



Department of Taxation and Finance

BUREAU OF FISCAL SERVICES
PROCUREMENT UNIT

April 17, 2020

Request for Information (RFI) 19-602 Electronic Payment Processing Services Department's Response to Questions

To All Potential Respondents:

The Department has issued its responses to questions for RFI 19-602 Electronic Payment Processing Services. The responses are contained within this document and also posted to the Department's website at: <http://www.tax.ny.gov/about/procure>.

Please submit your RFI responses as soon as possible, but no later than May 1, 2020.

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#	RFI Page # / Section	Question	Response
1	General Question	<p>A. Who is the current provider of these services?</p> <p>B. Do they provide all listed services: ACH Debit, ACH Credit, Fedwire, and Credit Card?</p>	<p>A. The current service provider is Wells Fargo Bank, N.A. with FISERV as a Subcontractor.</p> <p>B. Yes, they provide all listed services.</p>
2	General Question	Are any in-person services in scope? If so, how many POS devices are needed?	There are no in-person/ POS services within the scope of this RFI.
3	General Question	Which bank is the banking services provider? (i.e. where funds are deposited)	The current vendor for these services is Wells Fargo Bank, N.A.
4	General Question	If known, please supply the number of debit/credit card chargebacks in the last 12 months.	<p>American Express: 37</p> <p>Discover: 16</p> <p>Master Card: 40</p> <p>Visa: 88</p>
5	General Question	If known, please supply the number of e-check returns in the last 12 months.	154,859 – between 3/1/2019 and 2/29/2020
6	General Question	Is the State looking for a single vendor to provide all services: ACH Debit, ACH Credit, Fedwire, and Credit Card? Or could several awards be made for different services?	The Department is looking to provide a single award to a vendor that provides all services.
7	N/A	<p>Does NYS DTF offer constituents the option to pay taxes via cash, credit card and/or checks at walk-in locations?</p> <p>If so, how many walk-in locations are there?</p> <p>Are these walk-in locations NYS DTF locations?</p>	No, DTF does not offer this option.

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8	N/A	Does NYS DTF utilize a third party to collect taxes at walk-in locations?	The Department does not have walk-in locations.															
9	N/A	If walk-in locations are being used are they available year round or seasonal during tax season?	The Department does not have walk-in locations.															
10	N/A	Is DTF able to provide the number of payments received and the annual funds collected by payment type (cash, credit card, checks)?	<p>Payments received in 2019 for the methods covered under the current Electronic Payments Contract:</p> <table border="1"> <thead> <tr> <th>Method</th> <th># of Transactions</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>ACH Debit</td> <td>9.4 million</td> <td>\$51.6 billion</td> </tr> <tr> <td>ACH Credit</td> <td>2.9 million</td> <td>\$51.9 billion</td> </tr> <tr> <td>Fedwire</td> <td>715</td> <td>\$339 million</td> </tr> <tr> <td>Credit Card</td> <td>260,000</td> <td>\$177 million</td> </tr> </tbody> </table>	Method	# of Transactions	Total	ACH Debit	9.4 million	\$51.6 billion	ACH Credit	2.9 million	\$51.9 billion	Fedwire	715	\$339 million	Credit Card	260,000	\$177 million
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11	N/A	Is there an incumbent vendor currently performing these services?	Yes, Wells Fargo Bank N.A.															
12	N/A	Has funding been secured for this type of project and if so, through what means?	Funding for these services will be secured at the time services are implemented.															
13	N/A	If the RFI greenlights an opportunity, what would the estimated timeline or target be for solicitation?	The Department is unable to provide a timeline, however the current contract for electronic payment services expires December 31, 2020 with the option to extend the contract for one additional year.															
14	N/A	Is there a NY State law that requires the New York State Department of Taxation and Finance to only	No.															

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		allow a State or Federally chartered bank to perform these services. If so, provide the citation of the law.	
15	Contract	<p>We are familiar with the provision of custom solutions for federal entities and the related regulatory driven oversight and contract terms. The oversight and contract terms can be acceptable for these discrete and custom sites.</p> <p>We believe that the majority of the solution NYS requires related to this RFI may be developed as a separate and discrete solution and, therefore, for that component, normal tax entity legal and oversight provisions may be acceptable.</p> <p>However, applying these legal and oversight provisions to basic bank services such as deposit accounts, internet banking, ACH processing and credit card payments would likely prevent us from bidding. Would NYS be open to carving out and accepting contract language more aligned with traditional bank services for these basic banking services? For example we may accept NYS DTF's background check provisions for discrete and custom sites. We cannot accept them for bank wide products.</p> <p>We would likely be unable to proceed without the aforementioned differentiating approach.</p>	The Department highly encourages vendors to include those circumstances that would prevent them from bidding if a solicitation was issued in the future with their response to this RFI.
16	2/RFI Overview	How are the 260,000 credit cards payments totaling \$177 million annually broken down by the three DTF tax programs?	Assessments Receivables = 221,513 / \$117,084,615 Personal Income Tax = 37,965 / \$59,912,300 Vapor = 540 / \$315,000

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17	Overview/Page 2	Is NYS looking to consolidate the PromptTax and the two Non-PromptTax ACH and Fedwire payments into a single PromptTax solution?	No
18	Overview/Page 2	A. What payment processing system is NYS currently using? B. What requirements does it fulfil now? C. What is the nature of or specific new requirements?	A. The Department currently uses a system that was developed in conjunction with our current vendor. B. The current system fulfills all requirements except Preliminary Requirement 2.7. C. The new requirement is Preliminary Requirement 2.7: <i>“The Bidder must have the ability to block the origination of Credit Card transactions that contain specific Credit Card numbers provided by DTF.”</i>
19	Overview/Page 3	What payment networks need to be supported for payments? (e.g. Visa, Mastercard, Amex, Discover)	The Department currently requires the following credit cards: Visa, Master Card, Discover, and American Express. The Proposer must accept branded debit cards and pre-paid cards as credit cards.
20	Overview/Page 3	A. What format must the daily data transmission files to DTF be? (e.g. Excel, csv, pdf, etc.) B. Do the files need to be customizable?	A. Data transmissions to DTF must be in XML format. B. Yes
21	Overview/Page 3	What is the annual budget/expense of the current solution?	\$3.3 million
22	Overview/Page 3	Is the state’s objective to modernize the system leveraging solutions such as cloud or to maintain the current level of technology?	The Department is interested in possible enhancements to provide efficiencies for the State. The Department recommends providing information regarding any such enhancements in the response to the RFI.

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23	Overview/Page 3	<p>A. Is the current solution managed by multiple vendors and how is this business architecture set up?</p> <p>B. How does the state want to improve or adjust based upon future needs?</p>	<p>A. The current solution is managed by a Primary Contractor, utilizing 1 Subcontractor.</p> <p>B. The Department is interested in possible enhancements to provide efficiencies for the State. The Department recommends providing information regarding any such enhancements in the response to the RFI.</p>
24	Overview/Page 4	When is expected peak volume at peak period processing?	Tax programs have peaks around their payment due date. Payments can be due daily, monthly, quarterly, and annually. Please refer to the Department's website for the due dates for each tax type.
25	1/1.3	Please provide clarification on whether the Primary and Subcontractor have provided these same services together (as a primary and sub) for a minimum of 3 years or if we qualify having this experience separately.	The Primary and Subcontractor must have provided these same services together.
26	Page 2; Section 1. Qualifying Minimum Requirements	Is it a requirement that a Bidder be a "a State or Federally chartered bank"? If so, can a vendor providing electronic payment processing partner with a Bank in response to this RFI?	Yes, the Bidder must be a State or Federally chartered bank. Subcontracting is allowed; however, the primary Bidder must be a State or Federally chartered bank.
27	2/2.1	Are incomplete transactions being defined as a rejected or declined transaction?	<p>Incomplete transactions are defined as:</p> <ul style="list-style-type: none"> • Any submission that is unsuccessful for any reason during the "intake" process; and • Any declined card transaction.
28	2/2.2	What percentage of NY State DTF's ACH payments are returned as unauthorized and credit card	<p>ACH payments = approximately .09%</p> <p>Credit Card = approximately .02%</p>

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		transactions are chargebacks due to unauthorized dispute by the payer?	
29	Preliminary Requirements/ Page 2- Section 2.6	Requirement states that the Bidder must agree to only a percentage-based convenience fee (with no minimum fee) for credit card transactions. Can the state share current percentages or if there is a limit on the maximum convenience fee?	The current percentage for Credit Card convenience fee is 2.25%. There is no limit on the convenience fee.
30	Preliminary Requirements/ Page 2- Section 3.1	Does the state have a current application/suite of applications that it is looking to modernize/migrate to a modernized architecture?	No, the Department is requiring the bidder to develop and maintain an electronic payments system that will integrate with the Department's current system.
31	4/2.6	Which credit and debit cards will be required as payment options for tax payers?	The Department currently requires the following credit cards: Visa, Master Card, Discover, and American Express. The Proposer must accept branded debit cards and pre-paid cards as credit cards.
32	Preliminary Requirements/ Page 4- Section 2.6	Besides the convenience fee, are there any other fees that need to be shown?	No other fees need to be shown.
33	Preliminary Requirements/ Page 4- Section 3.2	What kind of notifications need to be sent to the user? (email, SMS, mail, etc.)?	A real-time notification is used.
34	Preliminary Requirements/ Page 6- Section 4.3	What format of reconciliation is required? (e.g. CSV, EDI, ISO, etc.)	This is not a transmission of a reconciliation, rather payment transactions that have been reconciled to deposits. This transmission must be in XML.
35	6/5.1	Are the required customer service calls to assist taxpayers with completing a payment over the phone?	Yes.

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36	6/5.1	<p>A. What is the average monthly volume of calls?</p> <p>B. What is the average call length?</p>	<p>A. Average per month is 84 calls.</p> <p>B. Average call length is 2.96 minutes.</p>
37	6/5.1	Will the bidder invoice NY State DTYF for the customer service calls or of the calls to be supported by the convenience fee charged to taxpayers?	No.
38	Preliminary Requirements/ Page 6-Section 5.1	For the requirement around translation services, is the state looking for real time translation or on an as needed basis?	The services are real time and on an as needed basis. The language service can be provided by the bank's employees or translation service providers when the service is requested by customers.
39	Preliminary Requirements/ Page 6-Section 5.1	Can the bidder leverage third parties to fulfil this requirement?	A Subcontractor is acceptable to provide these services. The Department recommends providing information regarding any customer service in the response to the RFI, including location of customer service centers.
40	8/9.2	Could you please clarify the question? Is the requirement for DTF to be able to transfer misdirected payments internally at DTF?	This requirement is for the Administrative Site to facilitate the transfer of funds between bank accounts and generate the corresponding data records. For example, if the Department receives an ACH credit in the Promptax Sales Tax account and determine the funds were intended for Promptax Withholding Tax, then a DTF user will initiate a transfer on the Administrative Site. This should result in a book transfer from the Promptax Sales Tax account to the Promptax Withholding Tax account. In addition, an adjustment data record should be generated for the Promptax Sales Tax transaction, and a new payment data record should be generated for the Promptax Withholding Tax transaction.

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41	4.1, 4.2, 7.1 ACH, Credit Details	<p>The requirements in these sections are granular. If possible, consider being more open to slight differences from one bank to the next in how they handle basic banking services such as ACH or check processing. This will help prevent disqualification for immaterial differences.</p> <p>Here is an example of where we would ask that the language be modified:</p> <p>The Bidder must agree to give full credit for deposit amounts without any payment holds.</p> <p>We could generally agree to this so long as time frames are met, BUT, would need to qualify the requirement to exclude any international transactions.</p>	<p>Any information a vendor would like the Department to take into consideration in relation to a specific requirement should be included and submitted in the vendor's response to the RFI.</p>
42	6/5.1	<p>Are other call types required besides taking a payment?</p>	<p>As noted in Preliminary Requirement 6.1, there is a contact team required for DTF staff.</p>