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| **BUREAU OF FISCAL SERVICES** **Procurement Unit** |  |  |

**June 14, 2021**

**Request for Proposals (RFP) 20-100**

**Electronic Payment Processing Services**

**Response to Round One Bidder Questions and Amendment #1**

To All Potential Bidders:

Attached are the Department’s Responses to Round One of Bidder Questions received for the above referenced RFP.

Additionally, the Department is issuing Amendment #1 as clarification to:

* Amend the Schedule of Events
* Amend the RFP Overview
* Amend RFP Table 1. Qualifying Entity Requirements, Requirement 1.5
* Insert new Requirement 1.6 in Table 1. Qualifying Entity Requirements
* Amend RFP Table 2.1. Functional Requirements, Requirement 2.5.B.1
* Amend RFP Table 2.5. Insurance Requirements, Requirement 1
* Amend RFP Attachment 5, References

Corrected pages are attached to this document. All deletions are shown as red strikethrough text and additions are made in underlined blue text.

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

| **#** | **RFP REFERENCE** | **QUESTION** | **RESPONSE** |
| --- | --- | --- | --- |
| **SECTION** | **REQUIREMENT** | **PAGE** |
| **1** | Schedule of Events |  | 5 | The amount of time between when DTF provides round 1 answers and when round 2 questions are due is not long enough given the complexity of this RFP. Bidders will likely have put forth their material questions during round 1 and will need to see DTF responses before being able to go much farther. Once bidders see the DTF Responses they will need time to digest and develop final questions including time for the legal team to perform its review. Recommend shifting the date out to June 25th if acceptable to DTF?  | **The deadline for submitting Round 2 Bidder questions is postponed to July 2, 2021. See Amended Schedule of Events.** |
| **2** | Preface | H. Contract Term | 8 | Would DTF consider allowing two contracts? One for merchant services and one for the remainder of the requirements? | **No.** |
| **3** | Overview | A | 10 | Will the chosen bank be required to open bank accounts as part of the solution? If yes – what are the average balances in the accounts? | **Yes. See RFP Table 2.1, Requirement 2.7.A.**

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| **Average Balances for CY 2020:** |
| **JAN** | **$116,127,546.46** |
| **FEB** | **$107,392,096.21** |
| **MAR** | **$89,337,769.52** |
| **APR** | **$63,378,036.27** |
| **MAY** | **$148,710,168.35** |
| **JUN** | **$99,312,602.17** |
| **JUL** | **$85,443,115.40** |
| **AUG** | **$77,394,235.50** |
| **SEP** | **$59,267,416.40** |
| **OCT** | **$72,631,099.42** |
| **NOV** | **$100,194,465.74** |
| **DEC** | **$107,658,222.83** |

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| **4** | Overview: | first sentence | 10 | The first sentence of the Overview indicates you are looking for a State or Federally Chartered Bank. Is the State is [sic] willing to modify requirements to allow non-bank payment providers to apply, as long as they have a bank sponsor? We want to confirm this very important question with you before we begin working on this very large scale project.  | **No, the Department will not modify the Qualifying Requirements. The Contractor must be a state or federally chartered bank. The bank may utilize a Subcontractor(s) acceptable to DTF to perform the Services solicited in this RFP, including a non-bank payment processing provider. See RFP Overview.**  |
| **5** | Overview | para 1. | 10 | [The Potential Bidder] is an electronic payment processor with full capabilities to include sponsoring merchants into the Card Networks and securing Merchant Bank Acquirers. Would [The Potential Bidder], with card networks and bank integrations qualify as the Contractor? | **No.** |
| **6** | Overview | para 3 | 10 | If a Bank is required to be the Contractor (most banks do not have organic payment service capability) would they be required to take liability for their processing subcontractor? | **The Contractor is legally responsible for the performance of the Agreement, including performance by its Subcontractor(s). See Preliminary Base Contract (Exhibit T to the RFP) at Article XXVI. The Contractor may utilize a Subcontractor(s) acceptable to DTF to perform the required Services solicited in this RFP, but the Contractor is ultimately responsible to ensure that all Services are performed in accordance with RFP Requirements and the resulting contract between DTF and the Contractor.**  |
| **7** | Overview |  | 10 | What are the criteria to determine if the Contractor’s subcontractor would be acceptable to DTF? | **Subcontractors must be qualified, responsive, and responsible, and agree to meet all terms and conditions of the contract.** **See, e.g., the following RFP Requirements related to Subcontractors: RFP Table 1, Requirements 1.5 and 1.6, Table 2.2, Requirement 3.2, Table 2.5, Requirement 1, Table 2.6, Requirement 1, and the Preliminary Base Contract (Exhibit T): Article XXVI, B.** |
| **8** | Overview |  | 10 | NY is seeking a state or federally chartered bank for this project. Would you accept a bid from a non-bank alternative that could provide most of the services listed?  | **No.** |
| **9** | Overview |  | 10 | DTF mentions IVR on page 10 and 12. Is the IVR to be used just for the Card Contractor Hosted Payment Application for Non Prompt Tax payments? Or, does DTF want that for the Prompt Tax ACH debit program as well? Do you have IVRs in place and for which programs? What were the usage volumes of the IVR by program in 2020?Do you currently have CSR’s supporting the ability to transfer out of an IVR to a real person? If so for which programs? If so, how many such calls were made in 2020 for each program?  | **The IVR will only be used for Payment Card payments. The current IVR is not reflective of what has been requested in this RFP. What is reflective are the following figures:** * **Volume of card payments made by IVR for calendar year 2020 - 61,631.**
* **Volume of card payments handled by CSR in calendar year 2020 - 44.**
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| **10** | Overview |  | 10 | DTF mentions that certain DTF accounts will be credited for incoming Prompt Tax and Non Prompt Tax receipts. How many accounts will DTF require?What collected (not ledger) balance level was maintained on average in these accounts in 2020?We assume you will want ACH blocks and filters on all of these accounts? Will you require current and previous day reporting on all of these accounts?How many of the accounts do you NOT write checks from? For the accounts that fall into that category, do you want to install the fraud protection that will auto return any presented checks? | **At present there are 26 bank accounts in use.****The average collected balance in 2020 was $93,903,897.86.****Yes, ACH blocks and filters will be required on all accounts.****Yes.****No checks will be written from any of these accounts. There must be fraud protection to return any presented checks (See RFP Table 2.4, Requirement 4.1).**  |
| **11** | Overview |  | 10 | Is NYS aware that the Card Networks require merchants to be sponsored into the Network and the Merchant Processor has the integrated technology, security, contractual requirements established (including the banking). This may not be the case with the actual Bank entities. | **The Department does not find this to be a substantive question.** |
| **12** | Overview |  | 10 | Is NYS aware that as a transaction processor and merchant acquirer [The Potential Bidder] can deposit funds into any state or federally chartered bank without said bank being involved in the merchant services? [The Potential Bidder] supplies the Acquiring Bank as part of the services and deposits merchant funds into the DDA of the merchants choice.  | **The Department does not find this to be a substantive question.** |
| **13** | Overview | 1.1 | 11 | 1.1 Contractor must allow for zero remit transactions that satisfy a statutory tax filing requirement. Which tax program(s) and payment types does this apply to? Are you saying that the Contractor Hosted Payment Application needs to accept payments in the amount of $0? | **This applies to all PrompTax programs. Yes, the Contractor-Hosted Payment Application must be able to accept transactions that include zero-remit transactions.**  |
| **14** | Overview |  | 11 | For Prompt Tax ACH Credit and FedWire, DTF asks for transactions with missing or invalid addenda records to be identified and processed using business rules provided by DTF. This was not asked for in regards to Non Prompt Tax ACH Credit and FedWires. Was that an oversight? Do you need that for both programs? Can you explain/provide details regarding the business rules you would want to put in place? | **No, this was not an oversight. ACH Credits and Fedwires are treated differently depending on the program. Business rules will be provided during implementation.**  |
| **15** | Overview |  | 11 | DTF notes that it may expand Payment Card use in the future. To what programs? And what are the volumes of each. | **We do not currently anticipate expanding Payment Card payments to existing programs; it is, however, possible that new programs will be implemented and Payment Card payment processing will be offered.**  |
| **16** | All |  | General | Can you provide the Convenience Fee structure and pricing in place now? | **The convenience fee information is available on:**[**https://www.tax.ny.gov/pay/all/wells\_fargo\_**](https://www.tax.ny.gov/pay/all/wells_fargo_card_payment_information.htm)[**card\_payment\_information.htm**](https://www.tax.ny.gov/pay/all/wells_fargo_card_payment_information.htm) |
| **17** | All |  | General | The NYS DTF RFP appears to require a broad range of services. Will multiple sub-contractors be allowed? | **The Department has modified RFP Table 1, to add Requirement 1.6. See Amendment #1.** **The use of multiple Subcontractors is not prohibited, however only one Subcontractor can do electronic payment processing.**  |
| **18** | All |  | General | Who provides the existing gateway/online payments functionality now? | **Wells Fargo, in conjunction with FISERV (formally First Data), provides this functionality.** |
| **19** | All |  | General | Who is the incumbent Bank/Contractor for electronic payments? | **Wells Fargo Bank, N.A.** |
| **20** | All |  | General | Why has NYS DTF chosen to go to RFP at this time? | **The Department does not find this to be a substantive question and respectfully declines to respond to it.** |
| **21** | All |  | General | Is NYS DTF satisfied with their existing Contractor? | **The Department does not find this to be a substantive question and respectfully declines to respond to it.** |
| **22** | All |  | General | Are there any additional middleware, software, VARs, terminal vendors, gateways and or financial institutions the Contractor will be required to connect/communicate with? | **The Contractor must determine and propose what is necessary to meet the Requirements set forth in the RFP.**  |
| **23** | All |  | General | Can you provide an Interchange Summary Report on existing transaction activity? | **The Department is unable to provide this information.** |
| **24** | All  |  | General | [The Potential Bidder] processes for many banks and financial entities. Our services are often provided as an outsourcing vendor. [The Potential Bidder] can potentially be utilized by more than one bidder. What are NYS DTF’s rules or guidelines concerning processor/acquirers being engaged by multiple bidders? | **There is no prohibition on this.**  |
| **25** | General  | n/a | n/a | The norm in banking is that a client would utilize the bank’s internet banking tool and be able to, from there, view, pull information and be pushed information relative to all incoming receipts. We off [sic] a very rich array of file transmissions and reporting solutions. Retention periods are quite long in bank’s internet based banking systems and adequate for most clients’ needs in terms of retention and reporting. And of course we can transmit data that would allow DTF to retain its own independent long term storage.When we look at your payments, the grand majority (11.4 million) are standard banking receipts composed of ACH debits and credits along with wires. Standard banking portals can offer rich reporting and storage. Same for the Prompt Tax ACH debit files. We can accept and report back whatever information Tax requires online when taxpayers are making those payments. Same for the online Card Payments. If DTF requires information from payors we can provide it back to you. If you want daily reporting by tax type there are a variety of ways to accomplish that.Would DTF like to more fully explore the robust functionality that already exists within the banking industries internet based banking systems? We ask this because DTF seems to be requiring extensive reporting from the Data Base. And as we note above, we believe we already offer extensive reporting from the Bank’s online systems.Can DTF please explain what is driving the desire to have an external Payment Data Base? Understanding why and what DTF wishes to accomplish will be very beneficial. | **The Department controls its RFP Requirements, including reporting and storage requirements.  It does not negotiate them with Bidders (in Q&A or otherwise). The Bidder must agree to all mandatory Requirements and should also provide additional information on a subject when requested to do so.****The external database is needed to store payments in every status from warehouse through paid, or adjusted, with the tax-specific data associated with those payments. It will be used for tracking, searching, canceling, and reporting.** |
| **26** | General  | n/a | n/a | The RFP’s requirements are unusual. We find ourselves confused about the vision for the Contractor Hosted Data Base vs the Contractor Hosted Application. In some instances what we view as standard in the Bank’s internet based banking system like reporting seems to have been shifted and is required from the Data Base. This RFP is far enough outside of the norm that it will be extremely challenging to, via two rounds of Q&A, to fully understand what DTF seeks relative to what most banks already offer and then be able to understand and scope a solution for that part of the requirements that will truly have to be custom to DTF. **Would DTF consider having a WebEx to present and allow for questions and answers?**  **We can offer a data base capability but would have to keep our standard reporting in our online banking systems – it is not clear if this is helpful. Please advise?** **Related, a pricing line item for all transaction data housed in the data based would be required. Is this acceptable?** Related question: **how do we define data being transmitted to the database? Is it per transaction?** | **As of this time, the Department has not made a decision to hold a pre-Bid Conference. DTF advises Bidders that the RFP should be read in its entirety and in conjunction with all exhibits, attachments, and appendixes to obtain a clear understanding of all requirements.The Department controls its RFP Requirements, including reporting and financial proposal requirements. It does not negotiate them with Bidders (in Q&A or otherwise). The Bidder must agree to all mandatory Requirements and should also provide additional information on a subject when requested to do so. Bidders should bring forward specific terms and conditions, if any, that would prohibit a Bidder from bidding during the two opportunities afforded to submit Bidder Questions. The Department will review, evaluate, consider, and respond to the questions raised. See RFP at Preface., B. (Proposal Questions/ Inquiries). If, in the judgment of the Department, it is in the best interests of the State to modify a requirement, the Department may do so via amendment.The Department requires the ability to run the reports from the Contractor-Hosted Payment Database shown in Exhibit E, Sample Reports. All costs associated with providing the Services must be incorporated into the service lines as presented on Attachment 21. The Department will not be making any additions of service lines to Attachment 21, nor should Bidders.**  |
| **27** | All |  | N/A | Are there any liquidated damages associated with this contract? | **No. However, please refer to the Preliminary Base Contract, Exhibit T to the RFP, at Article XVIII (Performance Deficiencies, Corrective Action, Remedies and Reimbursements).** |
| **28** | Misc. |  | n/a | What was the volume of NOCs in 2020? (1.11 p 18-19)What was the volume of checks deposited in 2020? (2.7.B p 36-37)What was the volume of ACHs for which DTF required that the Bank automatically attempt to reclear after an initial return (3.4 p 39) | **The Department does not track this information.****The Department received two checks which would have been deposited into these accounts in 2020.****The Department does not track this information.** |
| **29** | 1 | n/a | 10 | Is DTF looking for the Contractor to only build and manage the payment application pages or are you also looking for the tax applications web pages to be built and maintained as well? | **The Department is unclear what is meant by “tax applications web pages.”Refer to Table 2.1, Requirement 2: Contractor-Hosted Web Applications, for the applications required to be developed, hosted, and maintained by the Contractor.**  |
| **30** | 1 | n/a | 10 | Will the DTF PrompTax site provide the payment instructions for Fedwire and ACH Credit? | **Payment instructions for Fedwire and ACH Credit are provided on Department-hosted pages. For more information, see** [**www.tax.ny.gov/bus/prompt/**](http://www.tax.ny.gov/bus/prompt/) |
| **31** | 1 |  | 13 | I use software as a service methods with my banking methods. The softwares I use are QuickBooks & Sqaure [sic]. I also have a business bank account. Does that qualify as a chartered bank. The Bank I use is Navy Federal Credit Union Business Banking. | **No.** |
| **32** | 1 | 1.5 | 14 | To confirm, if the bidder is using a sub-contractor, one of the two references has to include a contract where the bidder is the prime contract holder and the subcontractor is being used in the same capacity/service role as they would be for this solicitation? | **The Department has amended RFP Table 1, Requirement 1.5 and related Attachment 5, to clarify this Requirement. See Amendment #1. The Bidder does not have to be prime. The Subcontractor does have to be in the same service role as they would be for this solicitation.** **See also Response to Question 36.**  |
| **33** | 1 | 1.5 | 14 | Can one of the two required references be from the subcontractor where the bidder is not the prime contract holder? | **The Department has amended RFP Table 1, Requirement 1.5 and related Attachment 5, to clarify this Requirement. See Amendment #1. Yes, one of the reference contracts can be a client reference for the Subcontractor acting as a payment processor** **and the Bidder need not be prime (or even involved in that second reference contract).****See also Response to Question 36.**  |
| **34** | 1 | 1.5 | 14 | Can the State further define the parameters of ‘comparable scope’ as called out in the following sentence regarding references: Such services must be of comparable scope to the Services of this RFP. | **The Department has amended RFP Table 1, Requirement 1.5 and related Attachment 5, to clarify this Requirement. See Amendment #1. The payment processing services provided under the reference contracts should involve processing ACH Debit, ACH Credit, Payment Card, and Fedwire transactions on a large-scale.** |
| **35** | 1 | 1.5 | 14 | Would you consider changing the wording in section 1.5 to include the highlighted language: *“The Bidder and any subcontractor must have, and be able to demonstrate, its relevant operational experience by submitting two (2) reference contracts each demonstrating the following required experience.Within five (5) years immediately preceding the submission of its proposal, the Bidder and any subcontractor must have provided at least three (3) years of continuous electronic payment services. Such services must be of comparable scope to the Services of this RFP.”*  | **The Department has amended RFP Table 1, Requirement 1.5 and related Attachment 5, to clarify this Requirement. See Amendment #1.**  |
| **36** | 1 | 1.5 | 14 | Please provide clarification on whether the Primary and Subcontractor have to have provided these same services together (as a primary and sub) for a minimum of 3 years or if we can qualify having this experience separately?  | **The Department has amended RFP Table 1, Requirement 1.5 and related Attachment 5, to clarify this Requirement. See Amendment #1. If the Bidder's Proposal includes an electronic payments processor Subcontractor (“Processor Sub”), at least one of the two reference contracts provided must be a joint reference contract that involved the Bidder acting as a bank and the Processor Sub acting as an electronic payments processor on that reference contract (the Bidder need not have been the prime contractor on the joint reference contract).** |
| **37** | 2.1 | 1.1 | 15 | *The Contractor must provide a payment solution that allows for the processing of electronic payments received from taxpayers via the following methods:• Contractor-hosted Payment Applications (ACH Debit and Payment Card). The Contractor must allow for zero remit transactions that satisfy a statutory tax filing requirement.• Batch file transmissions from DTF (ACH Debit).• ACH Credit.• Fedwire.*What does contractor need to do with zero remit transactions to satisfy a statutory tax filing requirement? What track and reporting of these zero remittance activities is required? Does this information need to be included in the contractor hosted administration site for tracking purposes? | **The statutory tax filing requirement is the taxpayer's requirement to report to DTF when there is no tax liability (payment) associated with the transaction.** **The data for zero remit transactions must be stored and transmitted to the Department. The zero-remit information would be included in one of the standard reports specified in RFP Table 2.1, Requirement 3.3. See RFP Exhibit E for Sample Reports. Yes, this information must be included in the Contractor-hosted Administrative Site for tracking and reporting purposes.** |
| **38** | 2.1 | 1.1 | 15 | Is DTF collecting the ACH Debit payments and planning to send them in a separate NACHA file or are these part of the web payment application to collect ach payments? | **DTF will collect the non-PrompTax ACH Debit transaction information and send in XML batch files to the Contractor. These will not be in Nacha file format. See Exhibit I – Sample Outgoing Batch File Layout.PrompTax ACH Debit transaction information will be collected as part of the web payment application to be provided by the Contractor.**  |
| **39** | 2.1 | 1.1 | 15 | Please clarify the definition for zero remit transactions. | **A zero remit transaction is a PrompTax transaction in which there is no tax due. The taxpayer must submit the transaction to the Contractor to satisfy their statutory filing requirement and to inform the Department there is no liability for that period of time. Once submitted, the transaction will be stored and exported to DTF; no subsequent ACH processing is required.**  |
| **40** | 2.1 | 1.1 | 15 | Please clarify zero remit transaction and provide and [sic] example. | **A zero remit transaction is a PrompTax transaction in which there is no tax due. The taxpayer must submit the transaction to the Contractor to satisfy their statutory filing requirement and to inform the Department there is no liability for that period of time. Once submitted, the transaction will be stored and exported to DTF; no subsequent ACH processing is required.**  |
| **41** | 2.1 | 1.2 | 16 | Please provide examples of payment methods you are considering for the Contractor to develop or extend. | **One example would be adding Payment Card to a program where it is not currently an option. Another example would be to add ACH Credit and/or Fedwire to a program where these payment methods are not currently offered as payment options.**  |
| **42** | 2.1 | 1.6 | 17 | *The Contractor must not consider any Contractor-hosted transaction to be complete until successful submission of the transaction, including confirmation number assignment to the transaction.Transactions are considered incomplete when the user exits the application prior to submission, or if the submission is unsuccessful for any reason. Incomplete transactions are not to be assigned a transaction number. However, records of such attempts are to be maintained for analysis review.Incomplete transaction records must be retained for the term of the Agreement. However, the incomplete transactions must not be included in any data files provided to DTF.*Who should have access to the Incomplete Transaction records?Who is responsible for performing "analysis review" of these records?Would a Standard Report Suffice? | **Approximately six Department staff must have access to review the incomplete transaction records. Department staff are responsible for performing analysis review, but may require assistance or feedback from Contractor staff. Yes, as long as the standard report is as described by DTF in the RFP Requirements.**  |
| **43** | 2.1 | 1.7 | 17 | 1.7 The Contractor must assign the appropriate standard entry class (“SEC”) codes for all ACH Debit transactions. For ACH Debit transactions created from batch files received from DTF, DTF will provide information such as the account type and method of authorization, to be used in identifying the proper SEC code.Authorization methods will include, but not be limited to:• Web• Telephone (CSR)• IVR• Paper tax returns MeF (third-party software providers)Question: This requirement is not clear to us. Can you expand please to include the reference to paper tax returns? | **DTF accepts ACH Debit authorizations via paper tax return filings. The filing method will be included in the batch file transmitted to the Contractor and must be used with other data to determine the proper SEC code.**  |
| **44** | 2.1 | 1.11 | 18 | *• For PrompTax ACH Debits, a Nacha acceptable real time account validation for first use of bank account on WEB ACH debit transactions.*Is the state interested in validating the account number and routing codes only?  | **Yes.** |
| **45** | 2.1 | 1.7 | 18 | Please provide a list of the 3rd party softwares. Can you provide a use case for the different softwares? | **The software referenced in this requirement is tax preparation software allowing for the electronic submission of tax returns to the Department. The Department will define these as MeF transactions in the batch file.** |
| **46** | 2.1 | 1.8 | 18 | 1.8 For which tax types and payment categories will there by IATs? Are you saying we should be prepared to process IATs coming in through Prompt Tax ACH credits? Or Non Prompt Tax ACH credits? How many IATs do you expect to receive per annum?  | **IATs can be received and originated for all PrompTax programs, and received for non-PrompTax programs that allow for ACH Credit [1. Corporation Tax and 2. Employer Compensation Expense Program (ECEP)].****The IAT counts for 2020 were as follows:**

|  |  |
| --- | --- |
| **Count** | **Payment Method** |
| **135** | **ACH Debit** |
| **5** | **ACH Credit** |

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| **47** | 2.1 | 1.8 | 18 | Which countries do you expect to make payments by International ACH Transactions? Is this ACH Debit or Credit? | **Currently all originated ACH Debits, including IAT, are sent to an RDFI within the territorial jurisdiction of the United States. The transactions are considered IAT because the user affirmed the funds for the payment came from an account outside of the U.S.IATs must be supported for ACH Debit and ACH Credit.**  |
| **48** | 2.1 | 1.8 | 18 | *The Contractor must have a process in place to support International ACH Transactions (“IAT”).*Does the State require the origination of IAT within the domestic US to other domestic banks or is there a need to collect and disburse tax payments cross border to other countries? If the need is for cross border international ACH can the state provide a list of countries and volumes by country? Is there any special reporting required of IAT entries? | **The Department requires the origination of IAT within the domestic U.S. to other domestic banks.** **IAT indicators are required to be stored with the payment transaction, however special reporting of IAT entries is not required.**  |
| **49** | 2.1 | 1.8 | 18 | Please define “support” IAT? Are these Inbound or outbound transactions, or both? What is the expected volume? | **“Support” means that the Contractor must be able to perform all functions required by this RFP with respect to payments processing of IAT entries. The Contractor must support the origination (ACH Debit) and receipt (ACH Credit) of IAT entries. The IAT counts for 2020 were as follows:**

|  |  |
| --- | --- |
| **Count** | **Payment Method** |
| **135** | **ACH Debit** |
| **5** | **ACH Credit** |
|  |

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| **50** | 2.1 | 1.11 | 19 | 1.11 The Contractor must provide the Department a means by which DTF will be, and remain during the term of the Contract, compliant with all Nacha Operating Rules and Guidelines, including, but not limited to:• A means by which the DTF’s ACH Debit entries will be systematically corrected/changed in response to any Notice of Change (NOC) received by the Contractor.For PrompTax ACH Debits, a Nacha acceptable real time account validation for first use of bank account on WEB ACH debit transactions. The annual estimated volume of these first time use validations is 1,700. Questions:How many NOCs did DTF have in 2020? What portion occurred for Prompt Tax ACH debit payments? How many from Non Prompt Tax ACH debit files transmitted to the Bank by DTF. We see you have a requirement related to the Prompt Tax Web ACH Debit process and complying with NACHA rules regarding the first use of a bank account. Related, how does DTF plan to validate new or changed ACH Debits for Non Prompt Tax? Does DTF want to use an Account Validation tool? If so, how many of the $8.5 million ACH Debits for Non Prompt Tax payments do you think you would want to validate? | **The Department does not track the volume of NOCs.** **For ACH batch transactions, the Department is implementing a separate bank account validation solution. The Contractor will only be required to validate the first use of a bank account on a WEB transaction for the PrompTax programs.** |
| **51** | 2.1 | 1.11 | 19 | Does DTF consider prenotes an option for first-time WEB validations? | **No.** |
| **52** | 2.1 | 1.11 | 19 | How are first-time WEB entries identified for validation in the debit files? | **First-time WEB entries will not be identified for validation in the files transmitted by the Department to the Contractor because they will already have been validated by the Department by other means before transmission of the batch files. This Requirement is related to first-time WEB entries in the Contractor-hosted PrompTax applications.** |
| **53** | 2.1 | 1.14 | 20 | 1.14 Warehousing of payments. Does this have to do with the Non Prompt Tax Contractor Hosted Card Program and the Contractor Hosted ACH Debit Program? How many tax types will be part of each of these two Program? And how many of these do you want to be able to warehouse payments?We do understand that you may transmit batch files to the Bank with payments that have effective dates in the future. The above questions relate to the Contractor Hosted Programs only. | **In addition to batch files, this is related to Contractor-hosted ACH Debits. All PrompTax ACH Debit transactions must have the ability to be warehoused.** **Payment Card transactions are not warehoused.** **For batch files, warehousing of payments is applicable to all program types allowing for ACH Debit transactions, with the exception of certain ACH Debit payments that are processed immediately (i.e., payments for bills, payments submitted on the payment due date).** |
| **54** | 2.1 | 1.14.A | 20 | Per #1.14.A., what is DTF’s maximum warehouse requirement? | **There is no maximum warehouse requirement.** |
| **55** | 2.1 | 1.17 | 21 | *The Contractor must have the ability to identify exception ACH Credit and Fedwire transactions (e.g., those with missing or invalid addenda record or OBI record). These transactions must be included in the exception report shown in Exhibit E – Sample Reports.Examples of exception ACH Credit and Fedwire transactions include, but are not limited to:• No addenda record or OBI record;• Incorrectly formatted addenda record or OBI record;• Incorrect or invalid date values per business rules; or• Taxpayer ID does not exist in taxpayer information file.For the transactions identified as an exception, the Contractor must apply relevant addenda record and OBI record business rules, which may include, default taxpayer IDs and/or standard distribution. These business rules vary by individual program and record layout. Business rules will be provided during implementation.* What is the delivery mechanism of exception reports for FED Wire and ACH Credits? | **Reporting on exceptions is considered a standard report described in Table 2.1, Requirement 3.3, and must be available through the Contractor-hosted Administrative Site described in Table 2.1, Requirement 4.1.** |
| **56** | 2.1 | 1.18 | 22 | Does DTF accept Reversals, and Recalls (i.e. Letter of Indemnity cases?) | **Yes, in appropriate cases.** |
| **57** | 2.1 | 1.19 | 22 | *The Contractor must charge the Payment Card convenience fee separate from the DTF liability payment amount within each transaction. The fee will be paid by the Cardholder and must be displayed as a separate transaction on the Cardholder’s payment statement.The Contractor must, without disclosing the fee in the Technical Proposal, agree to charge Cardholders only a percentage-based convenience fee (with no minimum fee) for Payment Card transactions.*Should we charge the convenience fee in Name of "NY State" or "Contractor"? If the fee should be charged in name of "Contractor" then is it ok to charge it in name of "Sub-Contractor"? | **DTF does not impose the convenience fee and therefore it must not be charged in the name of New York State or the Department. Please see the payment card disclaimer located on our website at:**

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| --- |
| [**https://www.tax.ny.gov/pay/all/wells\_fargo\_**](https://www.tax.ny.gov/pay/all/wells_fargo_card_payment_information.htm) [**card\_payment\_information.htm**](https://www.tax.ny.gov/pay/all/wells_fargo_card_payment_information.htm) |

 |
| **58** | 2.1 | 1.23 | 24 | 1.23 The Contractor must have the ability to block the origination of Payment Card transactions that contain specific Payment Card numbers provided to the Contractor by DTF.Can you tell us a bit more about this request? What occurred with these cards that will have led DTF to want to block a payment using the card? How often does this occur and what is the volume of occurrences in a year. | **The Department requires the ability to block card transactions when there is fraudulent activity. This has not occurred with any frequency.**  |
| **59** | 2.1 | 2.1.A | 24 | Please provide clarification around IFLOW. Is this a homegrown system? | **IFLOW is a “homegrown” web application framework. The Department will provide assets (i.e., HTML mockups, Javascript, stylesheets, and images) for use in the Contractor-hosted applications, to ensure a consistent user experience with Department-hosted applications.** |
| **60** | 2.1 | 2.1.A | 24 | 2.1A How many tax types does DTF plan to include in the Card based web application? What we are trying to get to here is, at this time, how many customized web pages with unique data collection items are contemplated. | **There are currently three tax programs that allow for Payment Card payments in OLS:** * **Personal Income Tax**
* **Assessments Receivable**
* **Cigarette/Vapor Registration**

**Currently there is only one web page utilized for intake of credit card information.** |
| **61** | 2.1 | 2.1.A | 24 | Currently Biller builds hosted page and gives client the HTML to place on their site where they want. Is this is intention for DTF?  | **No, the Contractor must host the specified payment applications.** |
| **62** | 2.1 | 2.1.E | 24 | 2.1.E The Contractor must have the ability to process ACH Debit payments assigning a unique DLN. The assigned DLN must remain associated to the payment throughout the process. The DLN will be alpha-numeric and based on DTF-provided program-specific business rules, and will be assigned to each successfully completed transaction. The Contractor must be willing and able to accommodate DTF’s existing DLN assignment format and range as provided by DTF.Question: this all has to do with the Prompt Tax ACH Debit capability right? As opposed to the Non Prompt Tax Card Payments program? | **Correct. The Contractor must assign a DLN for PrompTax transactions. The Department will assign and share (via secure message) a DLN for Payment Card transactions.**  |
| **63** | 2.1 | 2.2.A | 26 | Who is managing the User ID? How does user access using OLC and Identification? Please explain usage and current process. | **To clarify, the Department is assuming the question is referring to OLS. The Contractor is not responsible for managing the OLS user ID. The user ID and identification number, along with other information, will be shared via secure message when connecting to the Contractor-hosted payment applications. If the user elects to save their bank information while making a payment, the Contractor must store the bank account and routing number along with the user ID and identification number that were shared via secure message. The Contractor will check each connected user to determine if they have a bank account that was previously saved, and if so, display that back to the user. See Exhibit H - Sample Save Payment Data Fields.** |
| **64** | 2.1 | 2.3.B | 27 | Please explain the use case for this ask. | **Currently this is used for DTF to send transaction confirmation emails to taxpayers.** |
| **65** | 2.1 | 2.4.D | 29 | Where are the batch files coming from? Who is sending and what is the purpose of the file? Will we be processing the files or are they being sent for reporting purposes only | **DTF (from New York State) will transmit the batch/payment files for various tax programs to the Contractor. The batch files will contain payment data to be used by the Contractor to originate ACH entries through the ACH payment network, to post information to the Contractor-hosted Payment Database, to provide reporting to DTF, and to make the information available in the Contractor-hosted Administrative Site (e.g. searching and canceling scheduled transactions).** |
| **66** | 2.1 | 2.4.H | 31 | Per requirement 2.4.H., does [sic] the Acknowledgement File intended to confirm ACH processing as well as receipt? | **The acknowledgement file only confirms receipt of the batch file by the Contractor and is not related to ACH processing.**  |
| **67** | 2.1 | 2.5.B | 33 | Are there any additional SLAs for CSR payment call support? | **The RFP outlines all requirements for the Services.**  |
| **68** | 2.1 | 2.5.B | 33 | *The Contractor must provide taxpayer access to telephone customer service for assistance with making an IVR payment.• Callers using the IVR must be able to access a CSR for the purpose of making a payment at any time during telephone service hours. If the caller opts to transfer to a CSR, the call must be answered within 120 seconds of transfer.DTF will provide the Call Processing CSR script during implementation. The Contractor must promptly implement any changes to the Call Processing script that may be required by DTF at other times during the term of the Agreement.Note: Call Processing does not need to have a dedicated phone bank for these services.*Can State provide volume breakdown for IVR and CSR transactions by ACH and Card Payment? | **IVR and CSR are not being solicited for ACH transactions processing; only for Payment Card processing.The current IVR is not reflective of what has been requested in this RFP. What is reflective are the following figures: In 2020, there were 44 Payment Card CSR transactions and 61,631 Payment Card IVR transactions.** |
| **69** | 2.1 | 2.5.B | 33 | Please provide CSR call volumes for the current program. | **The CSR call volumes would not be reflective of the scope of the services required of this RFP. The current CSR services cover more payment methods than are required in this RFP. More calls may have been initiated, however our records only reflect completed payments. In 2020, there were 44 completed payments for Payment Cards.**  |
| **70** | 2.1 | 2.5.B | 33 | What percentage of calls must be answered within 120 seconds of transfer? | **100% of calls must be answered within 120 seconds of transfer.In 2020, there were 44 Payment Card CSR transactions.**  |
| **71** | 2.1 | 2.5.B | 33 | Do they need an 800 number for customer care or will they use existing? Who is currently providing this service? | **The Contractor is required to provide the customer service. An 800 number will not be used specifically for customer service; rather, the option will be available from within the IVR.Wells Fargo, in conjunction with FISERV (formally First Data), currently provides this functionality.** |
| **72** | 2.1 |  | 33 | 2.5.B. The Contractor must provide taxpayer access to telephone customer service for assistance with making an IVR payment.• Callers using the IVR must be able to access a CSR for the purpose of making a payment at any time during telephone service hours. If the caller opts to transfer to a CSR, the call must be answered within 120 seconds of transfer.DTF will provide the Call Processing CSR script during implementation. The Contractor must promptly implement any changes to the Call Processing script that may be required by DTF at other times during the term of the Agreement.Note: Call Processing does not need to have a dedicated phone bank for these services.Does DTF currently have live customer service support for its internet based receipts solution for Prompt Tax ACH Debits and/or Non Prompt Tax Card Payments? We do not offer this currently in connection with our solution and are not planning to add this capability. Would DTF consider using its Customer Service representatives as opposed to requiring this from bidders? Our online payment solution would of course allow for DTF to assist and transact on behalf of tax payers. We will not be able to bid if this term is retained. | **The Department provides its own customer support for internet-based transactions. The requirement being referenced is for IVR, not internet transactions. No, the Department will not consider using the Department's customer service representatives for IVR transactions.**  |
| **73** | 2.1 | 2.5.B.1 | 34 | Please specify the days required for CSR hours of 7 a.m. E.T. – 7 p.m. E.T. For example is this Monday – Friday, 7 days a week, etc.? | **7:00 A.M. ET - 7:00 P.M. ET Business Days. See Table 2.1, Amended Requirement 2.5.B.1.**  |
| **74** | 2.1 | 2.6.A. | 34 | The Contractor must designate a contact team to provide:• clarification and resolution of electronic payment issues; • support for any technical issues that are opened through the help desk described in Table 2.1, Requirement 2.6.B; and • support to DTF in resolving any other issues arising in connection with the Services provided under the Agreement.Minimally, a member of this team must be available on Business Days from 8:00 a.m. to 5:00 p.m. ET. What is the expected volume of technical issue calls?  | **The Department cannot determine an expected volume of technical issue calls at this time.** |
| **75** | 2.1 | 2.7.B | 36 | The Contractor must be able to accept multiple types of deposits which will include ACH Credits, ACH Debits, Fedwires, Payment Cards, and when necessary, physical paper checks (see note).Note: On occasion, a paper check is received by DTF for one of the tax programs, commonly to replace a returned electronic payment. The Contractor must be able to receive and deposit paper checks in the specified bank account. No data will need to be processed for these check deposits.What process is followed by DTF to deposit Paper Checks today? | **The current process in not relevant. This is newly required for this RFP and we expect to mail checks to the Contractor for deposit.** |
| **76** | 2.1 | 2.7.B | 36 | What kind of check deposit services are being anticipated for usage? Remote Deposit or mailing the checks to a bank facility? Do you have volume information related to the same? | **The Department anticipates mailing checks to a bank facility. In calendar year 2020, two checks were deposited.**  |
| **77** | 2.1 | 2.7.D | 37 | Please clarify how DTF is Defining a Chargeback vs a Chargeback Reversal. | **A Chargeback results in the original transaction being reversed and the funds being debited from a Department bank account. A Chargeback Reversal results in those funds being credited back to the Department, either due to the case being withdrawn or found in the Department's favor.**  |
| **78** | 2.1 | 3.2 | 38 | What types of reporting are required for Accounting and Reporting? | **Sample reports are available in RFP Exhibit E.**  |
| **79** | 2.1 | 3.1.A | 38 | State required intraday online balances reporting, what is the expected availability, scheduled reporting or on demand?  | **The Department prefers to be able to access the Contractor's system and see the latest available information for our transactions at any time we need to access it for that purpose.**  |
| **80** | 2.1 | 4.5 | 42 | *The Contractor must provide DTF staff the ability to cancel pending payments on behalf of taxpayers. Such transactions must appear on the Data Output Files.* Does the state require canceled pending payment only for Prompt tax transactions or is the requirement to send back canceled (deleted) transaction from Non-prompt tax ACH payments as well? What are the reporting requirements for Non-prompt tax cancelled/deleted ACH payments? | **Cancel functionality must be available for all ACH Debit payments whether PrompTax or not. All canceled transactions must be transmitted to the Department and available on Contractor-hosted Administrative Site reports. Sample reports are available in RFP Exhibit E.** |
| **81** | 2.1 |  | 44 | Is the Revenue Resiliency requirement a must have? This is not something we currently offer and we would choose not to bid should this term be retained. | **Yes, it is a must have requirement.** |
| **82** | 2.2 | 17.1 | 66 | *In addition, the Contractor must provide the Department with a notarized letter, signed by an official authorized to bind the Contractor, to the Department-designated contact according to the transition plan. This letter must affirm the Contractor has complied with the terms and conditions for records destruction and sanitation requirements prescribed by the Department.*Would DTF consider waiving the notarization requirement due to COVID-19 Protocols and/or public health issues? | **The Department may consider this at the time in which notarization is required. This will not occur until the end of the resulting contract.** |
| **83** | 2.4 | 3.1 | 71 | 3.1 In terms of preventing debits, generally we will of course comply and are able to offer debit blocks. Please note that in certain instances we must allow ACH transactions to be reversed in order to remain in compliance with NACHA rules. We assume this is acceptable. In terms of DTF’s reference to paper remittances in this debit block section, can you please further explain what is meant by that? | **Yes, this is acceptable if the reversal is required by Nacha rules. The Department will not be writing checks against these accounts. The reference to paper remittances is meant to alert the Contractor that no such checks (e.g., fraudulent checks) should be debited against DTF's accounts.** |
| **84** | 2.4 |  | 72 | DTF notes it requires checks be available for immediate withdrawal within one business bay. We cannot meet this requirements and likely other banks cannot. In terms of funds availability to DTF we would provide our very best availability schedule but cannot comply with your one business day requirement. Foreign checks for example take 4 days to clear. Canadian Checks in US Dollars take two days via Remote Deposit, while checks drawn on us will take 0 days and all other domestic checks will take 1. Note also that our availability schedules depend on the deposit channel. Schedules are specific to remote deposit, branch and vault.The grand majority of your checks will clear in the one day time line you desire. Recommend DTF change this requirements to “prefer” and then allow bidders to put forth their availability schedules. Is this acceptable to DTF? | **The Department clarifies that this Requirement only addresses domestic check deposits.**  |
| **85** | 2.5 | 1 | 58 | The Contractor and any Subcontractor, as applicable, must procure and maintain insurance providing coverage against claims or judgements relevant to risks associated with providing the Services. Prior to commencing work under the Agreement, the Contractor must provide the Department with certificates of insurance in a form acceptable to the Department (or other documentation where the entity is self-insured) showing the respective coverages and applicable limits (including deductibles and self-insured retention amounts), for insurance coverages for risks associated with providing these Services. Information concerning coverage types, limits, and other specifics will be set forth in the Insurance section of the Agreement, as negotiated between the Parties. Updated certificates of insurance (or other documentation where self-insured) must be provided to DTF throughout the life of the Agreement.Contractor/Subcontractor considers its deductibles and self-insured retention amounts as highly sensitive business information and does not want such information being subject to the State’s FOIL. Will the State sign off on a non-disclosure agreement for Contractor/Subcontractor to provide deductibles and self-insured retention amounts? If not, will the State allow the information to be redacted or disclosed orally for Contractor/Subcontractor to confirm compliance with the State’s requirements without having such information compromised or subject to disclosure through a FOIL request?  | **The Department has modified RFP Table 2.5, Requirement 1. See Amendment #1.****DTF cannot enter into an NDA to avoid disclosing information that is subject to FOIL. A Bidder can request exemption from disclosure under the FOIL by designating a portion(s) of its Bid as containing material meeting the standard for exemption. See RFP Section 4.2.20 (Request for Exemption from Disclosure).**  |
| **86** | 2.5 | 1 | 58 | Contractor/Subcontractor considers its deductibles and self-insured retention amounts as highly sensitive business information and would request they be included in our list of exempted FOIL items. Can you please confirm if this is acceptable? | **The Department has modified RFP Table 2.5, Requirement 1. See Amendment #1.****A Bidder can request exemption from disclosure under the FOIL by designating a portion(s) of its Bid as containing material meeting the standard for exemption. See RFP Section 4.2.20 (Request for Exemption from Disclosure).**  |
| **87** | 2.5 |  | 58 | Contractor/Subcontractor considers its deductibles and self-insured retention amounts as highly sensitive business information and does not want such information being subject to the State’s FOIL. Will the State sign off on a non-disclosure agreement for Contractor/Subcontractor to provide deductibles and self-insured retention amounts? If not, will the State allow the information to be redacted or disclosed orally for Contractor/Subcontractor to confirm compliance with the State’s requirements without having such information compromised or subject to disclosure through a FOIL request?  | **See Responses to Questions 85 and 86.** |
| **88** | 2.5 |  | 73 | We always have modifications to insurance requirements and have always been able to successfully negotiate same upon award. We will put forth our detailed modifications to the requirements in our proposal (as opposed to trying to address them in the Q&A). Is this an acceptable approach? | **The Department controls its RFP Requirements. It does not negotiate them with Bidders (in Q & A or otherwise). The Bidder must agree to all mandatory Requirements and should also provide additional information on a subject when requested to do so (e.g., the response section of the insurance requirements requests information that should be provided in the Bid). See generally RFP section 2 (Technical Requirements, introductory paragraphs) and section 5 (Proposal Submission Requirements).Bidders should bring forward specific terms and conditions, if any, that would prohibit a Bidder from bidding during the two opportunities afforded to submit Bidder Questions. The Department will review, evaluate, consider, and respond to the questions raised. See RFP at Preface., B. (Proposal Questions/ Inquiries). If, in the judgment of the Department, it is in the best interests of the State to modify a requirement, the Department may do so via amendment. Bidders should be mindful that other provisions (including relating to insurance), are also set forth in the Preliminary Base Contract, Exhibit T to the RFP. Any changes a Bidder proposes to provisions in Exhibit T must be set forth in its Bid in the manner required in the RFP. See RFP section 4.2.19 (Bidder-Proposed Change(s) to Preliminary Base Contract Terms).** **In response to specific terms and conditions raised by other potential bidders, the Department has modified RFP Table 2.5, Requirement 1. See Amendment #1. See also Responses to Questions 85 and 86.**  |
| **89** | 3 | 3.3 | 83 | How are fees paid for today and how have they been paid for historically – via direct fee or compensating balances? | **The fees are currently paid by direct fee. See RFP Section 3.3 and Response to Question 90.**  |
| **90** | 3 | 3.3 | 84 | 1. Question: does DTF pay via Direct Fee? Is it true that OSC sweeps out excess balances such that Direct Fee payment is de facto the way that DTF pays its bank fees? We recommend that given DTF pays in direct fee, the challenging terms in this section be deemed N/A so as to result in a broader set of bidders on the subject RFP. Is this acceptable?We are asking this question because there are several components of the NYS methods of compensation that are not presently acceptable given the current rate environment.2. We don’t and never have converted earnings credit to hard dollar pay outs. If DTF wants to earn interest we would be very pleased to open DTF accounts as interest bearing – that is a reasonable way to address this term. Is this acceptable?3. We can carry forward earnings credit but not beyond DTF’s statement year cycle end. In other words we can carry forward from month to month but any excess will clear out at the end of the year (12/31 or 3/31 if DTF prefers). Is this acceptable?4. With respect to the compensating balance calculation, the addition of the factoring in of “a three-year average spread between OSC’s Short Term Investment Pool rate and the monthly average investment rate on the three month Treasury Bill” … is problematic. Banks operate in the realm of actual rates at a point in time, not 3 year averages. 5. We can offer to pay an ECR as defined in the Direct Fee – that definition excludes the problematic term referenced above and aligns with historical contracts with DTF. Is this acceptable?6. Again, recommend we focus on applicable language and not get bogged down trying to negotiate terms that are N/A given DTF’s propensity to pay direct fees. Is this acceptable? | **OSC reserves the right to determine the method to be used to compensate the Contractor for Services. See RFP Section 3.3. See OSC responses below. 1. DTF currently pays for the services by Direct Fee but maintains the right to change the method of compensation to compensating balance using earnings credits. OSC sweeps the accounts based on available funds, which has no effect on the payment of bank fees. OSC includes the Compensating Balance method of compensation as an option to be considered in times when it would be more cost effective for NYS to utilize such payment method, and intends to retain that capability in any contract that is awarded in connection with RFP 20-100.** **2. Interest bearing accounts will not be considered in connection with this RFP. The State does not consider earnings credit as interest credited to an account; the earnings credit is an offset available against the fees charged for the life of the contract.3. In the event that there is any earnings credit balance at year end, regardless of whether payment has been made by direct fee or compensating balances, such earnings credits must be carried forward into the next year of the Agreement and be made available for the life of the contract.4. A 3-year average is used to compensate for short term fluctuations in rates and market volatility. The OSC STIP investments contain short term, highly liquid and the most secure items in the market. OSC does not take a short-term view and as the contract is for five to seven years, in OSC’s view, this is the fairest compensation method. This requirement has long been used in State contracts and whether problematic for a financial institution “operating in the realm of actual rates at a point in time”, it is accommodated by banks that do business with the State. OSC will not change the calculation.****5. No. See response above.** **6. The alternate payment options must remain to ensure that the State retains the ability to change its method of compensation in the event of changing economic conditions or lack of appropriations for the services. What may be considered N/A by a proposer may not be for another. The State expects all proposers to meet the requirements of the RFP which includes all language deemed applicable by the State.**  |
| **91** | 5.2 |  | 101 | *Proposal Submission: The Bidder must submit two originals and two copies of Volume One: Qualifying and Technical Requirements, Volume Two: Administrative Requirements, and Volume Three: Financial Requirements. All volumes must be bound separately, be clearly identified, and should contain page numbers.*Would DTF reconsider accepting an electric copy in lieu of physical copies due to COVID-19 Protocols and logistical challenges presented by the ongoing work from home environment? | **No.** |
| **92** | Attachments | 5 | 8 | Regarding the annual electronic payment transaction volumes for the references, are there minimum volume requirements for each reference? | **The Department has amended RFP Table 1, Requirement 1.5 and related Attachment 5, to clarify this Requirement. See Amendment #1. No, there is no minimum volume requirement, however it should involve electronic payments processing of ACH Debit, ACH Credit, Payment Card, and Fedwire transactions on a large-scale.** |
| **93** | Attachments | 21 | 36 | Table states 700 transactions per year, does this represent incoming or outgoing total Wires? | **This represents incoming Fedwires.**  |
| **94** | Attachments and Exhibits | Attachment 21 & Exhibit B | N/A | Please confirm breakdown of the 200,000 card payments by card type (Visa, MC, Discover, American Express), by channel (web, IVR, CSR) and percentage of credit card vs debit card. |

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| **Volume by card type** |
| **Visa** | **59%** |
| **Mastercard** | **27%** |
| **American Express** | **11%** |
| **Discover** | **2%** |

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| --- |
| **Volume by channel** |
| **Web** | **69.04%** |
| **IVR** | **30.94%** |
| **CSR** | **0.02%** |

**All Payment Card transactions are currently processed as credit card transactions. We do not have a count of how many of these transactions are debit cards.**  |
| **95** | Exhibits | B | 2 | What is the expected annual volume of ACH returns? | **Approximately 150,000.**  |
| **96** | Exhibits | B | 2 | What is the expected annual volume of ACH Notifications of change? | **The Department does not track the volume of NOCs.**  |
| **97** | Base Contract |  | BC-7 | Transition Period – we view transition periods as a time after a contract expires during which no new transactions occur. The understood meaning is that no new accounts can be opened, no new transactions occur, etc.; rather, the contract is winding down. For example checks that were issued prior to contract maturity continue to work their way through the banking system for presentment, accounts remain open with fraud protections and reporting. Does DTF concur? If not, what exactly can occur transaction and activity wise? We need clarity on this point please?  | **The Department does not agree with this characterization. The Department expects that activity will decrease during the transition period, however, DTF requires full Services be provided as necessary throughout.**  |

**Schedule of Events**

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| Issuance of RFP | 04/22/2021 |
| Deadline for Submission of Round One of Bidder Questions and Deadline for Submission of **Attachment 1, Offerer Understanding of, and Compliance with, Procurement Lobbying Guidelines** | 05/13/2021 |
| Department Response to Round One of Bidder Questions | ~~06/04/2021~~06/14/2021 |
| Deadline for Submission of Round Two of Bidder Questions  | ~~06/17/2021~~07/02/2021 |
| Department Response to Round Two of Bidder Questions | ~~07/01/2021~~07/15/2021 |
| Deadline for Submission of **Attachment 2, Notification of Intent to Bid** | ~~07/15/2021~~07/29/2021 |
| Proposals Due | ~~07/22/2021~~08/06/2021By 2:00 p.m. ET |
| Management Presentation | (week of) ~~10/18/2021~~11/01/2021 |
| Anticipated Notification of Intent to Award | ~~10/28/2021~~11/12/2021 |
| Anticipated Approval of Contract | ~~04/28/2022~~05/12/2022 |
| Anticipated Full Production | 01/01/2024 |

**Overview**

The New York State Department of Taxation and Finance is seeking a state or federally chartered bank to be its Contractor to provide an Electronic Payment Processing Services solution for various NYS tax programs. Services include, but are not limited to: deposit; payment processing; account reconciliation; banking services; a Contractor-hosted Payment Database and Contractor-hosted Payment Applications; and transmission of data, reports, and files using secure data exchanges to support DTF’s four electronic payment methods: ACH Debit, ACH Credit, Fedwire, and Payment Card (credit and debit cards).

The data and authorization for these payment transactions may derive from: paper documents; web applications; electronic transactions filed through the Modernized e-File (“MeF”) system using third party tax software; Interactive Voice Response (“IVR”) system; and customer service representatives (“CSR”). In 2020, the Department processed over 12 million electronic payments representing $103 billion in revenue (See **Exhibit B – Volumes and Revenue**).

The Contractor may utilize a Subcontractor(s) acceptable to DTF to perform the required Services solicited in this RFP, but the Contractor is ultimately responsible to ensure that all Services are performed in accordance with RFP Requirements and the resulting contract between DTF and the Contractor. Note: Only one Subcontractor can perform electronic payment processing. Thus, all requirements expected to be met by the Contractor are equally applicable to, and must be met by all Subcontractors used in performing Services. This is the case even if a particular requirement does not specifically reference use of Subcontractors. For avoidance of doubt, all Services to be performed in connection with this RFP are subject to all Requirements and terms and conditions hereof, and of the Agreement to be entered, regardless whether the particular service provider is the Contractor or its Subcontractor.

1. **DTF Payment Processing Structure**

The solution must support the following structure of the Department’s payment processing services:

* + 1. **PrompTax** **–** A statutorily mandated high-value electronic payment program which allows for ACH Debit, ACH Credit, and Fedwire payments. PrompTax consists of five tax programs and currently accounts for 3.5 million payments totaling $69 billion annually.
			1. **ACH Debit** **–** After logging in to their secure DTF Online Services (“OLS”) account, the taxpayer will be passed (through a secure exchange) from DTF’s site to a Contractor-hosted Payment Application. The secure exchange will carry taxpayer-specific data to allow payments made through the Contractor-hosted Payment Application to be associated to a specific taxpayer ID number. The Contractor-hosted Payment Application must have the same look and feel as the Department’s web applications and comply with required NYS standards for accessibility. The Contractor-hosted Payment Application will collect ACH Debit payment data, after applying tax-specific business rules for both processing the payment and creating data records, to update the Contractor-hosted Payment Database. The solution will maintain quality controls which minimize occurrences of unintended duplicate payment transactions being submitted by a taxpayer while also allowing for multiple intended payments to be made by a taxpayer.
			2. **ACH Credit and Fedwire** **–** PrompTax taxpayers can initiate ACH Credit

| **TABLE 1: QUALIFYING ENTITY REQUIREMENTS** |
| --- |
| **#** | **REQUIREMENT** | **RESPONSE** |
| **1.5.** | ~~The Bidder must have, and be able to demonstrate, its relevant operational experience by submitting two (2) reference contracts each demonstrating the following required experience.~~~~Within five (5) years immediately preceding the submission of its proposal, the Bidder must have provided at least three (3) years of continuous electronic payment services. Such services must be of comparable scope to the Services of this RFP.~~ ~~If a Bidder’s proposal includes a Subcontractor that will provide Services as identified in Table 2.1, Functional Requirements, the Subcontractor must have been used in at least one reference contract in the same respective service role.~~~~Bidders may submit a third reference contract that meets the experience requirement as an alternate reference in the event that one of the primary references fails to respond to DTF outreach.~~ Bidders must demonstrate that they and, if applicable, any Subcontractor proposed to act as an electronic payments processor (“Processor Sub”), have relevant operational experience. To do so, Bidders must submit information for two (2) reference contracts for work performed within five (5) years immediately preceding the submission of the Bidder’s proposal, where the work consisted of at least three (3) years of providing continuous services of comparable scopeto the banking and electronic payments processing services solicited in this RFP, provided that:  1. If the Bidder will provide both the banking and electronic payments processing Services solicited in this RFP, then:
* the Bidder must provide two reference contracts demonstrating it has performed both the required banking and electronic payments processing services solicited.
1. If the Bidder proposes the use of a Processor Sub, then:
* at least one of the two reference contracts provided must be a joint reference contract that involved the Bidder acting as a bank and the Processor Sub acting as an electronic payments processor on that reference contract (the Bidder need not have been the prime contractor on the joint reference contract).
* the other reference contract provided need not be joint between the Bidder and the Processor Sub; it can demonstrate the experience of either the Bidder (bank) or the Processor Sub providing the required banking or electronic payments processing services.

**Alternate References**--Bidders may, but are not required to, submit an alternate reference contract for each of the contract types described in (1) or (2) above, as applicable. Such alternate reference(s) will be contacted only in the event that any required contract reference(s) fails to respond to DTF outreach.  Bidders are responsible for providing references that will respond to DTF outreach.   | The Bidder must affirm that it meets this Requirement, and supply the required reference information. |
| [ ]  | Yes, the Bidder affirms that it meets this Requirement and has supplied the required reference information. |
| The Bidder must provide reference information on **Attachment 5 (References).** **NOTE:** The Bidder is solely responsible for providing contact information of clients that are readily available to be contacted by DTF and will respond to questions. |

|  |
| --- |
| **TABLE 1: QUALIFYING ENTITY REQUIREMENTS** |
| **#** | **REQUIREMENT** | **RESPONSE** |
| **1.6** | If the Proposal includes a Processor Sub, there must be no more than one Processor Sub. | The Bidder must affirm understanding of, and agreement to comply with, this Requirement. |
| [ ]  | Yes, the Bidder affirms its understanding of, and agreement to comply with, this Requirement. |
| **END OF TABLE 1: QUALIFYING ENTITY REQUIREMENTS** |

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|  |
| --- |
| **TABLE 2.1: FUNCTIONAL REQUIREMENTS** |
| **#** | **REQUIREMENT** | **RESPONSE** |
|  | a.m. – 7:00 p.m. ET on Business Days.  | [ ]  | Taxpayer customer service **will** be available from 7:00 a.m. – 7:00 p.m. ET on Business Days. |
| [ ]  | Taxpayer customer service **will not** be available from 7:00 a.m. – 7:00 p.m. ET on Business Days. |
| **2.5.C.** | The Contractor must provide telephone service to taxpayers in the manner described below: * Provide both Spanish- and English-speaking representatives
* Provide translation services for the following languages:
	+ Italian
	+ Haitian Creole
	+ Chinese (both Cantonese and Mandarin)
	+ Russian
	+ Korean
 | The Bidder must affirm understanding of, and agreement to comply with, this Requirement. |
| [ ]  | Yes, the Bidder affirms its understanding of, and agreement to comply with, this Requirement. |
| The Bidder should describe how this Requirement will be met. |
| **Describe:***The space will expand as you type. Provide additional pages as necessary.*      |
| **2.5.D.** | The Contractor must monitor CSR transactions and provide the Department with reporting in order to:* evaluate customer service performance;
* ensure accuracy of information given; and
* ensure compliance with the Requirements for these Services.
 | The Bidder must affirm understanding of, and agreement to comply with, this Requirement. |
| [ ]  | Yes, the Bidder affirms its understanding of, and agreement to comply with, this Requirement. |
| The Bidder should describe how this Requirement will be met. |
| **Describe:***The space will expand as you type. Provide additional pages as necessary.*      |
| **2.6.** | **CUSTOMER SERVICE FOR DTF STAFF** |
| **2.6.A.** | The Contractor must designate a contact team to provide: | The Bidder must affirm understanding of, and agreement to comply with, this Requirement. |

## **2.5. Insurance Requirements**

This section contains the Insurance Requirements.

| **TABLE 2.5: INSURANCE REQUIREMENTS** |
| --- |
| **#** | **REQUIREMENT** | **RESPONSE** |
| **1.** | The Contractor and any Subcontractor, as applicable, must procure and maintain insurance providing coverage against claims or judgements relevant to risks associated with providing the Services.Prior to commencing work under the Agreement, the Contractor must provide the Department with certificates of insurance in a form acceptable to the Department ~~(or other documentation where the entity is self-insured)~~ showing the respective coverages and applicable limits ~~(including deductibles and self-insured retention amounts),~~ for insurance coverages for risks associated with providing these Services. If the Bidder is self-insured for any portion of its insurance coverage(s), a letter indicating the coverage and limits of such self-insurance, signed by the Bidder’s authorized representative with direct knowledge or and responsibility for that insurance/risk management program, must be provided. The Contractor shall be solely responsible for the payment of all applicable deductibles and self-insured retentions.Information concerning coverage types, limits, and other specifics will be set forth in the Insurance section of the Agreement, as negotiated between the Parties. Updated certificates of insurance (or other documentation where self-insured) must be provided to DTF throughout the life of the Agreement.  | The Bidder must affirm understanding of, and agreement to comply with, this Requirement. |
| [ ]  | Yes, the Bidder affirms its understanding of, and agreement to comply with, this Requirement. |
| The Bidder should provide a summary of the Bidder’s current insurance coverages, including the limits and effective dates for each of the following:* General Commercial Liability
* Business Automobile Liability
* Commercial Umbrella and/or Excess Liability
* Privacy, Security, Cyber Liability coverage (including any coverage for failure to protect confidential information and failure of the security of the Bidder’s systems)
* Directors and Officers/Errors and Omissions (Banker’s Professional Liability)
* Financial Institution bond
* Banker’s Blanket Bond Coverage plus Computer Crime (covering Employee Dishonesty)
* Any other insurance the Bidder is required by law to have in place which covers risks attendant to providing the Services

In addition to the broad categories of |

| **TABLE 2.5: INSURANCE REQUIREMENTS** |
| --- |
| **#** | **REQUIREMENT** | **RESPONSE** |
|  |  | coverage set out above, Bidder should state if it maintains the coverages, implements risk programs or employs the risk mitigating tools described in the following list. Where applicable, Bidder should provide coverage amounts/limits for the following:* Data/Information Breach Expenses and related crisis management expenses
* Network Security Breach and Intrusion Expenses
* Privacy and Security Liability
* Business Interruption and Extra Expenses
* Contingent Business Interruption
* Cyber Extortion
* Data Corruption
* Forensic Investigation Coverage
* Regulatory Response Expenses
* Crypto Crime Coverage –addressing the theft and damage to first-and third-party digital assets, whether in hot or cold storage, to which the traditional fidelity bond generally does not respond.
* Utilization of any cyber security rating solutions and/or cyber risk monitoring program.
* Integration of chaos engineering into a vulnerability testing program.
* Pre-defined backup schedule and a strategy with periodic restoration checks, indicating what to back up, when to back up, and on which medium to
 |
| **TABLE 2.5: INSURANCE REQUIREMENTS** |
| **#** | **REQUIREMENT** | **RESPONSE** |
|  |  | back up for purposes of effective recovery.If the Bidder is not insured for ~~or does not have~~ any of the specific insurance coverage or risk related services listed above, the Bidder should list which it does not have and indicate ~~specify~~ whether it will procure any such coverage or risk related services if awarded the Contract, including specifying the ~~type of coverage,~~ policy limits, if applicable, ~~and effective dates~~ to be procured and maintained throughout the Agreement. ~~If the Bidder is self-insured for any portion of its insurance coverage(s), it should provide DTF with a letter spelling out the specific coverage type(s) and limits of such self-insurance, and state whether or not the plan is administered by an insurance company that pays the claims and collects from the Bidder. The letter should be signed by the Bidder’s authorized representative with direct knowledge of, and responsibility for, the Bidder’s insurance/risk management program.~~ The Bidder should specify whether the Department may be added as additional insureds for each of these coverages. |
| **Describe:***The space will expand as you type. Provide additional pages as necessary.*      |
| **2.** | Deposits with the Contractor must be insured by the Federal Deposit Insurance Corporation (FDIC) during the term of the Agreement, including throughout any renewal, extension, and transition period. | The Bidder must affirm understanding of, and agreement to comply with, this requirement. |
| [ ]  | Yes, the Bidder affirms its understanding of, and agreement to comply with, this Requirement. |

| **TABLE 2.5: INSURANCE REQUIREMENTS** |
| --- |
| **#** | **REQUIREMENT** | **RESPONSE** |
| **3.** | Upon Notification of Intent to Award, and as requested by the Department of the Contractor periodically throughout the term of the Agreement, the Contractor and any Subcontractor, as applicable, must provide the Department with their certificates of insurance showing coverages for Workers’ Compensation and Disability Benefits as described in **Section 4.2.9**. | The Bidder must affirm understanding of, and agreement to comply with, this requirement. |
| [ ]  | Yes, the Bidder affirms its understanding of, and agreement to comply with, this. |
| **END OF** **TABLE 2.5: INSURANCE REQUIREMENTS** |

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**(AMENDED) Attachment 5 – References**

|  |  |
| --- | --- |
| **Bidder:** |  |
| Provide complete information for each reference submitted. Expand fields as necessary.**Note:** **Alternate References**--Bidders may, but are not required to, submit an alternate reference contract for each of the contract types described in (1) or (2) of RFP Table 1, Requirement 1.5, as applicable. Such alternate reference(s) will be contacted only in the event that any required contract reference(s) fails to respond to DTF outreach.  Bidders are responsible for providing references that will respond to DTF outreach.  |

| **REFERENCE CONTRACT #1** |
| --- |
| **Client Name** |  |
| **Client Address** |  |
| **Client Contact Person** | **Name:** |  |
| **Title:** |  |
| **Telephone #:** |  |
| **Email Address:** |  |
| **Contract Term** | **From:**  |  | **To:** |  |
| **Contractor Information** | **Reference provided pertains to a client of the Bidder or the Processor Sub (check all that applies):** |
| [ ]   | **Bidder** | [ ]   | **Processor Sub** |
|  | **Processor Sub Name (if applicable):** |
| **Annual Electronic Payment Transaction Volumes** | **Provide annual transaction volumes for one year:** |
| **Year:** |  |  |  |
| ACH Credit Payments:  |  |  |
| ACH Debit Payments:  |  |  |
| Payment Card Payments:  |  |  |
| Fedwire Payments: |  |  |
|  |

|  |
| --- |
| **REFERENCE CONTRACT #1** |
| **Contract Service Description**  | If this is a joint reference contract as required in Table 1, Requirement 1.5, include description of respective services provided by the Bidder and Processor Sub. |
| **END OF REFERENCE CONRACT #1** |

| **ALTERNATE REFERENCE CONTRACT #1** |
| --- |
| **Client Name** |  |
| **Client Address** |  |
| **Client Contact Person** | **Name:** |  |
| **Title:** |  |
| **Telephone #:** |  |
| **Email Address:** |  |
| **Contract Term** | **From:**  |  | **To:** |  |
| **Contractor Information** | **Reference provided pertains to a client of the Bidder or the Processor Sub (check all that applies):** |
| [ ]   | **Bidder** | [ ]   | **Processor Sub** |
|  | **Processor Sub Name (if applicable):** |
| **Annual Electronic Payment Transaction Volumes** | **Provide annual transaction volumes for one year:** |
| **Year:** |  |  |  |
| ACH Credit Payments:  |  |  |
| ACH Debit Payments:  |  |  |
| Payment Card Payments:  |  |  |
| Fedwire Payments: |  |  |
|  |
| **Contract Service Description**  | If this is a joint reference contract as required in Table 1, Requirement 1.5, include description of respective services provided by the Bidder and Processor Sub. |
| **END OF ALTERNATE REFERENCE CONRACT #1** |

| **REFERENCE CONTRACT #2** |
| --- |
| **Client Name** |  |
| **Client Address** |  |
| **Client Contact Person** | **Name:** |  |
| **Title:** |  |
| **Telephone #:** |  |
| **Email Address:** |  |
| **Contract Term** | **From:**  |  | **To:** |  |
| **Contractor Information** | **Reference provided pertains to a client of the Bidder or the Processor Sub (check all that applies):** |
| [ ]   | **Bidder** | [ ]   | **Processor Sub** |
|  |  | **Processor Sub Name (if applicable):** |
| **Annual Electronic Payment Transaction Volumes** | **Provide annual transaction volumes for one year:** |
| **Year:** |  |  |  |
| ACH Credit Payments:  |  |  |
| ACH Debit Payments:  |  |  |
| Payment Card Payments:  |  |  |
| Fedwire Payments: |  |  |
|  |
| **Contract Service Description**  | If this is a joint reference contract as required in Table 1, Requirement 1.5, include description of respective services provided by the Bidder and Processor Sub. |
| **END OF REFERENCE CONRACT #2** |

| **ALTERNATE REFERENCE CONTRACT #2** |
| --- |
| **Client Name** |  |
| **Client Address** |  |
| **Client Contact Person** | **Name:** |  |
| **Title:** |  |
| **Telephone #:** |  |
| **Email Address:** |  |
| **Contract Term** | **From:**  |  | **To:** |  |
| **Contractor Information** | **Reference provided pertains to a client of the Bidder or the Processor Sub (check all that applies):** |
| [ ]   | **Bidder** | [ ]   | **Processor Sub** |
|  |  | **Processor Sub Name (if applicable):** |
| **Annual Electronic Payment Transaction Volumes** | **Provide annual transaction volumes for one year:** |
| **Year:** |  |  |  |
| ACH Credit Payments:  |  |  |
| ACH Debit Payments:  |  |  |
| Payment Card Payments:  |  |  |
| Fedwire Payments: |  |  |
|  |
| **Contract Service Description**  | If this is a joint reference contract as required in Table 1, Requirement 1.5, include description of respective services provided by the Bidder and Processor Sub. |
| **END OF ALTERNATE REFERENCE CONRACT #2** |

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