



**STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE
Office of Budget & Management Analysis
Bureau of Fiscal Services
Building 9, Room 234
W.A. Harriman Campus
Albany, NY 12227**

Patrick Ryan, Director
Budget & Accounting Services

Catherine Golden, Director
Procurement Services

October 19, 2012

**Request for Proposals (RFP) 12-05 FINANCIAL INSTITUTION DATA MATCH SERVICES
and Response to Bidder Questions**

To All Potential Bidders:

Attached are the Department's responses to Questions received for the above-referenced RFP.

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

New York State Department of Taxation and Finance
Request for Proposals (RFP) 12-05
Financial Institution Data Match Services

Response to Questions

#	Page	Section	Question	Answer
1		General	How many total FI's are doing business in NYS?	We are aware of at least 770 financial institutions doing business in NYS based on a file of financial institutions which currently participate in the Federal Child Support program. We believe that this is not an all-inclusive list.
2		General	Please confirm that Memorandum's of Agreement (MOA) between the State and FIs will need to be executed again for this contract period and that the current MOA's in place will not transfer to this contract.	Yes, new MOA's will need to be executed for this contract.
3		General	How many pages is the current MOA?	The current MOA with FIs is 8 pages. Exhibit J is the Draft MOA for this contract award and is drafted as 7 pages.
4		General	What is the current compliance rate of FIs matching with NYS DTF?	Of the 770 financial institutions we are aware of (again, we assume there are more), approximately 75% have reported matches at some point through this program since its inception in January 2009. We do not have information as to how many of these financial institutions have fallen out of compliance with the program.
5		General	Has the current Vendor requested and received a price adjustment in their contract? If so, please provide specifics.	No.
6		General	What is the current quarterly match fee being paid to the current vendor for each financial institution?	This information has been deemed proprietary by the Contractor; and thus, the Department cannot release this information.
7		General	What is the current post development hourly programming rate being paid to the current vendor.	This information has been deemed proprietary by the Contractor; and thus, the Department cannot release this information.
8	5	Schedule of Events-Post Award Timetable	In the Post Award Timetable you mention Certification Date. Can you elaborate on the Certification Process that the vendor is required to meet?	DTF's IT staff will certify that the testing between DTF and the Vendor was successfully completed. Testing will consist of the exchange of files containing 'test' data. DTF will validate the format of the vendor file and the ability of DTF programs to process the test file as received from the vendor.

New York State Department of Taxation and Finance
Request for Proposals (RFP) 12-05
Financial Institution Data Match Services

#	Page	Section	Question	Answer
9	12-13	Section I.B – Introduction – Background	Can the Department please clarify what happens if the FI does not have a system? Can the FI or will the FI be exempted from participation? Or will the FI be authorized to proceed with their data match on their own outside the services to be provided by the Contractor under this RFP?	<p>Tax Law section 1701 requires FIs doing business in New York State to participate in the FIDM program. Financial Institutions are required to comply using either Method 1 or Method 2 providing name, address, social security number or other taxpayer identification number, and all account numbers and balances in each account on a quarterly matching process. No FI is exempted from participation and will not be allowed to provide their own outside the services of this RFP.</p> <p>As listed in Section I.C, Program Objectives, the successful bidder must be prepared to process files on any media used by the FIs including but not limited to encrypted CD-ROMs, diskettes, electronic transmission via secure FTP for data matching with DTF. Also as listed in response to Question #9 of DTFs 9-24-12 Response to Bidder Questions states that “The successful bidder can accept paper/hard copy; however, only electronic transfer of data is allowed between the successful bidder and the Department.”</p>
10	12-13	Section I.B – Introduction – Background	Is there a current incumbent performing these services, or is the Department performing these services on its own?	Yes, Xerox State and Local Solutions, Inc. is the current contractor performing these services.
11	15	Section I.D – Introduction – Implementation	Can the Department please clarify who is “client”?	The client referenced is the Financial Institutions.
12	18-20	Section II.C. Financial Stability	As a privately held entity, we consider such information as a trade secret and will attest to such in our response in accordance with Section V.B.20. May we provide the documentation in response to this section in a separately, sealed envelope? If so, will a single hard copy suffice, or do you require the same number of hard copies as required of the technical requirements response in addition to the confidential information electronic submission as detailed in Section VI.B? Also, our financial statements are not available in MS Word or Excel format. May we send them in a .JPEG or .TIFF format, or submit them as .TIFF images inserted within a MS Word document?	<p>Yes, the documents may be provided in a sealed envelope.</p> <p>As provided in Section VI.B, two originals and four copies must be submitted for Qualifying Requirements. These may be pictures inserted into a Word document.</p> <p>Please also see Question 19 providing financial statements through a “link or secure electronic transfer” in lieu of paper copies as described in Section VI.B of the RFP.</p>

New York State Department of Taxation and Finance
Request for Proposals (RFP) 12-05
Financial Institution Data Match Services

#	Page	Section	Question	Answer
13	22	Section III.B – Technical Requirements – IT System Requirements	Can the Department be more specific as to which NYS laws will be applied to these security requirements?	The NYS laws to which this section of the RFP generally refer are the various secrecy provisions contained throughout the New York State Tax Law. These secrecy provisions generally prohibit the disclosure of any tax information in any manner, except as otherwise provided by law. For one example governing the secrecy of Personal Income Tax information, see New York State Tax Law § 697(e)(1). There are many other similar secrecy provisions governing the various other tax types that the Department administers. As stated, the example provided is not all-inclusive, and you should confer with your own legal counsel for other laws that may apply.
14	74	Exhibit E – Preliminary Contract	Can the Department please clarify this “whereas” clause as to what extent the Department expects the Contractor to “turnover” the functions, other than for and after termination of the Agreement?	The Department expects the Contractor to turnover functions upon termination of the Contract agreement or after the Contract term has ended.
15	75	Exhibit E – Preliminary Contract –Article II Entirety of Agreement	Can the Department please confirm that this is the same as the preliminary Contract?”	Yes.
16	92	Exhibit E – Preliminary Contract – Breach of Confidentiality	Can the department please indicate which Federal and New York laws are being referenced?	There are various provisions of the New York State Tax Law and the Internal Revenue Code which provide penalties for violations of tax secrecy and confidentiality laws. For example, see New York State Tax Law § 1825 and Internal Revenue Code § 7213. In addition, there are other laws under which a Contractor may be found to have liability, depending on the circumstances of the breach. For example, see New York State's Information Security Breach and Notification Act, codified at State Technology Law § 208 and General Business Law § 899-aa, regarding information security breaches involving computerized data.

New York State Department of Taxation and Finance
Request for Proposals (RFP) 12-05
Financial Institution Data Match Services

#	Page	Section	Question	Answer
17	6	Section A "Proposal Questions/Inquiries"	Preface, Section A, states that "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."	<p>Exceptions relating to the content of the RFP, excluding the Section V, Administrative Requirements, and Exhibit E, the Preliminary Contract, must be identified prior to submission of a bid. (e.g., a technical requirement is too restrictive.)</p> <p>Exceptions or additions to contract terms in Section V.B, Administrative Contract Conditions, or Exhibit E, Preliminary Contract, must be submitted with the bid proposal.</p> <p>If a bidder proposes no objections to the terms of Section V.B or Exhibit 3 none of those terms will be subject to negotiation.</p>
	7	Section G, "Contract Signing and Contract Term"	Preface, Section G, states that "Any exceptions or additions to the terms and conditions of the Preliminary contract must be identified in the Bidder's proposal."	
	39	Section V.B, "Administrative Contract Conditions Section 15; "Proposed Extraneous Terms"	Section V.B, states that "Bidder agrees to the contract conditions outlined in Section V.B unless the Bidder proposes extraneous terms (see Section V.B.19)."	
	49	Section V.B.19, "Proposed Extraneous Terms"	<p>Section V.B.19, states that "Any objections to terms and conditions set forth in this section of the RFP (Section V) and the Preliminary Contract, Exhibit E, must be provided to the Department in the bidder's Administrative Proposal." Also, "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."</p> <p>The referenced sections are conflicting. Would the State please clarify its position on objections, exceptions, and extraneous terms to the terms and conditions of the RFP and the Preliminary Contract? Please clarify the preferred approach, timeline/deadline and method for submission and resolution of objections, exceptions and extraneous terms to the terms and conditions of the RFP and the Preliminary Contract.</p>	
18	7	E Notification of Intent to Bid	<p>The RFP States: "If your firm is submitting a proposal in response to the RFP, Attachment 3: "Notification of Intent to Bid," should be completed and submitted by the date specified in the Schedule of Events."</p> <p>Are vendors required to submit a hard copy of Attachment 3 or should vendors send an emailed version to the procurement contact?</p>	An electronic version may be sent to bfs.contracts@tax.ny.gov and the original may be sent with the proposal.

New York State Department of Taxation and Finance
Request for Proposals (RFP) 12-05
Financial Institution Data Match Services

#	Page	Section	Question	Answer
19	18-20	II.C Qualifying Requirements- Financial Stability	<p>The RFP states: "If the Bidder is a subsidiary of a parent company that is publicly held, the Bidder must comply with the preceding requirements by submitting copies of audited statements, including consolidating statements, for the parent and subsidiary for the last three years."</p> <p>Our financial statements are voluminous. Would it be acceptable to provide our 2011 audited financial statements, which have a balance sheet for the past three years, and also provide DTF with links to the 2009 and 2010 audited financial statements in lieu of paper copies?</p>	<p>It would be acceptable to provide the 2011 audited financial statements with balance sheets for the past three years, and provide the 2009 and 2010 <u>audited</u> financial statements via a "Link or Secure Electronic Transfer" in lieu of paper copies.</p>
20	37 39	Section V.A.11, Contract Negotiations and Authorized Negotiators Section V.A.16.K, Reserved Rights	<p>Would the State negotiate the terms and conditions of the final contract with the successful bidder post award? Would the State be amenable to alternative contract language?</p>	<p>Yes. The State will negotiate; however, all exceptions and alternative language must be identified in the bid proposal.</p>
21	107	Exhibit J - Memorandum of Agreement (MOA)	<ol style="list-style-type: none"> 1. Would the new Memorandum of Agreement need to be notarized by the Financial Institutions? 2. Does the Financial Institution (FI) will sign first then send to the contractor who will then send to DTF for signature? 3. Will DTF then provide a copy back to the FI or will DTF send a copy back to the contractor? 4. Would this be hard copy or electronic? 	<ol style="list-style-type: none"> 1. No, there is no requirement that the new Memorandum of Agreement be notarized. 2. Yes 3. DTF will send an electronic copy to the Contractor. 4. See above response.
22		Round 1 Question Follow-up Question 9	<p>The answer to question 9 states: "The successful bidder must be able process files on any media and in any format used by the financial institutions. The successful bidder can accept paper/hard copy; however, only electronic transfer of data is allowed between the successful bidder and the Department."</p> <p>Does DTF have security requirements specific for manual entry?</p>	<p>The security components - Confidentiality, Integrity, and Availability - of DTF owned data must be maintained by the Contractor throughout all processes undertaken for this contract. This applies from the handling of paper and/or electronic input, data entry, storage of data, the transmittal of the data to DTF, and any records retention required under the law, or any other provision within the contract.</p>