



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

**Patricia Mitchell, Chief Financial Officer
Eric Mostert, Assistant Director, Budget & Accounting Services
Catherine Golden, Assistant Director, Procurement Services**

October 21, 2009

Dear Bidder,

Attached are the following:

- Questions and answers for RFP 09-01 for Controlled Disbursement and Direct Deposit Services;
- Amendments to Section VI, Functional Requirements; and
- Additional File layout in response to questions submitted..

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

NYS Department of Taxation and Finance
Request for Proposal (RFP) #09-01
PIT Refund Controlled Disbursement and Direct Deposit Services
Round 2 Question and Answer Document

#	RFP Section	RFP Page #	Question	Answer
1	Section VI, 3.4 Outstanding Drafts:		Please clarify if the required list of outstanding drafts issued during the calendar year must include issues which were cancelled.	Cancels are not included, just what is outstanding.
2	E.1.2, Draft Image Output	43	<p><i>The Contractor must create a corresponding image index file for all scanned images (see Exhibit C – Image Index Layout).</i></p> <p>Exhibit B includes the file formats for PIT Refund Draft Issuance File Layout (B-1) and PIT Refund Paid Draft File Layout (B-2). In the last round of questions it was stated that data DTF is requesting the contractor to include in the Image Index Layout (Exhibit C) will be included in the Draft Issuance File. These fields include; Record Identifier (3), Tracking Number (12), Tax Type (2), Processing Year (4), Return Type (3), Form Type (8), and New Form Side (1). We do not see these fields defined in B-1. Please provide details as to where this data is (or will be) included in the Draft Issuance File Layout.</p>	See additional layout.
3	Section VII Data Connectivity	46	We can support the NYS DTF's Data Connectivity requirements. Our SSHFTP protocol complies with your requirements but is most suitable for files which do not exceed 200 megabytes. In our experience, most files are under this ideal file size. Can you confirm that your files do not	After reviewing the most recent data, the largest file is 150 megabytes.

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			<p>exceed 200 megabytes, and if they do exceed 200 megabytes, please provide the file size ranges for your files?</p> <p>Is the Opens' and Shell software package compliant with Open Internet Standards?</p>	<p>Open SSH is compliant with SSH 1.3, 1.5 and 2.0 protocol Standards.</p>
4	General Question		<p>Your response to our first-round questions clarifies that we should replace the word "check" with "draft". Clients sometimes use these two words interchangeably, yet the legal and processing characteristics between these two instruments can be quite different. Clearly understanding the DTF's intention regarding issuing drafts will be critical to meeting its requirements. As it relates to the required application, how does the face of your drafts, and the processing requirements, differ from a standard bank check?</p>	<p>With regard to income tax refund drafts issued by the Tax Department, the Commissioner as "drawer", orders the Comptroller, as "drawee", to pay the payee (taxpayer) the amount indicated on the draft. The bank presents State drafts to the Comptroller for payment, and it is the Comptroller (as opposed to the bank) who technically pays the draft.</p>
5	Section VII, Image Media:	47	<p>We can "put" a file to the DTF's FTP server using our FTP/PGP protocol. (We cannot "put" a file to you using the SSHFTP method.) Rather, with the SSHFTP method, clients must "pull" the file. Can you confirm that you are expecting us to "put" files with the FTP/PGP protocol and not the SSHFTP protocol or the SSHFTP protocol with</p>	<p>Operationally, we prefer files to be "put" to servers using SSH protocol. This reduces scheduling issues, avoids picking up/ processing the same file twice when our remote rename step fails, and complication of additional security for the network connection. FTP/PGP "put" is acceptable, but <u>will</u> require a VPN tunnel between the Department and your agency.</p>

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			PGP encrypted files?	
6	Section VI, A.3.2, On Us Drafts:		Will DTF be using its own Routing Transit number for the PIT refunds? Please provide the Routing Transit number that will apply to this contract.	No – the Bank will use its own Routing Transit number.
7	Section VII, Item F	49	<p>Your response to our question on Annual Cycle Testing confirmed that you require us to complete an end-to-end test, including the refund process, paid file, images etc. Can the DTF please provide us with an actual testing task plan or check list which was used for a previous Annual Cycle Test?</p> <p>We are seeking additional clarity on which specific applications and file transmissions must be tested annually. In addition, as it relates to ACH file testing, are you expecting us to complete an end-to-end test through to the RDFIs?</p>	No, actual testing task plans and check lists used for previous Annual Cycle Tests are not available. However, it is expected that such testing is minimal, featuring very basic inputs from the Contractor and outputs from the Department. The Department essentially ensures that nothing changed during the annual cycle changes has adversely affected the Controlled Disbursement process. Such testing, as it relates to the direct deposit ACH credits would not include the Contractor's files to the RDFIs, only those processes that directly touch the Department.
8			Answer to First Round Question #66: In your response to First Round Question #66, your response was "See clarification". Where is the clarification provided or, can you please restate the clarification?	This was erroneously omitted from the first round of answers. Please see Amendment to Section VI attached.

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9	<i>Cover Page Addendum dated October 6th</i>		Understanding the change from check to draft as referenced throughout the RFP, when referring to a draft are you referring to a "payable through draft" which is not a check by definition but an instrument drawn on the State of New York or a check which is drawn on the bank of issuance.	With regard to income tax refund drafts issued by the Tax Department, the Commissioner as "drawer", orders the Comptroller, as "drawee", to pay the payee (taxpayer) the amount indicated on the draft. The bank presents State drafts to the Comptroller for payment, and it is the Comptroller (as opposed to the bank) who technically pays the draft.
10	<i>D.1.2.</i>		Can New York State describe their current process of transmitting and releasing the ACH file to their current provider?	Currently we send a file, the Contractor acknowledges receipt and the Department confirms totals and release. However, we are asking our bidders to provide us with the proposed ACH authorization and release process.
11	<i>D.2.3.</i>		In the ACH Return file, it is mentioned that the trace number is provided. Is this a unique trace number that the State assigns and requires that this unique number follow the transaction from origination thru to return? If so, can you describe what makes up this unique number?	Yes, the trace number is generated by the state and must follow the transaction through to the direct deposit rejection/change file when applicable. This is a numeric field that uniquely identifies the refund.
12	<i>D.2.3.</i>		Reject File format - this format appears to be the same as the Origination file format. Please identify where the reject reason is indicated. Please clarify.	It is not the same. There is another Entry DTL record type in the Direct Deposit reject File layout, value "7", which includes the bank change/rejection codes.
13	<i>D.4.1.</i>		ACH Credit Reversals. What is the time frame of when a file is originated and when a reversal or delete would be expected?	The Department follows NACHA guidelines for reversals and deletes.

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FUNCTIONAL REQUIREMENT	REQUIRED RESPONSE
<p>the next business day.</p> <p>Monthly account statements for the main concentration account within two business days of the end of the month.</p>	
<p>A.1.5 Account Monitoring</p> <p>The Contractor must provide the Department and NYS OSC with account monitoring access through an intra-day online balance reporting system, retrievable in a BAI-2 format. The intra-day online balance reporting system must report daily account activity, including transaction codes, for all credit and debit activity.</p> <p>The Contractor must also provide the Department and NYS OSC with previous day reporting through an online system. The previous day reporting system must report previous day account activity, including transaction codes, for all credit and debit activity.</p> <p>Access to transaction history through online or client service advisor must be maintained and be available for inquiry for a minimum of six months.</p>	<p>A. 1.5</p> <p>Describe the proposed online reporting system, including the required functionality, as well as any additional standard functionality offered by the bidder. Specifically identify available data access and reporting features. In addition:</p> <ul style="list-style-type: none"> a. Describe the hours of system availability. b. Scheduled downtime and maintenance. c. User access (number of possible users, limitations on usage).
<p>A. 1.6 Draft Reimbursement</p> <p>The Contractor will be reimbursed by the NYS Office of the State Comptroller (NYS OSC) daily for the total amount of paid drafts through an electronic Federal Funds Wire Transfer on the same business day</p> <p>NYS OSC requires actual dollars and will fund all items presented. Over the counter presentations must be held for next day funding.</p>	
<p>A.1.7 Account Reconciliation Processing (ARP) Requirements</p> <p>The Contractor must provide the Department with electronic ARP reports in an agreed upon format that will be compatible with MS Excel.</p>	<p>A. 1.7</p> <p>Describe the proposed ARP system including standard reporting options, frequency of reports, formatting details on such reports, delivery timeframes, and any options for customizing.</p>
<p>A. 1.8</p> <p>The Contractor must ensure that no costs are assessed against the bank accounts associated with this RFP without the prior written consent of the</p>	

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NYS OSC.	
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PIT Refund Controlled Disbursement and Direct Deposit Services		
	EXHIBIT - C-2	Image 90 File Layout for 12-character DLN files
01 DJ0010I1-REC		
Field Name	Picture	Comments
05 I1-REC-ID	PIC X(03).	Must = '090'
05 I1-DSN	PIC X(12).	
05 I1-TAX-TYPE	PIC X(02).	
05 I1-PROCESS-YEAR	PIC X(04).	
05 I1-RETURN -TYPE	PIC X(03).	
05 I1-FORM-TYPE	PIC X(08).	
05 I1-FORM-SIDE	PIC X(01).	
05 FILLER	PIC X(03).	
05 I1-TIF-FILE-LOC	PIC X (40).	
05 FILLER	PIC X (12).	
05 I1-CHECK-NMBR-ID	PIC X(10).	
05 FILLER	PIC X (09).	
05 I1-LIAB-BEG-DATE	PIC X(08).	
05 I1-LIAB-END-DATE	PIC X(08).	
05 I1-EXT-TP-ID	PIC X (11).	
05 I1-VOID-REC REFEFINES I1-EXT-TP-ID.		
10 I1-VOID-IND	PIC X(04).	
10 I1-FILLER	PIC X(07).	
05 FILLER	PIC X(08).	
05 I1-TARGET-ID	PIC X(16)	
05 I1-ALT-DSN-FLD REDEFINES I1-TARGET-ID		280003
10 I1-ALT-DSN	PIC X(12).	
Required fields in BOLD		
Record length is 158		