



**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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Albany, NY 12227**

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October 6, 2009

Dear Bidder,

Attached are the following:

- Questions and answers for RFP 09-01 for Controlled Disbursement and Direct Deposit Services;
- Amendment to Sections II Performance Standards, Liquidated Damages and Reimbursements;
- Amendment to Section III, Administrative Conditions and Proposal Response Requirements;
- Amendments to Section VI, Functional Requirements; and
- Amendment to Section X, Financial Requirements.

In addition, we would like to clarify the following: in all instances where “check” was used, it should be replaced with “drafts”.

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

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1	VI. A. 2.1	36	<p><i>The Contractor must accept separate issuance files - transmitted for each account (Exhibit B-1 – Draft Issuance File Layout). The Contractor must also accept check issuance text files for multiple accounts.</i></p> <p>Question: DTF discusses separate issue files- some in DTF format and some in text files. Please confirm if any accounts could potentially be sent in BOTH asked formats at any time?</p>	<p>The Department may issue draft issuance files throughout a given day from the main concentration account, any of the subaccounts as well as, the main exchange account and its sub accounts.</p> <p>Additionally, see Amendment.</p>
2	VI. A.3.3	37	<p><i>The Contractor must enable the Department to cancel previously issued payments. Such cancellations must remain in effect until the Department authorizes their removal. The contractor must enable the Department to remove a previously placed cancel, preferably online. The Contractor must notify the Department that the payment has been cancelled or the cancel has been rejected.</i></p> <p>Question: Please provide clarification around 'Cancels'. Under "Required Reporting" there is mention of notification and/or reporting to the Department that the cancel payment order has been placed. We are unclear if DTF is discussing stop payments or truly means cancel/void issues.</p>	<p>The Department considers the “cancel payment processes” as stated in Section VI.A.3.3 to include stops, voids, deletes as well as cancels.</p>
3	VI. C.1.1	39	<p><i>The Contractor must maintain original drafts for at least one year from the paid date.</i></p> <p>Question: In light of Check 21 and the strong movement within the Industry to image cash letters/transmissions fewer original items are being returned. With our ability to provide image transmissions, CD-ROM's and image access to our archive via the Internet- do these means of</p>	<p>In those instances where paper drafts, or IRDs, are returned to the Contractor the documents must be maintained for at least one year from the paid date.</p> <p>Additionally, see Amendment.</p>

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			access to images meet the requirements asked by the DTF?	
4	VI.C.1.2	39	<i>The Contractor must provide requested original drafts within one business day (of the agreed upon request cut-off time).</i> Question: Will an Image Replacement Document (IRD) satisfy this request?	See Amendment.
5	VI. D.2.1	40	<i>Provide the proposed back-up time frames to transmit to the ACH network if, for any reason, the initial transmission is not initiated or the transmission fails. Also provide the control structure for the PIT Controlled Disbursement account (i.e., how transfers into/out of the account will be identified and segregated from other ACH Credit transactions).</i> Question: Will there be any other ACH originated transactions, besides the PIT refund credits, disbursed from this account?	No, only PIT Refund credits will be disbursed from the account.
6	VI. D.6.1	42	<i>The Contractor must provide on a monthly basis, to the Department, transit and routing number verification information in an agreed upon electronic file format. The Contractor must also provide the Department, on an annual basis, the NACHA Rules, with periodic updates, as appropriate.</i> Question: Would the State be willing to access this information directly from the Federal Reserve website http://www.fededirectory.frb.org/? Clients have the ability to download the payment directories from this site directly.	No, the transit and routing number must be provided to us in a specified format (to be provided during development).
7	Preface	4	The RFP references "...filing the "Offerer Affirmation	See RFP Amendment posted September 22, 2009.

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			and Understanding of, and Compliance with, Procurement Lobbying Guidelines” (Appendix B-7, see also Section III C6).” Please clarify if the reference should be to Appendix B-7 or to B-6, which lists the form titled as referenced above.	
8	Section III. II.A	19	Clarify the number of volumes to be provided by a bidder– is it four as listed in the numbered items following “Bidders must submit:” If not, where should the forms listed in bullet 1 be included?	See Amendment.
9	Section III. II.A Section III.II.D.2	19 23	Confirm that the items listed in Section III.II.A #4 (page 19) are to be included in the technical response per Section III.II D.2 (page 23) and not in a separate binder.	See Amendment.
10	Section III. II.A	20	Please confirm what version of MS Word and MS Excel is preferred for the additional CDs requested on # 5.	97 to the most current version. The preferred version is 2007.
11	Section III. II.B and II.D	20	The RFP states: p.20: “The requirements in Sections IV, VI, VII, VIII, IX, X, and XI are mandatory and responses to each must be included within the Technical and Financial proposals. The responses to these requirements will be considered in the evaluation and award process and will be implemented by the Department. Additionally, bidders may identify alternative language or terms, as permitted by RFP language to Section II –	See Amendment.

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			<p>Performance Standards, Liquidated Damages and Reimbursements and Section XI – Invariable Contract Conditions and Negotiable Topics.” <i>and</i> p.23: “3. Section 3 – Responses to Requirements – Sections III – IX This section must contain responses to the individual requirements contained in Sections III – IX.” Question: The first set of instructions on page 20 seems to indicate that responses to sections III (three) and V (five) are not necessary to include in Bidder’s Technical Proposal response. However, the second set of instructions, on page 23, would seem to indicate that Bidders are to respond to sections III (three) through IX (nine), inclusive of section V (five). In light of these instructions, could the Department please clarify if a response to Section III – Administrative Conditions and Proposal Response Requirements and Section V – Evaluation Process is required? If a response to these sections is required, shall Sections III and V be included in the Technical Proposal?</p>	
12			<p>What institution is the current contractor for this activity? How long has that contractor been in place?</p>	<p>The current contractor for this service is JP Morgan Chase. The contract has been in effect since December 2003.</p>

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13			Is a recent Account Analysis for your existing contractor available?	No account analysis is available. This contract has a fully loaded transaction rate and pays per transaction.
14	Section 1, B. – Program Overview		Is there any campaign planned to promote greater acceptance of ACH refund activity and materially change the mix?	There is no campaign planned at this time, though it is a continued goal of the Department to increase direct deposits.
15	Section 1, B. – Program Overview		How many accounts are maintained for ACH and paper disbursement activities?	The bidder must establish a joint custody main concentration account as well as three joint custody zero balance sub-accounts (as described in Section VI, A.1.1) as well as a main concentration exchange account and three associated sub-accounts. (as described in Section VI, A.1.3)
16	Section 1, B. – Program Overview		What is a 'Cancel Payment Request'?	A cancel payment request includes stops, voids, deletes as well as cancels.
17	Section 1, B. – Program Overview		What is a 'Exchange Account' transaction?	A credit to the main concentration exchange account is performed for valid forgery claims.
18			Is there interest in expanding the RFP to include check issuance and outsourcing of the mailing activities?	No.
19	Section II, D. – Liquidated Damages Structure		What has been the amount of liquidated damages the Department has collected in each of the past three years?	There have been no liquidated damages imposed in the past three years.

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20	Section VI, A.2.1 – Draft Issuance Files		Please provide more information on ‘contractor must accept check issuance text files for multiple accounts’.	See Amendment.
21	Section VI, A.4.1 - Forgery Affidavit Processing		Do you expect funds to be processed to you account before they are received from the bank of first deposit?	The account is funded as checks are presented.
22	Section VI, A.4.1 - Forgery Affidavit Processing		What has been the volume of forgery activity over the past three years?	The volume of forgery activities over the past three years: YTD 2009- 2,717 YTD 2008- 2,514 YTD 2007- 1,923
23	Section VI, B.1.1 – Images of Paid Drafts		How many images are accessed via the bank reporting system during the average month?	During an average month, 320 images are accessed via the bank reporting system.
24	Section VI, C.1.0 – Maintenance, access and destruction of Original Drafts		Is the State willing to shorten the time for holding original drafts to three months?	No. In addition, see clarification.
25	Section VI, D.2.0 – Direct Deposit		Does the State receive an OICF file for each batch of	Yes. In addition, see Amendment.

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	Initiation		items released to the bank?	
26	Section VI, D.4.0 – ACH Credit Reversal		What has been the frequency of ACH reversals over each of the past three years?	Year to date the current frequency for ACH reversals is 393. For 2008 there were 640 reversals. 2007 had approximately 200 reversals.
27	Section VI, D.4.0 – ACH Credit Reversal		What has been the frequency of bulk ACH cancels and reversals over each of the past three years?	Bulk cancels occur once per year. In the past three years there has only been one reversal.
28	Section VI, D.5.0 – ACH Exceptions		What has been the frequency of NOC and returned item activity over each of the past three years?	See Attachment 2 to this document.
29	Section VI, D.5.0 – ACH Exceptions		Is the State willing to accept a transmission of NOC and returns activity, in addition to on-line reporting?	Yes.
30	Section X – Financial Requirements		Is the State willing to accept a bid based on a 'fee payment only basis?	No.
31	Section X- Financial Requirements		Is the State willing to accept additional line items on the Direct Fees Financial Table?	No.
32	Section IV, Qualifying	27	The RFP states the primary contractor must be a state or federally chartered commercial bank with at least	No.

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	Requirements, item 1.1.		one branch in New York State (see Section VII – Program Development and Support) and must possess the technical qualifications to develop, implement and operate the program defined herein. Will the State consider amending the RFP to encourage qualified bidders who are not a qualified financial institution but have a qualified financial institution as a subcontractor, providing all required banking and financial services to bid?	
33			Subsequently if the answer is yes, will the State remove the requirement for one branch in the state provided the Contractor provides adequate banking access to ATMs, Bank and Credit Union branches?	Not applicable.
34			Will the State also extend the Q&A period until September 21 to allow additional questions to be asked from newly qualified potential bidders?	Not applicable.
35	Section III.II.A.5	20	<i>To facilitate requests for information under the Freedom of Information Law (FOIL), contractors are required to provide two (2) copies, on CDs, of its complete proposal in a non-.pdf format (e.g., MS Word, MS Excel, etc.).</i> Question: Certain requested appendices (such as our annual reports) are only available in pdf format – is that acceptable for appendices as long as the main response document is provided in MS Word and MS Excel?	This is acceptable.
36	Section III.II.D	22	<i>Section 3 – Responses to Requirements – Sections III – IX. This section must contain responses to the individual requirements contained in Sections III – IX.</i> Question: Does NYS DTF require responses to	Yes. Appendices B-2 through B-7 must be included in your bid response. See amendment to Section III.

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			Section III - Administrative Conditions and Proposal Response Requirements?	
37	Section VI	35	<p><i>A.1.7 Account Reconciliation Processing (ARP) Requirements. The Contractor must provide the Department with electronic ARP reports in an agreed upon format that will be compatible with MS Excel.</i></p> <p>Question: Due to NYS DTF's high volumes and the volume limitations inherent in Excel, would CSV reporting be an acceptable alternative to Excel reporting?</p>	Excel is the preferred method, however, CSV is acceptable.
38	Section VI	43	<p><i>E. 1.1 The Contractor must provide images (and related indexing) of all drafts (front and back), post endorsement. The indexing approach must ensure that:</i></p> <p><i>a. There is one multi-page (front and back) TIFF image file for each separate draft.</i></p> <p><i>b. Each image file consists of fewer than one billion bytes.</i></p> <p><i>Each image must have a file name consisting of the twelve digit tracking number (the DLN) and a three character suffix (e.g., 123456789112.001 and 123456789112.002). The suffix is to represent the sequential number of images (i.e., a front would be the .001 and the back would be the .002</i></p> <p>Question: Would NYS DTF be open to a different naming convention?</p>	No, not at this time.
39	Exhibit B-2	90	<p>PIT REFUND PAID DRAFT FILE</p> <p>DATA CHAR. PIC. FIELD</p>	It's the date that the file was created.

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			<p>ITEM COMMENTS</p> <p>Header - 9 9(8) MMDDCCYY Date</p> <p>Question: Is this the file date, the period end date, or something else?</p>	
40	Section 1		B. Program Overview: Lists an item called “exchange account” with a volume of 363. What is the underlying service being provided and/or TMA code?	See the answer to Question #17; also, refer to Section VI A.4.0 of the RFP.
41	Section 2 G. Liquidated Damages:		Please provide the total amount of liquidated damages assessed under the existing contract, base period and option years.	There have been no liquidated damages assessed during this contract.
42	Section 2 G. Liquidated Damages:		1, A.5 System/Program Documentation: Can you describe what documentation is required to be delivered under this contract? Please describe any desired manuals and guides and any requirements for format, paper, online etc.	See RFP Section VII, E. a. and g. No specified format.
43	Section 2 G. Liquidated		3, A.1 Performance Monitoring: States contractor must comply with audits and reviews. Please describe the frequency and duration of the reviews conducted	There has been no specific audit on this program under this contract. The Department conducted a IT Security Risk Assessment at each of our

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	Damages:		under the current contract.	contractors sites in 2007. The PIT Refund program was part of the review.
44	Section 2 G. Liquidated Damages		4. A.2 Cancel Payment Orders: What is the current agreed upon time for posting of cancel payment orders?	Cancels are transmitted to the Department between 8-10 pm the same day as received; they are posted overnight and are effective before business begins the next day.
45	Section 2 G. Liquidated Damages:		4. A.4 Paid Draft Retention: a. Is the current provider currently storing all paid drafts? b. Due to the use of imaging in the check clearing process many times the original draft is not available for storage. What arrangements have been made with your current provider in cases where draft is not available for storage? c. In lieu of storing draft would image be acceptable without penalty?	a. Paper is currently being stored. b. In these instances where paper drafts, or IRDs, are returned to the contractor the documents must be maintained for at least one year from the paid date. c. Only in instances where paper is not returned to the bank.
46	Section 2 G. Liquidated Damages:		4. A.5 Images of Paid Drafts: What is current agreed upon timeframe for receipt of images of paid drafts?	Within 5 days of presentment.
47	Section 6		A. 1.8 States no costs can be assessed without prior written consent. Please describe how written consent is used in collecting fees from the monthly billing cycle. Is written consent required before billing statement charges are applied to ECR?	Charges agreed to in the contract; do not have to have prior written consent before billing. New charges and/ or fees must be approved through the change control process outlined in Section VII. Once approved, the Department will confirm via email when the charges can be invoiced.

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48			<p>A. 3.2 “On us Drafts”:</p> <ul style="list-style-type: none"> a. What are the check cashing ID requirements that your current provider uses today for the program participants? b. Are there any charges being incurred by recipients who cash checks at bank branches? If so what are they? c. Are any fees charged to DTF by your current banking provider for cashing checks? If so, what is charge per item? What is monthly volume? d. Is there any dollar limits as to the amount of the check that will be cashed for non account holders? e. Are you open to the use of a card based program, in lieu of checks, to eliminate check cashing risk? f. How many branches/locations are currently available in State for check cashing? 	<ul style="list-style-type: none"> a. “On us” checks cashing is not part of the current contract. b. Not applicable. c. Not applicable. d. No. e. This is not part of this RFP. f. Not applicable.
49			<p>A. 4.0 Forgery Items</p> <ul style="list-style-type: none"> a. How are rejected forgery claims handled? b. What specific information is required in the weekly forgery status? c. How is weekly forgery information delivered to DTF? 	<ul style="list-style-type: none"> a. Currently notification of Forgery claim rejection is via letter fax to DTF Treasury. b. Check number, check amount, status and number of days in process c. Currently forgery information is delivered via letter but electronic submission is preferred (e.g. e-mail spreadsheet)

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50			<p>C. 1.1 Maintenance of Original Drafts</p> <p>a. Please describe how the original drafts are currently being maintained and retrieved? What is current cut-off time?</p> <p>b. How does DTF handle situations where original draft is not available?</p>	<p>a. See response to question 46.</p> <p>b. Images are used in instances without original draft.</p>
51			<p>D.1.1 Transmission:</p> <p>a. Please describe the frequency of file transmissions to bank and any seasonal changes in frequency.</p> <p>b. Will the bank be receiving a daily file for controlled disbursement and ACH origination all year round?</p>	<p>See Exhibit A for response to questions 51 a. and 51 b.</p>
52			<p>D. 2.0 Direct Deposit Initiation</p> <p>a. Will the settlement account for ACH origination be the controlled disbursement account?</p> <p>b. In regard to release of ACH transactions. Please describe the current process for release of ACH transactions once the file is sent to the bank.</p> <p>c. Would the following process be acceptable for release of ACH transactions?</p> <ol style="list-style-type: none"> 1) Encrypted transmission file is sent to bank 2) Designated Individual(s) with DTF receive confidential username and password for voice response system 3) DTF calls a voice response system: enters username/password verifies/inputs 	<p>a. Yes</p> <p>b. The release of ACH transactions is done via voice response system.</p> <p>c. DTF does not dictate the solution. Please refer to RFP Section VI D.2.1 for requirement.</p>

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			control totals and initiates release of file.	
53			<p>E. 1.1 Image Output</p> <ul style="list-style-type: none"> a. What is the current and desired frequency of the image file delivery? b. What is the approximate maximum number of images in each file? c. Please provide additional detail how the 12 digit tracking number is generated and used to locate images by DTF 	<ul style="list-style-type: none"> a. Image files are currently received daily. This RFP requires daily image file delivery, as well. See Section II, 6.b.1 of this RFP, for the required standard. b. The attached daily refund issuances data is an indicator of the approximate number of images that will be sent each day (note that there is some variation between the daily issuances and the paid issuances). See Attachment 1. c. The tracking number needed for the image index file will be provided by DTF in the draft issues file (the format of which will be modified slightly to incorporate the 12 digit tracking number).
54	Section 7		<p>C. Training:</p> <ul style="list-style-type: none"> a. Please describe how many people will require training and which departments they are located in. b. Approximately how many individuals will need access to the online web-based banking system? 	Currently, approximately thirty users are expected- two thirds from the Department and one third from NYS OSC.
55	Section 9		<p>3.0 Collateral:</p> <ul style="list-style-type: none"> a. What are the average overnight balances (if any) the State will maintain with these deposit accounts? 	<ul style="list-style-type: none"> a. Although the accounts are anticipated to be a zero balance daily based on the controlled disbursement services, balances are sometimes carried for adjustments or

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			<ul style="list-style-type: none"> b. Please provide historical overnight balances (by month/day) and the volatility of the balances to determine seasonality or cyclical variations to the cash balances to the extent possible c. What is the estimated required collateral level from activity? d. Does the State require collateral for funds in excess of FDIC insurance or for the full balance? 	<p>encoding errors. These balances are minimal and normally cleared the next business day.</p> <ul style="list-style-type: none"> b. Same as above c. The initial anticipated collateral would be zero. d. The balances are expected to be 100% collateralized.
56			<p>Custodial Account Requirements</p> <ul style="list-style-type: none"> a. Is there a requirement to use Federal Reserve Bank or a specific Third-Party Provider? b. Are there any other procedural requirements? c. Will you require any type of collateral reporting? 	<ul style="list-style-type: none"> a. All New York State funds on deposit with financial institutions must be fully collateralized by securities pledged at the State's fiscal agent. b. Along with the Undertaking Agreement, the provider must provide a designated contact for collateral and settlement instructions for the return of securities or cash payments. c. No, all collateral reporting is provided by State's custodian.
57	Section 10		<p>Earnings Credit Rate:</p> <ul style="list-style-type: none"> a. If the State elects to pay by compensating balance, will it require these balances be collateralized? b. If collateral is needed, will collateral 	<ul style="list-style-type: none"> a. Yes, compensating balances must be collateralized in accordance with sections 105 and 106 of State Finance Law. b. Collateral requirements are the same.

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			<p>requirements for compensating balances be similar to the collateral requirements for balances that result from the proposed activity? Please outline any differences.</p> <p>c. In the RFP it states that the Earnings Credit Rate shall be determined by NYS OSC and confirmed with the Contractor. How often during the life of the contract is the ECR rate subject to negotiations?</p> <p>d. Do you pay the current provider by using compensating balances or direct fee?</p>	<p>c. The ECR rate is not subject to negotiations.</p> <p>d. The provider is currently being paid by direct fee.</p>
58			<p>Payment for Services:</p> <p>a. Appears to state that any hourly labor resulting from change control or development can only be billed annually? Not after services have been completed. Please confirm.</p> <p>b. Please provide the amount of development fees and change control charges billed under the existing contract?</p>	<p>a. The contractor may invoice the Department when the services are complete and has received confirmation from the Department. The contractor does not need to invoice annually.</p> <p>b. Change controls are a minor component of this contract. The total annual cost of the contract for Fiscal Year 08/09 was \$1,555,120. Please note, the current contract includes services which are not part of this RFP. The percentage attributable to change controls was less than 2%.</p>
59			<p>FDIC fees – Financial Table</p> <p>a. FDIC fees are largely determined by the FDIC and subject to change over the base period of the contract. In regard to years 1-3, is DTF expecting the bank to provide a fixed fee regardless of rate changes made by FDIC?</p>	<p>a. The FDIC (Federal Deposit Insurance Corporation) fee is a pass-through cost and no additional fees should be added to it, however, the Department will pay the full fee.</p>

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			<p>b. How will the State use the CPI-U Computation Methodology to determine the FDIC fees for years 4, 5 and 6 of the contract?</p> <p>c. If DTF allows for variance in FDIC fees based on future policy changes by FDIC, Can you describe how DTF will use a variable FDIC fee in the price evaluation?</p> <p>d. Would DTF consider dropping FDIC fees as criteria in price evaluation?</p>	<p>b. The CPI-U does not apply to FDIC fees.</p> <p>c. A variable FDIC fee will not be used in the evaluation.</p> <p>d. FDIC fees are a pass through cost and are not evaluated.</p>
60	Appendix D		1)Is it acceptable if the requirements of the Funds Transfer Agreement (Appendix D) are met through Citi's Electronic Banking product?	No.
61	Other		Please describe how are you handling escheatment of draft payments? Particularly out of state PIT refunds.	Three files are requested annually and processed internally. The final file and outstanding items are bulk cancelled.
62	Other		<p>Would DTF benefit from a service to assist with this function?</p> <p>If so please provide any volumes of number of payments escheated and states involved.</p>	No.
63	Section II.F	8	<i>The Program Performance Standards, Liquidated Damages and Reimbursements, as set forth in this section, represent the Department's preferred</i>	No.

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			<p><i>standards and liquidated damages. In the event a bidder provides specific alternative language to the Program Performance Standards, Liquidated Damages and Reimbursements, such alternative language will be evaluated utilizing a scaled rating whereby an affirmation of the Department's standard and/or liquidated damage receives the highest rating and the maximum deviation (based on the minimum allowed values stated below) from a standard or liquidated damage receives the lowest rating. The minimum values are as follows:</i></p> <p><i>1) For Performance Standards: the Department will not accept any alternative language to the general controls standards. The Department will allow alternate language for timeliness standards on data and image output files of up to one business day.</i></p> <p><i>2) For Liquidated Damages, the Department will not accept any alternative language that reduces a liquidated damage by more than 25% for specified dollar damages (e.g.:\$1,000). The Department will not accept percentage reductions in the reimbursement column.</i></p> <p><i>A bid which does not meet the minimum</i></p>	

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			<p><i>allowed values will be subject to disqualification.</i></p> <p>Would NYS DTF be willing to reconsider this requirement and negotiate these terms upon award?</p>	
64	Section II. 1.A.1 - 1.A.5	Pages 8 - 9	<p>Regarding Implementations: It is important that both parties maintain agreed to schedules. Certainly, we anticipate strong partnership if awarded this contract. That said, there is a clause related to this topic that we respectfully request be changed as the language as written assumes all delays (potentially even those caused by NYS DTF) create Contractor liability and corresponding liquidated damage</p> <p>Implementation Timeliness: Can an adjustment be made to clarify that the root cause of any delay for which the Contractor would be liable for penalties must be the fault of bank?</p>	Alternative language to any standards in Section II may be proposed for DTF consideration, as described in Section III.
65	Section VI. A 1.4, Bank Accounts	Page 34,	<p><i>The Contractor must provide daily statements for sub-accounts due on the next business day electronically.</i></p> <p>Is access to online previous day account reporting adequate to satisfy this requirement?</p>	The Department does not specify a solution to the requirement in Section VI A 1.4
66	Section VI. A 1.5, Account	Page 35,	<i>Access to transaction history must be maintained and</i>	See clarification.

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	Monitoring		<p><i>available for inquiry for a minimum of six months.</i></p> <p>We are able to provide 60 days online access to transaction history and up to 10 years access to images. Your Client Service Advisor is available to provide access to information beyond the 60 day online access period. Is this acceptable to the State?</p>	
67	Section VI. A 2.1, Draft Issuance Files	Page 36,	<p>a. <i>The Contractor must accept separate issuance files - transmitted for each account (Exhibit B-1 - Draft Issuance File Layout). Would NYS DTF consider using a bank standard issue file layout instead of the layout provided in Exhibit B-1?</i></p> <p>b. <i>The Contractor must also accept check issuance text files for multiple accounts. Please clarify what is meant by “the Contractor must also accept check issuance text files for multiple accounts”. Is the NYS DTF planning to send multiple accounts in a single file or will each file be sent separately?</i></p> <p>c. <i>Under required response; Describe the proposed method for processing the draft issuance files ensuring that next day presentments are not unmatched. Please clarify that “not unmatched” is describing</i></p>	<p>a. No.</p> <p>b. See Amendment.</p> <p>c. See RFP Section VI A.3.1 for an explanation of unmatched items.</p>

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			<p style="text-align: center;">positive pay suspect items and that DTF requires the bank to perform next-day positive pay and not same-day positive pay.</p>	
68	Section VI. Item A.2.1	Page 36,	<p><i>The Contractor must accept separate issuance files - transmitted for each account (Exhibit B-1 – Draft Issuance File Layout). The Contractor must also accept check issuance text files for multiple accounts. Describe the proposed method for processing the draft issuance files ensuring that next day presentments are not unmatched. Include proposed issuance file receipt cut-off time and the proposed retention period. It appears NYS DTF wants a Same Day Positive Pay process, where the winning service provider matches presentment information to issue information prior to posting.</i></p> <p>Our positive pay service is a next day Positive Pay service. Items with encoding errors are reviewed and corrected by Account Reconciliation the day after posting. Debit and Credit adjustment entries, as well as Positive Pay return credits, for Controlled Disbursement accounts are held over from posting to the CDA and included the next morning in the client's Controlled Disbursement presentment information as CDA Adjustment Debits/Credits. Is this acceptable to</p>	<p>As described in the following example, next day positive pay is required.</p> <p>Day 1 – Issuance file is transmitted to bank prior to the agreed upon cut-off time.</p> <p>Day 2 - Presentment of any items from that file are funded</p> <p>Day 3 - Treasury is notified of any unmatched items from the presentment on Day 2.</p>

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			<p>NYS DTF?</p> <p>This pre-post matching is again mentioned in the following RFP item:</p> <p>Page 36, Section A.2.3 Presented Draft Notification: <i>Functional Requirement: The Contractor must provide NYS OSC, with the total dollar amounts of matched presented drafts no later than 10:00 a.m. each business day. The Contractor must not pay any unmatched items without prior DTF approval. The Department will accept estimates on an exception basis. The Contractor should consult with OSC prior to the 10:00 a.m. EST deadline to determine the funding estimate. Required Response: Describe the proposed process for determining the value of paid drafts (e.g. in-house processing of drafts, use of Federal Reserve services, etc.); for completing the match of presented drafts against the issuance file data; for ensuring that an accurate presentment dollar total and item total is provided to OSC; and for the time frame for notification to OSC.</i></p> <p>Our Controlled Disbursement system consolidates the Federal Reserve’s data with feeds it receives from other internal sources including opening balances from the Demand Deposit Account (DDA) System, debit and credit ACH transactions from the ACH</p>	<p>The requirement is stated at A.2.3. The Department does not specify a solution.</p>

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			<p>system and check-related debit and credit adjustments that were processed electronically. We calculate the Disbursement Funding Requirement using the following formula:</p> <ul style="list-style-type: none"> + Disbursement Checks First presentment + Disbursement Checks Second presentment + ACH Disbursement Debits - ACH Disbursement Credits + Adjustment Debits - Adjustment Credits - Opening Available Balance <p>With regard to unmatched items, these items are included in Controlled Disbursement presentment. Is this acceptable to NYS DTF?</p>	
69	Section VI. A.3.2, On Us Drafts	Page 37,	<p>Can NYS DTF provide us with important data that would better allow us to access the impact of cashing “on us” checks with no fee? This important/CRITICAL data would include: 1) the number of “on us” checks in 2009 that were presented for cashing in the branches of the current provider (the incumbent will be able to retrieve that data) and 2) number of those cashed checks where a fee was charged.</p>	See response to Question #48.
70	Section VI. A. 3.3, Payment	Page 37	<p>Please confirm how NYS DTF defines a payment Cancel. Are these Voided/Canceled checks or Stop Payments? Stop Payments are placed on the bank</p>	See response to Question #2.

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#	RFP Section	RFP Page #	Question	Answer
	Cancel		DDA (checking account) system and Voids/Cancel are placed on the reconciliation system. The rules around each are very different so we need to understand your definition.	
71	Section VI. C.1.0 - 1.3, Maintenance, Access and Destruction of Original Drafts	Page 39	C. 1.1 - <i>The Contractor must maintain original drafts for at least one year from the paid date.</i> Since the advent of Check 21 legislation in 2004, banks no longer are clearing original paper checks/drafts. Current legislation, including Check 21, provides for the legal legitimacy of images in lieu of physical checks. As a significant portion of check clearing between banks becomes image-based in the coming years, we recognize the importance of offering the best in check imaging technology. We will maintain images of all paid items for at least one year from paid date, but will not maintain original checks/drafts. Please confirm that NYS DTF understands and agrees with this.	See Amendment.
72			C.1.2 - <i>The Contractor must provide requested original drafts within one business day (of the agreed upon request cut-off time).</i> In accordance with the statement above, we will provide access to requested images of checks/drafts within one business day. Please confirm that NYS DTF is in agreement.	The requirement at Section VI, C.1.2 states the expectation.
73			C. 1.3 - <i>The Contractor must provide for the</i>	See Amendment regarding paper storage. The

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			<p><i>confidential destruction of original drafts after the required one year retention period. The bank cannot provide for confidential destruction of original checks/drafts after a one year retention period as we do not maintain originals. Please confirm that NYS DTF is in agreement.</i></p>	<p>requirements of C.1.3 remain.</p>
74	<p>Section VI. D.5.1, ACH Exceptions</p>	<p>Page 41</p>	<p>a. Please explain “ACH Exceptions”. b. Please provide an example.</p>	<p>a. An ACH exception is any discrepancy in a transaction. b. An example of an ACH exception is a direct deposit posted to the wrong taxpayer bank account.</p>
75	<p>Section VI. E.1.0, Draft Image Output and Page 43. E.1.2, Draft Image Output</p>	<p>Page 42</p>	<p>E.1.0 Draft Image Output: <i>The Contractor must provide images (and related indexing) of all drafts (front and back), post endorsement. The indexing approach must ensure that: a. There is one multi-page (front and back) TIFF image file for each separate draft. B. Each image file consists of fewer than one billion bytes. Each image must have a file name consisting of the twelve digit tracking number (the DLN) and a three character suffix (e.g., 123457689112.001 and 123456789112.002). The suffix is to represent the sequential number of images (i.e., a front would be .001 and the back would be .002.</i></p> <p><i>The Contractor must create a corresponding image</i></p>	

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#	RFP Section	RFP Page #	Question	Answer
			<p><i>index file for all scanned images (see Exhibit C - Image Index Layout).</i></p> <p>There are a number of fields in your items under file layout in Exhibit C. We need clarification on this information.</p> <p><i>a. Will NYS DTS send the Bank a data file that includes various items listed in Exhibit C (tax type, processing year, return type, form type, external ID, (taxpayer ID, etc.)?)</i></p> <p><i>b. Can the files be sent as a separate file from the issuance file?</i></p> <p><i>c. If so, is the expectation that the winning bidder will populate this information to the Index file that is sent with the image to NYS DTF?</i></p>	<p>a. The data identified in Exhibit C will be provided on the draft issuance file. The final information will be provided in the development phase.</p> <p>b. No.</p> <p>c. Not applicable.</p>
76			<p>Can you disclose the monthly volume of items that the contractor will be sending via bulk image transmission? Additionally,</p> <p><i>a. Will this be images of checks or returned items?</i></p> <p><i>b. Will this be a daily image file transmission?</i></p>	<p>See volumes of paid drafts in Exhibit A-1-a. Images associated with these paid drafts would be the volume of items in the Bulk image transmission.</p> <p>a. Paid drafts</p> <p>b. Daily – (see RFP section II 6.B.1)</p>

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			<p>c. What is your existing image archive (For example, Alchemy by IMR, Filenet)?</p>	<p>c. IBM Content Manager Version 8.4</p>
77			<p>To accept the Bulk Image Transmission images NYS DTF will need to perform the functions listed below. Please confirm these are acceptable:</p> <ul style="list-style-type: none"> a. Accept/receive zipped files and unzip multi-page TIFF wrapped images with both Black/White (G4) front and back images. All the images are compressed into one Zip archive file. b. Each image is a separate image file i.e., each image file contains the front and back of just one check. c. Image file - for every TIFF formatted image the file name will be yyyyymmddxxxxxxxxcc.tiff (yyyyymmdd = date, x = sequence #, cc = cycle code) d. The zip file contains multiple image files and one index file. The index file contains a header and one record for each item we were asked to retrieve. 	<p>The Department's requirements for Image Output are located in the RFP Section VI, E.1.0.</p>

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#	RFP Section	RFP Page #	Question	Answer
78	Section VII. Item F	Page 49	<p><i>Annual Cycle Testing - The Contractor will be required to perform a PIT Refund annual cycle test prior to actual annual payment processing, including testing of the PIT Refund draft paid file. We do not usually retest clients if there has been no change. Is it the norm for annual changes to have an impact on the procedures, file lay out, etc., related to this contract? If so, what types of changes create the impact? Can you give an example please? If there has been no change that impacts this contract, do you still require a retest as that would not be the norm for the products and services contemplated in this RFP?</i></p>	Changes for annual cycle do not normally impact this contract, however, the Department does require a complete end to end test including the refund process, paid file, images etc whether changes have occurred or not.
79	Section X. Financial Requirements	Page 60	<p>This provision describing Payment by Direct Fee states that the NYS DTF may request direct reimbursement from the Contractor. Does this mean that the NYS DTF requires us to make a direct, hard dollar payment on a monthly basis for the amount by which the value of Earnings Credits exceeds the service fees for that month?</p> <p>We appreciate NYS DTF's desire to require bundled pricing so as to limit the complexity of vendor invoices. However, in reviewing Financial Table 1 and 2, we observed that certain, key high volume services required in RFP #09-01 have been excluded. Will the</p>	The State does not require a direct, hard dollar payment but does expect to use Earnings Credits as payments for State services provided. The State does require and expects all excess Earnings Credits to accumulate for the life of the contract. The State's intention is to not forfeit any month's excess earnings.

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			<p>State entertain amending Financial Table 1 and Table 2 to include those service categories which drive significant volumes, such as Information Reporting, Image Archive and Account Reconciliation? In this manner, vendor pricing more closely mirrors the large transactional services that are required.</p>	<p>No.</p>
80	Section X. Item 1.1.	Page 62	<p><i>Any desired CPI-U change requests must be made within thirty calendar days prior to the end of the contract year.</i></p> <p>Having such a specific and limiting time frame to communicate a CPI-U change can be challenging. We respectfully request that the language be modified to allow for a change to occur any time during years four, five and six. Once the calculation has been performed and communicated for a given year, it would apply to the full year retroactively to the contract anniversary date. That is how other state contracts work, better ensuring the Contractor is paid a fair inflationary adjustment vs. being prohibited from collecting same for a timing technicality.</p>	<p>The Department's requirement is stated in the RFP, Section X.1.1.</p>

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81	Section XI. Item 3. Dispute Resolution	Page 75	The bank would like to clarify that these types of provisions are not in compliance with the bank's documentation that defines and discloses dispute resolution and arbitration processes. We suggest that disputes are handled in accordance with bank documentation, which outline the basis for dispute resolution. However, the bank is willing to negotiate terms upon award. Is this acceptable to NYS DTF?	Dispute resolution is a negotiable term; however, under no circumstances will the Department agree to binding arbitration. Any modifications to the language in Section XI must be submitted with your bid proposal.
82	Section XI. Item 10. Investigation Support	Pages 76 - 77,	Per our regulators, we will need to have prior notice for records examinations and such examinations will only be related to the records pertaining to the NYS DTF and its transactions. Further, our associates' privacy must be maintained in accordance with the bank's privacy policy. The bank can potentially agree to background checks for employees, but limited only to the client team identified in this proposal response. Is this acceptable to NYS DTF?	Investigative support is a negotiable term. Any modifications to the language in Section XI must be submitted with your bid proposal.
83	Appendix D. Funds Transfer Agreement	Page 131	It is customary that the funds transfer agreement format be that of the contracting bank's versus one provided by the client which may have originated from negotiations with another bank's form. If awarded this business, we would expect that our Funds Transfer Agreement would govern our funds transfer relationship but understand that NYS DTF may wish to negotiate certain terms and	See Section IX, 4.1 and Section IX, 2.2. The Contractor must agree with a NYS OSC Funds Transfer Agreement. The bidder may provide any standard banking and/or service agreement(s) with the proposal response. Submission of such agreement(s) is for informational purposes. The bidder must be willing to negotiate the terms of such agreement(s) prior to their inclusion in any

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			conditions contained in the relevant agreement. Therefore, would the NYS DTF accept the Contractor's funds transfer agreement as the foundation of its funds transfer relationship with the Contractor? (Should you wish to review our funds transfer agreement at any point in time, we would be pleased to submit this form for your review under separate cover.)	subsequent contract for the services in this RFP.																					
84	General		NYS DTF refers to drafts and checks throughout the RFP. To meet the requirements of this RFP, can you please describe the difference between a check vs. a draft.?	All references in this RFP should be to "drafts". See clarification.																					
85	General		For documents requiring a bidder signature, will electronic signatures suffice?	No.																					
86	General		Would the NYS DTF please provide the total monthly average ledger balance maintained in the referenced accounts for each month, beginning with January 2008?	<table border="1"> <thead> <tr> <th>Month</th> <th>2008</th> <th>2009</th> </tr> </thead> <tbody> <tr> <td>January</td> <td>\$8,144</td> <td>\$6,656</td> </tr> <tr> <td>February</td> <td>\$10,911</td> <td>\$5,511</td> </tr> <tr> <td>March</td> <td>\$5,746,727</td> <td>\$5,775</td> </tr> <tr> <td>April</td> <td>\$6,140</td> <td>\$5,977</td> </tr> <tr> <td>May</td> <td>\$15,886</td> <td>\$12,541</td> </tr> <tr> <td>June</td> <td>\$3,951</td> <td>\$5,364</td> </tr> </tbody> </table>	Month	2008	2009	January	\$8,144	\$6,656	February	\$10,911	\$5,511	March	\$5,746,727	\$5,775	April	\$6,140	\$5,977	May	\$15,886	\$12,541	June	\$3,951	\$5,364
Month	2008	2009																							
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				July	\$3,136	\$4,487
				August	\$4,122	<u>NA</u>
				September	\$3,345	<u>NA</u>
				October	\$11,472	<u>NA</u>
				November	\$4,638	<u>NA</u>
				December	\$2,416	<u>NA</u>
87	General		As it is necessary to establish limits for the total dollar amount of your ACH debits and credits, would NYS DTF please provide the maximum dollar value of both ACH credits and debits that can be outstanding in the ACH network for any given day?	The maximum dollar value is approximately \$350 million. During peak processing times, the value may be up to \$100 million, however, generally the value is under \$10 million.		

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Direct Deposit Daily Issuance 2008

	Direct Deposit Record	Amount
1/18/2008	37	\$ 5,865.00
1/25/2008	5,079	\$ 2,088,858.56
2/1/2008	55,363	\$ 59,856,928.08
2/5/2008	40,690	\$ 55,316,528.84
2/6/2008	53,411	\$ 44,508,150.39
2/8/2008	44,415	\$ 37,541,772.21
2/12/2008	46,108	\$ 52,970,064.54
2/13/2008	42,415	\$ 45,484,754.13
2/14/2008	87,763	\$ 58,919,543.88
2/15/2008	79,369	\$ 118,047,785.54
2/19/2008	116,310	\$ 130,623,277.81
2/20/2008	48,533	\$ 52,834,471.97
2/21/2008	67,536	\$ 54,711,951.48
2/22/2008	82,144	\$ 79,927,974.75
2/27/2008	65,666	\$ 73,372,741.24
2/28/2008	51,793	\$ 52,445,905.91
2/29/2008	54,381	\$ 15,178,890.11
3/4/2008	122,048	\$ 136,882,447.96
3/6/2008	71,808	\$ 76,718,390.92
3/7/2008	95,305	\$ 137,156,138.74
3/14/2008	998	\$ 1,616,715.00
3/21/2008	17,626	\$ 6,678,684.49
3/28/2008	2,309	\$ 3,003,056.69

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4/1/2008	97,824	\$	102,309,695.82
4/1/2008	106,805	\$	96,283,427.60
4/1/2008	100,276	\$	130,670,966.74
4/4/2008	103,565	\$	62,381,690.06
4/7/2008	47,967	\$	54,415,816.96
4/8/2008	94,728	\$	91,496,945.13
4/9/2008	72,902	\$	73,958,812.83
4/10/2008	64,828	\$	67,269,096.09
4/11/2008	89,747	\$	105,490,875.45
4/14/2008	77,035	\$	86,939,049.98
4/15/2008	72,684	\$	52,096,409.68
4/16/2008	70,945	\$	64,604,224.26
4/17/2008	71,143	\$	59,024,900.97
4/18/2008	74,067	\$	99,636,111.86
4/22/2008	58,707	\$	58,352,980.36
4/23/2008	67,973	\$	47,997,755.51
4/24/2008	72,815	\$	79,561,523.88
4/25/2008	48,804	\$	60,447,254.90
4/29/2008	72,391	\$	71,307,425.97
4/30/2008	48,688	\$	42,714,711.90
5/1/2008	70,297	\$	76,606,401.16
5/2/2008	50,568	\$	51,765,052.20
5/6/2008	37,300	\$	53,190,630.37
5/8/2008	33,222	\$	16,801,710.01
5/13/2008	40,785	\$	56,770,440.17
5/14/2008	26,269	\$	33,685,051.43
5/16/2008	19,956	\$	28,527,327.03
5/21/2008	13,016	\$	17,487,947.03
5/23/2008	6,271	\$	10,060,697.02
5/28/2008	23,847	\$	18,181,607.83
5/30/2008	3,861	\$	6,174,963.01

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6/6/2008	6,634	\$	9,776,905.90
6/13/2008	7,159	\$	10,010,270.28
6/19/2008	5,411	\$	7,725,166.70
6/27/2008	5,568	\$	8,314,449.21
7/3/2008	5,944	\$	9,143,388.57
7/11/2008	3,743	\$	6,114,905.65
7/18/2008	9,674	\$	8,038,243.96
7/25/2008	4,653	\$	6,853,988.37
8/1/2008	3,802	\$	7,250,616.04
8/8/2008	3,548	\$	5,844,679.74
8/15/2008	3,457	\$	7,570,980.03
8/22/2008	2,931	\$	7,150,837.13
8/29/2008	3,041	\$	5,799,240.67
9/5/2008	2,697	\$	4,934,691.32
9/12/2008	2,493	\$	4,980,755.46
9/19/2008	2,509	\$	5,498,477.46
9/26/2008	2,934	\$	6,386,855.78
10/3/2008	2,718	\$	8,169,429.69
10/10/2008	2,326	\$	5,634,768.76
10/17/2008	4,399	\$	11,895,726.17
10/24/2008	5,899	\$	14,754,278.98
10/31/2008	11,396	\$	44,065,248.35
11/7/2008	5,051	\$	21,855,383.20
11/14/2008	3,615	\$	38,896,927.07

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	Direct Deposit Record	Amount
1/19/2007	399	\$ 208,955.92
1/26/2007	9,570	\$ 6,510,861.90
2/2/2007	38,053	\$ 26,528,140.64
2/6/2007	20,956	\$ 14,179,971.30
2/9/2007	12,895	\$ 8,915,485.48
2/13/2007	43,974	\$ 30,345,321.51
2/14/2007	25,506	\$ 17,324,520.90
2/15/2007	52,940	\$ 36,092,302.64
2/16/2007	89,855	\$ 65,716,954.51
2/20/2007	60,103	\$ 39,954,396.63
2/21/2007	83,436	\$ 80,281,924.89
2/22/2007	46,964	\$ 55,980,028.00
2/23/2007	71,093	\$ 72,720,783.03
2/27/2007	33,526	\$ 59,160,619.19
2/28/2007	78,029	\$ 91,820,524.17
3/1/2007	48,944	\$ 35,984,179.19
3/2/2007	53,332	\$ 73,625,546.72
3/6/2007	85,817	\$ 99,370,023.49
3/7/2007	32,825	\$ 62,731,902.93
3/8/2007	31,708	\$ 59,737,744.55
3/9/2007	32,244	\$ 22,659,340.05
3/14/2007	61,918	\$ 79,294,241.37
3/16/2007	38,715	\$ 66,598,930.36
3/23/2007	23,341	\$ 42,068,433.70

NYS Department of Taxation and Finance
Request for Proposal (RFP) #09-01
PIT Refund Controlled Disbursement and Direct Deposit Services

4/2/2007	92,780	\$	114,643,720.13
4/2/2007	90,821	\$	103,690,704.77
4/2/2007	59,240	\$	40,718,669.13
4/2/2007	74,860	\$	68,212,438.89
4/3/2007	77,784	\$	62,476,111.20
4/4/2007	69,241	\$	67,755,985.87
4/5/2007	82,687	\$	88,327,655.81
4/6/2007	47,266	\$	34,754,343.14
4/10/2007	53,565	\$	38,668,387.76
4/11/2007	55,331	\$	68,012,369.43
4/12/2007	64,156	\$	47,578,592.68
4/13/2007	67,095	\$	82,204,753.13
4/17/2007	58,973	\$	58,982,221.20
4/18/2007	53,602	\$	40,557,103.20
4/19/2007	68,698	\$	64,123,714.67
4/20/2007	39,234	\$	46,577,122.02
4/24/2007	41,086	\$	31,238,365.98
4/25/2007	35,759	\$	43,086,524.97
4/26/2007	49,042	\$	51,128,999.82
4/27/2007	49,278	\$	39,234,211.06
5/1/2007	31,558	\$	40,212,290.86
5/2/2007	57,487	\$	47,005,590.71
5/3/2007	48,095	\$	48,324,908.87
5/4/2007	49,156	\$	42,078,663.12
5/8/2007	43,714	\$	53,131,028.60
5/9/2007	19,438	\$	26,909,957.04
5/10/2007	20,734	\$	13,498,813.47
5/11/2007	17,375	\$	19,783,442.89
5/15/2007	13,152	\$	13,600,898.74
5/16/2007	18,087	\$	10,312,848.07
5/17/2007	16,091	\$	25,969,590.12
5/18/2007	20,907	\$	10,887,981.94
5/22/2007	19,589	\$	24,593,183.26
5/23/2007	18,859	\$	9,568,911.16
5/24/2007	15,674	\$	25,055,782.70
5/25/2007	6,174	\$	3,670,872.07
5/31/2007	16,340	\$	18,959,917.60

NYS Department of Taxation and Finance
Request for Proposal (RFP) #09-01
PIT Refund Controlled Disbursement and Direct Deposit Services

6/20/2007	17,364	\$	35,419,107.85
6/29/2007	947	\$	752,647.21
7/6/2007	10,813	\$	15,086,088.70
7/13/2007	2,218	\$	4,665,546.51
7/20/2007	5,299	\$	10,179,489.40
7/27/2007	3,029	\$	4,661,200.34
8/3/2007	4,687	\$	9,208,417.40
8/10/2007	2,442	\$	4,049,726.24
8/17/2007	1,819	\$	3,289,584.05
8/24/2007	2,415	\$	4,260,888.61
8/31/2007	2,511	\$	8,329,149.63
9/7/2007	3,963	\$	7,944,747.06
9/14/2007	1,390	\$	2,344,364.00
9/14/2007	2,985	\$	7,015,663.42
9/28/2007	2,395	\$	5,676,911.19
10/5/2007	2,874	\$	5,090,257.11
10/12/2007	2,469	\$	5,079,693.56
10/19/2007	3,741	\$	9,833,006.18
10/26/2007	2,952	\$	8,547,795.73
11/2/2007	4,052	\$	12,400,909.57
11/9/2007	11,376	\$	45,870,135.85
11/16/2007	2,624	\$	16,050,994.72
	2,833,436	\$	2,999,104,133.48

NYS Department of Taxation and Finance
Request for Proposal (RFP) #09-01
PIT Refund Controlled Disbursement and Direct Deposit Services

Direct Deposit Daily Issuance 2006

	Direct Deposit Record	Amount
1/20/2006	354	\$ 165,642.18
1/27/2006	8,634	\$ 4,768,012.79
2/3/2006	4,079	\$ 1,550,813.87
2/7/2006	10,742	\$ 16,694,362.61
2/10/2006	15,232	\$ 6,187,940.27
2/14/2006	49,597	\$ 45,060,066.46
2/15/2006	40,335	\$ 22,979,162.03
2/16/2006	40,331	\$ 20,650,016.20
2/17/2006	80,211	\$ 18,011,477.16
2/21/2006	55,168	\$ 29,052,336.49
2/22/2006	73,332	\$ 69,991,448.43
2/23/2006	86,146	\$ 85,076,746.82
2/24/2006	60,466	\$ 33,665,895.78
2/28/2006	84,663	\$ 98,841,578.11
3/1/2006	83,740	\$ 50,169,390.91
3/2/2006	49,403	\$ 53,756,030.79
3/3/2006	44,238	\$ 26,724,178.05
3/7/2006	80,301	\$ 81,197,227.07
3/8/2006	52,191	\$ 29,362,141.77
3/9/2006	36,391	\$ 35,111,416.83
3/10/2006	63,700	\$ 40,959,051.50
3/14/2006	49,335	\$ 47,186,444.65
3/15/2000	27,092	\$ 25,121,014.84 *
3/16/2006	36,826	\$ 23,319,632.94
3/17/2006	54,437	\$ 47,006,406.14
3/21/2006	37,659	\$ 36,294,613.84
3/22/2006	34,279	\$ 23,252,300.06
3/23/2006	31,880	\$ 21,267,284.80
3/24/2006	7,014	\$ 10,287,981.14

NYS Department of Taxation and Finance
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PIT Refund Controlled Disbursement and Direct Deposit Services

4/4/2006	53,950	\$	53,694,461.84
4/5/2006	55,160	\$	52,072,888.56
4/6/2006	64,540	\$	62,717,702.61
4/7/2006	52,829	\$	35,504,527.40
4/11/2006	52,931	\$	47,298,779.43
4/12/2006	58,418	\$	50,782,597.68
4/13/2006	47,411	\$	32,551,164.39
4/14/2006	26,261	\$	25,596,653.81
4/18/2006	40,797	\$	38,420,414.02
4/19/2006	43,678	\$	30,461,058.43
4/20/2006	35,713	\$	31,980,919.93
4/21/2006	18,881	\$	13,430,939.27
4/25/2006	45,796	\$	39,532,121.72
4/26/2006	54,462	\$	39,561,368.64
4/27/2006	36,960	\$	35,232,225.86
4/28/2006	49,328	\$	36,082,098.69
5/2/2006	48,442	\$	47,870,294.37
5/3/2006	39,820	\$	26,743,806.87
5/4/2006	26,718	\$	29,570,714.09
5/5/2006	9,284	\$	6,414,038.46
5/9/2006	22,330	\$	26,545,985.14
5/10/2006	14,645	\$	15,778,771.46
5/11/2006	20,016	\$	12,958,086.14
5/12/2006	19,103	\$	22,667,838.52
2/16/2006	22,300	\$	15,328,038.74
5/17/2006	15,583	\$	19,486,029.00
5/18/2006	23,175	\$	15,865,984.57
5/19/2006	16,036	\$	20,459,270.15
5/23/2006	14,763	\$	15,075,141.85
5/24/2006	14,278	\$	10,089,272.84
5/25/2006	9,540	\$	7,362,618.29
5/26/2006	4,838	\$	9,464,388.64
5/30/2006	5,130	\$	7,666,556.10
5/31/2006	3,128	\$	2,402,145.73

NYS Department of Taxation and Finance
Request for Proposal (RFP) #09-01
PIT Refund Controlled Disbursement and Direct Deposit Services

6/1/2006	5,083	\$	7,823,312.65
6/2/2006	2,563	\$	10,675,370.50
6/9/2006	4,918	\$	5,213,128.75
6/16/2006	6,282	\$	7,354,972.30
6/23/2006	7,234	\$	8,772,888.92
6/30/2006	4,795	\$	7,123,283.28
7/7/2006	4,623	\$	6,192,282.14
7/14/2006	3,797	\$	5,590,240.49
7/21/2006	2,406	\$	3,373,414.48
7/28/2006	3,114	\$	4,601,348.58
8/4/2006	2,695	\$	4,348,909.08
8/11/2006	2,677	\$	3,542,567.30
8/18/2006	2,373	\$	3,357,913.13
8/25/2006	3,090	\$	6,062,200.91
9/1/2006	2,967	\$	4,803,989.35
9/8/2006	2,854	\$	5,780,365.24
9/15/2006	1,825	\$	3,511,419.56
9/22/2006	2,174	\$	3,684,810.97
9/29/2006	1,999	\$	3,715,143.10
10/6/2006	2,133	\$	3,850,272.85
10/13/2006	2,319	\$	4,899,402.79
10/20/2006	1,955	\$	5,433,407.40
10/27/2006	5,159	\$	10,356,111.73
11/3/2006	6,606	\$	16,914,300.48
11/10/2006	2,929	\$	9,467,945.73
11/17/2006	1,641	\$	13,377,984.03
11/24/2006	899	\$	9,079,861.05
	2,455,130	\$	2,119,286,364.56

NYS Department of taxation and Finance
Request for Proposal (RFP) #09-01
Pit Refund Controlled Disbursement and Direct Deposit

Daily Draft issuances Dates 2008

	Regular	Amount
1/25/2008	3,267	\$1,445,015.19
2/1/2008	23,680	\$18,959,443.20
2/5/2008	16,970	\$20,244,128.00
2/6/2008	25,893	\$19,513,346.01
2/8/2008	22,815	\$13,991,622.93
2/12/2008	21,371	\$18,377,847.37
2/13/2008	21,336	\$17,306,984.65
2/14/2008	51,902	\$24,703,968.17
2/15/2008	35,112	\$55,462,037.10
2/19/2008	59,741	\$48,521,320.42
2/20/2008	28,476	\$20,113,524.82
2/21/2008	31,730	\$19,789,025.13
2/22/2008	50,900	\$40,554,603.48
2/27/2008	28,152	\$19,267,958.68
2/28/2008	34,698	\$38,498,374.77
2/29/2008	41,423	\$8,871,833.83
3/4/2008	64,925	\$47,195,269.89
3/6/2008	54,115	\$34,097,235.17
3/7/2008	42,061	\$61,424,909.31
3/14/2008	2,882	\$8,999,526.09
3/21/2008	20,704	\$4,210,274.88
3/28/2008	2,886	\$3,801,454.75
4/1/2008	93,304	\$18,905,063.57
4/1/2008	89,228	\$93,965,749.85
4/1/2008	89,206	\$38,211,625.99
4/1/2008	102,820	\$75,520,612.91

NYS Department of taxation and Finance
Request for Proposal (RFP) #09-01
Pit Refund Controlled Disbursement and Direct Deposit

4/1/2008	13,148	\$16,398,374.53
4/1/2008	-	\$0.00
4/1/2008	-	\$0.00
4/4/2008	2,998	\$3,703,102.69
4/7/2008	41,487	\$31,810,810.19
4/8/2008	77,022	\$90,055,585.63
4/9/2008	87,935	\$60,051,012.57
4/10/2008	78,113	\$58,232,572.67
4/11/2008	71,786	\$67,516,275.05
4/14/2008	92,461	\$76,418,488.42
4/15/2008	93,843	\$45,715,000.37
4/16/2008	93,473	\$57,445,498.37
4/17/2008	87,428	\$55,543,489.56
4/18/2008	91,017	\$104,102,528.01
4/22/2008	87,381	\$65,455,343.29
4/23/2008	94,091	\$52,468,688.74
4/24/2008	96,328	\$76,982,284.17
4/25/2008	70,497	\$76,712,424.58
4/29/2008	81,323	\$69,267,492.81
4/30/2008	45,214	\$30,615,040.79
5/1/2008	68,197	\$64,505,062.24
5/2/2008	103,422	\$69,701,892.26
5/6/2008	65,892	\$79,169,548.19
5/8/2008	110,906	\$43,750,310.27
5/9/2008	9,888	\$16,539,438.53
5/13/2008	98,197	\$129,482,371.43
5/14/2008	56,664	\$75,648,810.28
5/16/2008	42,900	\$62,250,247.91
5/21/2008	25,179	\$31,758,312.27
5/23/2008	25,772	\$40,005,217.18
5/28/2008	63,884	\$33,557,274.98

NYS Department of taxation and Finance
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Pit Refund Controlled Disbursement and Direct Deposit

5/30/2008	21,375	\$34,648,889.99
6/6/2008	15,149	\$15,757,304.01
6/13/2008	15,546	\$21,001,980.13
6/19/2008	17,865	\$30,445,705.98
6/27/2008	16,156	\$28,924,421.68
7/3/2008	18,628	\$24,065,002.16
7/11/2008	14,172	\$19,945,261.81
7/18/2008	25,159	\$28,807,930.96
7/25/2008	13,421	\$18,373,541.59
8/1/2008	13,536	\$21,841,496.91
8/8/2008	13,290	\$17,555,964.33
8/15/2008	12,459	\$20,023,466.88
8/22/2008	11,170	\$21,820,355.61
8/29/2008	6,843	\$11,785,003.03
9/5/2008	16,688	\$40,982,487.44
9/12/2008	8,586	\$14,428,422.50
9/19/2008	8,491	\$18,463,837.14
9/26/2008	10,143	\$20,872,983.38
10/3/2008	10,113	\$30,310,159.78
10/10/2008	8,855	\$19,150,053.28
10/17/2008	17,000	\$73,164,403.57
10/24/2008	18,205	\$51,544,954.21
10/31/2008	27,845	\$110,474,434.80
11/7/2008	29,692	\$114,044,367.34
11/14/2008	16,887	\$145,396,766.04
11/21/2008	6,298	\$80,554,542.81
11/28/2008	7,625	\$27,339,472.65
12/5/2008	7,462	\$26,824,732.51
12/12/2008	7,589	\$40,868,216.62
12/19/2008	5,877	\$19,794,377.54
12/29/2008	3,880	\$50,689,862.51

NYS Department of Taxation and Finance
Request for Proposal (RFP) #09-01
PIT Refund Controlled Disbursement and Direct Deposit Services

Daily Draft Issuances Dates 2007

	Issuances	Amount
1/26/2007	9,370	\$5,531,704.01
2/2/2007	28,632	\$17,953,983.60
2/6/2007	15,339	\$9,187,771.00
2/9/2007	14,423	\$10,833,447.66
2/13/2007	29,920	\$18,506,925.44
2/14/2007	28,371	\$14,849,691.64
2/15/2007	40,264	\$21,050,331.65
2/16/2007	55,318	\$41,315,046.18
2/20/2007	45,826	\$25,029,627.26
2/21/2007	48,828	\$37,655,860.04
2/22/2007	34,822	\$29,501,215.48
2/23/2007	48,385	\$40,308,176.59
2/27/2007	25,601	\$33,680,186.77
2/28/2007	40,310	\$42,799,026.98
3/1/2007	34,554	\$17,442,870.13
3/2/2007	37,561	\$45,894,846.91
3/6/2007	43,494	\$41,884,189.85
3/7/2007	13,280	\$24,934,595.64
3/8/2007	13,663	\$24,928,461.24
3/9/2007	29,015	\$17,559,543.14
3/14/2007	43,677	\$37,847,962.45
3/16/2007	26,990	\$47,847,548.14
3/23/2007	21,983	\$32,925,601.16
4/2/2007	57,620	\$44,811,016.28
4/2/2007	62,882	\$54,592,350.86
4/2/2007	78,416	\$36,880,977.89
4/2/2007	66,506	\$51,952,422.69
4/3/2007	77,560	\$50,576,687.63

NYS Department of Taxation and Finance
Request for Proposal (RFP) #09-01
PIT Refund Controlled Disbursement and Direct Deposit Services

4/4/2007	82,592	\$58,905,794.23
4/5/2007	76,295	\$61,854,028.72
4/6/2007	93,582	\$53,565,584.51
4/10/2007	91,998	\$49,577,969.55
4/11/2007	80,852	\$72,706,988.15
4/12/2007	91,256	\$50,287,069.78
4/13/2007	86,986	\$81,976,706.27
4/17/2007	82,911	\$61,505,819.55
4/18/2007	79,508	\$44,570,008.61
4/19/2007	86,268	\$61,832,670.99
4/20/2007	68,500	\$64,635,003.99
4/24/2007	71,243	\$43,257,640.30
4/25/2007	53,661	\$53,991,287.17
4/26/2007	52,745	\$50,340,123.86
4/27/2007	96,771	\$62,449,919.31
5/1/2007	71,652	\$66,443,730.14
5/2/2007	70,308	\$48,500,171.06
5/3/2007	48,114	\$45,707,517.71
5/4/2007	61,421	\$46,848,428.08
5/8/2007	57,695	\$54,403,003.15
5/9/2007	41,772	\$45,746,661.57
5/10/2007	68,271	\$36,193,347.54
5/11/2007	52,565	\$48,863,515.79
5/15/2007	42,203	\$34,388,909.73
5/16/2007	68,552	\$34,298,066.84
5/17/2007	51,822	\$75,595,857.93
5/18/2007	78,446	\$40,147,030.86
5/22/2007	65,731	\$78,602,997.74
5/23/2007	61,118	\$26,449,258.41
5/24/2007	36,327	\$74,613,543.34
5/25/2007	36,191	\$25,300,418.28
5/31/2007	46,945	\$50,527,435.71
6/15/2007	-	\$0.00

NYS Department of Taxation and Finance
Request for Proposal (RFP) #09-01
PIT Refund Controlled Disbursement and Direct Deposit Services

6/20/2007	51,190	\$95,948,988.45
6/29/2007	21,817	\$8,827,175.49
7/6/2007	30,154	\$37,169,296.13
7/13/2007	10,051	\$14,578,111.12
7/20/2007	17,631	\$22,259,566.58
7/27/2007	9,858	\$14,175,653.27
8/3/2007	19,854	\$25,699,557.22
8/10/2007	10,677	\$13,836,033.51
8/17/2007	5,034	\$7,038,599.66
8/24/2007	9,873	\$14,967,640.29
8/31/2007	9,859	\$15,898,798.14
9/7/2007	18,589	\$33,157,131.45
9/7/2007	-	\$0.00
9/14/2007	3,695	\$5,971,291.54
9/14/2007	14,441	\$59,260,417.04
9/28/2007	8,847	\$17,758,128.76
10/5/2007	10,082	\$19,971,126.80
10/12/2007	9,388	\$16,573,739.02
10/19/2007	27,290	\$42,100,550.34
10/26/2007	10,172	\$24,650,747.38
11/2/2007	17,807	\$48,722,452.78
11/9/2007	54,199	\$208,667,863.45
11/16/2007	13,657	\$90,707,064.59
11/23/2007	7,943	\$72,817,761.77
11/30/2007	6,644	\$19,246,830.45
12/7/2007	5,371	\$15,879,633.66
12/14/2007	7,274	\$38,000,659.12
12/21/2007	3,276	\$27,969,693.28
12/26/2007	117	\$760,905.70
	3,641,701	\$3,594,983,994.17

NYS Department of Taxation and Finance
Request for Proposal (RFP) #09-01
PIT Refund Controlled Disbursement and Direct Deposit Services

Daily Draft issuances Dates 2006

	Issuances	Amount
1/27/2006	4,216	\$1,716,465.27
2/3/2006	2,711	\$1,308,787.00
2/7/2006	3,900	\$5,333,092.00
2/10/2006	14,905	\$9,488,772.04
2/14/2006	42,941	\$27,428,134.47
2/15/2006	28,974	\$14,410,136.72
2/16/2006	39,473	\$13,297,818.80
2/17/2006	46,831	\$62,876,342.96
2/21/2006	57,556	\$42,082,261.81
2/22/2006	46,149	\$37,568,030.03
2/23/2006	45,765	\$42,551,120.30
2/24/2006	49,545	\$19,976,022.28
2/28/2006	48,190	\$45,841,706.92
3/1/2006	51,016	\$19,453,351.71
3/2/2006	33,626	\$29,795,313.81
3/3/2006	41,274	\$21,048,911.66
3/7/2006	30,203	\$33,465,397.56
3/8/2006	62,427	\$24,587,044.17
3/9/2006	29,121	\$20,224,282.99
3/10/2006	48,403	\$29,110,125.60
3/14/2006	41,676	\$31,303,224.66
3/15/2006	19,276	\$15,905,634.22
3/16/2006	46,916	\$19,391,876.85
3/17/2006	48,658	\$39,158,585.09
3/21/2006	43,319	\$31,293,094.92
3/22/2006	65,091	\$31,834,635.01
3/23/2006	43,826	\$20,460,173.01
3/24/2006	8,750	\$13,129,483.40

NYS Department of Taxation and Finance
Request for Proposal (RFP) #09-01
PIT Refund Controlled Disbursement and Direct Deposit Services

4/4/2006	71,127	\$65,091,905.57
4/5/2006	80,747	\$45,312,482.34
4/6/2006	81,832	\$61,941,123.39
4/7/2006	95,723	\$51,194,065.75
4/11/2006	84,866	\$57,391,726.33
4/12/2006	77,836	\$50,407,107.17
4/13/2006	80,927	\$38,644,337.15
4/14/2006	48,035	\$34,877,763.40
4/18/2006	84,672	\$64,554,632.60
4/19/2006	91,671	\$45,439,412.95
4/20/2006	60,583	\$40,480,277.09
4/21/2006	49,941	\$27,139,138.26
4/25/2006	55,665	\$40,550,687.42
4/26/2006	105,120	\$59,901,784.75
4/27/2006	78,290	\$53,222,739.82
4/28/2006	87,155	\$53,718,040.95
5/2/2006	74,773	\$61,327,910.18
5/3/2006	103,141	\$53,007,532.46
5/4/2006	53,546	\$47,126,593.83
5/5/2006	44,112	\$26,650,874.84
5/9/2006	61,219	\$56,575,637.67
5/10/2006	48,449	\$38,916,044.17
5/11/2006	79,271	\$44,049,012.38
5/12/2006	66,797	\$64,763,846.63
5/16/2006	85,003	\$50,554,554.91
5/17/2006	52,729	\$56,335,753.19
5/18/2006	84,138	\$52,451,911.63
5/19/2006	58,939	\$60,190,743.37
5/23/2006	45,962	\$43,223,369.91
5/24/2006	39,666	\$25,256,444.75
5/25/2006	26,445	\$19,585,498.86
5/26/2006	18,049	\$34,505,694.59
5/30/2006	12,710	\$26,793,193.49

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5/31/2006	8,317	\$4,832,602.80
6/1/2006	17,686	\$33,152,965.52
6/2/2006	11,762	\$32,145,968.84
6/9/2006	18,975	\$15,187,394.10
6/16/2006	22,459	\$20,696,549.23
6/23/2006	27,185	\$23,049,540.49
6/30/2006	27,255	\$24,266,451.49
7/7/2006	17,169	\$19,779,901.35
7/14/2006	15,413	\$19,356,457.20
7/21/2006	10,499	\$12,526,742.83
7/28/2006	13,413	\$21,692,401.92
8/4/2006	11,071	\$14,493,000.20
8/11/2006	10,491	\$19,478,524.13
8/18/2006	10,195	\$12,653,942.15
8/25/2006	12,851	\$20,731,296.20
9/1/2006	11,645	\$17,927,436.41
9/8/2006	11,946	\$18,987,281.44
9/15/2006	9,165	\$19,313,475.68
9/22/2006	8,199	\$13,262,052.17
9/29/2006	12,203	\$17,107,061.66
10/6/2006	10,378	\$19,142,605.33
10/13/2006	11,390	\$22,428,667.17
10/20/2006	9,779	\$20,595,015.72
10/27/2006	13,233	\$25,962,955.56
11/3/2006	38,838	\$73,746,589.15
11/10/2006	21,788	\$60,359,200.46
11/17/2006	10,587	\$76,907,342.94
11/24/2006	7,745	\$74,379,020.35
12/1/2006	6,537	\$58,575,432.10
12/8/2006	7,659	\$35,376,153.56
12/15/2006	6,170	\$22,555,014.19
12/22/2006	3,677	\$16,294,794.16
12/26/2006	77	\$377,084.41

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3,669,634 \$3,142,562,587.97

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ACH Return Items-NOC's

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
ACH Return Item NOC 2009	8	8,862	14,295	30,366	8,392	568	721	461		
ACH Return Item NOC 2008	236	12	9,412	33,203	7,015	471	654	270	336	494
ACH Return Item NOC 2007	5	5,935	5,060	16,362	6,685	969	513	390	299	388
ACH Return Item NOC 2006	0	5,382	14,364	8,879	6,598	689	446	322	291	262

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Nov	Dec	Total
		63,673
386	0	52,489
499	0	37,105
386	0	37,619

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STANDARDS	LIQUIDATED DAMAGES
<p>3. A. Timeliness, Completeness and Accuracy – 100%</p>	
<p>3. A.1 Performance Monitoring</p> <p>The Contractor must cooperate fully with the Department and the Office of State Comptroller, and/or their designees for all performance monitoring audits and reviews. See Section VII - Program Development and Support Requirements.</p>	<p>Liquidated damages of \$1,000 per day for each failure to meet this standard.</p>
<p>4.0 Processing</p>	
<p>4. A. Timeliness of Processing - 100% Timeliness</p>	
<p>4. A.1 Report Unmatched Drafts</p> <p>The Contractor must report all unmatched drafts to the Department by 10:00 a.m. on the day after presentment to determine the disposition of such drafts.</p>	<p>Liquidated damages of \$100 per unmatched draft not reported timely.</p>
<p>4. A.2 Cancel Payment Orders</p> <p>The Contractor must post cancel payment orders by the agreed upon cut-off time. See Section VI – Functional Requirements.</p>	<p>Liquidated damages of \$100 per draft for cancel payment instruction not completed timely.</p>
<p>4. A.3 Report Daily Funding</p> <p>The Contractor must notify OSC of the daily presentment total no later than 10:00 a.m., in accordance with requirements in Section VI – Functional Requirements.</p>	<p>In the event the Contractor has not notified OSC in accordance with the requirement, the Contractor must provide funds to ensure all drafts are paid and are not returned for insufficient funds for failure of the Contractor to make the notification by 10:00 a.m.</p> <p>Liquidated damages of \$100 per each paid draft that fails to meet the standard</p>
<p>4. A.4 Paid Draft Retention</p> <p>The Contractor must maintain paper paid drafts or paper IRD's when available for at least one year from</p>	<p>Liquidated damages of \$100 per each paid draft that fails</p>

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STANDARDS	LIQUIDATED DAMAGES
the paid date and must make copies available to the Department, upon request, within one business day.	to meet the standard. And /Or Reimbursement to the Department and/or taxpayer for any expenses, loss of revenue, etc. for failure to meet the standard.

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STANDARDS	LIQUIDATED DAMAGES
<p>4. B.3 Report Daily Funding</p> <p>The Contractor must accurately report the daily funding requirements to OSC. See Section VI - Functional Requirements.</p>	<p>Reimbursement to the Department for lost interest for over funding the account</p> <p>And</p> <p>The Contractor must provide funds to ensure all drafts are paid and are not returned for insufficient funds due to underfunding the account as the result of an inaccurate funding report.</p>
<p>4. B.4 Paid Draft Retention</p> <p>The Contractor must accurately provide copies of archived paper paid drafts or paper IRD's when available, in accordance to RFP requirements. See Section VI- Functional Requirements.</p>	<p>Liquidated damages of \$100 per each paid draft that fails to meet the standard</p> <p>And</p> <p>Reimbursement to the Department for the value of the draft if failure to meet the standard results in a direct cost to the Department.</p>
<p>4. B.5 Images of Paid Drafts</p> <p>The Contractor must provide accurate images of the paid drafts to the Department, in accordance with the agreed upon format. See Section VI - Functional Requirements.</p> <p>The Contractor must image the front and back of all paid remittances and ensure that each image meets generally accepted industry standards for quality, and maintains or improves the readability of the original remittance document.</p> <p>100% of the images must be retrievable by paid date and draft number.</p>	<p>Liquidated damages of \$100 per each paid draft that fails to meet the standard</p> <p>And</p> <p>Reimbursement to the Department for the value of the draft if failure to meet the standard results in a direct cost to the Department.</p>
<p>4. B.6 Forgery Drafts</p> <p>The Contractor must accurately process all forgery affidavits received from the Department within three business days after notification. See Section VI - Functional Requirements.</p>	<p>Liquidated damages of \$100 per each forgery affidavit that fails to meet the standard.</p>

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SECTION III – ADMINISTRATIVE CONDITIONS AND PROPOSAL RESPONSE REQUIREMENTS

I. Procurement Events

A. Notification of Intent to Bid

Bidders intending to submit a proposal to this RFP should provide a “Notification of Intent to Bid” (Appendix B-1) by the date referenced in the Preface. The “Notification of Intent to Bid” must be filed by the Prime Contractor only. Refer to the Preface section of this RFP for the filing date.

B. Submission of Questions

Bidders will have an opportunity to submit questions to the Department regarding this RFP, as indicated in the Preface of this RFP. The Department will subsequently make available, at the Department’s web site (refer to the Preface section of the RFP), written answers to all substantive questions, and will make an effort to answer all questions by the dates noted in the Preface. If the Department is not able to do so by those dates, additional notification will be provided.

C. Submission of Proposals

The dates for Submission of Proposals are listed in the Preface section of this RFP. No late bids will be accepted. Delays in the United States Postal Service deliveries or any other means of transmittal, including couriers or agents of the State, shall not excuse late bid submissions.

II. Proposal Requirements

A. Proposal Packaging

The proposal and other related materials must be enclosed in sealed containers and delivered to the address referenced in the Preface section of this RFP. The following must be visibly inscribed on the outside of each package:

Proposal to Provide Services for the
“PIT Refund Controlled Disbursement and Direct Deposit Program”
Contractor Name and Address
Date of Submission

Mail deliveries requiring a signature of receipt should be addressed to the Department’s campus address, but the delivery service should be instructed to deliver the bid documents to the address referenced in the Preface of this RFP. The Department will provide bidders with confirmation of receipt of bids.

Bidders must submit:

1. Ten copies of the Bid Documents detailed below, at C.1.through C.6 and found in Appendix B.
2. Ten bound copies of the Technical Proposal, including page numbers on all pages, and five copies of the technical Proposal in .pdf format on CDs.
3. Ten bound copies of the Financial Proposal, including page numbers on all pages, and five copies of the Financial Proposal in .pdf format on CDs.

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4. Ten bound copies of the responses to Section II – Performance Standards, Liquidated Damages and Reimbursements and Section XI – Invariable Contract Conditions and Negotiable Topics and five copies of the responses in .pdf format on CDs.
5. To facilitate requests for information under the Freedom of Information Law (FOIL), contractors are required to provide two (2) copies, on CDs, of its complete proposal in a non-.pdf format (e.g., MS Word, MS Excel, etc.).

Bidders are responsible for ensuring that the .pdf version on CDs mirrors the paper version.

~~B.~~ ~~Requirement Responses~~

~~The requirements in Sections IV, VI, VII, VIII, IX, X, and XI are mandatory and responses to each must be included within the Technical and Financial proposals. The responses to these requirements will be considered in the evaluation and award process and will be implemented by the Department. Additionally, bidders may identify alternative language or terms, as permitted by RFP language to Section II – Performance Standards, Liquidated Damages and Reimbursements and Section XI – Invariable Contract Conditions and Negotiable Topics.~~

~~G.B.~~ Bid Documents

The following forms and documents, Appendix B-2 through B-6, must be submitted with the proposals (see I. C, above):

1. Attestation Form

Each bidder must acknowledge and attest that it has read and agrees to the general contract requirements as outlined in Sections VI through X of the RFP (see Appendix B-2 of this RFP).

2. Non-Collusive Bidding Practices Certification

Each bidder is required to submit a Non-Collusive Bidding Certification (see Appendix B-3 of this RFP) as part of the bid submission.

3. McBride Fair Employment Principles

Each bidder is required to complete the MacBride Fair Employment Principles Form (see Appendix B-4 of this RFP), as part of the bid submission.

4. Contractor Certification and Certificates of Authority (Sales and Use Tax Documentation)

Section 5-a of the Tax Law, as amended, effective April 26, 2006, requires certain contractors awarded state contracts for commodities, services and technology valued at more than \$100,000 to certify to the Department that that they are registered to collect New York State and local sales and compensating use taxes. The law applies to contracts where the total amount of such contractors' sales delivered into New York State are in excess of \$300,000 for the four quarterly periods immediately preceding the quarterly period in which the certification is made.

The law imposes upon certain contractors the obligation to certify whether or not the contractor, its affiliates, and its subcontractors are required to register to collect state sales and compensating use tax and contractors must certify to the Department that each affiliate and subcontractor exceeding such sales threshold is registered with the Department to collect New

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York State and local sales and compensating use taxes. The law prohibits the State Comptroller, or other approving agency, from approving a contract awarded to a contractor meeting the registration requirements but who is not so registered in accordance with the law.

See Appendix B-5 for contractor certification forms and instructions for completing the forms. Unless the information upon which the ST-220-TD is based on changes, this form only needs to be filed once with DTF. If the information changes for the contractor, its affiliate(s), or its subcontractor(s), a new sST-220-TD must be filed with the Department.

Form ST-220-CA must be filed with the Department (see Appendix B-5 of this RFP) and submitted certifying that the contractor filed the ST-220-TD with the Department. Bidders may call the Department at 1-800-698-2931 (outside NY State call 518-485-6800) for any questions relation to Section 5-a of the Tax Law and relating to a company's registration status with the Department. For additional information and frequently asked questions, please refer to the Department's web site: <http://www.nystax.gov>.

5. Vendor Responsibility Questionnaire

Article XI Section 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." Each bidder must complete and submit a Vendor Responsibility Questionnaire (see http://www.osc.state.ny.us/vendrep/vendor_index.htm, either online or on paper). The Bidder Responsibility Questionnaire will be analyzed to ensure that the bidder is responsible. Bidders, who are not deemed to be responsible, based on this analysis, may be rejected.

6. Procurement Lobbying Act – Offerer Affirmation of Understanding and Compliance with Procurement Lobbying Guidelines

New York State Finance Law 139-j(6)(b) requires 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 the Department's guidelines are posted on the Department's procurement website at <http://www.nystax.gov/procurement> and are referenced below.

Offerers are required to sign and submit the "Offerer Affirmation of Understanding of, and Compliance with, Procurement Lobbying Guidelines" (see Appendix B-6).

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 or (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,

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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 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 shall be submitted to the Governmental Entity conducting the Governmental Procurement.

a. 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 Government Entity with respect to State Finance Law 139-k is complete, true and accurate.

The Department reserves the right to terminate any Contract awarded 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

7. Public Officers Law

All Bidders/Contractors and their employees must comply with Public Officers Law §73 and §74, Chapter 1 of the Laws of 2005, the Procurement Lobbying Reform Act of 2005, and other state statues, rules, regulations, and executive orders establishing the 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.

The Contractor shall complete and sign Appendix B-7, Public Officer's Law, Section 73.4 which addresses business or professional activities by state officers and employees and party officers. This form shall be made part of the resultant contract.

D.C. Technical Proposal

The Technical Proposal must include the following sections:

1. Section 1 – Executive Summary

This section should be directed to the Department's upper level management and should contain a summary of management considerations. Bidders should utilize this Section to

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demonstrate how their proposal, services, and/or products meet the Department's procurement objectives as outlined in Section 1 – Introduction of this RFP. The Executive Summary must address, at a minimum:

- a. The executive commitment of the bidder, including the responsible executives and a description of their responsibilities in the organization and in this particular procurement.
- b. Plans for the acquisition, merger or other restructuring of the organization or that of any sub-contractor.
- c. The bidder's strategic direction, including current technology policies, ongoing commitment to research and development, and plans for future services and product lines which may affect the Program(s) and services required herein.
- d. Conceptual overview of the solution that is being proposed for the program.
- e. A brief corporate history.

~~2. Section 2 – Alternative language to Section II – Performance Standards, Liquidated Damages and Reimbursements and to Section XI – Contract Conditions, if applicable~~

~~3.2. Section 23 – Responses to Requirements – Sections III – IV, VI, VII, VIII, and IX~~
This section must contain responses to the individual requirements contained in Sections ~~III – IV, VI, VII, VIII, and IX.~~

~~E.D.~~ Financial Proposal

The bidder must submit a Financial Proposal, which must include a narrative response, as dictated by the response column of the financial proposal requirements in Section X – Financial Requirements, as well as tabular responses as dictated by the Financial Tables included in that same section.

The Financial Proposal must identify all one-time development fees and all operations fees to ensure that the Department can accurately determine the full life cycle cost of this procurement. The data and volumes provided in Exhibit A – Volumes should be used to develop the Financial Proposal. However, it should be noted the volumes describe the Program as it exists today. The Department reserves the right to modify the program in the future, in ways that may benefit the Department.

E. Bidder's affirmations and/or alternate language proposed for Section II – Performance Standards, Liquidated Damages and Reimbursements and Section XI – Contract Conditions.

Bidders may choose to propose alternate language to the Performance Standards, Liquidated Damages and Reimbursements, as set forth in Section II of this RFP and/or to the negotiable contract conditions, in Section XI, C. of this RFP. Note that Section II of this RFP represents the Department's preferred standards and liquidated damages. The Department will not accept any alternative language to the general control standards or deposit standards, though will consider alternate language for completeness and accuracy standards for refund processing. Note also that while the Department will consider a bidder's alternative language to any of the negotiable clauses, the Department does not commit to accepting the proposed changes.

F. Clarifications and Bidder Presentations

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The Department reserves the right to require a bidder to provide clarification and validation of its proposal, to the satisfaction of the Department, through any means the Department deems necessary. 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. 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. Additionally, bidders may be required to participate in individual presentations or to provide written clarification. Such clarifications will be considered in the evaluation process.

G. Proposal Effective Date

All bidders' proposals will be considered valid for twenty four (24) months from the date of the proposal due date.

H. Prime Bidder

The bidder shall act as the prime contractor under the contract, and shall be held solely responsible for contract performance by the bidder, its partners, officers, employees, subcontractors (including vendors) 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(s) awarded as a result of this RFP. Where services are supplied by or through the bidder under the contract, it is mandatory for the bidder to assume full integration responsibility for delivery, installation, maintenance, performance and support services for all functions. The bidder shall also be responsible for payment of any license fees, rents or other monies due third parties for services or materials provided under the contract.

I. Prime Contractor

If a bidder's proposal includes another provider's services (subcontractor), the bidder is required to assume responsibility for those services as prime contractor. The Department considers only the prime contractor in regard to contractual matters. If services are not provided as required under the contract, the Department's recourse will be against the prime contractor.

J. Subcontracting

DTF shall have the right to approve each and every such subcontractor prior to giving written approval to the Contractor to enter into such subcontract. DTF reserves the right to review and approve other subcontract(s) directly related to the proposed services and/or products for the performance of contractual obligations. All such contract(s) shall contain provisions specifying that:

- 1.) The work performed by the subcontractor must be in accordance with the terms of the contract between DTF and the prime contractor.
- 2.) Nothing contained in such agreement shall impair the rights of DTF.
- 3.) Nothing contained under the contract between DTF and the prime contractor shall create any contractual relationship between any subcontractor and DTF.
- 4.) DTF reserves the right to request that a member or members of the subcontractor's staff be removed for work related cause from any work activity performed as a result of the subcontract, provided that such cause is not one which is prohibited by law as a basis for terminating an employee.
- 5.) The prime contractor is solely responsible for subcontractor performance.
- 6.) DTF has final approval of subcontractors.

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- 7.) In the event of contract termination, DTF reserves the right to have any subcontracts assigned to it on the same terms and conditions as applied to the prime contractor (to the extent consistent with New York State Law).

K. Proposal Security/Freedom of Information Law

During the evaluation process, 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 the approvals of those agencies for the final contract.

Public inspection of the bids is regulated by the Freedom of Information law (Article 6 of the New York State Public Officers Law). The bids are presumptively available for public inspection. The Freedom of Information Law provides for exemption from disclosure for trade secrets or information the disclosure of which would cause injury to the competitive position of commercial enterprises. The Freedom of Information Law provides that agencies may deny access to records or portions thereof that "....."are trade secrets or submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which, if disclosed, would cause substantial injury to the competitive position of the subject enterprise..." (Public Officers Law §87.2(d)). This exception would be effective both during and after the evaluation process.

Where a Freedom of Information request is made for trade secret or other information which, if disclosed, may cause substantial injury to the competitive position of the Bidder, the Bidder must explain with particularity why the designated portion of the bid meets the statutory criteria for exemption from disclosure.

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

The ethical standards of the Public of the Public Officers' Code of Ethics (Section 74 of the Public Officers Law) provide that no officer or employee of a State agency shall disclose confidential information that he acquires during the course of his official duties except as otherwise required by law.

These standards control the confidentiality of a Bidder's proposal unless the Department grants a petition for records access in accordance with the Freedom of Information Law.

L. Proposal Ownership

All proposals and accompanying documentation become the property of the State of New York and will not be returned.

M. Contractor Selection and Notification of Intent to award

Selection of the successful bidder(s) will be based on best value. The successful bidder(s) will be advised of their selection by the Department through the issuance of a "Notification of Intent to Award" letter.

N. Debriefing

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Unsuccessful bidders will be notified in writing and may request the opportunity for a debriefing session. Such sessions will be limited to discussions of evaluation results with respect to the bidder's proposal as they apply to the bidder receiving the debriefing.

O. Contract Negotiations and Approval

During contract negotiations, the Department must have direct access to the Contractor's personnel who have full authority to make commitments on behalf of the Contractor and sub-contractors. The negotiated contract must conform to the laws of New York State, and will be subject to approval by the Office of the Attorney General and the Office of the State Comptroller. The contract will not be considered finally executed until formal approval has been granted by the Office of the Attorney General and the Office of the State Comptroller. The RFP, the Contractor's proposal, and all associated modifications and clarifications will be made part of the negotiated contract.

The Contractor(s) must sign a contract within 60 days of award, and if the Contractor fails to do so, the Department reserves the right to begin negotiations with the second rated bidder.

P. Amendments

Amendments to the contract awarded as a result of this RFP will not be effective until approved by the Office of the Attorney General and the Office of the State Comptroller, where necessary.

Q. Bid Protest Policy

The Department's procedures for handling protests of bid awards are set forth in Appendix C of this RFP.

R. Bid Solicitation

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

S. Issuing Office

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

T. 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 final execution of a contract.

U. Reserved Rights

The Department reserves the right to:

- 1.) Disqualify a bidder from receiving an award if such bidder has previously failed to perform satisfactorily in connection with public bidding or contract(s) or is deemed otherwise not responsible.
- 2.) Reject any or all proposals received in response to this RFP and to reissue modified version of this RFP.

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- 3.) Withdraw the RFP (in whole or in part).
- 4.) Use the proposal, 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.
- 5.) Change any of the scheduled dates stated herein.
- 6.) Develop and implement program enhancements in-house or by entering into agreements with other third party providers. If the Department does not select the contractor(s) to develop and/or implement a program enhancement, the contractor(s) must be willing to work in good faith with the Department and/or any other involved party of parties to develop the requested program enhancements. Should the Department determine that enhancement services being provided by a third party does not meet the Department's expectations, the Department reserves the right to begin negotiations with the Contractor(s) to provide such services.
- 7.) Eliminate any mandatory specification that cannot be complied with by any of the prospective bidders.
- 8.) Determine a tie-breaking mechanism for award of the contract based upon an in-house established methodology which serves the best interest of the State.
- 9.) Negotiate with the successful bidder within the scope of the RFP in the best interests of the State; and conduct contract negotiations with the next eligible responsible bidder should the Department be unsuccessful in negotiating an agreement with the selected bidder within a time frame acceptable to the Department. Such time frame is to be determined solely by the Department based on the best interests of the State.

W. News Releases

Public announcements or news releases pertaining to the selection of the Contractor or award of a contract must not be made without prior written approval from the Department. Such approval shall not be granted until a finally executed and approved contract is in place.

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FUNCTIONAL REQUIREMENT	REQUIRED RESPONSE
NYS OSC.	
<p>A 1.9</p> <p>The Contractor must provide customer service in order to effectively and timely address issues related to all bank accounts. This service must include research of issues related to the payment of drafts.</p>	<p>A. 1.9</p> <p>Describe the proposed customer services.</p>
A. 2.0 PROCESSING FILES	
<p>A. 2.1 Draft Issuance Files</p> <p>The Contractor must accept separate issuance files - transmitted for each account (Exhibit B-1 – Draft Issuance File Layout). The Contractor must also accept check issuance text files for multiple accounts.</p>	<p>A. 2.1</p> <p>Describe the proposed method for processing the draft issuance files ensuring that next day presentments are not unmatched. Include proposed issuance file receipt cut-off time and the proposed retention period.</p>
<p>A. 2.2 Listing of Paid Drafts</p> <p>The Contractor must create and send daily listings of paid drafts (see Exhibit B - 2 – Paid Draft File Layout) to the Department. This file must not include encoding errors or drafts issued out of other accounts. The Contractor must notify the Department of file delivery.</p>	<p>A. 2.2</p> <p>Provide the proposed listings of paid drafts – the timing of the delivery of the paid file to the Department. Also describe the method and timing of notification, as well as the content.</p>
<p>A 2.3 Presented Draft Notification</p> <p>The Contractor must provide NYS OSC, with the total dollar amounts of matched presented drafts no later than 10:00 a.m. each business day.</p> <p>The Contractor must not pay any unmatched items without prior DTF approval. The Department will accept estimates on an exception basis. The Contractor should consult with OSC prior to the 10:00 a.m. EST deadline to determine the funding estimate.</p>	<p>A. 2.3</p> <p>Describe the proposed process for determining the value of paid drafts (e.g. in-house processing of drafts, use of Federal Reserve services, etc.); for completing the match of presented drafts against the issuance file data; for ensuring that an accurate presentment dollar total and item total is provided to OSC; and for the time frame for notification to OSC.</p>
A. 3.0 DRAFT PROCESSING	
<p>A. 3.1 Positive Pay Exception Items</p> <p>The Contractor must report to the Department any</p>	<p>A.3.1</p> <p>Describe the proposed method of reporting all positive pay</p>

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FUNCTIONAL REQUIREMENT	REQUIRED RESPONSE
<p>B.1.1</p> <p>The Contractor must provide an online application with access for the Department and NYS OSC including, but not limited to the following functionality:</p> <ul style="list-style-type: none"> a. Notification of total presented drafts. b. Notification of paid drafts. c. Inquiry into the status of an issued draft. d. Draft cancellation status. e. Access to images of all paid drafts by, at a minimum, draft number. In addition, it would be desirable to have additional access to the images by taxpayer name, draft amount, issuance date, paid date, and date ranges. <p>Access to this data must be available for at least seven years, of which thirty-six months (from the paid date) worth must be accessible via the online application.</p>	<p>For requirement B.1.1:</p> <ul style="list-style-type: none"> a. Describe the proposed online capabilities, including, but not limited to: <ul style="list-style-type: none"> 1) Access hours. 2) Access options, including any limitations (i.e., maximum number of characters allowed in fields, etc.) 3) Data retention and retrieval timeframe b. Provide proposed sample screens and reports. <p>Describe any necessary equipment and connectivity for access.</p>
<p>C. 1.0 MAINTENANCE, ACCESS AND DESTRUCTION OF ORIGINAL DRAFTS</p>	
<p>C. 1.1</p> <p>The Contractor must maintain original paper drafts or Paper IRD's when available for at least one year from the paid date.</p>	<p>C. 1.1</p> <p>Provide a detailed description of the proposed paper draft storage location and associated security controls.</p>
<p>C. 1.2</p> <p>The Contractor must provide requested original paper drafts or paper IRD's when available within one business day (of the agreed upon request cut-off time).</p>	<p>C. 1.2</p> <p>Describe the proposed process for providing paper original paid drafts to the Department, including the proposed request cut-off time.</p>
<p>C. 1.3</p> <p>The Contractor must provide for the confidential destruction of original paper drafts or paper IRD's after the required one year retention period.</p>	<p>C. 1.3</p> <p>Describe the proposed method of destruction.</p>
<p>D. DIRECT DEPOSIT SERVICES AND PROCESSING</p>	<p>The Contractor must affirm understanding of and agreement with requirements D.1.0 – D.6.1. In addition, provide the individual requirement detail listed below.</p>
<p>D. 1.0 TRANSMISSION RECEIPT</p>	
<p>D. 1.1 The Contractor must be able to receive from the Department a data transmission(s) formatted to NACHA specifications (see Exhibit B-3 – Direct Deposit Initiation File Layout) to initiate ACH Credit transactions. Prior to implementation, the Department and the Contractor must agree to a mutually acceptable data transmission protocol.</p>	<p>D. 1.1</p> <p>Provide the proposed receipt timeframe of the ACH Credit transactions.</p>

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FUNCTIONAL REQUIREMENT	REQUIRED RESPONSE
<p>D.1.2</p> <p>The confirmation and authorization to release direct deposit transactions shall be accomplished with a secure, automated, and password protected system. The State requires unique passwords for OSC and the NYS Division of Treasury, who will each assign a security administrator(s). The security administrators will assign authorizations to transmit or release files. No user shall be allowed to do both.</p> <p>If an entry is returned to the contracting bank, the contracting bank must notify the Department electronically within one business day of the day of receipt.</p>	<p>D.1.2</p> <p>Describe current ACH authorization and release process.</p>
<p>D. 2.0 DIRECT DEPOSIT INITIATION, ACKNOWLEDGEMENT AND REJECTION FILES</p>	
<p>D. 2.1</p> <p>The Contractor must transmit PIT Refund 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.</p>	<p>D. 2.1</p> <p>Provide the proposed back-up time frames to transmit to the ACH network if, for any reason, the initial transmission is not initiated or the transmission fails. Also provide the control structure for the PIT Controlled Disbursement account (i.e., how transfers into/out of the account will be identified and segregated from other ACH Credit transactions).</p>
<p>D 2.2</p> <p>The contractor must provide an acknowledgement file, using the standard NACHA file format.</p>	<p>Describe the proposed timeframe and format for the provision of the Acknowledgement file to the Department.</p>
<p>D. 2.23</p> <p>The Contractor must provide ACH Credit rejection reports and information (see Exhibit B-4 – Direct Deposit Reject File Layout); including reason codes (based on the most recent publication of the NACHA rules). The return notification must identify the tax payer by name, identification number, intended recipient, trace number, and other identification information which is mutually agreed upon.</p>	<p>D. 2.23</p> <p>Describe the proposed timeframe and format for provision of the ACH Credit rejection reports and information to the Department.</p>

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FUNCTIONAL REQUIREMENT	REQUIRED RESPONSE
D. 3.0 ACH CREDIT REJECTIONS	
D. 3.1 The Contractor must credit ACH Credit rejections to the main PIT Controlled Disbursement account. The dollar value of all returns must be transferred to the Controlled Disbursement Account within 24 hours of receipt of the returned items.	D. 3.1 Provide the proposed timeframe for which the ACH Credit rejections are credited to the main concentration PIT refund account.

Section X – Financial Requirements

**FINANCIAL TABLE 1
 DIRECT FEES**

	Program Years			
	Years 1-3	Year 4	Year 5	Year 6
Operations Fees (Requirement 1.0):				
Fully Loaded Transaction Fee – PIT Refund paid drafts (1.2)		CPI-U	CPI-U	CPI-U
Fully Loaded Transaction Fee – PIT Refund Direct Deposit		CPI-U	CPI-U	CPI-U
Development Costs (Requirement 2.1):				
Development Costs (2.1)				
System Enhancement Rates (Requirement 3.2):				
System Enhancements – Programming Hourly Rate (3.1)		CPI-U	CPI-U	CPI-U
System Enhancement – UAT Hourly Rate (3.2)		CPI-U	CPI-U	CPI-U
Other Fees (Requirement 4.0):				
FDIC Fees (4.1)				

Note: All proposed fees must be guaranteed for the first three years of the base term.

Section X – Financial Requirements

**FINANCIAL TABLE 2
Compensating Balances**

	Program Years			
	Years 1-3	Year 4	Year 5	Year 6
Operations Fees (Requirement 1.0):				
Fully Loaded Transaction Fee – PIT Refund paid drafts (1.2)		CPI-U	CPI-U	CPI-U
Fully Loaded Transaction Fee – PIT Refund Direct Deposit		CPI-U	CPI-U	CPI-U
Development Costs (Requirement 2.1):				
Development Costs (2.1)				
System Enhancement Rates (Requirement 3.2):				
System Enhancements – Programming Hourly Rate (3.1)		CPI-U	CPI-U	CPI-U
System Enhancement – UAT Hourly Rate (3.2)		CPI-U	CPI-U	CPI-U
Other Fees (Requirement 4.0):				
FDIC Fees (4.1)				

Note: All proposed fees must be guaranteed for the first three years of the base term.