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

**Request for Information (RFI) 19-602**

**Electronic Payment Processing Services**

The New York State Department of Taxation and Finance (“DTF” or “Department”) is requesting information from qualified vendors that are interested in supplying the Department with Electronic Payment Processing Services.

This document contains the Preliminary Requirements of the Electronic Payment Processing Services RFI released on February 21, 2020, including:

* Schedule of Events
* Question and Answer Period
* Preliminary Requirements
* Response Form

**Schedule of Events**

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| Overview Released |  | February 21, 2020 |
| Preliminary Requirements Released |  | March 3, 2020 |
| Deadline for Submission of Questions |  | March 20, 2020 |
| Department’s Responses to Questions |  | April 3, 2020 |
| Deadline for Submission of Response Form |  | April 17, 2020 |

**Question and Answer Period**

Vendors will have an opportunity to submit written questions regarding this RFI prior to their Response Form submission. **Vendors should consider both the Overview and the Preliminary Requirements when submitting questions.** All questions must be submitted via email and be received by the date specified in the Schedule of Events. Questions should reference the relevant page and section of the RFI documents, when applicable, and be sent to the contact listed below:

Matthew Brownell

518-530-4484

BFS.Contracts@tax.ny.gov

Questions submitted by vendors should be in the following format:

| **#** | **RFI Page / Section** | **Vendor Name** | **Question** |
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**Preliminary Requirements**

| **#** | **REQUIREMENT** |
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| **1.** | **QUALIFYING MINIMUM REQUIREMENTS** |
| 1.1 | The Bidder must be a state or federally chartered bank authorized to do business in New York State, and must have at least one branch or office with a physical location in New York State.  The bank must maintain such status and a physical location in New York State throughout the term of the Contract. |
| 1.2 | The Bidder and any Subcontractor responsible for the processing of Credit Card payments must be compliant with Payment Card Industry Data Security Standards (“PCI DSS”) throughout the term of the Contract. |
| 1.3 | The Bidder and any Subcontractor must have provided a minimum of three years, immediately preceding the submission of a Proposal, of continuous Electronic Payment Processing Services operational experience of comparable scope for at least two contracts or engagements.  The information about these contracts must demonstrate that each of the contracts provided for continual operation of such a solution for the three years prior to the submission of a Proposal; or the contracts provided for the development and implementation of such a solution for a client that has continually operated for the three years prior to submission of a Proposal.  If the proposal includes use of a Subcontractor on the contracts or engagements submitted, this proposal must include the same Subcontractor in the same respective service role. |
| **2.** | **GENERAL REQUIREMENTS** |
| 2.1 | The Bidder must not consider any transaction complete until successful submission of the transaction, including confirmation number assignment. Incomplete transactions must be retained for life of the Contract, however must not be included in any data files provided to DTF.  **Note**: 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. |
| 2.2 | The Bidder must have the ability to securely warehouse electronic payment transaction requests, where payments are scheduled in advance and the payment transaction is executed automatically on the date scheduled. Taxpayers must be able to schedule payments in advance to execute anywhere from one day up to one year after the transaction is submitted. Payment transaction warehousing capabilities for longer than one year are desirable.  Allowable warehouse periods will vary by program, and DTF will prescribe the periods. The Bidder must code and apply business rules to enforce allowable transaction dates (per program type). The payment page must be dynamic and not allow taxpayers to enter a scheduled transaction date for programs for which warehousing of payments is not allowed.  **Note**: Warehoused payments will be submitted to the Bidder by the following methods:   * Batched file-based exchange * Payments initiated and/or submitted on the Bidder’s payment portal |
| 2.3 | The Bidder must ensure that the taxpayer is able to cancel scheduled ACH Debit transactions prior to settlement.  The taxpayer must be able to cancel as determined by DTF using the following methods:   * The Bidder’s web application (via secure exchange from DTF to the Bidder) * A DTF web application (via secure exchange and/or web service call from DTF to the Bidder)   In addition, DTF must have the ability to cancel a scheduled payment via a Bidder-hosted administrative site. (See Requirement 9.3.) |
| 2.4 | The Bidder must have the ability to identify exception ACH Credit and Fedwire transactions with missing or invalid addenda records and attempt to validate the record using a file and processing rules provided.  Exception ACH Credit and Fedwire transactions may include but not be limited to:   * No addenda record * Incorrectly formatted addenda records * Taxpayer ID does not exist on taxpayer information file.   If the Bidder is unable to validate the information from the addenda record using the file and processing rules provided, the Bidder must associate the transaction to a provided default ID by individual program.  If the Bidder is unable to validate the information from the addenda record, the money must still be deposited into DTF’s bank account and standard distribution must be applied if required per business rules.  **Note**: Default IDs and NYS standard distribution by program will be provided by DTF during implementation. |
| 2.5 | The Bidder must have the ability to apply pre-determined payment processing edits for all addenda records, including missing records. The Bidder must also identify any fields found on the addenda record that it is unable to process and generate a report for DTF staff to resolve and/or correct the addenda records. DTF addenda record payment processing edits will be provided during implementation.  Examples of a processing edit include, but are not limited to:   * Defaulting date to current period end date if date field is invalid * Assigning a default taxpayer ID * Applying standard distribution percentages to payments   **Note**: Addenda record processing edits vary by individual program and record layout. Processing rules will be provided during implementation. |
| 2.6 | The Bidder must charge the Credit Card convenience fee separate from the DTF liability payment amount within each transaction. The fee will be paid by the cardholder and must display as a separate transaction on their statement.  The Bidder must agree to only a percentage-based convenience fee (with no minimum fee) for Credit Card transactions. |
| 2.7 | The Bidder must have the ability to block the origination of Credit Card transactions that contain specific Credit Card numbers provided by DTF. |
| **3.** | **WEB SERVICES** |
| 3.1 | The Bidder must develop, host and maintain a payment solution that securely links from DTF’s OLS using customized web pages that are compatible with DTF’s OLS. The Bidder must use HTML mockups, stylesheets, and images created by DTF when implementing its pages, to ensure the same look and feel as DTF web applications and compliance with New York State User Interface standards for accessibility and usability.  The Bidder’s payment solution must include:   * State of New York banner on the pages; * custom data input fields that match up to unique data collection items for the applicable State programs; * integration with DTF’s OLS; and, * adherence to accessibility guidelines as set forth by the State at: <https://its.ny.gov/sites/default/files/documents/nys-p08-005_accessibility_of_information_communication_technology_0.pdf> |
| 3.2 | The Bidder must provide a web application which gives taxpayers the ability to create, view, and remove saved bank accounts and Credit Card information for use in future payments. When a taxpayer removes a saved bank account or Credit Card information, the Bidder must perform a system check to look for scheduled payments for that taxpayer using the account information and present a notification to the user. |
| 3.3 | The Bidder must store taxpayer saved bank account and Credit Card account information using a composite key structure provided by DTF, ensuring that DTF controls the visibility of account information to users.  For example, DTF may prescribe that saved bank account and Credit Card information is stored under a composite key consisting of an OLS user ID and a unique DTF identification number allowing the taxpayer an option to save their payment information for future use. |
| 3.4 | The Bidder must be able to accept, authenticate and parse a secured message (i.e., SAML) from DTF, for the purpose of processing an ACH Debit and Credit Card transaction through its payment portal. Such secure message will include taxpayer transaction-specific elements for page display. |
| 3.5 | The Bidder must have the ability to process payments using a pre-assigned unique Deposit Locator Number (“DLN”) and keep that assigned DLN associated to the payment. |
| 3.6 | For payment transactions that DTF links directly to the Bidder’s web services, the Bidder must code and apply program-specific business rules (e.g., the ability to warehouse payments) for each program and payment method on an individual transaction basis. |
| 3.7 | Some payment transactions, where DTF links directly to the Bidder’s web services, may not have a pre-assigned DLN. The Bidder must assign a unique alpha-numeric DLN, based on DTF-provided business rules, to each successfully completed transaction. The Bidder must be willing and able to accommodate DTF’s existing and DLN assignment format and range provided by DTF. |
| 3.8 | The Bidder must initiate a web service call hosted by DTF whenever a taxpayer submits a transaction on the Bidder’s site and a confirmation number is provided to the taxpayer in connection with any payment transaction including but not limited to initiating/cancelling a payment(s). The Bidder is required to code to the custom DTF an application program interface (“API”). This service is used for real time notification to DTF in Extensible Markup Language (“XML”). |
| 3.9 | The Bidder must provide payment history for all payment types through a web service call that supports multiple key retrievals (e.g., taxpayer ID number and DLN) for taxpayer inquiry. The web service call will integrate payment history information into DTF’s Account Summary. Data required for each payment type and individual program will vary. Data elements will be provided during implementation. DTF will initiate the request via API (using XML).  Payment history must include posted, scheduled and canceled transactions.  The Bidder must be capable of performing maintenance to DTF’s composite key structure when key components change (e.g., taxpayer ID consolidations, DTF’s OLS account information changes). |
| **4.** | **DATA DELIVERY AND FILE TRANSMISSION** |
| 4.1 | The Bidder must have the ability to accept ACH Debit payment file transmissions from DTF 24 hours every day. The Bidder must be able to accept a common payment file format for the file transmissions.  ACH Debit payment files must be accepted up to 8:00 p.m. ET for full credit to DTF’s bank account on the next Banking Day for all transactions with a settlement date of the next Banking Day. Any files transmitted after that time must be credited no later than the next/second Banking Day. |
| 4.2 | The Bidder must have the ability to provide to DTF a verifying ACH Debit acknowledgement file, within 60 minutes of receiving each ACH Debit payment file from DTF. The ACH Debit acknowledgement file must contain the header and trailer record from the original payment file.  The Bidder must notify DTF of any file failure(s) within 60 minutes of receipt of file. Contact instructions (list and method) will be provided by DTF during implementation. |
| 4.3 | The Bidder must transmit completed and reconciled (reconciled to the day’s activity in each DTF bank account) payment transactions for all payment types on an individual program Data Output File.  The Bidder must ensure that for Credit Card payments, only transactions included in the transmission reconcile to the day’s deposit into DTF’s bank account.  **Note**: DTF requires a daily transmitted file for each program even if it contains zero items. |
| 4.4 | The Bidder must transmit completed and reconciled (reconciled to the day’s activity in each DTF bank account) adjustment transactions for all payment types on an individual program Data Output File.  In addition to bank adjustments, the file must contain canceled payments.  The file must include elements from the original transaction along with associated adjustment, return, or cancel information.  **Note**: DTF requires a daily transmitted file for each program even if it contains zero items. |
| 4.5 | The Bidder must accept from DTF a file transmission of valid taxpayer IDs which the Bidder will store and use to validate information provided in addenda and OBI records, which will assist with taxpayer authentication. The frequency of file updates will be determined during implementation. |
| 4.6 | The Bidder must provide DTF an electronic ABA RTN verification file, to be used by the Department to validate routing numbers, at a frequency that ensures DTF has the most updated information at all times. The file must be provided in the layout specified by DTF.  **Note:** DTF prefers the file transmission frequency to be daily. |
| **5.** | **CUSTOMER SERVICE FOR TAXPAYERS** |
| 5.1 | The Bidder 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 Department prefers taxpayer customer service from 7:00 a.m. – 7:00 p.m. ET, staffed by operators located within the Continental United States (“CONUS”). |
| **6.** | **CUSTOMER SERVICE FOR DEPARTMENT STAFF** |
| 6.1 | The Bidder must designate a contact team for the clarification and resolution of electronic payment issues. Minimally, a member of this team must be available on Business Days from 8:00 a.m. to 5:00 p.m. ET.  It is desirable that a member of this team be available at other peak times as needed by DTF. |
| **7.** | **DEPOSITS** |
| 7.1 | The Bidder must agree to give full credit for deposit amounts without any payment holds.  For all ACH Debit and Credit Card transactions received prior to 8:00 p.m. ET the day before the taxpayer-selected settlement date, deposit amounts must be credited to DTF’s bank account on the taxpayer-selected settlement date indicated on each transaction.  For all ACH Debit and Credit Card transactions received on or after 8:00 p.m. ET the day before the taxpayer-selected settlement date, deposit amounts must be credited to DTF’s bank account on the next available Banking Day. |
| **8.** | **ACCOUNTING AND REPORTING** |
| 8.1 | The Bidder must provide the ability for DTF staff to generate customized ad-hoc and standard reports (approximately 2,000 per month at this time) as determined by DTF, through the Bidder-hosted administrative site described in Requirements 9.1 - 9.3. These reports must have the ability to be run for a single date or date range up to at least 365 days.  The Bidder must be able to report on any data element provided to it, whether provided through file transmission, web service call, data submitted by taxpayers through the Bidder-hosted web application, or data submitted by DTF staff through the Bidder-hosted administrative site.  Reports must be available by 7:00 a.m. ET on the next Business Day. |
| **9.** | **BIDDER-HOSTED ADMINISTRATIVE SITE** |
| 9.1 | The Bidder must provide DTF staff a view to all payment transactions. Payment transactions must be stored and displayed; and be filtered and searchable by the following key retrievals at DTF’s discretion:   * Taxpayer ID number * Application type * Bank account number * ABA RTN * Processing year * Date range * Confirmation number * Payment amount   **Note**: Sensitive information as identified by DTF, such as Social Security number, may be masked to Bidder staff, but such information must be visible in full to DTF. |
| 9.2 | The Bidder must provide the ability for DTF staff to execute fund transfers to correct misdirected payments to the correct bank account, ensuring that such transactions appear on the Data Output Files transmitted to DTF. |
| 9.3 | The Bidder must provide DTF staff the ability to cancel payment records on behalf of taxpayers, ensuring that this functionality is available only to DTF-authorized individuals and such transactions appear on the Data Output Files. |
| **10.** | **REVENUE RESILIENCY SERVICES** |
| 10.1 | The Bidder must provide a revenue resiliency process and activate the process to enable access to external pages within 30 minutes of being directed by DTF.  When activated, all internet traffic originally destined for the DTF website will be redirected to a Bidder-hosted website. The website will authenticate taxpayers and allow them to make ACH Debit payments for a minimum of ten tax programs.  These payments may be either PrompTax payments (already hosted at the vendor), or various other tax payments (typically hosted at DTF).  There will also be no remit extension transactions for which the data must still be collected. All transactions will conform to existing payment data layouts in XML. |
| 10.2 | The Proposer must use HTML mockups, stylesheets, and images created by DTF when implementing its pages, to ensure the same look and feel as DTF web applications and compliance with New York State User Interface standards for accessibility and usability.  The Proposer’s payment solution must include:   * State of New York banner on the pages; * custom data input fields that match up to unique data collection items for the applicable State programs; and, * adherence to accessibility guidelines as set forth by the State at: <https://its.ny.gov/sites/default/files/documents/nys-p08-005_accessibility_of_information_communication_technology_0.pdf> |

**Response Form**

Please complete the following form providing information to the Department on what would prohibit you from submitting a bid for these services, and/ or additional details on what can and cannot be met. **Please be sure to consider both the Overview and the Preliminary Requirements in your responses.** Include the specific service from the Overview, or Requirement # if applicable. Provide additional comments and/or documents as needed.

| **VENDOR NAME:** |  | |
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| **CONTACT PERSON FOR THIS RFI: (Name, Phone, Email)** | |  |
| 1. Given the information regarding Electronic Payment Processing Services required by the Department, what, if anything, would prohibit you from submitting a bid for these services? | | |
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| 2. Are there any specific services or preliminary requirements which you cannot meet? | | |
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| 3. Describe how your processes/products/services could offer cost savings when compared to the State’s current processes. | | |
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| 4. Describe any process efficiencies or innovations your processes/products/services could offer to the State’s present processes. | | |
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| 5. How are other government entities handling the processing of similar electronic payment volume and revenue stream? | | |
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| 6. What, if any, are the new banking practices being utilized by other government entities? | | |
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| 7. What electronic payment processing innovations are you looking to deploy in the next three to five years? | | |
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| 8. Additional Comments | | |
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