



**STATE OF NEW YORK  
DEPARTMENT OF TAXATION AND FINANCE  
Office of Budget & Management Analysis  
Bureau of Fiscal Services  
Building 9, Room 234  
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**RESPONSE TO BIDDER QUESTIONS  
Invitation for Bids #11-09 - Electronic Check Processing – Check 21 Services**

October 27, 2011

To: All Potential Bidders

Attached is the Department's response to bidder questions.

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

**New York State Department of Taxation and Finance**  
**Invitation for Bids #11-09 - Electronic Check Processing – Check 21 Services**

**Questions & Answers**

	<b>PAGE/SECTION</b>	<b>QUESTION</b>	<b>ANSWER</b>
<b>1</b>		How many accounts does the department anticipate needing?	DTF/DTF designee anticipates a minimum of four (4) accounts.
<b>2</b>		Please provide annual volume of supplies required.	DTF/DTF designee requires sufficient supplies to allow daily deposits for each account.
<b>3</b>		What is/are the reason(s) for manual deposits?	Manual deposits are primarily foreign checks not accepted by Check 21 and any check that does not pass the Check 21 business rules.
<b>4</b>		Acknowledgements: is the department flexible with the timing notifications provided by the bank?  Will the department be willing to amend the Monday to Saturday adjustment notification to Monday to Friday?	No.  No.
<b>5</b>		Pricing Proposal: please clarify ICL transmission is this the per item?	Yes.
<b>6</b>		Please provide a sample earnings credit confirmation provided by osc for payment by compensating balances.	OSC does not retain earnings credit confirmation requests. A sample is not available. OSC provides credit confirmation requests by phone or e-mail for payment by compensating balance. OSC can provide the calculations or the bank if desired, can provide the information to OSC and request confirmation.
<b>7</b>	<b>General question</b>	Is DTF willing to negotiate all terms with the Bank upon award?	DTF will negotiate all contract terms and conditions with the winning bidder. Please note: As stated in Section VI of the IFB, any objections to terms and conditions outlined in Section VI of the IFB and the Preliminary Contract must be provided to the Department in the bidder's proposal.

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	<b>PAGE/SECTION</b>	<b>QUESTION</b>	<b>ANSWER</b>
8	<b>General question</b>	Is DTF willing to allow clarifications in the bid response?	The Preface of the IFB states “Prospective bidders should note that all clarifications and exceptions are to be resolved prior to the submission of a bid. Bidders may propose extraneous terms to Section VI and the Preliminary Contract, Exhibit D. Acceptance and/or processing of the bid proposal shall not constitute such written acceptance of the extraneous terms. Failure to object to any terms identified in Section VI of this IFB and the Preliminary Contract, Exhibit D, shall be deemed to constitute acceptance thereof by the Bidder.”
9	<b>General question</b>	Would DTF consider sending responses to our questions sooner than October 27 <sup>th</sup> ?	DTF will respond, in writing, to all substantive questions by the date specified in the Schedule of Events (October 27, 2011).
10	<b>IV.A.2. Electronic Check Processing Prior Experience, page 10</b>	Due to the Bank’s customer privacy requirements, we cannot share customer <b>contracts</b> unless publicly available. Will providing the client reference contact information be sufficient for DTF to obtain the contract directly from the client, at the client’s discretion?	The Department does NOT expect, or desire, any actual contracts to be submitted. Rather, it requires that Bidders complete Attachment 4 – Mandatory Experience and Reference form for the Mandatory General Requirements as specified in Section IV.A.2 of the IFB.
11	<b>IV.A.3. Financial Data, pages 12 and 13</b>	In an effort to go green and practice good stewardship, would DTF be willing to accept a link to the bank’s financial records rather than hardcopy?	No. The Department will accept either paper or CDs.
12	<b>IV.A.4e Wire Transfers, page 14</b>	The Bank has a signed Wire Transfer Service Schedule in place with DTF today. Will the existing agreement suffice for meeting the mandatory requirement in this IFB?	If the winning vendor has an existing signed Wire Transfer Schedule, DTF/DTF designee is willing to review the existing agreement to determine whether or not it meets the mandatory requirement.

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	<b>PAGE/SECTION</b>	<b>QUESTION</b>	<b>ANSWER</b>
<b>13</b>	<b>IV.A.4f Automated Clearing House, page 14</b>	<p>Can DTF explain how ACH services will be used with the depository account and image cash letter services requested in the IFB?</p> <p>Is DTF looking for bids to include converting checks to ACH?</p> <p>Attachment 6.A/B-Pricing Proposal does not list any line items for ACH services. Please clarify.</p>	<p>ACH is not part of this procurement. The reference to ACH involves the Office of the State Comptroller’s cash management of the account.</p> <p>No.</p> <p>ACH is not part of this procurement.</p>
<b>14</b>	<b>IV.B.1 ICL File Transmission, page 15</b>	<p>ICL Transmission Help Desk is available Monday through Friday 8:00 am to 8:00 PM EST. Is this acceptable?</p>	No
<b>15</b>	<b>IV.B.3 Acknowledgements, page 16</b>	<p>Would DTF be agreeable to receiving an Acknowledgement of Adjustments file Monday through Friday <b>only</b>?</p> <p>Would DTF accept an Acknowledgement of Adjustments file only if we made adjustments to your ICL file transmission?</p>	<p>No</p> <p>No</p>

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	<b>PAGE/SECTION</b>	<b>QUESTION</b>	<b>ANSWER</b>
16.	IV.B.4-Reporting, pages 16 and 17	<p>Can DTF define what it considers “Adjustments” in a Summary of Bank Adjustments?</p> <p>How do you define “electronic”, an online report or a file transmission?</p> <p>The Bank is able to provide DTF with an electronic daily detailed report of Dishonorments. However, other adjustments, such as those relating to foreign items, debit and credit memos, would need to be reported separately. Would this be acceptable?</p> <p>Would DTF be willing to make the requirement for a daily report that contains detail of foreign items, debit and credit memos optional?</p> <p>Regardless, if we are able to create a process to comply:</p> <ul style="list-style-type: none"> <li>• Does the DTF have a desired file format?</li> <li>• Does the DTF have a desired a method of delivery (email vs. transmission) for this report?</li> <li>• Would an excel format sent by secure email be acceptable?</li> <li>• Would the DTF be willing to extend the deadline for receipt of this report to 12:00pm ET?</li> </ul>	<p>These adjustments are dishonorments, debit memos (including foreign items) and credit memos.</p> <p>We define an electronic report as an electronic transmission, for example an excel file attached to secure e-mail.</p> <p>No.</p> <p>No.</p> <p>Yes, DTF/DTF designee desired file format is an Excel file.</p> <p>Yes, DTF/DTF designee prefers to receive a file transmission as method of delivery.</p> <p>Yes.</p> <p>No.</p>

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	PAGE/SECTION	QUESTION	ANSWER
17.	IV.B.5 Adjustment Images, page 17 and 18	<p>If the Bank receives notification from a paying bank of a returned item or foreign adjustment, we can provide the image of the debit/credit memo within 24 hours of receiving the notification from the paying bank. Is this acceptable?</p> <p>Can DTF clarify what it means by “electronic form”?</p> <p>Would an image of the original check be acceptable versus an actual IRD because an IRD may not be created in the exchange of images between banks? DTF would have the original check.</p> <p>Would DTF be willing to access check images and debit and credit memo images separately through an online portal in lieu of a single document that contains the check image and the adjustment?</p> <p>Would DTF be willing to access detail on foreign item adjustments through customer service?</p>	<p>Yes.</p> <p>DTF/DTF designee requires an electronic image rather than a hard copy.</p> <p>For an adjustment for a payment that is transmitted by the ICL file, the IRD is required. For a payment that is manually deposited, DTF/DTF Designee expects to receive the physical check.</p> <p>No.</p> <p>No.</p>
18	IV.B.6 Testing Requirements, page 18	<p>Is testing from the Bank’s Primary site <b>only</b>, along with sharing the Bank’s Comprehensive Disaster Recovery Plan acceptable to DTF?</p>	<p>Yes, DTF/DTF designee requires testing to ensure the bank can receive a file from their primary and secondary sites to the bank’s primary site along with receiving the bank’s comprehensive disaster recovery plan.</p>

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	PAGE/SECTION	QUESTION	ANSWER
19	<b>IV.C. Connectivity, page 20</b>	DTF requires FTPS (FTP/SSL) Implicit and Explicit FTPS allowed (port 990 or 21 and passive data ports). Would port 13651 be acceptable?	Yes. DTF can connect to your custom “control” port in place of the standard IANA ports, 990/21.
20	<b>VII. Submission of Bid Proposal, pg. 37</b>	As an alternative to your encrypted CD requirement, will a CD in PDF format suffice <b>OR</b> as an alternative a password protected Word version of the document?	The IFB states, “To facilitate with requests for information under the Freedom of Information Law (FOIL), an electronic copy on CD, DVD or disc must also be submitted, in non pdf format encrypted. The CD must be encrypted and password protected. The password must be submitted via email to <a href="mailto:BFS.Contracts@tax.ny.gov">BFS.Contracts@tax.ny.gov</a> .” This requirement must be met.
21	<b>Article XII. A. Termination for Cause, page 82</b>	The Bank suggests a period of 30 days notice of termination from either party. Given the scope of services and the time necessary to fully terminate, 30 days is considered appropriate for both parties. Further, the Bank would require the right to terminate immediately under certain circumstances. Is this acceptable to DTF?	Please see response to Question 7.

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	<b>PAGE/SECTION</b>	<b>QUESTION</b>	<b>ANSWER</b>
<b>22</b>	<b>Article XIII. A. Indemnification, page 83</b>	The Bank suggests striking ‘without limitation’ from the indemnification provision as the Bank would be responsible for its direct negligence only if it errs in providing a service under this IFB. Is this acceptable to DTF?	Please see response to Question 7.
<b>23</b>	<b>Article XIII. C. Limitation of Liability, page 84</b>	The Bank suggests a cap on liability to one times the value of the contract. We are willing to negotiate all terms upon award. Is this acceptable to DTF?	Please see response to Question 7.
<b>24</b>	<b>Article XIV. Extension of Contract Terms and Conditions to Other State Agencies, page 86</b>	The Bank would suggest that discussion of linking the agreement to other State agencies be upon mutual review and consent. Is this acceptable to DTF?	Please see response to Question 7.



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	PAGE/SECTION	QUESTION	ANSWER
25	<b>Article XIV. Subcontractors, pages 87 and 88</b>	While we do not anticipate the use of subcontractors for the proposed services, by entering into a treasury management services agreement with DTF, the Bank assumes responsibility for providing the covered services, regardless of any agents, employees or subcontractors (vendors) which the Bank may employ in providing the services. In the performance of treasury management services, the Bank's general practice is to retain employees, agents or subcontractors to service any or all of its clients in general rather than to service a particular client. Because of the significant number of bank clients, it is not practical for the Bank to require one or more client's approval of general subcontractor (vendor) agreements. The Bank cannot agree to limit our ability to subcontract out work or require the consent of a client that in the future we may deem to be in the best interest of the Bank. Further, because each vendor contract is negotiated separately, we cannot agree that the terms of Appendix A will be incorporated into every vendor subcontract. Is this acceptable to DTF?	Please see response to Question 7. In addition, to clarify, the IFB does not state that Appendix A should be incorporated into every vendor subcontract. Appendix A applies to contracts with NYS. The language in the IFB states that work performed by a subcontractor must be in accordance with the terms of the contract including, but not limited to, Appendix A.

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	<b>PAGE/SECTION</b>	<b>QUESTION</b>	<b>ANSWER</b>
<b>26</b>	<b>Page 15 Section B 1 ICL File Transmission(s)</b>	<p>ICL format ANSI X9.37. Will NYS DTF accept ANSI X9.100.180-2006?</p> <p>Accept a minimum of 1 gigabyte. While we do not have a minimum, we do have a maximum of 2 gigabytes. Is this acceptable?</p> <p>Provide ICL file transmission Help-Desk support, Monday – Saturday from 8:00 am to 8:00 pm (EST). We provide Monday – Friday (24hrs). Is that acceptable?</p>	<p>No.</p> <p>Yes.</p> <p>No.</p>

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	PAGE/SECTION	QUESTION	ANSWER
27	Page 15 Section B2 Manual Deposits	<p>Are these deposits all checks or do they contain cash?</p> <p>What is the address of the pick up?</p> <p>Are these manual items currently taken to the bank's item processing facility, to a branch, or to an armored courier's vault location?</p> <p>Does the bonded courier also need to be an armored courier?</p> <p>If it is an armored courier today, what is the name of the armored vendor that is currently making the pick up of the manual items?</p> <p>"Bidder must provide secure, weather proof; tamper-proof numbered deposit containers" Please further describe container: lockable box, lockable bag, tamper resistant plastic bags? What is used today?</p> <p>Will the State agree to Remote Deposit capture in lieu of courier pickup?</p>	<p>DTF/DTF designee may require receipt of cash.</p> <p>The address for the DTF Albany NY facility is:  WA Harriman State Office Campus  Building 8  Room 35  Albany, N.Y. 12227</p> <p>Currently, manual deposits are taken to a branch and/or bank's processing facility.</p> <p>No.</p> <p>N/A.</p> <p>Currently, the bags used for deposit are sealed, tamper resistant, plastic deposit bags.</p> <p>No.</p>

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	<b>PAGE/SECTION</b>	<b>QUESTION</b>	<b>ANSWER</b>
<b>28</b>	<b>Page 16 Section B 3 Acknowledgements</b>	“Bidder must provide an electronic Acknowledgement of Adjustment(s)...”. Are paper acknowledgements acceptable?	No.
<b>29</b>	<b>Page 16 Section B 3 Reporting</b>	<p>“An electronic daily Summary of Bank Adjustments ...” Are reports to be transmitted or viewable?</p> <p>Are the electronic notifications referring to a transmission or through electronic banking?</p> <p>Are dishonorments referring to Returned Deposited Item’s or rejected items via the ICL file?</p> <p>Please define the term dishonorments.</p> <p>Are the debit/credit memo notifications separate notifications or can they be provided together?</p>	<p>The electronic Summary of Bank Adjustments must be transmitted.</p> <p>Electronic notifications for acknowledgements are referring to electronic file transmission to a server mailbox.</p> <p>Dishonorments refer to Returned Deposited Items.</p> <p>Dishonorments are returned deposited items, for example, payments returned for insufficient funds, account closed, and refer to maker.</p> <p>They are separate notifications.</p>

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	<b>PAGE/SECTION</b>	<b>QUESTION</b>	<b>ANSWER</b>
<b>30</b>	<b>Page 17 Section B 5 Adjustment Images</b>	<p>What is the retention period for the archived adjustment files?</p> <p>“...provide... legible copies of all Debit/Credit memos...” Some of our memos are transacted via ePost, therefore no copies are available for viewing. Is this acceptable?</p> <p>We provide IRDs of returned checks. We cannot provide IRDs of foreign items (not allowed by Reg-CC). We do not create IRDs for debit/credit memos or rejected/voided images. Is this acceptable?</p>	<p>DTF/DTF designee requires a 90 day retention period for archived adjustment files.</p> <p>No.</p> <p>Images of original payment (front/back) associated with debit/credit memos are expected. For foreign items, DTF/DTF designee expects the original check to be returned.</p>
<b>31</b>	<b>Page 18 Section 6 Testing Requirements</b>	<p>What is the purpose for the User Test ID?</p>	<p>The purpose of a “User Test ID” is to provide DTF /DTF designee the ability to separate test activity from our production environment.</p>
<b>32</b>	<b>Page 19 Section 8 Disaster Requirements – page 15</b>	<p>Please clarify if for disaster event or day to day requirement?</p> <p>Besides file Acknowledgments, what additional files are expected?</p>	<p>All daily functionality should be provided to DTF/DTF designee from the bank’s primary and/or disaster recovery site. Daily functionality must include full redundancy.</p> <p>DTF/DTF designee expects all files to be processed from the bank’s disaster recovery site.</p>

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	<b>PAGE/SECTION</b>	<b>QUESTION</b>	<b>ANSWER</b>
<b>33</b>	<b>Preface Definitions – page 5</b>	(E) – “Business Day” shall mean Monday – Saturday. ICL file transmissions and paper deposits are referenced as Monday – Friday in the requirements on page 15. Please confirm when transmissions will be sent and paper deposits will be made.	Business Day is defined as Monday-Saturday. DTF/DTF designee ICL file transmissions will be sent for processing Monday-Saturday and could be sent 24 x 7. DTF/DTF designee requires same day credit for ICL file transmissions sent Monday–Friday between the hours of 7:00AM(EST) and 8:00PM(EST). DTF/DTF designee will send manual “paper” deposits Monday-Friday, excluding Federal Banking Holidays. Same day credit is expected for manual “paper” deposits.
<b>34</b>	<b>Page 15, Section B 2, Manual Deposits, 1<sup>st</sup> bullet point</b>	Could you please provide the complete address for the DTF Albany NY facility?	The address for the DTF Albany NY facility is: WA Harriman State Office Campus Building 8 Room 35 Albany, N.Y. 12227

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	<b>PAGE/SECTION</b>	<b>QUESTION</b>	<b>ANSWER</b>
35	<b>Page 16, Section B 3, Acknowledgements, 2nd bullet point, first paragraph</b>	<p>Please clarify the definition of Adjustments. (i.e. a deposit correction vs. a returned deposited item)</p> <p>Could the Saturday Acknowledgement of Adjustments be sent just prior to or on Monday?</p> <p>Timing is stated “within one half hour of Acknowledgement of Receipt of file(s)”. Is there any flexibility in the timing of the receipt of the acknowledgment of adjustment file?</p>	<p>DTF/DTF designee would expect two (2) types of adjustments. The first is an electronic acknowledgement of adjustments resulting from ICL file transmissions where images of deposited items do not pass the Check 21 business rules, and are therefore rejected by the bank. The second type of adjustment would be dishonorments, debit memos (including foreign items) and credit memos for any returned deposited item, for example, payments returned for insufficient funds, account closed, and refer to maker.</p> <p>No.</p> <p>No.</p>

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	<b>PAGE/SECTION</b>	<b>QUESTION</b>	<b>ANSWER</b>
<b>36</b>	<b>Page 16, Section B 3, Acknowledgements, 2nd bullet point, number 1</b>	Please provide a file format spec sheet	<p>The attached <b>Sample File Format Specifications</b> is provided for illustration only. Final specifications will be defined with vendor after bid award.</p> <p>The following information is provided in addition to the attached specifications:</p> <p><b>Record Format</b> – 80-byte, fixed length.  <b>Data Attributes</b> – Alphanumeric fields are left justified; space filled Numeric fields are right justified, zero filled.  <b>Character Set</b> – ASCII  <b>Record Types</b> - File Header Record (See attached)  File Detail Record (See attached)  File Trailer Record (See attached)</p>
<b>37</b>	<b>Page 16, Section B 4, 4<sup>th</sup> bullet</b>	Dishonorments – could you please define. (Are you referring to returned deposited items?)	Dishonorments are any returned deposited items, for example, payments returned for insufficient funds, account closed, and refer to maker.
<b>38</b>	<b>Page 28, Section B 1 and B2, Administrative Requirements</b>	Please clarify what is meant by “restrictions under which the bidders primary negotiators will operate” in these two subsections?	The Department needs to know if the primary negotiator/contract negotiator is functioning under any restrictions. Examples of such restrictions would be a requirement to check in with more senior management or a parent company related to certain provisions or any requisite amount of time needed to respond.





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**Sample File Format Specifications**

**DTF/DTF Designee – File Header Record**

<b>Field Name</b>	<b>Length</b>	<b>Field Type</b>	<b>Description</b>
Record Type	2	Numeric	Example – “01”
Customer ID	6	Numeric	DTF/DTFdesignee identifier
File Name	40	Alphanumeric	Name of the file
File Creation Date	8	Numeric	YYYYMMDD
File Creation Time	4	Numeric	HHMM
Resend Indicator	1	Alphanumeric	Example – “Y” or “N”
File ID Modifier	1	Alphanumeric	
File Validation Status	18	Alphanumeric	Examples: Accepted – No Adjustments Accepted – Adjustment Reported File Rejected
Carriage Return	1		

**DTF/DTF Designee – File Detail Record**

<b>Field Name</b>	<b>Length</b>	<b>Field Type</b>	<b>Description</b>
Record Type	2	Numeric	
Item Sequence Number	15	Alphanumeric	Corresponds to the original item
Bundle ID	10	Alphanumeric	Corresponds to the bundle of the original item
Amount of Item	10	Numeric	Amount of item being rejected
Item Error Reason	30	Alphanumeric	Examples: MICR Image IQA Multiple
IQA Score	3	Numeric	Image quality score assigned by bank.
Carriage Return	1		

**DTF/DTF Designee – File Trailer Record**

<b>Field Name</b>	<b>Length</b>	<b>Field Type</b>	<b>Description</b>
Record Type	2	Numeric	
Total Cash Letters	6	Numeric	
Total Records	8	Numeric	
Total Items	8	Numeric	
File Total Amount	16	Numeric	
Rejected Item Total	8	Numeric	Number of rejected items posted.
Adjustment Total	14	Numeric	Total amount of rejected items.
Carriage Return	1		