can the requirement be met by using MWBEs not on the list, if awarded the contract? | The requirement cannot be met by using MWBE’s not on the list, however an MWBE may request to become a certified NYS MWBE. Utilize this link for further certification information on Empire State Development’s website:  <http://esd.ny.gov/MWBE/Certification.html> |
| 19 |  |  | If MWBEs cannot satisfy insurance or bonding requirements for other clients of our firm, however we seek out their services, but cannot utilize them, would this support a good faith effort to utilize MWBEs? | With the limited information provided, this does not support a good faith effort. Refer to Exhibit F of the RFP– Request for Waiver. Question numbers 1-11 must be completed for justification of good faith efforts documentation. |
| 20 |  |  | How many MWBEs need to be used, to satisfy the 30% requirement? Is this using 30% for this project, or for all firm services/clients? | The 30% goal is for the overall Contract value with the New York State Department of Taxation and Finance. It is within the Contractor’s discretion on the number of MWBE’s utilized to meet the 30% goal.  NOTE: An MWBE has to perform a commercially useful function in order to satisfy the requirements of Article 15-A. |
| 21 | General |  | Does the Department have any formatting criteria it would like bidders to use when providing additional information to Attachments A-N or Attachments 1-17?  If so, will a font size that is no less than 12 points with at least 1-inch margins be acceptable?  May tables and graphics use font sizes that are no less than 8 point font? | No  Yes  Yes |
| 22 | General |  | May bidders use a different font type (i.e., Arial or Times New Roman) and formatting (i.e., bold or underline) when responding to the questions in Attachments A-N to help differentiate its responses from the form questions? | Yes |

# Schedule of Events

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| Issuance of RFP | March 18, 2015 |
| Deadline for filing Offeror Understanding of, and Compliance with, Procurement Lobbying Guidelines | April 6, 2015 by 2 pm ET |
| Deadline for First Submission of Bidder Questions | April 6, 2015 by 2 pm ET |
| Department Response to First Submission of Bidder Questions | ~~April 13, 2015~~ April 14, 2015 |
| Deadline for Second Submission of Bidder Questions | April ~~20~~ 28, 2015 by 2 pm ET |
| Department Response to Second Submission of Bidder Questions | ~~April~~ 27 May 4, 2015 |
| Deadline for Submission of Notification of Intent to Bid | May ~~4~~ 11, 2015 |
| Proposals Due | May ~~15~~ 22, 2015 by 2 pm ET |
| Management Presentation/Interview | On or about June ~~1~~ 22, 2015 |
| Notification of Intent to Award | ~~June~~ July 10, 2015 |
| Deadline for Contract Signature | ~~July 10~~ ~~August 9~~ August 10, 2015 |
| Start Date for Network Connectivity | ~~August~~ October 9 ~~10~~, 2015 |
| Start Date for Development Phase | ~~August~~ October 23 ~~24~~, 2015 |
| Start Date for Active Collections | No later than six months after the start date of the Development Phase unless extended at the sole discretion of the Department |

The Department will provide follow-up training material to reflect changes in law and Department policy; the Contractor will be responsible for the dissemination of such information.

The Department will require all staff, including Subcontractors hired by the Contractor to complete the Department’s Annual Security Awareness Training.

The Contractor will be responsible for the training of any new staff, including Subcontractors and/or law firms hired by the Contractor to perform services under the Contract after its initial implementation.

2. **Restrictions on Use of Data**

The Contractor, and Subcontractor(s) if applicable, is prohibited from using any information obtained as a result of the Contract for any purpose other than the performance of the Department’s Contract. At Contract expiration or termination, all information pertaining to the Contract must be handled in the manner prescribed by the Department as set forth in **Section IV. U. Disengagement Phase** in accordance with all applicable laws.After Contract expiration, Contractor, and Subcontractor(s) if applicable, is prohibited from using or maintaining in its possession any information obtained as a result of the Contract.

1. **Insurance**

Prior to the commencement of services by the Contractor, the Contractor shall file with the State of New York, Department of Taxation and Finance, Certificates of Insurance evidencing compliance with all requirements contained in this RFP. These policies must be written in accordance with the requirements of the paragraphs below. Each insurance carrier must be rated at least “A-” Class “VII” in the most recently published Best’s Insurance Report. If, during the term of the policy, a carrier’s rating falls below “A-” Class “VII”, the insurance must be replaced no later than the renewal date of the policy with an insurer acceptable to the Department and rated at least “A-” Class ”VII” in the most recently published Best’s Insurance Report.

The Department may, at its sole discretion, accept policies of insurance written by a non-authorized carrier(s) when Certificates and/or other policy documentation are accompanied by a completed Excess Lines Association of New York (ELANY) Affidavit. Nothing herein shall be construed to require the Department to accept insurance placed with a non-authorized carrier under any circumstances. Acceptance and/or approval by the Department does not, and shall not be construed to, relieve Contractor of any obligations, responsibilities or liabilities under the Contract awarded by this RFP.

All insurance required by the RFP shall: i) be obtained at the sole cost and expense of the Contractor, ii) be maintained with insurance carriers licensed to do business in New York State, and acceptable to the Department, iii) be primary and non-contributing to any

insurance or self-insurance maintained by the Department, iv) ~~be endorsed to~~ the Contractor must provide the Department with written notice at least thirty (30) days prior to the cancellation, non-renewal or material alteration of such policies, which notice shall be sent in accordance with the notice provision of the Contract and v) name the Department, its officers, agents, and employees as additional insureds thereunder. Such additional insured coverage must be written on the ISO occurrence form CG 20 10 11 85, or a substitute form, providing equivalent coverages. The additional insured requirement does not apply to Workers’ Compensation, Disability, Professional Liability/Errors and Omissions Insurance or Cyber (Internet) Liability coverage.

The Contractor shall be solely responsible for the payment of all deductibles and self-insured retentions to which such policies are subject. Deductibles and self-insured retentions above $100,000 are subject to approval by the Department. The Contractor shall be solely responsible for all claim expenses and loss payments within the deductible or self-insured retention.

The Contractor shall require that any Subcontractors hired, carry insurance with the same limits and provisions provided herein, as applicable. Should the Contractor engage a Subcontractor, the Contractor shall require all Subcontractors, prior to commencement of an agreement between Contractor and the Subcontractor, to secure and keep in force during the term of the Contract the insurance requirements of this RFP, as applicable. Required insurance limits should be determined commensurate with the work of the Subcontractor. Proof thereof shall be supplied to the Department. ~~The Subcontractor’s insurance policies shall require that the insurer provide notice to the Department of a notice of cancellation, non-renewal or material alteration.~~

The Contractor shall cause all insurance to be in full force and effect as of the commencement date of the Contract and to remain in full force and effect throughout the term of the Contract and as further required by this RFP. The Contractor shall not take any action, or omit to take any action that would suspend or invalidate any of the required coverages during the period of time such coverages are required to be in effect.

As soon as reasonably practicable prior to the expiration date or renewal date, the Contractor shall supply the Department updated/replacement Certificates of Insurance, and amendatory endorsements.

The Contractor, throughout the term of the Contract, or as otherwise required by the RFP, shall obtain and maintain in full force and effect, the following insurances with limits not less than those described below and as required by the terms of the RFP, or as required by law, whichever is greater (limits may be provided through a combination of primary and umbrella/excess policies):

* + 1. **Specific Coverage and Limits.** The types of insurance and the minimum policy limits shall be as follows:
    2. **General Liability.** Commercial General Liability Insurance (CGL) covering the liability of Contractor for bodily injury, property damage, and personal/advertising injury arising from all work and operations under this contract. Such liability shall be written on the ISO occurrence form CG 00 01 01 96, or a substitute form providing equivalent coverages. The limits under such policy shall not be less than the following:
       - Each Occurrence limit - $1,000,000
       - General Aggregate - $2,000,000

Coverage shall include, but not be limited to, the following:

* + - * Independent contractors
      * Blanket contractual liability, including tort liability of another assumed in a contract
      * Defense and/or indemnification obligations
      * Cross liability for additional insureds
      * Products/completed operations

1. **Workers’ Compensation.**  For work to be performed in NYS, Contractor shall provide and maintain coverage during the life of the Contract for the benefit of such employees of Contractor that are required to be covered by the NYS Workers’ Compensation Law.

Evidence of Workers’ Compensation and Employers Liability coverage must be provided on one of the following forms specified by the Commissioner of the Workers’ Compensation Board:

* C-105.2 (September 2007, or most current version) – Certificate of Worker’s’ Compensation Insurance;
* U-26.3 – Certificate of Workers’ Compensation Insurance from the State Insurance Fund; or
* GSI-105.2/SI-12 – Certificate of Workers’ Compensation Self Insurance.
* CE-200 – Certificate of Attestation of Exemption

1. **Disability Benefits.** For work to be performed in NYS, Contractor shall provide and maintain coverage during the life of the Contract for the benefit of such employees of Contractor that are required to be covered by the NYS Disability Benefits Law. Any waiver of this requirement must be approved by the Department and will only be granted in unique or unusual circumstances.

Evidence of Disability Benefits must be provided on one of the following forms specified by the Commissioner of the Workers’ Compensation Board:

* DB-120.1 (May 2006 or most current version) – Certificate of Insurance coverage under the NYS Disability Benefits Law;
* DB-155 – Certificate of Disability Self Insurance; or
* CE-200 – Certificate of Attestation of Exemption.

1. **Professional Liability/Errors and Omissions Insurance**

The Contractor shall maintain Professional Liability/Errors and Omissions Insurance with a limit not less than $1,000,000.00 each occurrence, and a limit of not less than $5,000,000.00 aggregate, to cover actual or alleged negligent acts, errors, or omissions by its agents or employees, in the rendering of or failure to render the professional services, under the Contract. The Contractor shall be responsible for payment of all claim expenses and loss payments with the deductible.

The professional liability/errors and omissions insurance may be issued on a claims-made policy form, in which case, the Contractor shall purchase at its sole expense, Extended Discovery Clause coverage for at least three (3) years after work is completed if coverage is cancelled or not renewed.

1. **Crime Insurance**. Crime Insurance, on a “loss sustained form” or “loss discovery form” in an amount not less than $1,000,000, including coverage for:

* Employee Theft;
* Forgery or Alteration;
* Inside the Premises – Theft of Money and Securities;
* Inside the Premises – Robbery or Safe Burglary of Other Property;
* Outside the Premises;
* Computer Fraud and Funds Transfer Coverage; and
* Money Orders and Counterfeit Paper Currency.

Policy must allow for reporting of circumstances or incidents that might give rise to future claims. The policy must include an extended reporting period of no less than three years with respect to events which occurred but were not reported during the term of the policy.

The Department, including its affiliates and subsidiaries, must be included as “Joint Loss Payees” as respects to this specific amount as their interests may appear.

Any warranties required by the insurer must be disclosed and complied with. Said insurance shall extend coverage to include the principals.

1. **Cyber (Internet) Liability**

The Contractor shall maintain Cyber Internet Liability Insurance with a limit of not less than $1,000,000.00 for damages arising from theft, destruction or unauthorized use of electronic data, and/or failing to safeguard another party’s electronic data, including unauthorized access, viruses, attacks on covered systems, theft, extortion, loss of income due to online business interruption, and the cost of investigating the reason for the interruption. If this coverage is made on a claims-made policy form, the Contractor shall purchase, at its sole expense, an Extended Discovery Clause for up to three (3) years after the work is completed if the coverage is cancelled or not renewed.

* 1. **Waiver of Subrogation.** Contractor shall cause to be included in each of its policies insuring against loss, damage or destruction by fire or other insured casualty, a waiver of the insurer’s right of subrogation against the Department, or, if such waiver is unobtainable, (i) an express agreement that such policy shall not be invalidated if Contractor waives or has waived before the casualty, the right of recovery against the Department, or provides (ii) any other form of permission for the release of the Department.

The successful Contractor will indemnify the Department against any and all liability which may be assessed against it as a result of the actions, activities, neglect, or malpractice of the successful Contractor, its officers, employees’ agents, Subcontractors or corresponding attorneys relating to its performance of the functions required.

* 1. **Umbrella and Excess Liability**

When the limits of the CGL, Auto and/or Employers Liability policies procured are insufficient to meet the limits specified, the Contractor shall procure and maintain

Commercial Umbrella and/or Excess Liability policies with limits in excess of the primary; provided, however, that the total amount of insurance coverage is at least equal to the requirements set forth above. Such policies shall follow the same form as the primary. Any insurance maintained by the Department or any additional insured shall be considered excess of and shall not contribute with any other insurance procured and maintained by the Contractor including primary, umbrella and excess liability regardless of the “other insurance” clause contained in either parties policy.

**All forms must name the Department of Taxation and Finance– WA Harriman State Office Campus, Bldg. 9, Rm. 234, Albany, NY 12227, as the Entity Requesting Proof of Coverage (Entity being listed as the Certificate Holder).**

1. **Inventory Placement**

The Department intends to make an initial placement of 50,000 Cases from the unresolved Case pool at the beginning of the Active Collection Phase at the Department’s sole discretion. It is the Department’s intention to replenish the unresolved Case pool with Recalled or returned Cases on a monthly basis.

As noted in **Section II.D., Case Characteristics**, some Cases eligible for placement under the Contract have been previously assigned to a collection agency. It is the Department’s intention to give these Cases lower priority for initial placement under the Contract. There is a possibility that the Contractor may receive new Assessments for taxpayers who have fully paid previous Assessments.

The Department reserves the right to modify Case placements at its sole discretion.

1. **Inventory Retention**

The Contractor will be responsible for identifying non-productive Cases to return to the Department in order to receive new Cases.

In addition, non-Litigated Cases will be placed with the Contractor for a maximum period of 180 days unless a valid and current Installment Payment Agreement (IPA) is in place. At the end of the 180 day period, Cases will be Recalled unless an extension of time is approved by the Department. Extensions will be considered on a case-by-case basis. The Department has sole discretion on approval of an extension and the decision of the Department is final.

The Department reserves the right to Recall any Case at any time, based on law, policy, procedure or for any reason the Department deems necessary.

Under no circumstances may any non-Litigated Case remain with the Contractor after Contract expiration or termination. The Department understands Litigated Cases may be in various stages of litigation. The Department will coordinate with Contractor as to the reason a Litigated Case is being Recalled.