

**Request for Proposals**

**19-100**

**Controlled Disbursement and Direct Deposit Services**

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**Schedule of Events**

|  |  |
| --- | --- |
|  |  |
| Issuance of RFP | 07/07/2020 |
| 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 | 07/29/2020 |
| Department Response to Round One of Bidder Questions | 08/19/2020 |
| Deadline for Submission of Round Two of Bidder Questions  | 09/02/2020 |
| Department Response to Round Two of Bidder Questions | 09/16/2020 |
| Deadline for Submission of Attachment 2, Notification of Intent to Bid | 09/30/2020 |
| Proposals Due | 10/07/2020By 2:00 p.m. ET |
| Anticipated Notification of Intent to Award | 01/06/2021 |
| Anticipated Approval of Contract | 06/30/2021 |
| Development Begins | 07/01/2021 |
| Certification Date | 01/03/2022 |
| Anticipated Production | 01/03/2022 |

# Preface

## Procurement Lobbying – Offerer Understanding of, and Compliance with, Procurement Lobbying Guidelines

New York State Finance Law 139-j(6)(b) requires that the Department of Taxation and Finance seek written affirmation from all Offerers as to the Offerer’s understanding of, and agreement to comply with, the DTF procedures relating to permissible contacts during a Government Procurement. Information related to the Procurement Lobbying Law and DTF guidelines can be found on the Department’s website at: <http://www.tax.ny.gov/about/procure>.

All inquiries concerning this solicitation must be addressed to one of the following designated contacts:

|  |
| --- |
| DESIGNATED CONTACTS FOR INQUIRIES AND SUBMISSIONS |
| NYSDTF Bureau of Fiscal Services Procurement Unit Designated Contacts:Matthew BrownellYafei CaoPeter RussellAmber AlexanderQuestions and inquiries related to the RFP must be submitted via email to BFS.Contracts@tax.ny.gov or via fax to (518) 435-8413. **No other method of inquiry will be accepted.** **Administrative issues pertaining to sending/receiving email through the designated mailbox may be reported to one of the designated contacts listed above at (518) 530-4484.****Procurement Website:** <https://www.tax.ny.gov/about/procure/current_bid_opportunities.htm> |

Contacting individuals other than the designated contacts listed above may result in the disqualification of the Bidder’s proposal – please refer to the Procurement Lobbying Law and the Department guidelines posted on the Department’s procurement website at: <http://www.tax.ny.gov/about/procure>, and additional requirements in **Section 5, Administrative Requirements**.

Offerers are requested to sign and submit **Attachment 1, Offerer Understanding of, and Compliance with, Procurement Lobbying Guidelines** by the date specified in the Schedule of Events. This may be submitted in conjunction with Round One of Bidder Questions.

## Proposal Questions/Inquiries

Prospective Bidders have two opportunities to submit written questions and requests for clarification regarding this Request for Proposals (RFP). All questions regarding this RFP must be submitted via email (preferred) or fax and be received by the dates specified in the Schedule of Events. Questions must reference the relevant page and section of the RFP and must be directed to one of the designated contacts identified herein.

Questions submitted by Bidders should be in the following format:

| **#** | **RFP Section** | **RFP Page #** | **Bidder Name** | **Question** |
| --- | --- | --- | --- | --- |
| 1 |  |  |  |  |
| 2 |  |  |  |  |

All clarifications and exceptions, including those relating to the terms and conditions of the RFP, are to be resolved prior to the submission of a bid by utilizing the Question and Answer periods. Also, during the Question and Answer periods, Bidders should bring forward terms and conditions in the RFP and **Exhibit O, Preliminary Base Contract** that would prohibit a Bidder from bidding. All objections, proposed changes, and/or additions to the terms and conditions [“Bidder-Proposed Change(s)”] relating to Contract language in **Exhibit O**, must be submitted with their proposal. The Bidder entering into a Contract with the State are expected to comply with all the terms and conditions contained herein.

## RFP Amendments/Announcements

All amendments, clarifications and any announcements related to this RFP will be posted on the Department’s website at: <http://www.tax.ny.gov/about/procure>.

It is the responsibility of the Bidder to check the website for any amendments, clarifications or updates. All applicable amendment information must be incorporated into the Bidder’s proposal. Failure to include this information may result in the Bidder’s proposal being deemed non-responsive.

## Response to Bidder Questions and Requests for Clarification

The Department will provide a written response to all substantive questions and requests for clarification. Responses to Bidder questions and requests for clarifications will be posted on the Department’s website at: <http://www.tax.ny.gov/about/procure>.

## Notification of Intent to Bid

If your firm is submitting a proposal in response to the RFP, **Attachment 2, Notification of Intent to Bid**, should be completed and submitted by the date specified in the Schedule of Events. Contact information provided on this form may be used to notify Bidders of changes to the RFP.

## Submission of Proposals

Bidders must submit their proposals as instructed in **Section 6**, **Proposal Submission Requirements**.

## Contract Signing

**The Bidder must agree to sign a contract within thirty (30) days of Notification of Intent to Award. If the Bidder fails to do so, the Department reserves the right to begin negotiations with the next highest ranked Bidder.**

The Preliminary Base Contract is attached hereto as **Exhibit O**. Bidders should review **Exhibit O** and must be willing to enter into an Agreement **substantially in accordance** with the terms of **Exhibit O.**

Bidders may propose language amending **Exhibit O** that does not materially change the Requirements of the RFP. Bidder-Proposed Changes of **Exhibit O must** be identified in the Bidder’s proposal. Therefore, if there are specific terms a Bidder wishes the Department to consider for inclusion in the final Base Contract, they **must** be submitted in response to **Section 5.2.19, Bidder-Proposed Change(s) to Contract Terms**.

**Note: The Department is under no obligation to include in the final Agreement any Bidder-Proposed Changes, and will not negotiate from any Bidder-supplied documents. DTF reserves the right to require a Bidder to withdraw any and all such proposed terms or documents or parts thereof, as necessary.**

## Contract Term

The Department will award one (1) Contract as a result of this RFP after approval of the New York State Attorney General and Office of the State Comptroller (OSC). The initial term will commence upon OSC approval and be effective through 12/31/2026. The Contract may be renewed, at DTF’s sole discretion, for one (1) two-year extension through 12/31/2028.

In addition to the above, the Agreement includes:

* a transition period, which may be invoked at DTF’s sole discretion, of up to twelve (12) months beyond the end of the initial term or any extension period(s), as applicable to provide for an orderly transition of Services to a Subsequent Service Provider; and
* an Abandoned Property period of eighteen (18) months beyond the end of the transition period to perform the Abandoned Property process as required by OSC.

The use and length of the transition period will be at the sole discretion of the State. No new disbursement transactions will be initiated against the bank account resulting from this contract subsequent to the twelve-month transition period.

# RFP Key Points

1. **Read the RFP in its entirety.** Note key items such as critical dates, services required, qualifying and mandatory requirements, and proposal submission requirements.
2. **Note the name, address, phone numbers and email address of the designated contacts.** These are the only individuals that you are permitted to contact regarding this RFP.
3. **Take advantage of the question and answer periods.** Submit your questions by one of the methods identified by the dates listed in the Schedule of Events. Responses to the questions will be posted on the Department’s website at: <https://www.tax.ny.gov/about/procure/current_bid_opportunities.htm>
4. **Submit a “Notification of Intent to Bid” form by the date listed in the Schedule of Events.**
5. **Provide complete answers/descriptions. Bidder proposals must completely address all qualifying and mandatory requirements.** To ensure you are not unnecessarily disqualified from bid evaluation, thoroughly read all proposal requirements and provide complete responses. Use **all** the forms provided to submit your response. Vague or incomplete responses to desirable requirements may result in a reduced technical score.
6. **Review the RFP document and your proposal.** Make sure all requirements are addressed and all copies are identical and complete.
7. **Package your proposal as required in the RFP.** Make sure your proposal conforms to the packaging requirements. Proposals not packaged accordingly may be deemed non-responsive.
8. **Submit your proposal on time.** Except as specified in **Section 5.1.16.G**, proposals received after the date and time in the Schedule of Events will not be considered for award and may be returned, unopened, to the sender.
9. **Review the DTF website prior to submission of a proposal.** Only the DTF website will contain all amendments and/or addenda to the RFP, including Responses to Bidder Questions. Note that all applicable amendments and/or addenda information must be incorporated into the Bidder’s proposal. Failure to include such information may result in disqualification or a reduced technical score.

# Introduction

## Background

The New York State Department of Taxation and Finance (“DTF” or “Department”) collects tax revenue and provides associated services in support of certain New York State government operations. In fulfilling its responsibilities, the Department collects and accounts for $76 billion in State taxes and about $40 billion in local taxes; administers over 40 tax types, including New York City and City of Yonkers income taxes, as well as the Metropolitan Commuter Transportation Mobility Tax; and processes about 26 million returns. The Department also manages the State Treasury, which provides investment and cash management services to various State agencies and public benefit corporations, and acts on the Tax Commissioner's behalf as joint custodian of the State's General Checking Account. On June 6, 2010, the Department statutorily merged with the former Office of Real Property Services (ORPS) in order to realize significant savings and efficiencies, and enhance the State's oversight of local property tax administration.

Of the approximately 26 million returns processed, over 10 million refunds are issued. The majority of these refunds are for Personal Income Tax (“PIT”) and Office of Real Property Tax Services (“ORPTS”).

## Purpose

The Department is soliciting proposals from qualified entities to providebanking services associated with the issuance and payment of PIT refunds and ORPTS checks. See **Exhibit A, Volumes** for historical monthly volumes.

## Personal Income Tax Refunds

DTF issues PIT refunds each year to taxpayers who are overpaid on their PIT liabilities. Refunds may be issued as checks or as ACH direct deposits. In 2019, DTF issued approximately 7.5 million PIT refunds, valued at $9.6 billion. This included approximately 1.7 million paper checks and approximately 5.8 million ACH direct deposits. DTF anticipates the volume of checks for PIT refunds to continue to decline as DTF attempts to maximize the use of the direct deposit services, which has shown a steady increase over the last three years. See **Table 1.2.1**.

The issuance pattern of refunds begins mid-January with the largest volumes occurring January through May. To minimize the interest paid on refunds, DTF needs to issue refunds within 45 days of the April 15th and October 15th due dates.

|  |
| --- |
| **TABLE 1.2.1:** **PERSONAL INCOME TAX**  |
| **Processing Year** | **Direct Deposit Volume** | **Paper Check Volume (Issued)** |
| 2019 | 5,823,403 | 1,764,918 |
| 2018 | 5,769,101 | 1,946,005 |
| 2017 | 5,577,429 | 2,088,426 |

* + 1. **Office of Real Property Tax Services Checks**

ORPTS issues checks for the School Tax Relief (“STAR”) credit, Property Tax Freeze Credit, and Property Tax Relief Credit programs. The credits directly reduce the taxpayer’s property tax burden if they are a qualifying homeowner. The number of checks sent annually may increase, decrease, or expire in the future depending on legislative changes to the programs. Other legislatively mandated special refunds may be added in the future and are not reflected in the volumes below. See **Table 1.2.2**.

|  |
| --- |
| **TABLE 1.2.2: OFFICE OF REAL PROPERTY TAX SERVICES**  |
| **Processing Year** | **Paper Check Volume (Issued)** |
| 2019 | 2,694,858 |
| 2018 | 4,190,118 |
| 2017 | 1,471,423 |

* + 1. **Miscellaneous Check Services**

The 2019 processing year annual approximate volumes for miscellaneous services related to checks are listed in **Table 1.2.3** below:

|  |
| --- |
| **TABLE 1.2.3: 2019 PROCESSING YEAR FOR REFUND SERVICES** |
| **Item** | **Volume** |
| Cancelled checks | 49,584 |
| Forgery claims | 853 |
| Exchange account checks issued | 196 |

## Procurement Objective

The objective of this RFP is to procure best value services which meet the stated Requirements, achieve implementation and certification deadlines, ensure accurate and timely processing of refunds, allow for volume growth and legislative changes to the programs, provide system and operational security, and provide fail safe and disaster recovery services. The awarded Bidder must meet deadlines, produce deliverables in a timely manner, and meet the RFP Requirements regardless of other present or future business commitments.

In providing these services, the awarded Bidder will be required to:

* have the ability and resources to respond rapidly and in a best value manner to change systems and/or operations due to legislative mandate, administrative directive, program enhancement, or changes in taxpayer behavior (e.g., filing patterns);
* be willing to work in good faith with the Department and any other involved parties to develop and/or implement the requested program enhancement services;
* cooperate with the Department during the certification process;
* ensure that the processing facilities and systems are secure and that confidential material and information will be safeguarded;
* ensure that disaster preparedness and disaster recovery plans must exist and be operational to ensure minimal disruption to the program(s) in the event of such occurrences. **Table 3.2, Development/Support Service Requirements**, **Requirement 16** details the disaster recovery/business continuity requirements; and
* achieve the required accuracy and timeliness requirements for the processing of refunds. **Table 3.1, Functional Requirements** and **Table 3.2, Development/Support Service Requirements** of this RFP identify the requirements the awarded Bidder must meet to perform their contractual obligation.

## Implementation

The services must be implemented within 180 days of the Department’s written request and be in production no later than January 3, 2022.

Upon contract execution, a comprehensive implementation plan must be provided to DTF.

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#

# Qualifying Requirements

Only qualified entities may submit a proposal in response to this RFP. A qualified entity is defined as one that meets **all of the following Qualifying Requirements. Entities not meeting these Qualifying Requirements may not submit a proposal.**

| **TABLE 2: QUALIFYING REQUIREMENTS** |
| --- |
| **#**  | **QUALIFYING REQUIREMENT** | **REQUIRED RESPONSE** |
|  | 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. | The Bidder must affirm understanding of, and agreement that it complies with, this Requirement. |
|  |  | [ ]  | Yes, the Bidder affirms its understanding of, and agreement that it complies with, this Requirement. |
|  |  | Provide the address of the branch or office with a physical location in New York State. |
|  |  | Address: |       |  |
|  |  |  |  |  |
|  |  |  |
|  | The Bidder must have a financial strength rating of at least “C+” , as published in the most current report of the Kroll Bond Rating Agency as of the proposal submission.Bidders may have a rating without subscribing to the Kroll service. | The Bidder must affirm understanding of, and agreement that it complies with, this Requirement. |
|  |  |[ ]  Yes, the Bidder affirms its understanding of, and agreement that it complies with, this Requirement. |
|  | The Bidder must be a member of and compliant with all applicable National Automated Clearing House Association (“NACHA”) Network Rules and Association Rules (“NACHA Rules” or “The rules and guidelines administered by NACHA that govern the electronic movement of money and data in the United States”) throughout the term of the Contract.  | The Bidder must affirm understanding of, and agreement that it complies with, this Requirement. |
|  |  |[ ]  Yes, the Bidder affirms its understanding of, and agreement that it complies with, this Requirement. |
|  | The Bidder must be able to act as both an Originating Depository Financial Institution (“ODFI”) and a Receiving Depository Financial Institution (“RDFI”) – able to both initiate and receive ACH entries. | The Bidder must affirm understanding of, and agreement that it complies with, this Requirement. |
|  |  |[ ]  Yes, the Bidder affirms its understanding of, and agreement that it complies with, this Requirement. |
|  | The Bidder must participate as an ODFI in the State Revenue Agency and NACHA State Tax Refund Return Opt-In Program (also known as R17) that allows RDFIs to identify and return suspected fraudulent ACH direct deposit tax refunds for appropriate review and action. | The Bidder must affirm understanding of, and agreement to comply with, this Requirement. |
| 1.
 |  |[ ]  Yes, the Bidder affirms its understanding of, and agreement to comply with, this Requirement. |
|  | Sections 105 and 106 of the New York State Finance Law require financial institutions holding deposits of New York State monies to pledge collateral with OSC to the extent deemed appropriate by OSC. As required by such law, the Bidder must agree to pledge securities or to obtain a surety bond by companies with the highest ratings issued by nationally recognized statistical rating organizations to secure the State’s interest in any depository account and any “pass-through” accounts to the extent deemed appropriate by OSC. OSC shall establish and periodically review and adjust, as necessary, the amounts held as collateral. Collateral must be held at the New York State fiscal agent. OSC reserves the right to periodically verify the amount of collateral held. | 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. |
| **1.7** | The Bidder must have a minimum of three years of experience providing the Controlled Disbursement and Direct Deposit Services required in this RFP within the past five years prior to bid submission date. The Bidder must submit two reference contracts to demonstrate the required experience:* Each contract must substantially meet the Requirements of this RFP.
* Each contract must be at least three consecutive years within the past five years.
* At least one contract must have processed controlled disbursements of at least five million ACH direct deposits annually for the three qualifying years.
* At least one contract must have processed at least two million paper checks annually for the three qualifying years.

If this proposal includes a Subcontractor, the Subcontractor must have been used in at least one reference contract in the same respective service role.Bidders may submit a third contract that meets the required experience as an alternate reference in the event that one of the primary references is non-responsive.  | 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 must provide the required information on **Attachment 7** (References) and show evidence of qualifying experience. Such evidence must include (redact proprietary and confidential information as necessary): * A description of the services and term of the contracts;
* Names, titles, and contact information for client staff that administered or oversaw the contract; and
* Any Subcontractors used on the contracts and their role.

**Note:** The Bidder is solely responsible for providing contact information for clients that are readily available to be contacted by the Department and will respond to questions. |
| **END OF TABLE 2: QUALIFYING REQUIREMENTS** |

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# Technical Requirements

This section of the RFP provides instructions to Bidders regarding information that is to be included in the Technical Proposal. The Department reminds Bidders that responses must be complete, factual, and as detailed as necessary to allow the Department to perform a comprehensive review and evaluation of proposed services, capabilities and experience.

There are mandatory requirements stated throughout this section, stipulated by the words “must,” “shall,” “will,” and “required.” Failure to indicate affirmation, understanding of, and agreement to comply with each mandatory Requirement will result in the proposal being deemed non-responsive and removed from further consideration. Failure to provide or include the required information in the Technical Proposal may result in a reduced Technical Proposal score. Desired services and information are referenced in this section by the words “should,” “desirable/desired,” and “prefers/preferred.” While not mandatory, failure to provide the requested desired information will negatively impact the Bidder’s Technical Proposal score.

**If Subcontractors are used, delineate who the Subcontractors are on Attachment 8 (Listing of Proposed Subcontractors),** **AND identify in each Requirement any Subcontractor to be used and include their role in providing the services for that Requirement.**

# Functional Requirements

This section contains the specific service and response Requirements.

|  **TABLE 3.1: FUNCTIONAL REQUIREMENTS** |
| --- |
| **#** | **REQUIREMENT** | **REQUIRED RESPONSE** |
| **1.** | **GENERAL REQUIREMENTS** |  |
| **1.1**  | The Bidder must establish two bank accounts and three zero-balance sub-accounts, for payment of refunds. These accounts must be able to support incoming ACH Credits and Fedwires. The Department prefers that checks display a bank address within New York State and a New York State American Bankers Association Routing Transit Number (“ABA RTN”). | 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. |
|  |  | Describe how this Requirement will be met. The description should:* include the process for establishing bank accounts and funding of zero balance accounts; and
* identify any additional account requirements.
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
|  |  | Provide the bank’s address and ABA RTN that will be displayed on the check. |
|  |  | Address: |       |  |
|  |  | ABA RTN: |       |  |
|  |  |  |  |  |
| **1.2**  | The Bidder must maintain bank account transaction history, and make available to the Department inquiries, for 365 days. Although an online accessible process is preferred, access via a customer service representative is acceptable. | 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. |
|  |  | Describe how this Requirement will be met.The description should include how the transaction history will be made available for 365 days. |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
|  |  | The transaction history will be available to the Department via: |
|  |  |[ ]  An online accessible process |
|  |  |[ ]  A customer service representative or other method |
| **1.3**  | The Bidder must transmit all previous day bank account transactions via BAI2 standard file format by 7:00 a.m. ET. | 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. |
| **1.4**  | The Bidder must supply Debit and Credit Memo (“A debit/credit adjustment to a processed payment and corresponding account”) advices for bank adjustments, such as encoding errors and returned items, with explanation of the adjustments. The Department prefers online delivery of Debit and Credit Memo advices. The Bidder must provide the following data in the advice: * Account number
* Account name
* Date and amount of debit/credit must match bank statement
* Debit/Credit amount
* Check number being adjusted
* Issue amount of check
* Amount charged for check
* Amount of adjustment
 | 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. |
|  |  | Describe how Debit and Credit Memo advices will be delivered. |
|  |  | Debit and Credit Memo advices will be delivered: |
|  |  |[ ]  Online (Bidder website) |
|  |  |[ ]  Email  |
|  |  |[ ]  Other *(Describe if Other)* |
| **1.5**  | The Bidder must provide customer service representative(s), within the continental United States (“CONUS”), to the Department in order to effectively and timely address issues related to services required by this RFP, including but not limited to, the resolution of ACH transactions related to payee inquiry or administrative issues. The Department prefers that customer service be available between the hours of 7:00 a.m. and 5:00 p.m ET on Business Days (“Monday through Friday with the exception of legal bank holidays”). | 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. |
|  |  | Describe how this Requirement will be met. The description should include:* its customer service availability for Business Days;
* if the Bidder acts as intermediary between financial institutions;
* the automated method (report or online functionality) to provide name of customer’s bank, contact name, contact information; and
* the average time to report failed transactions to the Department.
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **1.6**  | The Bidder must allow for Department Administrator(s) to manage Department user access to any online system(s) that are provided to fulfill the Requirements of this RFP. Note: Currently, there are approximately 30 users with unique user names and passwords; however, these numbers are subject to change. | 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. |
| **2.** | **CHECK DISBURSEMENT PROCESSING** |
| **2.1**  | The Bidder must accept daily separate and multiple future dated issuance files transmitted for each account and process the files ensuring that next day presentments are matched. The Bidder must process all issuance files the same day as received, regardless of future check date. The Bidder must follow file layouts determined during implementation. For file layouts, currently in use, refer to: **Exhibit B, Check Issue File Layout, Check Issue File – Sample**. | 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. |
|  |  | Describe how this Requirement will be met. The description should include: * its method for processing the check issuance files ensuring that next day presentments are matched. Include issuance file receipt cut-off time and the retention period; and
* the impact of future dated checks on the processing of an issuance file and associated reporting.
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **2.2**  | The Bidder must create and send a file of presented checks daily, containing all checks presented for payment since the last file of presented checks daily cut-off. The Bidder must create and send a daily file of paid checks, including images, for each account, containing all checks that have been presented, matched, and approved for payment. The Bidder must notify the Department of file delivery. The Department prefers no later than 7:00 a.m. ET delivery.The Bidder must follow file layouts determined during implementation. For formats used by the Department, refer to:* **Exhibit C, Check Clear File Layout, Check Clear File – Sample**; and
* BAI2 standard file format.
 | 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. |
|  |  | Describe how this Requirement will be met. The description should include the method and timing of file delivery and Department notification, as well as the content of each. |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
|  |  | File delivery will be no later than 7:00 a.m. ET. |
|  |  |  [ ]  | Yes |[ ]  No |
| **2.3**  | The Bidder must provide the Department with the total dollar amounts and item count of presented checks, by account, no later than 10:00 a.m. ET each Business Day. The Department prefers these checks to be matched. Over the counter presentments must be held for next day funding. The Department will accept estimates on an Exception (“Any transaction that cannot be processed that may require DTF correction”) basis. The Department will not be responsible for any fees incurred as a result of an inaccurate estimate. In the event the Bidder has not notified the Department in accordance with the requirement, the Bidder must provide funds to ensure all checks are paid and are not returned for insufficient funds for failure of the Bidder to make the notification by 10:00 a.m. ET. The Bidder should not pay any unmatched items without prior Department approval. However, if unmatched items are paid prior to Department approval, the Bidder must not use Department funds to pay unapproved unmatched checks. | 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. |
|  |  | Describe how this Requirement will be met, including whether the total dollar amount and item count is for matched, unmatched checks, or both. The description should include its processes for:* determining the value of checks (e.g., in-house processing of checks, use of Federal Reserve services);
* completing the match of presented checks against the issuance file data; and
* ensuring that an accurate presentment dollar total and item total is provided to the Department.
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
|  |  | Will the total dollar amount and item count of presented checks be matched? |
|  |  |  [ ]  | Yes |[ ]  No |
| **2.4**  | The Bidder must be able to provide Positive Pay (“An automated fraud detection tool that matches attributes of the check presented for payment against a list of checks previously authorized and issued by the payer”) by account. The Department must have the ability to set up defaults by account, such as payee verification and a pay or no pay decision. The Bidder must notify the Department electronically of any Positive Pay exception items for each account. The Department prefers such notification occur via email and by 10:00 a.m. ET on the Business Day following presentment. The Department prefers to be notified regardless if an exception exists, and also when any exceptions have not been decisioned and the decision deadline is approaching; these notifications should be provided to the Department via email. The Bidder must provide an online system used to review and resolve Positive Pay exceptions. A Positive Pay exception item is any item that the Bidder cannot reconcile even after manual intervention. Positive Pay exception items do not include damaged checks, cancels or misencoded items. Positive Pay exceptions may not include any item accurately identified on an issuance file. The average number of Positive Pay exception items is estimated to be 6,500 annually.Note: Bidders are advised that effective July 1, 2018, an amendment to 12 CFR 229 took effect, relating to the availability of funds and collection of checks. Among other changes, the amendment addresses bank responsibilities in the event of a duplicate check presentment. Awarded Bidder, acting on the Department’s behalf, shall comply with such regulations and shall facilitate the clearance of duplicate deposit instruments. (See also 12 USC §5001 et seq.) | 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. |
|  |  | Describe how this Requirement will be met. The description should include:* its method of reporting all Positive Pay exception items to the Department as well as the cut-off time for the Department to reconcile such unmatched items before default options are invoked;
* its Positive Pay matching options;
* the online system used to review and resolve Positive Pay exceptions;
* the notification options, including the time of notification; and
* if applicable, any additional requirements necessary for the Department to use Positive Pay systems and processes.
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **2.5**  | The Department prefers that the Bidder cash “on-us” checks, regardless of whether or not the payee has an account with the Bidder. The Department prefers that the method used to validate payees is as unobtrusive as possible. The Department will not indemnify the Bidder for losses incurred for cashing “on-us” checks. | Describe the policy for cashing “on-us” checks, which should include available alternatives. |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **2.6**  | The Bidder must provide the ability to remove (void, cancel, stop, delete) single or multiple items (batch) from the outstanding check issuance file both by online entry and via file transmission. The Bidder must be able to provide an online means for the Department to obtain reports and inquire on all voids, cancels, stops and deletes by account. The report must identify and contain all data elements as the original file and the required fields below. Minimum Required Fields: * Account Number
* Serial Number/Check Number
* Date of Stop Request
* Amount
* Check Payee

The Bidder must stop payment orders within 30 minutes of acknowledging receipt of the Department’s request to stop payment. All stops must stay in place until authorization to remove is received from the Department. In rare instances, the Department may need to remove a stop. The Bidder must post a removed stop payment order within 30 minutes of acknowledging receipt of the Department’s request to remove stop payment. The Bidder must provide the ability to do this via the online system.  | 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. |
|  |  | Describe how this Requirement will be met. The description should include: * the process for both the online and file transmissions for voids, cancels, stops, and deletes by account, including the effects on Account Reconcilement Plan (“ARP”) and outstanding checks; and
* how and when reports and online inquiry on voids, cancels, stops and deletes will be available.
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **2.7**  | The Bidder must, at the request of the Department, provide a list of outstanding checks electronically. The Bidder must, at the request of the Department, include/remove any outstanding checks (including/excluding canceled items) issued at least one year prior, as defined in § 102 of the State Finance Law, but not yet presented. A file and report of the removed issuances must be sent to the Department. The Bidder must follow file layouts determined during implementation. For file layouts, currently in use, refer to **Exhibits B** and **C**. Note: Outstanding checks are removed in calendar year blocks after the last issuance date for the calendar year has aged at least 12 months. For example, the Department generally will request the removal of outstanding checks for calendar year 2017 by May 1, 2019 but not before January 1, 2019. The Department may request the canceled item(s) be included/excluded from previous month or calendar year.  | 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. |
|  |  | Describe how this Requirement will be met. The description should include: * its method of removing certain outstanding checks at the request of the Department, and the method of reporting such action; and
* how it will meet the Abandoned Property Law (“APL”) requirements.
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **2.8**  | The Bidder must: * Provide a letter of receipt to the Department for each forgery affidavit filed on the Department accounts. The Bidder must also obtain a written confirmation from the bank of first deposit that the affidavit has been received.
* Provide the Department a copy of the denial letter from the bank of first deposit and a copy of the documentation justifying the denial within two Business Days, when a forgery claim is denied.
	+ If the Bidder, for any reason, cannot provide a photocopy/ image of a paid check to support a forgery claim, the Department may file the forgery claim on behalf of the claimant and the Bidder must reimburse the Department.
* Investigate a forgery affidavit and make a determination as to its validity within 90 days, and reimburse the Department within one Business Day of receipt of the money from the bank of first deposit. The Bidder must credit an account identified by the Department at implementation and each credit must identify the claim reference number(s) involved.
* Provide the Department with a monthly listing of the status of all outstanding forgery claims.
 | 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. |
|  |  | Describe the procedures for processing a forgery claim.The description should include a schedule of follow-up activities, resolution, and the average turnaround period for resolution of forgery claims. |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **2.9**  | The Bidder must pursue payment of a forged check with the Federal Deposit Insurance Corporation (“FDIC”) or Resolution Trust Corporation (“RTC”) if cashing bank has become insolvent. | 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. |
| **2.10**  | The Bidder must provide an online application with access for the Department including, but not limited to the following functionality: * notification of total presented checks;
* notification of paid checks;
* inquiry into the status of an issued check;
* check cancellation status; and
* access to images of all paid and unmatched checks by check number. In addition, it would be desirable to have additional access to the images by name, check amount, issuance date, paid date, and date ranges.

Access to this data must be available for at least seven years, of which 36 months (from the paid date) of data must be accessible via the online application. | 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. |
|  |  | Describe how this Requirement will be met. The description should include: * its online capabilities, including, but not limited to:
	+ access hours;
	+ access options, including any limitations (i.e., maximum number of characters allowed in fields);
	+ data retention and retrieval timeframe;
	+ search criteria for access to images; and
* sample screens and reports.
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
|  |  | Data is available via the online application for the full seven years. |
|  |  |  [ ]  | Yes |[ ]  No |
|  |  | If data is not available via the online application for the full seven years, describe how data can be accessed once it is no longer in the online application.  |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **2.11**  | The Bidder must: * participate with the Department in review of check stock specifications and requirements, and provide feedback with any issues within one week; and
* participate with the Department in quality review testing of Controlled Disbursement checks (i.e., change in check stock, change in signatory, annual cycle testing).
 | 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. |
| **2.12**  | The Bidder must support secure electronic data file exchange over the Internet, to and from the Department and/or Department designee using protocols acceptable to the Department. Currently, the Department uses the following secure file transfer protocols, which are listed by order of preference. Encryption algorithms must comply with current FIPS 140.x guidelines. * HTTPS (browser or compatible clients – pickup and drop off at Department servers only, port 443)
* SFTP (SSH/FTP) using minimum 2048-bit key based authentication (port 22)

The Department also supports the optional use of PGP (“Pretty Good Privacy”) or the open source equivalent GPG (“GNU Privacy Guard”) with public encryption key exchange. Testing is required to ensure that the encryption and version of software used by the Bidder is compatible with Department software. This connection will need to meet all Department and industry standard security measures, including using standard TCP Ports. The Bidder must provide file transfer access to its server for the purpose of sending and retrieving files. The development of a schedule of file transfers to be retrieved is required so that the Department and/or Department designee retrieval of files can be automated. | 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. |
|  |  | Describe how this Requirement will be met.  |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **2.13**  | The Bidder must provide to the Department readable, high quality images (and related indexing) of all checks (front and back), post endorsement. Additionally, the Bidder must ensure images provided to the Department through the Positive Pay functionality are readable and high quality. The quality of the image must be at least equal to the original. | 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. |
|  |  | Describe the process to provide quality images at least equal to the original, including any validation performed to ensure check images are of acceptable quality. The description should include: * the equipment (hardware) and software to be used; and
* the identification of any Subcontractors (e.g., application development).
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **2.14**  | The Bidder’s indexing approach must ensure that: * there is one multi-page (front and back) TIFF image file for each separate check; and
* each image file consists of fewer than one billion bytes.

Each image must have a file name consisting of the Deposit Locator Number (“DLN” or “A unique alphanumeric identifier, assigned by DTF, identifying each payment and/or return. The length is 12 characters and is comprised of the tax type, processing year, and sequential number”), and a three-character suffix (e.g., 123456789112.001 and 123456789112.002). The suffix is to represent the sequential number of images (On page one of a return, the front would be the .001 and the back would be the .002). | 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. |
| **2.15**  | The Bidder must create a corresponding image index file for all scanned images.The image index file must include a reconciliation process that will guarantee that each check is imaged and that each image file is included on the image index file.See **Exhibit D, PIT Refund Image 90 File**. | 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. |
|  |  | Describe the reconciliation process that will guarantee that each check is imaged and that each image file is included on the image index file. |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **2.16**  | The Bidder must bundle the images and their associated header records into a file formatted archive, encrypted public PGP key and transfer the files (FTP put) via the Internet to the Department. The images must reconcile to the number of images included in the image index file. The images and related index data must be provided to the Department on the Business Day following payment.  | 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. |
|  |  | Specify the time of delivery of the image files. |
|  |  | Time of Delivery of the Image Files:       |
| **3.** | **DIRECT DEPOSIT SERVICES AND PROCESSING** |
| **3.1** | The Bidder must be able to accept a direct deposit file in an acceptable format designated by the Department and authorized by NACHA. The file must be processed completely and accurately by the Bidder, reflecting the data transmitted in the file to the Bidder from the Department. The Bidder must ensure direct deposit files received from the Department by the daily cut-off time will be processed the next Business Day. See **Exhibit E, Direct Deposit Initiation File Layout, Direct Deposit Initiation File – Sample**. | 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. |
|  |  | Identify the daily cut-off time necessary to process direct deposit files by the next Business Day. |
|  |  | Daily cut-off time necessary to process direct deposit files by the next Business Day:      |
| **3.2**  | The Bidder must agree to work with the Department to provide a means by which the Department can be, and remain, compliant with all NACHA Rules, which must include a means by which Department ACH entries will be systematically corrected/changed in response to any Notification of Change (“NOC”) received by the ODFI. Note: All costs associated with compliance with this Requirement must be included in the Bidder’s fully loaded transaction fee. The Department estimates 500 NOC transactions per month, with the exception of February – April, in which there are approximately 5,000 NOC transactions per month. | 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. |
|  |  | Describe how this Requirement will be met.  |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **3.3**  | The Bidder must implement the agreed-upon method for the confirmation and authorization to release each direct deposit file. Each file must be authorized by Department staff and processed by a secure, automated, and password protected system. The Department prefers this authorization be done through an online portal.See **Exhibit F, Direct Deposit Confirmation Report File – Sample**. | 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. |
|  |  | Describe how this Requirement will be met.  |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
|  |  | Authorization will be done through an online portal.  |
|  |  |  [ ]  | Yes |[ ]  No |
| **3.4**  | The Bidder must hold and warehouse the direct deposit file until the pay date. Once authorization and release is received from the Department, the payments may be released to the NACHA system. | 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. |
| **3.5**  | The Bidder must transmit direct deposits so that funds are available for withdrawal by the taxpayer(s) at the opening of business on the specified dates contained on the data provided by the Department (Earliest specified date will be the next business day after the data is provided). | 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. |
|  |  | Describe how this Requirement will be met. The description should: * identify when files need to be released in order to meet this Requirement;
* provide its back-up timeframes to transmit to the ACH network and the plan to be implemented if, for any reason, the initial transmission is not initiated or the transmission fails; and
* provide the control structure for the Controlled Disbursement account [i.e., how transfers into/out of the account will be identified and segregated from other ACH Credit transactions (“ACH Credit entries occur when an originator initiates a transfer to move funds into a receiver’s account. Examples of an ACH Credit are a payroll transaction, a tax payment or a social security payment”)].
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **3.6**  | The Bidder must provide an acknowledgement file, containing batch and file information, using the standard NACHA file format. | 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. |
|  |  | Describe the timeframe and method of delivery of the acknowledgement file to the Department. |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **3.7**  | The Bidder must provide ACH Credit rejection files that must contain all data elements in the original file, with the addition of the reject reason (based on the most recent publication of the NACHA Rules). The Bidder must follow file layouts determined during implementation. For file layouts, currently in use, refer to **Exhibit G, Direct Deposit Reject File Layout, Direct Deposit Reject File – Sample**.The Bidder must provide ACH Credit rejection reports, in addition to the file transmission, including the reject reason codes. | 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. |
|  |  | Describe the transmission timeframe of the ACH Credit rejection file, from when the Bidder received the file from the rejecting bank to when the Department will receive the file from the Bidder.The description should include the format of the ACH rejection reports that will be provided and the method by which they will be delivered. |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **3.8**  | The Bidder must credit the dollar value of all ACH returns to the Department’s account within 24 hours of the Bidder’s receipt of the returned items.Note: The average monthly volume of returned items is 5,366 totaling $6,897,037. The monthly amounts are much larger during the months when the Department issues the largest number of income tax refunds. | 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. |
| **3.9**  | The Bidder must provide an online system to include, but not be limited to, the ability for Department staff to submit the following: * ACH deletes online up to two Business Days prior to ACH date; and
* ACH reversals from one day prior to the deposit date and up to five days after deposit date.

On rare occasions the Department may request a recall of a delete/reversal or payment of an ACH. | 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. |
|  |  | Describe the functionality available to meet this Requirement. |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **3.10** | The Bidder must provide a same-day or next-day return file to DTF for transactions when the Bidder has been notified of the following: * Routing/Account number does not exist; and/or
* Account number and name on the account does not match the name provided for the account number.

When an item is rejected: * Provide a rejected items file to DTF for every transaction on any date that has activity. This includes any monetary or non-monetary debit or credit origination submitted pursuant to NACHA Rules. The file must include the following details:
	+ Company ID
	+ Name
	+ Taxpayer ID
	+ Bank Routing Number
	+ Bank Account Number
	+ Bank Account Type
	+ Credit Amount
	+ Debit Amount
	+ Return Type Description
	+ Return Reason Description
	+ Date Returned
	+ Check Payment Date

See **Exhibit H, Direct Deposit Change Reject Summary Report File – Sample**. | 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. |
| **3.11** | The Bidder must credit ACH Credit rejections to the issuing account within one Business Day of receipt of the returned items. | 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. |
| **3.12** | The Bidder must reverse those ACH Credit transactions which the Department has deemed to be erroneous, upon notification. The Department will provide a file of reversal requests a minimum of twice daily. The Bidder must follow file layouts determined during implementation. For file layouts, currently in use, refer to **Exhibit I, Direct Deposit Reversal File Layout, Direct Deposit Reversal File – Sample**.  | 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. |
|  |  | Specify the timeframe when reversal actions will be initiated. |
|  |  | Timeframe when reversal actions will be initiated:      |
|  |  | Describe any legal impediments, industry requirements, or NACHA rules which will inhibit the ability to retrieve ACH Credits. |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **3.13** | The Bidder should participate as an RDFI in the State Revenue Agency and NACHA State Tax Refund Return Opt-In Program (also known as R17) that allows RDFIs to identify and return suspected fraudulent ACH direct deposit tax refunds for appropriate review and action. | The Bidder should indicate its willingness to participate as an RDFI in the NACHA Refund Return Opt-In Program (also known as R17) that allows RDFIs to identify and return suspected fraudulent ACH direct deposit tax refunds for appropriate review and action. |
|  |  | [ ]  | Bidder **will** participate as an RDFI in the NACHA Refund Return Opt-In Program (also known as R17). |
|  |  | [ ]  | Bidder **will not** participate as an RDFI in the NACHA Refund Return Opt-In Program (also known as R17). |
| **4.** | **REPORTING FOR DISBURSEMENTS** |  |
| **4.1**  | The Bidder must provide an online variable ACH Credits Activity Report, with real-time downloadable data, identifying if credit was received for deletes, reversals, and returns submitted the previous day. The Department prefers the ACH Credits Activity Report be sortable by transaction type (deletes, reversals, and returns) and summary totals, with detail for deletes, reversals, and returns. | 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. |
|  |  | Describe the sort capabilities that will be available. |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **4.2**  | The Bidder must provide the Department with month-to-date and on demand electronic ARP reports in an agreed-upon format. The Bidder must follow report specifications determined during implementation.  | 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. |
|  |  | Describe:* the ARP reporting options;
* the frequency of reports;
* the formatting details on such reports;
* the delivery timeframes; and
* any options for customizing.

The Bidder should provide samples of reports.  |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **END OF TABLE 3.1: FUNCTIONAL REQUIREMENTS** |

***[Remainder of Page Intentionally Left Blank]***

# Development/Support Service Requirements

This section contains the specific Development/Support Service Requirements.

| **TABLE 3.2: DEVELOPMENT/SUPPORT SERVICE REQUIREMENTS** |
| --- |
| **#** | **REQUIREMENT** | **REQUIRED RESPONSE** |
| **1.**  | **PROCESSING LOCATION(S)** |
| **1.1** | Except as specifically provided for in Table 3.1, Functional Requirements, Requirement 1.5, the Department prefers the Bidder perform the Controlled Disbursement and Direct Deposit Services as defined in this RFP within the Continental United States (“CONUS”). | Describe any services which will be performed outside of the CONUS and the safeguards in place to protect confidential data. |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **2.** | **INTERNAL CONTROLS AND SECURITY FOR DEPARTMENT DATA** |
| **2.1** | The Bidder must utilize generally accepted banking industry standards, best practices and procedures to minimize the risk of loss, destruction or theft of Department data. These should include those outlined in NYS Department of Financial Services (“DFS”) Regulations (http://www.dfs.ny.gov/docs/legal/regulations/adoptions/dfsrf500txt.pdf) if the Bidder is required to comply. The Bidder must restrict and monitor access to confidential Department data. The Bidder must provide and maintain sufficient physical security measures to ensure that all appropriate and necessary precautions are taken to prevent unauthorized access to the designated processing locations and those locations are appropriately restricted and/or monitored for the safety and confidentiality of Department data. The Bidder must hold all Subcontractors to all requirements. | 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. |
|  |  | Provide details addressing the Requirement, which should include, but not be limited to: * the Bidder’s existing internal controls and security procedures;
* the security tools (e.g., locks, alarms, badges, cameras) to be used to ensure that physical security is maintained; and
* the prevention of unauthorized access to physical location(s), record keeping of such attempts, the methods used to address these attempts by the Bidder, and the method used to communicate them to the Department.

Indicate whether the Bidder is currently required to comply with DFS banking regulations: * if the Bidder is not currently required to comply with DFS banking regulations and is selected for award, indicate whether Bidder is willing to agree to comply with those regulations.
* if the Bidder is not required to and will not comply with DFS banking regulations, identify any substantially equivalent standards with which Bidder complies.

If Subcontractors are used, the Bidder must delineate who the Subcontractors are on **Attachment 8** (Listing of Proposed Subcontractors), the Subcontractor’s EIN, if the Subcontractor is a NYS-certified M/WBE or SDVOB, a brief description of the services to be performed, and the processing location/address for services performed.  |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **2.2** | The Bidder and any Subcontractor must not utilize any Department information for their own purposes. The data collected and maintained is solely for the purpose of the Department. | 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. |
| **3.** | **OPERATIONAL CONTROLS** |
| **3.1** | The Bidder and any Subcontractor must utilize generally accepted industry standards and procedures to minimize the risks associated with physical and logical access, the availability of systems, confidentiality of information, processing integrity, and the privacy of personal information. At the Department’s request, the Bidder will directly provide the Department with an independent service auditors’ report, for the Bidder’s company and any Subcontractor company, on operational controls that focus on one or more control domains including security, availability, confidentiality, processing integrity and privacy. Such report will cover the design and effectiveness of controls and may include a SOC 2 report. The Department will request the control domain(s) to be covered in the report.The Bidder will provide such reports as a searchable PDF using a secure communication channel, e.g., using IBM Aspera Sendvault or other secure electronic file transfer method, encrypted with a password to open the file, with the password provided separately. The Department will agree to keep confidential and restrict access to such reports to only those of its employees, agents and external auditors who have a need-to-know for the Authorized Purpose, and to those parties to whom disclosure is required by law (“Authorized Persons”). The Bidder will ensure that in the performance of the services under this Agreement, the Bidder, its employees, directors, officers and Subcontractors who may receive or have access to confidential information: * take all appropriate action to protect the confidentiality and integrity of all confidential information supplied to it or developed by it during the course of its performance under the Contract;
* are required to abide by all Department confidentiality policies and procedures; and
* are prohibited from copying, removing, communicating, or otherwise revealing any confidential information of the Department.

The Bidder must hold all Subcontractors to all requirements. | 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. |
|  |  | Describe how this Requirement will be met. The description should include: * the approach used to present the Bidder’s secrecy, security and confidentiality provisions to employees for signature;
* the Bidder’s existing confidentiality procedures;
* the screening process, including background check policies, for staff to be hired by the Bidder, as well as any other persons having access to the processing area; and
* identification and designation of high risk areas (e.g., data transmission areas) and any unique internal control and security procedures used to mitigate this risk.
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **4.** | **NETWORK SECURITY** |
| **4.1** | The Bidder’s network security must include: network firewall provisioning, intrusion detection, and regular vulnerability assessments summary, which shall be available for the Department to review upon request. The Bidder must hold all Subcontractors to all requirements. | 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. |
|  |  | Describe how this Requirement will be met. The description should include:* the prevention of unauthorized access to systems (i.e., code, data and network security); record keeping of such attempts; the methods used to address these attempts by the Bidder, and the method used to communicate them to the Department; and
* the method used to record access to systems and data and how long these records are maintained.
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **5.** | **INTERNAL CONTROLS OVER FINANCIAL REPORTING** |
| **5.1** | The Bidder and any Subcontractor must utilize generally accepted industry standards and procedures to minimize the risk associated with the processing and reporting of financial and non-financial transactions. The Bidder will directly provide the Department with an independent auditors’ report, for the Bidder’s company and any Subcontractor’s company, on transaction processing controls and supporting information technology controls. Such report will cover the design and effectiveness of controls and is commonly referred to as a SOC 1 report. The Bidder will provide such reports as a searchable PDF using a secure communication channel, e.g., using IBM Aspera Sendvault or other secure electronic file transfer method, encrypted with a password to open the file, with the password provided separately. The Department will agree to keep such reports confidential and restrict access to such reports to only those of its employees, agents and external auditors who have a need-to-know for the Authorized Purpose, and to Authorized Persons.The Bidder must hold all Subcontractors to all requirements. | 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. |
| **6.** | **TRAINING AND TRAINING TOOLS** |
| **6.1** | The Bidder must adequately train Bidder’s staff and Department staff. Department staff must also be trained on any online tools that will be used, as well as any changes made.. Training for Department staff must be completed at a facility acceptable to the Department. | 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. |
|  |  | Describe how this Requirement will be met.The description should include: * the training location/method (e.g., hands-on, online) and materials to be used;
* the number of hours of training that will be provided for the Program(s) functions;
* identification of who will be performing the training (e.g., Bidder or Subcontractor); and
* the circumstances that would require additional training and/or retraining.
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **7.** | **PRODUCTION ENVIRONMENT** |
| **7.1** | The Bidder must use generally accepted industry standards to implement and operate the systems environment to ensure that the Requirements are achieved. This must include the use of procedures, periodically adjusted by Bidder, for system operations, change control, capacity planning, performance management, problem management, backup (including off-site storage), business continuity, disaster recovery, and fail-safe operations. Transaction data must be backed up and be able to be retransmitted for up to six months from the original date. The systems environment must be scalable to accommodate future systems expansion. If the systems environment is shared, the Bidder must follow auditable procedures which ensure the security and confidentiality of the Department’s programs and data.The Bidder must hold all Subcontractors to all requirements. | 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. |
|  |  | Describe how this Requirement will be met, including information on the systems environment(s) for these services. |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **8.** | **TEST ENVIRONMENT** |
| **8.1** | The Bidder must maintain a User Acceptance Test (“UAT”) environment, separate from the production environment, which is configured to allow enhancements in a controlled environment. The test environment shall mimic the production environment and be continuously maintained. The Bidder must provide the Department access to a UAT environment that mimics end-to-end production and be compatible with the Department’s UAT environment. The Bidder must perform routine maintenance to ensure that its UAT environment is in sync with its production environment and the Department’s UAT environment (e.g., payer identification files and Department DLN ranges per individual Programs).There will be user testing during and after business hours and on non-Business Days and will be a minimum of 2 months. The Bidder must provide the Department with an annual migration schedule for the upcoming year, with any planned code freezes, six months in advance. If any unplanned code freezes occur that are not on the schedule, the Department must be updated within two Business Days. The Bidder must notify the Department within a minimum of 60 days of becoming aware of a system change or upgrade (including those of any Subcontractor) that could affect the Department’s systems and/or processes. Testing of these changes with the Department will be at the Department’s discretion. In addition, the Bidder shall provide notification 48 hours prior to any unexpected maintenance to the extent reasonably practicable, but in no event less than one hour prior to taking the system down for unexpected emergencies.The Bidder must hold all Subcontractors to all requirements. | 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. |
|  |  | Describe how this Requirement will be met. The description should include: * information on the system(s) environment(s) for these services; and
* any standard schedule of when the Bidder’s UAT environment is migrated to update the production environment (i.e., regular dates of production migration or freeze dates when production cannot be updated).
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **9.** | **AUTOMATED SYSTEMS DESIGN, DEVELOPMENT, MAINTENANCE AND ENHANCEMENT** |
| **9.1** | The Bidder must adhere to generally accepted information technology standards for development, documentation, maintenance and enhancement of the services to ensure the applications are secure from vulnerabilities and defects. This includes the use of auditable (by the Bidder) procedures for quality and version control and recommended practices as described in the links below, including any updates: * The CWE/SANS Top 25 Programming Errors –http://cwe.mitre.org/top25; and http://www.sans.org/top25-software-errors/
* The Open Web Application Security Projects (“OWASP”) “Top Ten Project” – http://www.owasp.org

The development tools and procedures must support rapid application development for the initial implementation and for addressing future changes.The Bidder must hold all Subcontractors to all requirements. | 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. |
|  |  | Describe how this Requirement will be met. The description should include: * provision of details relating to the applications solution;
* procedures for quality and version control;
* development tools and procedures that support implementation and future changes; and
* procedures for electronic payment data backup.
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **9.2** | **Support and Maintenance on Bidder’s Software & Hardware** The Bidder must provide support and maintenance for all Software and Hardware used to support the services in this RFP for both the Production and the Disaster Recovery locations. **Hardware support and maintenance must include, but not be limited to:** * coverage on any equipment to be utilized in order to meet the Requirements in this RFP;
* replacement of all parts with manufacturer certified replacement parts to maintain the equipment within the manufacturer’s specifications;
* preventative maintenance, as required by the product specifications; and
* full maintenance service including emergency call back service on an as-needed basis, systematic examinations, adjustments, lubrication, repair and replacement of the system component parts.

**Software support and maintenance must include, but not be limited to:** * manufacturer/developer coverage on any Software utilized in order to meet the Requirements for all aspects of processing covered in this RFP (e.g., application and operating systems) throughout the duration of the Contract with the Department;
* upgrades for new versions, interim releases, error corrections, updates, revisions, fixes and new releases to software and technical patches; and
* all temporary fixes, as they are made available to all supported software customers, or reasonable attempts to make an emergency bypass to the problem.

The Bidder must retain support and maintenance for the Software and Hardware utilized to provide services in this RFP as long as the manufacturer/developer is supporting such Software and Hardware. Should the Software or Hardware no longer have the support of the manufacturer/developer the Bidder must ensure that they will upgrade to a supported version prior to the expiration of the support and maintenance. The Bidder must notify the Department upon receipt of a notification of discontinuance of support for any Hardware and/or Software utilized to meet the Requirements of this RFP. The Bidder must provide the Department prior notification of planned changes to the organization, expansion of services to other clients, and/or hardware and software modifications (including any initiated by Subcontractors) that either directly or indirectly impact required services. The Department prefers at least 30 days prior notification. | 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. |
|  |  | Describe as appropriate: * age, make, and model of Hardware to be used;
* expected Software to be used, including the software developer and the current version;
* expected upgrade schedule and/or update schedule to any and all Hardware and Software; and
* how the Bidder will notify the Department of modifications to Hardware/Software that are not included in the upgrade schedule.
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **9.3** | The Bidder, and any Subcontractor, must adhere to generally accepted information technology standards for systems maintenance. The Bidder must provide Department access to web applications 24 hours a day, seven days a week, 365 days a year, with the exception of agreed-upon maintenance windows. In addition, Bidder shall provide notification to the Department 48 hours prior to any unexpected maintenance to the extent reasonably practicable, but in no event less than one hour prior to taking the system down for unexpected maintenance. | 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. |
| **10.** | **USER ACCEPTANCE TESTING (“UAT”)** |
| **10.1** | The Bidder must agree to develop a joint implementation testing plan with the Department. The testing plan must include any periods of time when the Bidder is unable to provide a suitable test environment and/or to migrate system changes to production. Such ‘freeze’ periods will not disrupt implementation of the services. The Bidder must respond (acknowledge at a minimum) to defects discovered during testing within two Business Days. The Bidder must provide a testing lead readily accessible to Department personnel. The Bidder will be required to facilitate UAT end-to-end tests, mimicking production, prior to certification. Testing will include functionality, connectivity, and stress testing. Department staff will be involved in conducting the end-to-end testing. This end-to-end testing is separate from the Bidder’s internal testing in a development environment. The Bidder, during the end-to-end testing, will work within timeframes dictated by the Department. Timeframes such as freeze dates and check point dates will be clearly specified. The planned number of tests conducted during any testing will be at the sole discretion of the Department. | 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. |
|  |  | Describe how this Requirement will be met. The description should include: * the days and hours the UAT environment will be available to send and receive test files from the Department; and
* the days and hours the testing lead will be available to the Department.
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **10.2** | The Bidder must perform tests at various times during the year, which will have many of the same elements as implementation testing. This will include any and all file transmissions, regardless of whether there are changes or not. This periodic testing must mimic production. The planned number of tests conducted during any testing will be at the sole discretion of the Department. Department staff will be involved in conducting the testing. This testing is separate from the Bidder ’s internal testing in a development environment. | 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. |
| **11.** | **ORGANIZATIONAL STRUCTURE**  |
| **11.1** | The Bidder must demonstrate the ability to provide and maintain an organizational structure and level of staffing to adequately provide the services required by this RFP. | 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. |
|  |  | Describe how this Requirement will be met. The description should include: * an organizational chart providing the structure that will support the services required by this RFP (including the overall corporate structure);
* a single project/engagement manager responsible for development and implementation:
	+ the project manager’s immediate direct reporting subordinates for systems development and user acceptance testing; and
	+ a description of the project manager’s relevant experience.
* the key executives, managers and other key personnel, by name and title; their experience in managing Controlled Disbursement and Direct Deposit Services; and, the amount of time that each will be allocated to the services. If not dedicated 100% for the services, identify the allocation of time that will be spent on the services.
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **12.** | **SUPPORTING DOCUMENTATION** |
| **12.1** | The Bidder must develop accurate and complete Detailed System Design (“DSD”) documents and procedures for services covered under this RFP. Such documentation must be made available to the Department. | 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. |
| **13.** | **PERFORMANCE MONITORING, AUDITS AND REVIEWS**  |
| **13.1** | The Bidder must cooperate fully with the Department, or its designees, in all performance reviews. Cooperation includes, but is not limited to, provision of all necessary documents in a timely manner and provision of adequate working space (e.g., private office, conference room or work stations, access to phone and data lines, high speed connections, photocopier, file cabinet with locks) to conduct such reviews. In addition to reviews by the Department, the Bidder must cooperate fully with OSC, or its designee(s), or any other appropriate New York State or federal oversight entity, for all aspects of audits, reviews, etc. | 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. |
| **14.** | **DATA REQUESTS** |
| **14.1** | Upon the Department’s request, the Bidder must occassionally provide data based on existing data collected or maintained by the Bidder as a result of the services. Alternatively, the Bidder may provide an ad hoc reporting tool to the Department for access to the existing data. | 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. |
| **15.** | **ENHANCEMENTS AND MODIFICATIONS** |
| **15.1** | Due to the rapid pace of change and innovation in banking and financial services, it can reasonably be anticipated that during the term of any contract awarded as a result of this RFP, the banking services described may require enhancement or modification. Therefore, any proposal submitted must include a firm corporate commitment to work closely and cooperatively with the Department. The Bidder should periodically suggest enhancements or modifications that will benefit the Department for consideration, including enhancements and modifications which improve productivity and/or mitigate suspicious or fraudulent activity. The Department may also request that a successful Bidder provide enhancements or modifications requested by the Department. The Department, however, is under no obligation with regard to such enhancements or modifications, and reserves its rights to: * develop and/or implement enhancements or modifications internally at the Department; and/or
* obtain a third party to perform such work.

The Bidder must agree to work in good faith with the Department and any other party to assist in the development and/or implementation of enhancements or modifications and must timely develop and implement an enhancement or modification, if directed to do so by the Department. All enhancements or modifications are subject to the change control process in **Appendix C** (Change Control Procedure). The successful Bidder shall timely develop and implement an enhancement or modification as directed by the Department. Fees for such developments and implementations shall be negotiated by the Department and the successful Bidder as soon as feasible following identification of intent to proceed with an enhancement development or implementation. The successful Bidder should not implement a Department-directed enhancement or modification into “live” production until such enhancement or modification has been accepted by the Department and, when applicable, approved by the OSC Bureau of Contracts. | 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. |
|  |  | Describe the plan for suggesting enhancements and modifications. |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **15.2** | The Bidder must work with the Department using the Change Control Procedure (**Appendix C**) to respond rapidly, or by a fixed deadline, to functionality changes resulting from legislative or administrative requirements (often in constrained timeframes). | 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. |
|  |  | Describe how this Requirement will be met, including the capabilities and limitations with regard to the ability to respond rapidly to change requests. The description should include:* the methodology to be used to analyze program changes and the identification of the resource commitment to implement those changes;
* the levels of flexibility (tolerance for change), built into the processing approach; and
* the scalability of the physical location and automated environment to accommodate functionality changes and/or workload expansion.
 |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **15.3** | The Bidder must provide a technology team or process which would be dedicated to identifying new or existing technology(ies) that would create efficiencies for the Department and provide training to the Department on any new technology. | 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. |
|  |  | Describe such team or process if one already exists within its organization, and highlight its performance. |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **16.** | **BUSINESS CONTINUITY/DISASTER RECOVERY/FAIL-SAFE OPERATIONS** |
| **16.1** | The Bidder must provide a sufficient level of business continuity, disaster recovery, and fail-safe operations services to ensure that disruptions to services are not apparent to payees. After preliminary award, but prior to contract execution, the successful Bidder shall make a business continuity, disaster recovery, and fail-safe operations (“Disaster Recovery”) plan or a detailed overview of the plan available for inspection as it pertains to the services of this RFP. The inspection shall be at a mutually agreed-upon location in the State of New York. The Bidder must provide alternative arrangements for all services in the event of a short-term business interruption and/or long-term loss of performance capability. The successful Bidder must provide a sufficient level of business continuity, disaster recovery, and fail-safe operations to ensure that disruptions to services are minimized with no negative impact to the Department. All functionality must have full redundancy. The Bidder must incorporate all alternate facilities, equipment, telecommunications lines, staff or other resources required to ensure continuity of services which may be interrupted for any length of time by a disaster or other unforeseen event. The Bidder must ensure that the security and confidentiality requirements are maintained during the relocation of operations to an alternate location(s), at the alternate location(s), and during restoration of the original operating location(s). To execute the services, when necessary, the Bidder must utilize an agreed-upon communication plan.During the initial implementation and going forward, there may be joint Department/Contractor testing. The successful Bidder must verify and demonstrate to the Department’s satisfaction that successful Bidder’s disaster recovery operations are and continue to be effective. The Bidder must be able to interact with Department primary locations and emergency backup locations. If primary locations fail over to the backup locations, there should be no disruption. | 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. |
|  |  | Describe the business continuity, disaster recovery, and fail-safe operations that pertain to the Requirements of this RFP.Identify any Subcontractor to be used in providing Disaster Recovery services and include their role in providing these services. |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
|  |  | Indicate whether a Disaster Recovery plan or detailed overview of the plan will be provided for inspection after notification of preliminary award. |
|  |  |[ ]  A Disaster Recovery plan will be provided for inspection after notification of preliminary award. |
|  |  |[ ]  A detailed overview of the plan will be provided for inspection after notification of preliminary award. |
| **16.2** | Upon request, the Bidder must provide to the Department any independently prepared reports addressing Business Continuity/Disaster Recovery/Fail-safe Operations regarding the Bidder’s system and any Subcontractor system, applicable to services provided to the Department. The Bidder will provide such reports as a searchable PDF using a secure communication channel, e.g., using IBM Aspera Sendvault or other secure electronic file transfer method, encrypted with a password to open the file, with the password provided separately. The Department will agree to keep confidential and restrict access to such reports to only those of its employees, agents and external auditors who have a need-to-know for the authorized purpose, and to authorized persons. | 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. |
| **17.** | **RECORD AND FILE DESTRUCTION** |
| **17.1** | The Department requires that when records maintained by the Bidder on behalf of the Department in connection with these services become obsolete (as determined by the Department or consistent with any vendor industry banking regulatory retention requirements), such records shall be destroyed in such a manner that it cannot be recreated and the security of the data will be maintained. The destruction of data must be performed in accordance with industry best practices. Prior to destruction of records, the Bidder shall request permission from the Department, in writing, to destroy such records. After the destruction of the records, an officer or principal of the Bidder shall certify to the Department, in writing and under penalty of perjury, that such destruction has been completed in accordance with the Office of Information Technology Services Policy for Sanitization/Secure Disposal in NYS-S13-003 found here: https://its.ny.gov/sites/default/files/documents/nys-s13-003\_sanitization\_secure\_disposal\_standard.pdf | 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. |
|  |  | Describe how this Requirement will be met.  |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **18.** | **TRANSITION PLAN** |
| **18.1** | The Bidder will work with the Department to develop a detailed transition plan: (i) upon notification of the Department’s intent to terminate the Agreement or any portion thereof; or (ii) at least one year prior to the expiration date of the Agreement for the services covered in this RFP. The Department will prescribe the disengagement process to be followed during the transition phase of the contract. This will include, but not be limited to:* paper records, including, but not limited to, work papers, photo copies, computer printouts, and transcripts, must be returned to Department or destroyed by shredding or disintegrating. Paper records should be shredded to 5/16-inch-wide strips or smaller;
* inactivation of all Department accounts and access on the Bidder’s system;
* transfer of all Department data from the Bidder’s system to the Department;
* project plan to include time for the abandoned property procedures at the Department (see Note);
* removal of all Department data from the Bidder’s system. Storage devices such as hard disk drives, thumb drives, and other magnetic media such as tapes, diskettes, or CDs/DVDs must be physically destroyed or securely overwritten to prevent unauthorized disclosure of Department data; and
* the Bidder must comply with all record destruction policies in accordance with the Office of Information Technology Services Policy for Sanitization/Secure Disposal in NYS-S13-003 found here: https://its.ny.gov/sites/default/files/documents/nys-s13-003\_sanitization\_secure\_disposal\_st andard.pdf.

**Documentation:**The Bidder must provide to the Department a record of the media sanitization or disposal and maintain a record of the destruction for a period of one year from the date of destruction. This record is to contain: * the date and time of the sanitization or disposal;
* a description of the data;
* a description of the media;
* the method of sanitization or disposal (clear/purge/physical destruction);
* Bidder name that has contracted with the Department;
* Bidder contact name for information regarding the sanitization or disposal activity; and
* the name and title of the officer, such as the company CIO, ISO, or Privacy Officer, responsible for sanitization or disposal of media. This officer must sign and send the record via US Mail or email to the Department-designated contact.

In addition, the Bidder must provide a notarized letter, signed by an official authorized to bind the Bidder, to the Department-designated contact according to the transition plan. This letter must affirm the Bidder has complied with the terms and conditions prescribed by the Department.**Note:** During June of every year, DTF works with the refund vendor to determine the population of refund checks issued in the previous year that are uncashed. At that point, the list is reviewed for accuracy, and the process of notifying taxpayers begins in July with a mailing. In late October, a second mailing is sent to any taxpayer with an uncashed check of over $1,000. In January/February of the following year, the Department works with the Bidder to obtain a final file of uncashed checks. On or before March 10th of that following year, DTF must provide the final file of uncashed checks to OSC. | 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. |
|  |  | Describe how this Requirement will be met.  |
|  |  | Describe:*The space will expand as you type. Provide additional pages as necessary.*      |
| **END OF TABLE 3.2: DEVELOPMENT/SUPPORT SERVICE REQUIREMENTS** |

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# Implementation Requirements

This section contains the specific service and response Requirements. The Bidder must follow an agreed-upon Implementation Plan which will support the required development and customization activities for this RFP.

**Note:** The Department will require a certification for the implementation of services. The certification should be a part of the Implementation Plan. Such certification shall not be effective until accepted in writing by the Department.

| **TABLE 3.3: IMPLEMENTATION REQUIREMENTS** |
| --- |
| **#**  | **REQUIREMENT** | **REQUIRED RESPONSE** |
| **1.**  | **IMPLEMENTATION PLAN** |
| **1.1** | The Bidder must develop and provide an Implementation Plan acceptable to the Department. The plan will support the required development and customization activities for each program, as applicable, within the required Implementation timeframe as specified in **Section 1.4**. The Implementation Plan should include: * the set of documentation that will be used for the implementation of these programs.
* all details related to standard setup requirements that the Department would be expected to participate in.
* the specific testing that will be required of the Bidder and testing that will be anticipated for the Department.
* integration of each of the required elements, identifying the key milestones, dependencies, associated timeframes, responsible party, and points of Department approval. The preferred format for the implementation plan is MS Project.
* the contact information for their:
	+ Bank Relationship Manager
	+ Testing Lead
	+ Implementation Manager

The key milestones, if applicable, must include: * Integration/development of each required system, including:
	+ Conceptual design
	+ Preliminary and final logical and physical database design
	+ Detailed System Design review/approval points for each required function
	+ Certification
* Testing, including:
	+ Component testing
	+ System testing
	+ User acceptance testing
	+ Integrated performance testing
	+ End-to-end testing, mimicking the complete process
	+ Certification
* System implementation
* End-User and computer location preparation, including:
	+ Processing location selection
	+ Procurement completion
	+ Location preparation
	+ Equipment procurement, installation and testing
	+ Certification
* Procedure(s) development, including:
	+ Function level procedures
	+ Internal forms
	+ Security and confidentiality
	+ Fail-safe and disaster recovery
* Training development and execution, including:
	+ Training by function
	+ Supervisory training
	+ Staff training
* Subcontractor procurement of services (if applicable)
* Final certification

For each milestone identified, the responsible party (i.e., Bidder, Subcontractor, or Department) must be indicated. | 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. |
|  |  | Provide a preliminary Implementation Plan, to the extent possible, with details as outlined in Requirement 1.1.  |
| **END OF TABLE 3.3: IMPLEMENTATION REQUIREMENTS** |

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# Cash Management Requirements

This section contains the specific Cash Management Requirements.

| **TABLE 3.4: CASH MANAGEMENT REQUIREMENTS** |
| --- |
| **#**  | **REQUIREMENT** | **REQUIRED RESPONSE** |
| **1.**  | **UNDERTAKING FOR BANK DEPOSITS AND ASSIGNMENT OF SECURITIES** |
| **1.1** | The Bidder must agree and sign (subsequent to award and prior to implementation) the Undertaking for Bank Deposits and Assignment of Securities Agreement (see **Attachment 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 Requirement. |
| **2.** | **WIRE, ACH AND BANK TRANSFERS** |
| **2.1** | The Bidder must wire, ACH or transfer funds from any accounts associated with the services as directed by the Department and provide an online system for the Department to initiate/release such transactions from the Department’s account(s).  | 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. |
| **3.** | **DEBIT BLOCK** |
| **3.1** | The Bidder must ensure the prevention of unauthorized debits, both paper remittance and EFT, presented against a Department account, and must report any such unauthorized debits to the Department.  | 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. |
| **4.** | **FRAUD PROTECTION** |
| **4.1** | The Bidder must ensure that each account has associated fraud protection service options. These options must include: * + Positive Pay;
	+ Reverse Positive Pay;
	+ post no checks; and
	+ a fraud filter with debit blocks and account filters.
 | 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. |
| **5.** | **FUNDS PROCESSING AND AVAILABILITY** |
| **5.1** | The Bidder must agree that: * + Funds availability provided to the Department is equivalent to the funds availability provided to a Bank by the Federal Reserve for checks processed through the Federal Reserve; and
	+ Funds availability to the Department is equivalent to the funds availability provided to the Bank by financial institutions for checks processed through direct send programs.

The Bidder must inform the Department of any changes that affect individual check end-point and availability schedules. Any changes and/or revised availability schedules must be transmitted to the Department in a timely manner. | 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. |
| **6.** | **AUTOMATED CLEARING HOUSE NETWORK (“ACH”) RULES AND REGULATIONS** |
| **6.1** | The Bidder must notify the Department of NACHA rule changes that impact the processing of the Department’s transactions through the ACH network as soon as practicable prior to the change becoming effective.The Bidder must also provide the Department on an annual basis, the NACHA Rules, with periodic updates, as appropriate. | 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 3.4: CASH MANAGEMENT REQUIREMENTS** |

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# Insurance Requirements

This section contains the specific Insurance Requirements at the time of proposal submission.

| **TABLE 3.5: INSURANCE REQUIREMENTS** |
| --- |
| **#**  | **REQUIREMENT** | **REQUIRED RESPONSE** |
| **1.** | Upon Notification of Intent to Award, the selected Bidder must provide the Department its certificates of insurance showing its respective coverages and applicable limits (including applicable deductibles and self-insured retention amounts).If the selected Bidder is self-insured for any portion of its insurance program, a letter indicating the coverage and limits of such self-insurance, signed by the selected Bidder’s authorized representative with direct knowledge of and responsibility for that insurance/risk management program, must be submitted. | The Bidder must affirm understanding of, and agreement to comply with, this requirement on **Attachment 5, Insurance Requirement Response**. |
| **2.** | The Bidder must be insured by the Federal Deposit Insurance Corporation (“FDIC”) during the term of the Contract, including any renewal, extension and transition period.The Bidder’s company and all staff should be insured, throughout the Contract term, against any financial losses resulting from the Bidder’s employees’ actions. | On **Attachment 5, Insurance Requirement Response**:Provide a summary of the Bidder’s current insurance coverage, which should include the limits and effective dates for each of the following:* general liability,
* umbrella liability,
* privacy/security/cyber coverage (including coverage for failure to protect confidential information and failure of the security of the Bidder’s computer systems, which coverage must be without geographic or territorial limitation),
* workers’ compensation,
* directors and officers/errors and omissions (Banker’s Professional Liability),
* financial institution bond (Banker’s Blanket Bond Coverage plus Computer Crime (covering Employee Dishonesty)), and
* any other insurance required by law.

Specify if the Bidder is self-insured for any of these coverages.Specify whether the Department may be added as additional insureds for any of these coverages. |
| **END OF TABLE 3.5: INSURANCE REQUIREMENTS** |

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# Financial Stability Requirements

This section contains the specific Financial Stability Requirements.

| **TABLE 3.6: FINANCIAL STABILITY REQUIREMENTS** |
| --- |
| **#**  | **REQUIREMENT** | **REQUIRED RESPONSE** |
| **1.** | The Bidder must be a financially stable entity, such that it may initiate and perform its obligations through the duration of the Contract. The Department will conduct an evaluation of the Bidder’s financial stability which will include, but not be limited to, a review of the Bidder’s equity position, liquidity, profitability trends and prospects for financial growth. The financial stability evaluation will also include a business background review of the entity’s officers and management team, its organizational structure and the financial operating relationship between the business units and divisions. As a condition of the resulting Contract, the Contractor must continue to evidence financial stability. The on-going financial stability of the Contractor may be evaluated based upon criteria similar to that used in the evaluation process. If the Department elects to evaluate financial stability, annual financial statements prepared by an accountant in accordance with Generally Accepted Accounting Principles (“GAAP”) will be required to be submitted for review to the Department within 90 days of the fiscal year end. Any material change in ownership of the Contractor, or material financial change of the Contractor, will require a re-evaluation of the Contract in its entirety by the Department.  | The Bidder must affirm understanding of, and agreement to comply with, this Requirement on **Attachment 6, Financial Stability Response**.Upon the Department’s request, the Bidder must submit proof of financial stability required for its particular organizational structures as set forth in the requirements listed in paragraphs 1, 2, 3 and 4 below. Where reviewed financial statements are required these must have been prepared by a CPA in accordance with GAAP. All required information must be provided for any predecessor entity within the last three years and any other subsidiary, affiliate, or related company requested by the Department. **Financial Data****1. If the Bidder is a subsidiary of a parent company that is publicly held**, the Bidder must comply with the preceding requirements by either (a) submitting **separate**, audited/reviewed, annual financial statements for the parent and subsidiary for the last three years OR (b) submitting audited/reviewed, annual financial statements for the parent for the last three years, unaudited annual financial statements for the subsidiary for the last three years and the spreadsheet(s) used for consolidation. In either case, the most recent audited, reviewed, or internal interim financial statement is also required for both the parent and subsidiary. **2. If the Bidder** **is a subsidiary of a parent company that is privately held**, the Bidder must either (a) comply with the requirement outlined in paragraph one OR (b) submit separate annual, unaudited/internal company financial statements for both the parent and subsidiary for the last three years, a separate Dun and Bradstreet Comprehensive Report (dated within 21 days of bid submittal) for both the parent and Bidder, and a statement explaining why annual, audited/reviewed statements are not available.In either case, the most recent audited, reviewed, or internal interim financial statement is also required for both the parent and subsidiary.**3. If the Bidder** **is a publicly held company and is not a subsidiary of a parent company**, it must provide audited or reviewed annual financial statements for the last three years. The most recent audited, reviewed, or internal interim financial statement is also required.**4. If the Bidder** **is a privately held company and is not a subsidiary of a parent company**, it must either (a) fulfill the requirements set forth in paragraph three above or (b) provide annual, unaudited/internal company financial statements for the last three years, a Dun and Bradstreet Comprehensive Report (dated within 21 days of bid submittal) and a statement explaining why annual audited/reviewed statements are not available.The most recent audited, reviewed, or internal interim financial statement is also required.**In addition, the Bidder** **must provide the following information:** * The Bidder must provide the name and phone number of a contact at its primary bank in order for a bank reference to be obtained as part of the financial stability evaluation.
* The Bidder must provide documentation attesting to any significant line(s) of credit that are available to the Bidder. This documentation must include information identifying the source of such lines and detailing the maximum credit amount(s) available to the Bidder, outstanding balance(s), and current amount(s) available.
* The Bidder must indicate whether or not it guarantees the debt of any other entity.
* If the Bidder is a subsidiary of a parent company, the Bidder must explain, in detail, the inter-company financial relationship between the parent company and the Bidder. The Bidder must indicate if the parent company guarantees the debt of the Bidder, or if the Bidder guarantees the debt of the parent company.
* The Bidder must provide organizational charts including a listing and detailed description of:
	+ The Bidder’s primary business units and divisions;
	+ Key executives;
	+ Any and all subsidiaries; and
	+ Any and all minority interests, joint ventures or other type of business affiliations.
* The Bidder must provide brief biographies on its key officers and management.
 |
| **END OF TABLE 3.6: FINANCIAL STABILITY REQUIREMENTS** |

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# Financial Requirements

Fees are to be provided by the Bidder on **Attachment 22, Financial Response Form**. A Bidder’s failure to provide a complete pricing response will result in the Bidder’s proposal being deemed non-responsive. Bidders must provide all pricing information requested on **Attachment 22** and **must not modify or change the Attachment.** Any pricing information or add-on costs that do not conform to the presentation allowed on **Attachment 22** cannot be evaluated, will be disregarded as extraneous, and cannot be charged to the Department after award of a Contract.The Bidder must ensure that no additional costs will be assessed directly against the bank accounts associated with this RFP. All service lines on **Attachment 22** must be inclusive of all costs associated with the services. There must be no additions, deletions or omissions of service lines from the response form; if the Bidder proposes a zero value fee for any service lines, that service line should be marked as zero and not left blank.

# Bidder Fees

The fully-loaded transaction fees must include all costs related to services required in this RFP 19-100 including, but not limited to development costs for services provided prior to implementation, staffing, facilities, equipment, systems maintenance, management, program support activities, training, FDIC fees, and any indirect costs. However, if the Department initiates change controls which result in efficiencies, the Bidder’s Transaction Fees will be reduced through the change control procedures. (See **Appendix C, Change Control Procedure**.)

The System Enhancement fees must include the hourly rates for system enhancements provided through **Appendix C, Change Control Procedure**. These system enhancement fees should not include travel costs. Travel-related expenses associated with system enhancements shall be reimbursed in accordance with the NYS Office of State Comptroller guidelines.

| **TABLE 4.1: COST PROPOSAL REQUIREMENTS AND REQUIRED RESPONSES** |
| --- |
| **1.** | **TRANSACTION FEES** |
| **1.1** | **PAID CHECKS** | This fee must include all costs related to Paid Check Services required in this RFP, as well as associated development and system maintenance. |
| **1.2** | **DIRECT DEPOSITS (OUTGOING ACH)** | This fee must include all costs related to Direct Deposit Services required in this RFP, as well as associated development and system maintenance. |
| **1.3** | **FEDWIRES** | This fee must include all costs related to Fedwires required for services in this RFP, as well as associated development and system maintenance. |
| **1.4** | **NACHA – UNAUTHORIZED ENTRY** | Fee paid by an ODFI to the RDFI for certain returns of ACH Debit transactions due to a problem with the Receiver's authorization. |
| **2.** | **SYSTEM ENHANCEMENTS** |
| **2.1** | **PROJECT MANAGER** | Indicate the hourly/per person rate for project management services associated with system enhancements. |
| **2.1.A** | Duties:* + Oversees projects comprised of multiple deliverables and/or phases.
	+ Delegates and coordinates tasks.
	+ Coordinates project status, meetings, scope changes, issues.
 |
| **2.2** | **BUSINESS ANALYST** | Indicate the hourly/per person rate for analysis and design services associated with system enhancements.  |
| **2.2.A** | Duties:* + Manages small to medium-scale business analysis work or projects with distinct deliverables to a solution.
	+ Performs business analysis and design work that provides a link between the technical solutions available and the business objectives of the customer.
	+ Assists with elicitation, translation, analysis, organization, and design of business requirements.
 |
| **2.3** | **PROGRAMMER** | Indicate the hourly/per person rate for development services associated with system enhancements. |
| **2.3.A** | Duties: * + Programming, component and assembly testing of all application code owned by the application team.
	+ Maintenance (including production support), enhancement and development work.
	+ Write application software, data analysis, data access, data structures, data manipulation, databases, design, programming, testing and implementation, technical and user documentation, and software conversions.
 |
| **2.4** | **TESTER**  | Indicate the hourly/per person rate in testing services associated with system enhancements. |
| **2.4.A** | Duties:* + Understands the user’s view of applications and/or technology and can ensure the software meets the customers’ expectations and company quality standards.
	+ Creates test data, test conditions and executes testing of the application software to ensure all errors are identified and corrected before release.
	+ Ensures all functional requirements have been met.
	+ Identifies defects and issues timely, suggests solutions, and assists with the resolution and reproduction of problems.
	+ Develops and maintains user and technical documentation and project process documentation for application teams.
 |
| **END OF TABLE 4.1: COST PROPOSAL REQUIREMENTS AND REQUIRED RESPONSES** |

# Cost Increases

The fees shall not be increased during the first three years of the contract term. Thereafter, the fees may be increased for each subsequent annual period of said term upon the anniversary of the contract with no less than 60 days’ written notice to the Department. Such increase shall be limited to the lesser of the Consumer Price Index for All Urban Consumers (“CPI-U”), U.S. City Average, All Items, as reported by the U.S. Department of Labor, Bureau of Labor Statistics for the preceding 12-month period or 3% over the prior year’s fees. Any increase granted shall be effective on the contract anniversary date and calculated using the index number published four months preceding the anniversary date of the contract. If at any time the above index is discontinued or becomes unavailable, the Department reserves the right to implement a comparable index.

**NOTE:** All requested increases shall be subject to negotiation between the Department and the Bidder.

# Method of Compensation

OSC reserves the right to determine the method to be used to compensate the Contractor for Services. This determination will be made on an account-by-account basis.

The method may include Direct Fee, Compensating Balances, or a combination of both. The method of compensation shall be that which is expected to provide the lowest cost of Services to the State, as determined by OSC. OSC reserves the right to change the compensation method. OSC will not change the method of compensation at a frequency greater than once annually, except in extraordinary circumstances, as determined by OSC. OSC shall provide the Contractor with advance notice of such a change. If an alternate payment method is deemed necessary by OSC, payment procedures shall be established by authorized representatives of the Contractor and OSC in accordance with the Cost Proposal, depending on the method of compensation.

Depending upon the method of compensation chosen by OSC, the following procedures will be used to determine the payment for Services:

# Payment by Direct Fee

If OSC elects to pay by Direct Fee, it may choose to offset the fee payment with Earnings Credits (as hereinafter defined) or request Earnings Credits reimbursement from the Contractor. If, for any month, the Earnings Credits exceed the monthly bank charges, the Contractor shall carry forward the excess to the following month or, at the election of OSC, such excess may be applied against the cost of Services for any other Compensating Balance relationship the Contractor has with OSC. Earnings Credits are to be calculated using the following formula:

Earnings Credits = (average available account balance) x (ECR) x Time

Where:

ECR = Earnings Credit Rate, the determination of which is described below

Time = number of days in period/365

The Earnings Credit Rate is the monthly average investment rate on the thirteen week Treasury Bill, as determined at the weekly auction and published on the US Treasury website, or the Contractor’s standard rate, whichever is greater. The Earnings Credit Rate shall be determined by OSC and confirmed with the Contractor monthly. OSC will not use any other method of calculation for the ECR.

Payment for Services by Direct Fee must be billed by the Contractor to OSC and will be paid in accordance with the voucher and audit procedures set forth in the Contract. When payment is by Direct Fee, the Contractor must provide a monthly bank account analysis electronically (currently an 822 file) to OSC along with the invoice to OSC as applicable. This analysis must include the monthly volume and total costs associated with the Accounts.

# Payment by Compensating Balances

If OSC elects to pay by Compensating Balances, an account specific to this use may need to be established. The value of the Compensating Balances shall be calculated using the same formula as shown above under “Payment by Direct Fees” provided, however, that the Earnings Credit Rate shall be determined based on an OSC computation which factors 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 as determined at the weekly auction and published on the US Treasury website or the Bank’s standard rate, whichever is greater. The Earnings Credit Rate shall be determined by OSC and confirmed with the Contractor monthly. If payment is made via Compensating Balances, the Contractor must provide a monthly bank account analysis electronically (currently an 822 file) to OSC. This analysis must include the monthly volume and total costs associated with the Accounts. All excess Earnings Credits on a monthly basis must be carried forward to offset future payments throughout the term of the Contract.

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# Administrative Requirements

# Administrative Proposal Conditions

With the submission of a response to this RFP, the Bidder agrees to the proposal conditions outlined in this section.

# Issuing Agency

This RFP is issued by the New York State Department of Taxation and Finance, which is responsible for all criteria stated herein and for evaluation of all proposals submitted.

# Solicitation

This RFP is a solicitation to bid, not an offer of a contract.

# Liability

The State of New York is not liable for any costs incurred by a Bidder in the preparation and production of any proposal, or for any work performed prior to the execution of a formal contract.

# Proposal Ownership

All proposals and accompanying documentation become the property of the State of New York and will not be returned. The Department reserves the right to use any portions of the Bidder’s proposal not specifically noted as proprietary.

# Proposal Security

Each Bidder’s proposal will be held in strict confidence by Department staff and will not be disclosed except to the Office of the Attorney General and the Office of the State Comptroller as may be necessary to obtain approvals of those agencies for the final Agreement and except as required by law.

Public inspection of the bids is regulated by the Freedom of Information Law (Article 6 of the New York State Public Officers Law (“Public Officers Law”)). The bids are presumptively available for public inspection. If this would be unacceptable to Bidders, they should apply to the Department for trade secret protection for their bid.

Section 74 of the Public Officers Law contains the code of ethics which sets forth that no officer or employee of a State agency should disclose confidential information that he acquires during the course of his official duties. This code controls the confidentiality of a Bidder’s proposal unless the Department grants a petition for records access in accordance with the Freedom of Information Law.

Bidders should be advised that the confidentiality of their proposals is founded upon statute, as described above. A nondisclosure agreement, whether prescribed by the Department or the Bidder, would not alter the rights and responsibilities of either party under the Freedom of Information Law. Bidders should not propose a nondisclosure agreement for Department employees, for that would be legally ineffective to alter any legal responsibility under the Freedom of Information Law or the code of ethics.

The provisions of the Freedom of Information Law will also govern the confidentiality of any and all products or services supplied by the successful Bidder.

# Timely Submission

The Bidders are solely responsible for timely delivery of their proposal to the location set forth by the stated bid due date/time and are solely responsible for delays in receipt, including, but not limited to, those due to third-party carriers.

# Proposal Effective Period

The Bidder’s proposal must be firm and binding for a period of at least 210 days following the proposal due date.

# Proposal Opening

Proposals will not be opened publicly. The Department reserves the right at any time to postpone or cancel a scheduled bid opening.

# Bidder Proposal Clarification

Prior to award, the Department reserves the right to seek clarifications, request proposal revisions, or to request any information deemed necessary for proper evaluation of proposals from all Bidders deemed to be eligible for Contract award. Failure of a Bidder to cooperate with the Department’s effort to clarify a proposal may result in the proposal being labeled as non-responsive and be given no further consideration.

Additionally, the Department reserves the right to use information submitted by the Bidder in response to the Department’s request for clarifying information in the course of evaluation and selection under this RFP.

# Proposal Evaluation and Selection

See **Section 7, Proposal Evaluation**,regarding bid selection and evaluation methodology. Submitted proposals may be reviewed and evaluated by any personnel or agents of the Department, other than one associated with a competing Bidder.

# Contract Negotiations and Authorized Negotiators

During contract negotiations, the Department must have direct access to Bidder personnel who have full authority to make commitments on behalf of the Bidder. Bidders must include, as part of their proposal, any restrictions under which their primary negotiators will operate.

# Notification of Intent to Award

Upon completion of the evaluation process, the successful Bidder will be advised of selection by the Department through the issuance of a “Notification of Intent to Award” letter. Bidders who have not been selected by the Department in response to this RFP will be notified of such non-selection.

# Proposal Review and Contract Approval

Any Agreement resulting from this RFP will not be effective until approved by the Office of the Attorney General and the Office of the State Comptroller.

# Debriefing Sessions

Bidders will be notified in writing and, within 15 calendar days of such notification, may request the opportunity for a debriefing session. Such sessions will be limited to discussions of evaluation results as they apply to the Bidder receiving the debriefing.

# Bid Protest Policy

The Department’s procedures for handling protests of bid awards are set forth in **Appendix B, Bid Protest Policy.**

# Reserved Rights

The Department reserves the right to exercise the following:

1. Prior to the opening of proposals, amend the RFP specifications to correct errors or oversights, or to change any of the scheduled dates, or to supply additional information, as it becomes available. Modifications to this RFP shall be made by issuance of amendments and/or addenda.
2. Prior to the opening of proposals, direct Bidders to submit proposal modifications addressing subsequent RFP amendments.
3. Withdraw the RFP, in whole or in part.
4. Eliminate any mandatory, non-material specifications that cannot be complied with by all prospective Bidders.
5. Waive any requirement(s) that is not material.
6. Waive any immaterial deviation or defect in a proposal. A waiver of immaterial deviation or defect shall in no way modify the RFP documents or excuse a Bidder from full compliance with the RFP requirements.
7. Evaluate, accept and/or reject any and all proposals, in whole or in part, and to waive technicalities, irregularities, and omissions if, in the Department’s judgment, the best interests of the Department/State will be served. In the event compliant bids are not received, the Department reserves the right to consider late or non-conforming bids as offers.
8. Require the Bidder to demonstrate, to the satisfaction of the Department, any information presented as a part of their proposal.
9. Require clarification at any time during the procurement process, and/or require correction of arithmetic or other apparent errors, for the purpose of assuring a full and complete understanding of a Bidder’s proposal and/or to determine a Bidder’s compliance with the requirements of the solicitation.
10. Seek revisions of proposals.
11. Correct any arithmetical errors or other apparent errors in any proposal and, in the event that the fees or costs in two or more proposals are not comparable, to make appropriate adjustments to render the fees and costs comparable.
12. Disqualify any Bidder whose conduct and/or proposal fails to conform to the requirements of the solicitation.
13. Use information obtained through site visits, management interviews and the Department’s investigation of a Bidder’s qualifications, experience, ability or financial standing, and any material or information submitted by the Bidder in response to the Department’s request for clarifying information in the course of evaluation and selection under this RFP.
14. Prior to the bid opening, determine a tie breaking mechanism for award of the Contract to serve the best interests of the Department/State.
15. Negotiate with the successful Bidder within the scope of the RFP to serve the best interests of the Department/State.
16. Proceed to the next highest ranked Bidder in the event that a Bidder who had achieved best value prior to contract award cannot satisfy the requirements as stated in this RFP.
17. If an Agreement is terminated within 12 months of making award, the Department reserves the right, with the approval of the New York State Attorney General and the Office of the State Comptroller, to award a contract to the next highest ranked Bidder.
18. Utilize any and all ideas submitted in the proposals received.
19. Make an award under the RFP, in whole or in part.
20. Rescind a contract award and begin negotiations with the next highest ranked Bidder if a signed contract substantially in accordance with **Exhibit O, Preliminary Base Contract** is not executed within 30 days of Notification of Intent to Award.

# Administrative Contract Conditions

With the submission of a response to this RFP, the Bidder agrees to all contract conditions outlined in this section except that Bidders may propose changes as allowable **in Section 5.2.19, Bidder-Proposed Change(s) to Contract Terms**.

# Appendix A

**Appendix A, Standard Clauses for NYS Contracts** will be incorporated, in its entirety, into any Contract resulting from this RFP.

# Payments

All payments will be made in accordance with Article XI-A of the New York State Finance Law.

# Public Announcements

Public announcements or news releases relating to this RFP or the resulting Agreement shall not be made by any Bidder or its agent without the prior approval of the Department. All requests for public announcements should be directed to one of the designated contacts specified herein. Such request for approval shall not be considered until an approved Agreement is in place.

# New York State Vendor File

Prior to being awarded a contract pursuant to this Solicitation, the Bidder(s) and any designated authorized resellers who accept payment directly from the State, must be registered in the New York State Vendor File (Vendor File) administered by the Office of the State Comptroller (OSC). This is a central registry for all vendors who do business with New York State Agencies and the registration must be initiated by a State Agency. Following the initial registration, unique New York State ten-digit vendor identification numbers will be assigned to your company and to each of your authorized resellers (if any) for usage on all future transactions with New York State. Additionally, the Vendor File enables vendors to use the Vendor Self-Service application to manage all vendor information in one central location for all transactions related to the State of New York.

If the Bidder is already registered in the New York State Vendor File, list the ten-digit vendor ID number in the Cover Letter referenced in **Section 5.2.10**. Authorized resellers already registered should list the ten-digit vendor ID number along with the authorized reseller information.

If the Bidder is not currently registered in the Vendor File, complete the enclosed **Exhibit J, New York State Office of the State Comptroller Substitute Form W-9**, and submit it with your bid. In addition, if authorized resellers are to be used, an OSC Substitute W-9 form should be completed and filed by each of the designated authorized resellers. The Procurement Services Unit will initiate the vendor registration process for all Bidders recommended for Contract Award and their authorized resellers. Once the process is initiated, registrants will receive an email from OSC that includes the unique ten-digit vendor identification number assigned to the company and instructions on how to enroll in the online Vendor Self-Service application.

# Contractor Requirements and Procedures for Participation by New York State-Certified Minority and Women-Owned Business Enterprises and Equal Employment Opportunities for Minority Group Members and Women

**New York State Law**

Pursuant to New York State Executive Law Article 15-A and Parts 140-145 of Title 5 of the New York Codes, Rules and Regulations, the Department is required to promote opportunities for the maximum feasible participation of New York State-certified Minority and Women-owned Business Enterprises (“MWBEs”) and the employment of minority group members and women in the performance of the Department’s contracts.

**Business Participation Opportunities for MWBEs**

For purposes of this solicitation, the Department of Taxation and Finance hereby establishes an overall goal of 0% percent for MWBE participation, 0% percent for New York State-certified Minority-owned Business Enterprise (“MBE”) participation and 0% percent for New York State-certified Women-owned Business Enterprise (“WBE”) participation (based on the current availability of MBEs and WBEs).

# Equal Employment Opportunity Requirements

By submission of a bid or proposal in response to this solicitation, the respondent agrees with all of the terms and conditions of **Appendix A, Standard Clauses for NYS Contracts** including Clause 12, Equal Employment Opportunities for Minorities and Women. The respondent is required to ensure that it and any subcontractors awarded a subcontract for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work"), except where the Work is for the beneficial use of the respondent, undertake or continue programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status. For these purposes, equal opportunity shall apply in the areas of recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, and rates of pay or other forms of compensation. This requirement does not apply to: (i) work, goods, or services unrelated to the Contract; or (ii) employment outside New York State.

The respondent will be required to submit **Exhibit K,** **Minority and Women-Owned Business Enterprises - Equal Employment Opportunity Policy Statement**, to the Department with its bid or proposal.

The Contractor shall submit **Attachment 21, Staffing Plan** to document the composition of the proposed workforce to be utilized in the performance of the Contract by the specified categories listed, including ethnic background, gender, and Federal occupational categories. The Contractor shall complete **Attachment 21** and submit it as part of their bid or proposal or within a reasonable time, as directed by the Department.

If awarded a Contract, the respondent shall submit **Exhibit M,** **Work Force Employment Utilization,** in such form as shall be required by the Department on a quarterly basis during the term of the Contract.

Further, pursuant to Article 15 of the Executive Law (the “Human Rights Law”), all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor and sub-contractors will not discriminate against any employee or applicant for employment because of race, creed (religion), color, sex, national origin, sexual orientation, military status, age, disability, predisposing genetic characteristic, marital status or domestic violence victim status, and shall also follow the requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.

**Please Note: Failure to comply with the foregoing requirements may result in a finding of non-responsiveness, non-responsibility and/or a breach of the Contract, leading to the withholding of funds, suspension or termination of the Contract or such other actions or enforcement proceedings as allowed by the Contract.**

# Participation Opportunities for New York State Certified Service-Disabled Veteran-Owned Business Enterprises

Article 17-B of the New York State Executive Law provides for more meaningful participation in public procurement by certified Service-Disabled Veteran-Owned Businesses (“SDVOBs”), thereby further integrating such businesses into New York State’s economy. The Department of Taxation and Finance recognizes the need to promote the employment of service-disabled veterans and to ensure that certified service-disabled veteran-owned businesses have opportunities for maximum feasible participation in the performance of the Department of Taxation and Finance contracts.

In recognition of the service and sacrifices made by service-disabled veterans and in recognition of their economic activity in doing business in New York State, Bidders/Contractors are strongly encouraged and expected to consider SDVOBs in the fulfillment of the requirements of the Contract. Such participation may be as subcontractors or suppliers, as protégés, or in other partnering or supporting roles.

For purposes of this procurement, the Department conducted a comprehensive search and determined that the Contract does not offer sufficient opportunities to set specific goals for participation by SDVOBs as subcontractors, service providers, and suppliers to Contractor.  Nevertheless, the Bidder/Contractor is encouraged to make good faith efforts to promote and assist in the participation of SDVOBs on the Contract for the provision of services and materials. The directory of New York State Certified SDVOBs can be viewed at: <https://ogs.ny.gov/veterans/>.

The Bidder/Contractor is encouraged to contact the Office of General Services’ Division of Service-Disabled Veteran’s Business Development at 518-474-2015 or VeteransDevelopment@ogs.ny.gov to discuss methods of maximizing participation by SDVOBs on the Contract.

# Permission to Investigate

In the event that the Department determines it necessary to investigate evidence relative to a possible or actual 1) crime or 2) breach of confidentiality or security, Contractor and its Subcontractors shall cooperate fully with the Department to the extent permitted by law to investigate and identify the responsible individuals. Contractor and its Subcontractors shall, to the extent permitted by law, make their employees and all relevant records, including personnel records and employee photographs, available to Department investigators upon request by the Department. The Department may exclusively interview Contractor’s employees and/or agents in connection with an investigation during normal business hours.

# Workers’ Compensation and Disability Benefits Certifications

Sections 57 and 220 of the New York State Workers’ Compensation Law (WCL) provide that the State shall not enter into any contract unless proof of workers’ compensation and disability benefits insurance coverage is produced. Prior to entering into a contract with the State, successful Bidder will be required to verify for the State, on forms authorized by the New York State Workers’ Compensation Board, the fact that they are properly insured or are otherwise in compliance with the insurance provisions of the WCL. The forms to be used to show compliance with the WCL are listed below. Any questions relating to either workers’ compensation or disability benefits coverage should be directed to the State of New York Workers’ Compensation Board, Bureau of Compliance at (518) 486-6307. Failure to provide verification of either of these types of insurance coverage by the time contracts are ready to be executed will be grounds for disqualification of an otherwise successful Proposal.

The successful Bidder must submit the following documentation within 48 hours of notification of selection for award:

1. **Proof of Workers’ Compensation Coverage**

Upon notification of award, the successful Bidder will be requested to submit ONE of the following forms as Workers’ Compensation documentation:

* + - 1. Form C-105.2 – *Certificate of Workers’ Compensation Insurance* issued by private insurance carrier (or Form U-26.3 issued by the State Insurance Fund); or
			2. Form SI-12 – *Certificate of Workers’ Compensation Self-Insurance* (or Form GSI-105.2 Certificate of Participation in Workers’ Compensation Group Self-Insurance); or
			3. Form CE-200 – *Certificate of Attestation of Exemption from New York State Workers’ Compensation and/or Disability Benefits Coverage*.
1. **Proof of Disability Benefits Coverage**

Upon notification of award, the successful Bidder will be requested to submit ONE of the following forms as Disability documentation:

1. Form DB-120.1 – *Certificate of Disability Benefits Insurance*; or
2. Form DB-155 – *Certificate of Disability Benefits Self-Insurance*; or
3. Form CE-200 – *Certificate of Attestation of Exemption from New York State Workers’ Compensation and/or Disability Benefits Coverage*.

Further information is available at the Workers’ Compensation Board’s website, which can be accessed through this link: <http://www.wcb.ny.gov>.

Please note that although these forms are not required as part of the bid submissions, the State encourages Bidders to include them with their proposal submissions to expedite contract execution if the Bidder is awarded the contract.

**Note: An ACORD form is not acceptable proof of New York State Workers’ Compensation or Disability Benefits insurance coverage.**

# Cover Letter

A cover letter transmitting the proposal **must be signed by an official authorized to bind the Bidder to its provisions**.The cover letter **must include** an affirmation that the proposal is binding for the required period indicated in **Section 5.1.7**. It should also include the following:

* The complete name and address of the bidding entity;
* The Federal or Taxpayer Identification Number of the entity; and
* The ten-digit Vendor File ID number (if available)

# Vendor Responsibility Questionnaire

Article XI §163(4)(d) of the State Finance Law states that “service contracts shall be awarded on the basis of best value to a responsive and responsible offerer.”

Upon identification of the Bidder with the highest score, the Bidder’s Vendor Responsibility will be analyzed to ensure that the Bidder is responsible.

In the event that a Bidder is found to be not responsible, the Bidder may be disqualified.

**Response Requirement:**

Bidders must complete a Vendor Responsibility Questionnaire. Bidders are invited to file the required Vendor Responsibility Questionnaire online via the OSC New York State VendRep system or may choose to complete and submit a paper questionnaire. To enroll and use the New York State VendRep system, see the VendRep system instructions available at: [www.osc.state.ny.us/vendrep](http://www.osc.state.ny.us/vendrep) or go directly to the VendRep system online at: [https://onlineservices.osc.state.ny.us](https://onlineservices.osc.state.ny.us/). For direct VendRep System user assistance, the OSC Help Desk may be reached at (866) 370-4672 or (518) 408-4672 or by email at itservicedesk@osc.ny.gov. Bidders opting to file a paper questionnaire can obtain the appropriate questionnaire from the VendRep website at [www.osc.state.ny.us/vendrep](http://www.osc.state.ny.us/vendrep) or may contact one of the Department’s designated contacts.

Bidders must complete **Attachment 10, Vendor Responsibility Response Form**. If a Vendor Responsibility Questionnaire has been filed online and has not been certified within the last six months, the Bidder must either update/recertify the online questionnaire or submit a new paper Vendor Responsibility Questionnaire.

Bidders filing paper questionnaires must submit a copy of the completed questionnaire with its bid proposal.

Upon notification of award, the Contractor may be required to update/recertify the online questionnaire.

# Designation of Prime Contact

This designation will last for the entire evaluation process and contract negotiations, and the Bidder must certify that this individual is authorized to respond on the behalf of the Bidder. Any change in this designation must be submitted in writing to the Department and include a revised form.

**Response Requirement**

Each Bidder must complete and submit the **Attachment 11, Designation of Prime Contact.**

# Non-Collusive Bidding Practices Certification

A bid shall not be considered for award nor shall any award be made where the conditions of the Non-Collusive Bidding Certification have not been complied with; provided, however, that if in any case the Bidder cannot make the foregoing certification, the Bidder shall so state and shall furnish with the bid a signed statement which sets forth in detail the reasons therefore. Where the above conditions have not been complied with, the bid shall not be considered for award nor shall any award be made unless the head of the purchasing unit of the State, public department or agency to which the bid is made, or his/her designee, determines that such disclosure was not made for the purpose of restricting competition (Section 139-d of the State Finance Law).

**Response Requirement**

The Bidder is responsible for reading, signing and submitting the **Attachment 12, Non-Collusive Bidding Certification.**

# Procurement Lobbying

Pursuant to State Finance Law §§139-j and 139-k, this solicitation includes and imposes certain restrictions on communications between the Department and an Offerer/Bidder during the procurement process. An Offerer/Bidder is restricted from making contacts from the earliest notice of intent to solicit offers/bids through final award and approval of the Procurement Contract by the Department and, if applicable, the Office of the State Comptroller (“restricted period”) to other than designated staff unless it is a contract that is included among certain statutory exceptions set forth in State Finance Law §139-j (3) (a). Designated staff, as of the date hereof, are identified in the Preface section of the Request for Proposals. DTF employees are also required to obtain certain information when contacted during the restricted period and make a determination of the responsibility of the Offerer/Bidder pursuant to these two statutes. Certain findings of non-responsibility can result in rejection for Contract award and in the event of two findings within a four-year period; the Offerer/Bidder is debarred from obtaining governmental Procurement Contracts. Information related to the Procurement Lobbying Law and the Department’s guidelines can be found on the Department’s Procurement website at: <http://www.tax.ny.gov/about/procure>.

Contacting individuals other than the designated contacts listed in the Preface section of this document during the restricted period may result in disqualification of the Bidder’s proposal – please refer to the Procurement Lobbying Law and the Department’s guidelines posted on the Department’s procurement website at: <http://www.tax.ny.gov/about/procure>.

1. **Offerer Disclosure of Prior Non-Responsibility Determinations**

New York State Finance Law §139-k(2) obligates a Governmental Entity to obtain specific information regarding prior non-responsibility determinations with respect to State Finance Law §139-j. This information must be collected in addition to the information that is separately obtained pursuant to State Finance Law §163(9). In accordance with State Finance Law §139-k, an Offerer must be asked to disclose whether there has been a finding of non-responsibility made within the previous four (4) years by any Governmental Entity due to: (1) a violation of State Finance Law §139-j to (2) the intentional provision of false or incomplete information to a Governmental Entity. The terms “Offerer” and “Governmental Entity” are defined in State Finance Law §139-k(1). State Finance Law §139-j sets forth detailed requirements about the restrictions on Contacts during the procurement process. A violation of State Finance Law §139-j includes, but is not limited to, an impermissible Contact during the restricted period (for example, contacting a person or entity other than the designated contact person, when such contact does not fall within one of the exemptions).

As part of its responsibility determination, State Finance Law §139-k(3) mandates consideration of whether an Offerer fails to timely disclose accurate or complete information regarding the above non-responsibility determination. In accordance with law, no Procurement Contract shall be awarded to any Offerer that fails to timely disclose accurate or complete information under this Section, unless a finding is made that the award of the Procurement Contract to the Offerer is necessary to protect public property or public health or safety, and that the Offerer is the only source capable of supplying the required Article of Procurement within the necessary timeframe. See State Finance Law §§139-j(10)(b) and 139-k(3).

A Governmental Entity must include a disclosure request regarding prior non-responsibility determinations in accordance with State Finance Law §139-k in its solicitation of proposals or bid documents or specifications or Contract documents, as applicable, for Procurement Contracts. The attached form is to be completed and submitted by the individual or entity seeking to enter into a Procurement Contract. It will be submitted to the Governmental Entity conducting the Governmental Procurement.

**Response Requirement**

Each Bidder must complete and submit **Attachment 13, Offerer Disclosure of Prior Non-Responsibility Determinations.**

1. **Offerer’s Certification of Compliance with State Finance Law 139-k(5)**

New York State Finance Law 139-k(5) requires that every Procurement Contract Award subject to the provisions of State Finance Law 139-k or 139-j shall contain a certification by the Offerer that all information provided to the procuring Governmental Entity with respect to State Finance Law 139-k is complete, true and accurate.

The Department reserves the right to terminate any Contract award as a result of this RFP in the event it is found that the certification filed by the Offerer/Bidder in accordance with New York State Finance Law 139-k was intentionally false or intentionally incomplete.

**Response Requirement**

Each Bidder must complete and submit **Attachment 14, Offerer’s Certification of Compliance with State Finance Law 139-k(5).**

# Secrecy Provisions (DTF-202)

Bidders/Contractors must adhere to the secrecy provisions as outlined in **Exhibit O, Preliminary Base Contract** and must require each employee performing services under this Agreement to execute **Exhibit N, DTF-202 New York State Department of Taxation and Finance Tax Information Access and Non-Disclosure Agreement**,in their individual capacity.

# Ethics Compliance

All Bidders/contractors and their employees must comply with Public Officers Law §§73 and 74 to the extent applicable, Chapter 1 of the Laws of 2005, the Procurement Lobbying Reform Act, and other State statutes, rules, regulations and executive orders establishing ethical standards for the conduct of business with New York State. In signing the bid, the Bidder certifies full compliance with those provisions for any present or future dealings, transactions, sales, contracts, services, offers, relationships, etc., involving New York State and/or its employees. Failure to comply with those provisions may result in disqualification from the bidding process, termination of contracts, and/or other civil or criminal proceedings as required by law.

**Response Requirement**

Each Bidder must complete and submit **Attachment 15, Public Officers Law Form** and **Attachment 16 Public Officers Law – Post Employment Restrictions** which addresses business or professional activities by current or past state officers and employees and party officers. These forms shall be made part of the resultant contract.

# Sales and Compensating Use Tax Documentation

Pursuant to Tax Law Section 5-a, Bidders will be required to complete and sign, under penalty of perjury, **Exhibit L, Contractor Sales Tax Certification Forms.** Bidders must also submit a copy of the Certificate of Authority, if available, for itself, any affiliates, and any subcontractors required to register to collect state sales and compensating use tax. If Certificates of Authority are unavailable, the Contractor, affiliate, subcontractor or affiliate of subcontractor must represent that it is registered and that it has conferment of such status with the Department.

**Exhibit L** provides the Contractor Certification Forms and Instructions for completing the forms. Form ST-220-TD must be filed with and returned directly to the Department address provided on the form. Unless the information upon which the ST-220-TD is based changes, this form only needs to be filed once with the Department. If the information changes for the Contractor, its affiliate(s), or its subcontractor(s), a new form ST-220-TD must be filed with the Department. Completion of the form at the time of bid submission is not required; however, Form ST-220-TD must be filed and returned to the Department upon notification of Contract award.

Form ST-220-CA must be provided to the Department’s Office of Budget and Management Analysis **upon notification of contract award** certifying that the Contractor filed ST-220-TD. Proposed Contractors should complete and return the certification form within two business days of request.

Failure to make either of these filings may render a Bidder non-responsive and non-responsible. Bidders shall take the necessary steps to provide properly certified forms within a timely manner to ensure compliance with the law.

Vendors may call the Department at (518) 485-2889 for any and all questions relating to Section 5-a of the Tax Law and relating to a Contractor’s registration status with the Department. For additional information and frequently asked questions, please refer to the Department’s website: <http://www.tax.ny.gov>.

# Prime Contractors/Subcontractors

The successful Bidder shall act as Prime Contractor under the contract, and shall be held solely responsible for contract performance by the Bidder, its partners, officers, employees, subcontractors and agents. The Bidder shall be responsible for payment of all subcontractors and suppliers, including all third-party service providers contracted by or through the Bidder in performance of the Contract.

Where services are supplied by or through the Contractor under the contract, it is mandatory for the Contractor to assume full integration responsibility for delivery, installation, maintenance, performance and support services for such items, as applicable. The Contractor shall also be responsible for payment of any license fees, rents or other monies due third parties for services or materials provided under this Contract.

Proposed subcontractors must be identified at the time of bid submission and are subject to the approval of the State (see **Article XXVI, Contractor and Subcontractors** of **Exhibit O, Preliminary Base Contract**, for additional information).

**Response Requirement**

The Department requires a list of subcontractors who will be utilized for the performance of services under any resultant contract as well as a description of the services to be subcontracted. This information must be provided on the **Attachment 8, Listing of Proposed Subcontractors.**

# Bidder-Proposed Change(s) to Contract Terms

Proposals must conform to the terms and conditions set forth in this RFP and the **Preliminary Base Contract, Exhibit O.** Any Bidder-Proposed Change(s) to terms and conditions set forth in this section of the RFP (**Section 5.2**), and/or **Exhibit O,** **Preliminary Base Contract,** must be provided to the Department in the Bidder’s Administrative Proposal. Material deviations to the terms and conditions set forth in the RFP (including additional, inconsistent, conflicting or alternative terms) may render the bid non-responsive and may result in rejection.

**Response Requirement**

The Bidder must attach any Bidder-Proposed Change(s) to the terms and conditions outlined in **Section 5.2** and/or **Exhibit O, Preliminary Base Contract.**

Only those Bidder-Proposed Change(s) that meet all the following requirements will be considered as having been submitted as part of the proposal:

* Each Bidder-Proposed Change (addition, counter-offer, deviation or modification) must be specifically enumerated in writing; and
* The writing enumerating the Bidder-Proposed Change must identify the particular term the Bidder objects to or proposes to modify, and the reasons therefore.

Bidder-Proposed Change(s) submitted on standard, pre-printed forms (product literature, order forms, contracts), whether or not deemed “material,” which are attached or referenced with submissions which do not meet the above requirements will not be considered part of the bid or resulting Contract, but rather will be deemed to have been included for informational or promotional purposes only.

Acceptance and/or processing of the bid proposal will not constitute written acceptance of Bidder-Proposed Change(s) or a waiver of the Department’s right set forth in **Section** **5**. Failure to object to any terms identified in **Section 5.2,** of this RFP and/or **Exhibit O, Preliminary Base Contract**, will be deemed to constitute acceptance thereof by the Bidder.

# Request for Exemption from Disclosure

The bids are presumptively available for public inspection. If this would be unacceptable to Bidders, they must apply to the Department for trade secret protection of their bid at the time of bid submission.

In applying for trade secret protection, it would be unacceptable to indiscriminately categorize the entire proposal as such. The Bidder must point out those sections of the proposal that are trade secrets and explain the reasons therefore. The Bidder may wish to review with its legal counsel Restatement of Torts, Section 757, comment b, and the cases under the Federal Freedom of Information Act, 5 USC Section 522, as well as the Freedom of Information Law. The Department will review applications and grant trade secret protection, if appropriate.

**Response Requirement**

To obtain trade secret protections, the Bidder must submit with its proposal, a letter specifically identifying the page number, line or other appropriate designation of the information that is trade secret and explain in detail why such information is a trade secret and would be exempt from disclosure.

# Encouraging use of New York State Business in Contract Performance

New York State businesses have a substantial presence in State contracts and strongly contribute to the economies of the state and nation. In recognition of their economic activity and leadership in doing business in New York State, bidders/proposers for this contract for commodities, services or technology are strongly encouraged and expected to consider New York State businesses in the fulfillment of the requirements of the contract. Such partnering may be as subcontractors, suppliers, protégés or other supporting roles.

**Response Requirement**

Each Bidder must complete and submit **Attachment 17, Encouraging Use of New York State Businesses in Contract Performance.**

# Assurance of No Conflict of Interest

The Bidder offering to provide services pursuant to this RFP as a contractor, joint venture contractor, subcontractor, or consultant, attests that its performance of the service outlined in this RFP does not and will not create a conflict of interest with nor position the Bidder to breach any other contract currently in force with the State of New York.

**Response Requirement**

Each Bidder must complete and submit **Attachment 18, Vendor Assurance of No Conflict of Interest or Detrimental Effect.**

# Executive Order No. 177 Certification

In accordance with Executive Order No. 177, the Bidder must certify that it does not have institutional policies or practices that fail to address the harassment and discrimination of individuals on the basis of their age, race, creed, color, national origin, sex, sexual orientation, gender identity, disability, marital status, military status, or other protected status under the Human Rights Law.

**Response Requirement**

The Bidder must complete and submit **Attachment 19, Certification of Non-Discrimination Practices.**

# Sexual Harassment Prevention Certification

State Finance Law §139-l requires bidders on state procurements to certify that they have a written policy addressing sexual harassment prevention in the workplace and provide annual sexual harassment training to all its employees and that such policy, at a minimum, meets the requirements of section two hundred one-g of the labor law.

**Response Requirement**

The Bidder must complete and submit **Attachment 20, Sexual Harassment Prevention Certification.**

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# Proposal Submission Requirements

The Bidder must provide a response that clearly and precisely provides all required information. Emphasis should be placed on conformance with the RFP instructions, responsiveness to the RFP requirements and clarity of the intent.

Proposals that do not comply with these instructions or do not meet the full intent of all of the requirements of this RFP may be subject to scoring reductions during the evaluation process or may be deemed non-responsive. The Department does not require, nor desire, any excessive promotional material which does not specifically address the response requirements of this RFP. To assist Bidders, the Department has provided **Attachment 3, Bidder’s Checklist**. A proposal that does not provide all the information requested may be subject to rejection.

**Faxes or electronically transmitted proposals will not be accepted.**

# Proposal Content and Organization

To facilitate in the evaluation process, the Bidder must organize the proposal into three distinct volumes as follows:

Volume One: Qualifying and Technical Requirements

Volume Two: Administrative Requirements

Volume Three: Financial Requirements

# Volume One Format

Volume One should contain a table of contents with page numbers and each section should be tabbed as follows:

1. Tab 1 – Executive Summary
2. Tab 2 – Qualifying Requirements
3. Tab 3 – Technical Requirements

# Volume Two Format

1. Tab 1 – Cover Letter (See **Section 5.2.10, Cover Letter**)
* Bidder-Proposed Change(s), if applicable (See **Section 5.2.20, Bidder-Proposed Change(s) to Contract Terms**)
* Request for exemption from Disclosure, if applicable (See **Section 5.2.21, Request for Exemption from Disclosure**)
1. Tab 2 – Administrative Requirements Response Forms

# Volume Three Format

This volume must contain **Attachment 22, Financial Response Form.**

# 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.

Proposals must be received by the date and time specified in the Schedule of Events.

For Administrative purposes only, it is desirable the Bidder provide electronic copies (CD/DVD/Flash Drive):

* One electronic copy of Volume One - Qualifying and Technical Proposal ONLY
* One electronic copy of the Qualifying and Technical, Administrative, and Financial Proposals with any proprietary information redacted. This will be used to facilitate requests for information under the Freedom of Information Law.

The electronic copies should be encrypted and password protected. The password should be submitted via email to BFS.Contracts@tax.ny.gov.

Bidder proposals must be enclosed in sealed containers with the following visibly inscribed on the outside of all containers:

Attn: Director, Procurement Services

New York State Department of Taxation and Finance

Office of Budget and Management Analysis

Procurement Services Unit

W. A. Harriman State Office Building Campus

Albany, NY 12227

All proposals must have a label on the outside of the package or shipping container outlining the following information:

“BID ENCLOSED”

RFP 19-100

Controlled Disbursement and Direct Deposit Services

Bid Due Date and time

**Please note: Deliveries by delivery services (e.g. UPS, FedEx, etc.) and/or requiring a signature of receipt should be addressed to the Department’s Campus address; however, the delivery service must be instructed to deliver the bid documents to the following address:**

90 Cohoes Avenue

Green Island, NY 12183

Only under circumstances identified in **Section 5.1.16.G,** will the Department consider any proposals received after the time and date specified in the Schedule of Events. In the event a package is not labeled properly as described in this section, the Department reserves the right to inspect the contents of the package(s) to determine the contents. The Bidder shall have no claim against the Department arising from such inspection and such inspection shall not affect the validity of the procurement. Notwithstanding, the Department’s right to inspect the contents of the package(s), the Bidder assumes all risk of late delivery associated with the bid not being identified, packaged or labeled in accordance with the foregoing requirements.

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# Proposal Evaluation

Pursuant to Article XI of the State Finance Law, the basis for contract award under this RFP will be “best value;” optimizing quality, cost and efficiency among responsive and responsible Bidders.

# Proposal Clarification

The Department reserves the right to require a Bidder to provide clarification and validation of its proposal through any means the Department deems necessary. Failure of a Bidder to cooperate with the Department efforts to clarify or validate proposal information may result in the proposal being labeled non-responsive and given no further consideration.

# Evaluation Process Overview

There will be three phases to the evaluation process. Proposals which pass Phase One of the evaluation will be further evaluated in Phase Two, followed by Phase Three.

# Phase One Evaluation

All timely submitted proposals will be evaluated in Phase One. Proposals will be evaluated in the following areas:

1. **Proposal Screening (Pass/Fail)**

Each proposal will be screened for completeness and conformance with the Department requirements for proposal submission as specified in this RFP. Proposals which do not meet the requirements may be labeled as non-responsive and may not be given further consideration.

1. **Qualifying Requirements**

All proposals that pass the Proposal Screening will be evaluated to determine if the Bidder meets the qualifying requirements specified in **Section 2, Qualifying Requirements**. If all qualifying requirements are not met, the Bidder’s proposal will be labeled non-responsive and will not be given further consideration.

All proposals that pass this stage of the evaluation process will be further evaluated in Phase Two.

# Phase Two Evaluation

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

1. **Technical Evaluation (65 points)**

Technical points will be allocated to the Bidder’s response to the technical requirements stated in **Section 3**.

1. **Financial Evaluation (35 Points)**

Financial proposals will be scored concurrently and separately from the Technical evaluations.

At the completion of Phase Two, the technical and financial scores will be combined to determine the Bidder ranking.

# Phase Three Evaluation (Pass/Fail)

The Department will conduct an evaluation of the highest ranking Bidder’s financial stability as outlined in **Section 3.6 Financial Stability Requirements**. In the event that the highest ranking Bidder does not pass this evaluation, the Department will conduct this evaluation on the second highest ranking Bidder.

# Final Ranking/Contract Award

The Contract will be awarded to the Bidder whose proposal obtains the highest aggregate score.

The table below summarizes the evaluation point distribution:

|  |  |
| --- | --- |
| **Evaluation Component** | **Points** |
| Technical Evaluation | 65 |
| Financial Evaluation | 35 |
| **TOTAL** | **100** |

In the event that the Bidders receive the same final score, the Department will use the following tie breaking mechanisms, in the order listed, to determine final ranking:

* The Bidder’s Financial Score
* Determination by the Commissioner

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