



**NEW YORK**  
STATE OF  
OPPORTUNITY™

# Benefit Banking Services

## REQUEST FOR PROPOSALS

**RFP # Z-46 - Amendment 2**

**Benefit Banking Services**

**Issued on: March 17, 2022**

**Amendment 1 Issued on: April 28, 2022**

**Amendment 2 Issued on: May 3, 2022**

**Submission Deadline: May ~~16~~ 25, 2022, by 11:00am ET**

Department  
of Labor

Office of  
Children and  
Family Services

~~Office of the  
State Comptroller~~

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- Exhibit 5 – Regular UI Beneficiaries by City and Town
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- Exhibit A – **Sample** Banking Service Schedules
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- Appendix A – Standard Clauses for New York State Contracts
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## REQUEST FOR PROPOSALS (RFP) #Z-46 – Benefit Banking Services

### RFP #Z-46 Benefit Banking Services - DEFINITIONS

The following definitions shall apply, however, if there is any other governing body definition which substantially differs or conflicts with or is additional to the definitions set forth in this RFP, the Association or governing body definition shall govern, provided that it is consistent with New York State law and that the Bidder has provided a copy of such definition in their bid response. Failure to provide such definition in the bid response will result in the definitions set forth in the RFP as prevailing in the final Contract.

**Adoption Subsidy Electronic Payment** – Monthly adoption subsidy payments are issued by **Local Department of Social Services (LDSS)** to adoptive parent(s) for the care and support of an adopted child with special needs. In NYS (excluding NYC) adoption subsidies currently are paid via the NYePay (NY Electronic Payment system) either directly into a checking account or deposited onto a nationally branded debit card. Funds are available to the adoptive parent(s) as soon as the funds are posted. NYC will be adding into NYePay in the future.

**Association** – Any debit network, and any successor organization or Association of same, which is applicable hereunder. For the purposes of this RFP, Association shall mean any other governing bodies associated with electronic payments including NACHA and any successor organization or Association of same, which is applicable hereunder.

**ATM** – Automated Teller Machine

**ACH** – Automated Clearing House Network is a nationwide electronic funds transfer system governed by the ACH Operating Rules and Guidelines, which processes electronically originated credit and debit transfers for participating financial institutions.

**Awarded Bidder** – The selected Bidder (also referenced as **Contractor**) resulting from the competitive bid process with respect to this RFP.

**Benefit** – An amount payable to a Claimant or Consumer for UI, OTA, Adoption Subsidy, KinGAP, and Child Care Electronic Payment programs.

**Benefit Banking Services** – Banking services for UI, OTA, Adoption Subsidy Electronic, KinGAP, and Child Care Payment programs. These services include deposit, disbursement (via electronic funds transfer [such as direct deposit], debit cards, manual checks, and other possible mechanisms), reconciliation, reporting, and electronic cash management.

**Best Value** – The basis for awarding all service and technology Contracts to the Bidder that optimizes quality, cost, and efficiency, among responsive and responsible Bidders. *See State Finance Law §163 (1)(j).*

**Bidder** – Qualifying banking institutions including a commercial bank or payment processor submitting a response in the format and timeframe specified in this RFP.

**Business Day** – Monday through Friday, with the exception of legal bank holidays as defined by NYS General Construction Law §24-a.

**Calendar Day** – All days in a month, including weekends and holidays.

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**Claimant** – Any person seeking benefits from DOL.

**Checks – Courtesy Amount** – the numeric digits written after the “Pay to the Order of” line on a check.

**Checks – Legal Amount** – the alphabetical amount typewritten or handwritten on the line underneath the “Pay to the Order of” line.

**Child Care Subsidy Program** – child care subsidy payments are issued weekly, bi-weekly or monthly by the LDSS to child care providers who are caring for children that the departments of social services have deemed eligible for a child care subsidy.

**CRA** – Community Reinvestment Act evaluations published by the United States Department of the Treasury, Comptroller of the Currency.

**Consumer** – Recipient of OCFS Adoption Subsidy, KinGAP, and Child Care Payments.

**Contract [or Agreement]** – The writing(s) which contain the agreement of the State and the Awarded Bidder setting forth the total legal obligation between the parties as determined by applicable rules of law.

**Contractor** – The Awarded Bidder who (upon contract award, approval, and execution) is the Bidder awarded the contract. This term, when used in conjunction with the work “current” when referring to the existing contractor currently providing similar services to the State and “successor” when referring to a potential future contractor following the expiration of the Contract resulting from this RFP.

**CONUS** – The Continental United States (the lower 48 states.)

**Denial Transaction** - Fee charged by bank when Recipient attempts to obtain cash from account with insufficient funds.

**Desirable/Desired** – An enhancement or option that is preferred by the State.

**DOL** – The New York State Department of Labor

**DTF** – The New York State Department of Taxation and Finance

**DUA** – Disaster Unemployment Assistance is a federal program that provides payments to people in a federally declared disaster area who have lost work or income as a direct result of the disaster and who do not qualify for regular UI benefits.

**EEO** – Equal Employment Opportunity

**EFTPS** – Electronic Federal Tax Payment System

**EMV Chip** – Europay, MasterCard® and Visa® Chip; this smart chip technology features payment instruments (cards, mobile phones, etc.) with embedded microprocessor chips that store and protect cardholder data.

**ET** – Eastern Time Zone.

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**FDIC** – The Federal Deposit Insurance Corporation

**FOIL** – Freedom of Information Law

**Fund** – NYS UI Trust Fund

**Inactive Debit Card** – A debit card whose expiration date has passed.

**IP** – Internet Protocol

**IRORA** – Interstate Reciprocal Overpayment Recovery Arrangement – agreement where participating states act as agents for each other to recover overpayment of benefits.

**IVR** – Interactive Voice Response telephone call answering system

**Kinship Guardianship Assistance Program (KinGAP)** – Monthly KinGAP subsidy payments are issued by LDSS to a relative who has been the child’s foster parent for at least six (6) months. This program provides financial support beginning with the child’s discharge from foster care to the guardian.

**Kroll** – Kroll Bond Rating Agency - Financial credit rating that measures the overall financial condition of an institution, as well as the institution’s ability to meet its credit obligations.

**LDSS** – Local Department of Social Services

**LEP** – Limited English Proficiency

**Mandatory** – Refers to items or information that the State has deemed that a Bidder must submit as compulsory, required, and obligatory. These items or information are noted as such, or the requirements may be phrased in terms of "must", "shall", "will" or "required". Mandatory requirements must be met by the Bidder for Bidder’s Proposal to be considered responsive.

**May** – Denotes the permissive in a Contract clause or specification. Refers to items or information that the State has deemed are worthy of obtaining, but not required or obligatory. Also see “Should”.

**Mandatory Requirement** – The Bidder must meet the stated requirement(s). If the Mandatory Requirement is not met, the Bidder may be considered non-responsive and the bid may be rejected on that basis. However, a designation of “Mandatory Requirement” does not preclude the Bidder from offering additional benefits over and above the minimum requirement.

**MBE** – Minority Owned Business Enterprise

**Must** – Denotes the imperative in a Contract clause or specification. Means required, being determinative/Mandatory, as well as imperative. Also see “Shall” and “Mandatory Requirement”.

**MWBE** – Minority and Women-Owned Business Enterprise

**NACHA** – National Automated Clearing House Association - A not-for-profit banking trade Association that promulgates the operating rules and guidelines for the ACH Network.



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**NDA** – Non-Disclosure Agreement

**NYePAY** – Electronic Payment system that OCFS uses to facilitate the payment of benefits/subsidies.

**NYC** – The City of New York

**NYS** – New York State

**ODFI** – Originating Depository Financial Institution

**OCFS** – The New York State Office of Children and Family Services

**OSC** – The New York State Office of the State Comptroller

**OTA** – The New York State Department of Labor Occupational Training Account

**Overdraft Fee** – Fee bank charges Recipient when bank provides funds when Recipient’s account is insufficient with funds.

**PCI DSS** – Payment Card Industry Data Security Standards which are a uniform set of information security requirements for all national card brands (exclusive of boutique and private labels).

**PIN** – Personal Identification Number

**POS** – Point of Sale which is retail Merchant locations or Websites where Recipients can use their debit cards.

**Prime Contractor** – The Awarded Bidder who is responsible for all aspects of service operations and is to be held solely responsible for Contract performance by the Awarded Bidder, its partners, officers, employees, subcontractors and agents.

**Recipients** – UI and OTA Claimants and OCFS Adoption Subsidy, KinGAP, and Child Care Consumers collectively.

**RFP** – Request for Proposals.

**SFTP** – Secure File Transfer Protocol

**Shall** – Denotes the imperative in a Contract clause or specification. Means required being determinative/Mandatory, as well as imperative. Also see “Must” and “Minimum Requirement”.

**Should** – Denotes the permissive in a Contract clause or specification. Refers to items or information that the State has deemed are worthy of obtaining, but not required or obligatory (ex., desired or preferred). Also see “May”.

**State** – The ~~three~~ two agencies; DOL, and OCFS, ~~and OSC~~ collectively.

**TRA** - Trade Readjustment Act

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**TTY** – TeleType, also known as Text Telephone Device or Telecommunication Device for the Deaf (TDD), is a special device required at both ends of the conversation that enables people who are deaf, hard of hearing, or speech-impaired to use the telephone to communicate.

**UI** – Unemployment Insurance is a joint federal and state program to provide temporary income for eligible workers who become unemployed through no fault of their own. *See* Article 18 of the NYS Labor Law.

**UI Trust Fund** – Receives revenues from NYS employers who make contributions using an experience-based system, which considers both employment and unemployment.

**UISIM** – UI System Modernization is a project designed to improve operational efficiencies and update its technology base and business processes to meet the evolving needs and expectations of its Claimants.

**WBE** – Woman-Owned Business Enterprise

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## 1. INTRODUCTION

This RFP, and any response to questions and amendments to the RFP, will be posted to the NYS Contract Reporter website ([www.nyscr.org](http://www.nyscr.org)). It will also be posted to DOL’s website ([dol.ny.gov/contract-bid-grant-opportunities](http://dol.ny.gov/contract-bid-grant-opportunities)) and provided to any Bidder who submitted questions or submitted a Notice of Intent to Bid as outlined in Section 5.2 and Appendix GTC.

### 1.1 Procurement Lobbying Act and Designated Contacts

This RFP is being conducted in accordance with the Procurement Lobbying Act (State Finance Law §§139-j and 139-k). For more information regarding the Procurement Lobbying Act, please refer to the NYS Office of General Services (“OGS”) website at:

<https://online.ogs.ny.gov/legal/lobbyinglawfaq/viewall.asp>

Pursuant to the Procurement Lobbying Act, this solicitation includes and imposes certain restrictions on communications between the State and a Bidder during the procurement process. Contacting individuals other than the designated contacts below may result in the disqualification of the Bidder's Proposal. Accordingly, **designated contacts** for **questions** related to this procurement as of the date hereof, are:

**Designated Contacts:** Sarah Berte  
Ryan Cerone

**Written Correspondence:** New York State Department of Labor  
Purchase & Contracts  
State Office Campus  
Bldg. 12, Rm. 465  
Albany, New York 12240

**Email Address:** [DOLPurchase-Contracts@labor.ny.gov](mailto:DOLPurchase-Contracts@labor.ny.gov)

### 1.2 Calendar of Events

| Event                                              | Date                                                           |
|----------------------------------------------------|----------------------------------------------------------------|
| Issuance of RFP                                    | March 17, 2022                                                 |
| <b>Deadline For Questions</b>                      | <b>March 31, 2022<br/>by 11am ET</b>                           |
| Anticipated Responses to Bidder Questions          | April 15, 2022                                                 |
| Requested Date for Notice of Intent to Bid         | <del>April 29, 2022 by 11am ET</del><br>May 6, 2022 by 11am ET |
| <b>Proposal Due Date</b>                           | <b>May <del>16</del> 25, 2022 by 11am ET</b>                   |
| Anticipated Date of Notification of Award          | June <del>16</del> 23, 2022                                    |
| <i>Deadline for Contract Signature</i>             | July <del>16</del> 25, 2022                                    |
| Anticipated Approval of Contract (Start Date)      | September <del>1</del> 8, 2022                                 |
| Projected Implementation Period Ends               | February <del>1</del> 8, 2023                                  |
| Projected Transition Period Ends                   | March 18, 2023                                                 |
| Anticipated Production - Full Commencement of Work | March 18, 2023                                                 |

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### 1.3 Anticipated Contract Term and Renewal

The term of the contract to be entered into as a result of this RFP (the “Contract”) will be for a period of up to 10 years from the date of contract approval by OSC’s Bureau of Contracts (“BOC”). Subject to the provisions of the contract, the term is comprised of (i) a seven year period for the performance of the Services (the “Performance Period”), which incorporates a period of up to one year to complete an orderly transition of services to a successor Contractor (the “Transition Period”), and (ii) a subsequent period of up to three years, starting from either the expiration or, if earlier, the termination of the contract, during which the Contractor will complete (a) the processing, payment, and/or handling of checks issued or resolution of other transactions made relative to any State accounts during the Performance Period and in satisfaction of the State’s continuing obligations, and/or (b) any legally mandated escheatment (“Closeout Period”).

The duration of the Closeout Period will be subject to the State’s discretion. Compensation to the Contractor during the Closeout Period will be at the rates and on the same terms that are set forth in the Contract.

The Contractor must guarantee all proposed fees for the entirety of the Contract.

### 1.4 Purpose of the Request for Proposals

The purpose of this RFP is to secure the services of a NYS or Federally chartered commercial bank or financial payment processor with the legal authority to operate in NYS to assist the State by providing Benefit Banking Services. The intent of this RFP is to secure necessary banking services to provide the following, including, but not limited to:

- 1) Processing of all disbursements of UI and OTA benefits to Claimants, and the electronic disbursement of specific OCFS adoption subsidy, KinGAP, and Child Care payment benefits to Consumers (Claimants and Consumers are hereinafter collectively referred to as “Recipients”) with maximum efficiency and timeliness;
- 2) Processing daily transfers of funds from DOL Benefit accounts to the appropriate states for Child Support payments;
- 3) Timely credit for deposits to maximize cash flow;
- 4) Timely reconciliation of the accounts;
- 5) A central contact, with adequate backup available 24 hours a day/7 days a week, so that critical banking needs are met;
- 6) Appropriate levels of the most current security standards and procedures relative to the services provided;
- 7) A fail-safe and disaster recovery plan;
- 8) A market standard anti-fraud mechanism; and

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- 9) The ability to expand similar disbursement banking services, including reports, for programs not currently named in the RFP, upon the request and sole discretion of the State.

This RFP is designed to procure the best value services which meet the requirements of the RFP in the most timely and efficient manner and to be flexible to allow for growth and change to the process. The State is seeking a dynamic solution that allows for both modern payment methodologies and the evolution of the industry, while at the same time, not alienating those recipients who prefer a more traditional banking experience. Modern and future methods may include, but are not limited to, proprietary mobile banking as well as third party applications, while traditional methods may include debit cards, or checks on a limited basis. The Awarded Bidder must be the Prime Contractor and is responsible for all aspects of service operations. **The Prime Contractor will serve as the single source of responsibility for the delivery of all contract deliverables and Services. While services may be provided collectively by the Prime Contractor, its subcontractor, and/or via a joint venture, the Prime Contractor is solely responsible for the efforts, acts, and omissions of any subcontractor/partners/joint venturers, including compliance with contract provisions.**

DOL will serve as the lead agency for this RFP and as such will receive all of the Bidders' submissions.

### 1.5 Description of the New York State Department of Labor

DOL is NYS primary advocate for job creation and economic growth through workforce development. DOL administers NYS's UI system, labor exchange system, and employment and training programs. DOL oversees NYS worker protection programs and enforces safety and health regulations in the public sector, NYS labor laws and federal statutes related to working conditions, wages and hours, and laws related to Public Work. DOL is New York's principal source for labor market information and offers a variety of services that help businesses find workers and help people find jobs. Additional information regarding DOL can be found at: <https://dol.ny.gov/>.

### 1.6 Description of New York State Office for Children and Family Services

OCFS serves New York's public by promoting the safety, permanency and well-being of our children, families and communities. In addition to direct services, OCFS provides funding and oversight to both public and private entities including LDSS, the St. Regis Mohawk tribe, and authorized voluntary agencies. OCFS is dedicated to improving the integration of services for NYS's children, youth, families, and vulnerable populations; to promoting their development; and to protecting them from violence, neglect, abuse, and abandonment. OCFS provides a system of family support, juvenile justice, childcare, and services that promote the safety and well-being of children and adults.

### 1.7 Program Overview

#### 1.7.1 DOL Overview

In accordance with Article 18 of the NYS Labor Law, OSC, and DTF are joint custodians of the UI Account. OSC is responsible for auditing all payments, while DTF is responsible for the deposits to, release of disbursement from, and reconciliation of the UI and OTA Accounts. DOL

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administers this program and its related accounts. **Please note, that while OSC is not a party to this procurement, OSC may be a signatory on the resulting Contract with the Awarded Bidder for the purpose of ensuring OSC’s statutory obligations are represented and met in the resulting Contract.**

The NYS UI program was established in 1935 pursuant to the Federal Unemployment Tax Act and NYS laws and provides benefits to involuntarily unemployed individuals. The program is administered by DOL and administrative costs are supported by Federal allocations which are derived indirectly from contributions made by employers. NYS’ UI Trust Fund (the “Fund”) receives revenues from NYS employers who make contributions using an experience-based system, which considers both employment and unemployment. Certain non-profit and governmental entities, including NYS, as well as Indian Tribes, do not make contributions but instead reimburse the Fund for benefits paid to their former employees. With the exception of an amount required for the payment of current benefits, the U.S. Treasury retains the monies comprising the Fund.

OTA was established in 1962 for making payments to participants in the Manpower Development and Training Act and the Area Redevelopment Act programs. Since then, payments have been made to participants in a variety of NYS and Federally funded programs, including the TRA and DUA programs. DUA is a federal program that provides payments to people in a federally declared disaster area who have lost work or income as a direct result of the disaster and who do not qualify for regular UI benefits. The DUA weekly benefit rate is determined for each individual after he/she applies for benefits.

Claimants for UI and OTA apply and certify for benefits by calling one of two Telephone Claim Centers or via the internet. DOL currently accepts and processes initial and continued claims for UI benefits. The Telephone Claim Centers files are hosted at DOL’s central office in Albany. Currently, weekly benefit claims average \$357, with the maximum weekly benefit amount of \$504 possible under State law as of October 1, 2019.<sup>1</sup> This amount will change annually once the UI Trust Fund regains a required level of solvency. The maximum duration for receipt of benefits is 26 weeks for the regular UI program, with some extensions beyond 26 weeks for Claimants in approved vocational training programs. The UI benefit duration for all Claimants could extend to beyond 26 weeks during periods of high persistent unemployment as defined by the Federal government.<sup>2</sup>

### **1.7.2 OCFS Overview**

Adoption Subsidy payments are made monthly to the parent(s) for the care and support of the child per the provisions of the approved Adoption Subsidy Agreement. OCFS accounts for the NYS Adoption Subsidy Electronic Payments program do not require custodial functions.

KinGAP is a program in NYS designed to provide monthly payments and other benefits to qualified relative guardians of children who have been discharged from foster care.

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<sup>1</sup> Note that during the COVID-19 pandemic the federal government instituted programs that increased the weekly benefit amount for all Claimants. During this time, the maximum weekly benefit amount was as high as \$1,104 per week. At this time, the federal programs have ended and the maximum weekly benefit amount has returned to \$504 per week.

<sup>2</sup> As a result of the COVID-19 pandemic, additional federal UI programs of varying amounts and durations were also implemented. Those programs began in March 2020 and ended in September 2021.

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Child Care Subsidy payments are made weekly, bi-weekly or monthly by the LDSS to childcare providers who are caring for children that the departments of social services have deemed eligible for a child care subsidy.

Payments are authorized by LDSS/St. Regis Mohawk tribe and then paid through an electronic payment system known as NYePAY. Currently, approximately 22,454 adoption subsidy benefits and approximately 2,747 KinGAP payments are distributed monthly. Subsidy benefits and KinGAP payments are payable pursuant to the schedule established by each LDSS/St. Regis Mohawk tribe. Currently, adoptive parents and KinGAP vendors can choose how they will receive their adoption benefits (Direct Deposit or Debit Card), change an existing payment option, or view their remittance via NYePAY.

The Adoption Assistance Program provides ongoing financial assistance for most children with special needs. The goal of this program is to facilitate the placement of handicapped or hard-to-place children in permanent adoptive homes and thus prevent extended foster care placement.

The KinGAP provides ongoing financial assistance to a relative who has been the child's foster parent for at least 6 months. This program provides financial support beginning with the child's discharge from foster care to the guardian.

The Child Care Subsidy Program provides funding to provide assistance in paying for the child care needs of families deemed eligible by the LDSS.

LDSS and the St. Regis Mohawk tribe are responsible for making subsidy eligibility determinations. The adoptive parent(s) and KinGAP vendor(s) may begin receiving benefits after a child's adoption plan is finalized or, in some cases, prior to finalization. The LDSS/St. Regis Mohawk tribe oversees the finalization process, as well as setting up and monitoring payments to the adoptive parent(s) and KinGAP vendor(s).

It is important to note that adoptive parent(s) and KinGAP vendor(s) may not necessarily reside in NYS. Adoptive parent(s) and KinGAP vendor(s) may reside and receive adoption subsidy and KinGAP guardianship payments, respectively, outside the US. At this time, adoption subsidy payments and KinGAP vendor(s) outside of the US are paid only to debit card accounts. If debit cards are not among the Awarded Bidder's proposal, they must identify how they will address payments to those recipients outside the US.

Child Care subsidy payments are made to childcare providers and/or parents once a family has been determined to be eligible, in accordance with authorized hours for care, and claims submitted based on attendance records.

### **1.8 Strategic Direction and Program Changes**

Due to rapid changes and innovations in banking and financial services, it is anticipated that during the Contract period, the services secured as a result of this RFP may require enhancements such as new technologies or security improvements, or modifications. Any major enhancements or modifications may be an add-on to the Contract that is subject to the Contract amendment process, with the associated negotiation of fees.

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Depending on the nature of program enhancements/changes, the State will work with the Awarded Bidder to evaluate the cost-benefit of implementing these changes. However, the State is under no obligation to implement enhancements and reserves the right to develop the changes with State employees, or hire a third party, if the State deems it appropriate. The Awarded Bidder must be willing to work in good faith with the State and any other party to assist in the development and/or implementation of any program enhancement services.

### **1.8.1 DOL Strategic Direction**

DOL has undertaken an initiative to provide better service to all its Claimants. The UISIM efforts are designed to improve operational efficiencies and update its technology base and business processes to meet the evolving needs and expectations of its Claimants. DOL has a single primary objective; to improve systems and processes in order to better serve Claimants, employers and partners. The system developed through UISIM will have significant levels of automation and self-service options and provide a continuous-access user interface that enables Claimants and employers to conduct the most essential transactions over the internet. The Awarded Bidder must work in good faith with DOL and its UISIM vendors to assist in the implementation of the system developed through UISIM.

### **1.8.2 OCFS Strategic Direction**

OCFS will require the Awarded Bidder to have the ability to add and expand current payments to include NYC and throughout NYS's LDSS's Adoption, KinGAP, Foster Care, and/or Day Care, as OCFS may request. The Awarded Bidder must be flexible to timely incorporate any legislative, regulatory, or policy or protocol changes to existing OCFS programs upon request.

Bidders must provide the necessary supports including call center support for those Recipients opting for the debit card option, if debit cards are part of the Awarded Bidder's proposed solution.

### **1.9 Mandatory Bidder Eligibility Requirements**

Bids will be considered only from banking institutions including commercial banks, or payment processors partnered with a banking institution that are capable of performing the requirements presented in this RFP and which meet all of the criteria set forth below. Bidders are required to provide documentation and certify Mandatory eligibility requirements as described in this Section. Bidders must also provide **Attachment 3**, Bidder's Certified Statements, in their Technical Proposal with documentation and appendices as specified in Section 4, Proposal Response Requirements of this RFP.

- 1) Bidders must be a NYS or federally chartered commercial bank with legal authority to operate in NYS, or a financial payment processor that will partner with a NYS or federally chartered commercial bank. All DOL and OCFS accounts and any resulting accounts must be located in NYS.
- 2) Bidders must offer ACH as a primary method of disbursement of funds.
- 3) **In addition to item #2, above**, Bidders must offer at least one (1) other primary method of disbursement of funds, **which may include debit cards, paper checks, or another**



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~~disbursement method that will be an additional primary method of disbursing funds<sup>3</sup>. Additional to the minimum two methods above, the State highly desires multiple primary methods of disbursements of funds.~~

- 4) Bidder must, if not offering debits cards as a primary method of disbursement of funds, provide a detailed transition plan for current benefit recipients **who receive payments via debit cards** to **the Bidder's** a new primary method of disbursement.
- 5) Bidders must be able to provide paper checks for miscellaneous payments, in limited quantities, for **various** programs such as, but not limited to, IRORA payments. Bidders may offer paper checks as a primary method of disbursement of funds.
- 6) Bidders must agree for matters arising under the Agreement: to accept service of process on the New York Secretary of State as agent of the Awarded Bidder; to consent to jurisdiction in a court geographically within NYS; and to consent to New York law as the governing law of the Agreement.
- 7) Bidders must affirm that they will not store Confidential Information of the State in the Cloud or utilize Cloud Computing for the storage of Confidential Information of the State or store Confidential Information on any other server owned by a third party without prior approval of the NYS Information Security Officer. Cloud computing shall be defined to mean any on-demand access to shared computing infrastructure which is provisioned for use by the State, and which may be owned, managed, and operated by the Bidder, a third party, or some combination of them, and which may exist on or off premises.

See: <https://csrc.nist.gov/publications/detail/sp/800-146/final>

- 8) Bidders must belong to the NACHA and provide supporting documentation of membership.
- 9) Bidders and any partner and/or subcontractor must comply with all PCI DSS, if applicable to their proposal, and be authorized by the appropriate Associations, networks and other necessary organizations to provide financial services for payment processing and distribution. Bidders must provide documentation of PCI DSS compliance, attest they will maintain their compliance throughout the Contract term, and indicate all appropriate Associations, networks, and other necessary organizations to provide finance services for payment processing and distribution.
- 10) Bidders or their financial institution must have a financial strength rating of at least a "C+" as published in the most current issue of Kroll Bond Rating Agency as of the date the Proposal is due as defined in Section 1.2. This rating will be independently verified by the State. Bidders are not required to subscribe to the Kroll service and a Kroll rating is not contingent upon any such subscription.

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<sup>3</sup> Additional to the minimum two methods above, the State highly desires multiple primary methods of disbursements of funds.

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- 11) Bidders or their financial institution must have a CRA rating of “Satisfactory” or better in the latest release of evaluations published by the United States (“US”) Department of the Treasury, Office of the Comptroller of the Currency [found at <http://www.federalreserve.gov/apps/crape/BankRating.aspx>], or the FDIC [found at <https://www2.fdic.gov/crapes/>], as of the date the Proposal is due as defined in Section 1.2.
- 12) Bidders, or in the case of a processor being primary bidder, the bidder’s partner bank, must have on file, or be willing to file with NYS a “State of New York Undertaking for Bank Deposits and Assignment of Securities”, **Attachment L** before the Contract is approved, and the accounts are established.
- 13) Bidders, or in the case of a processor being primary bidder, the bidder’s partner bank must agree to pledge certain securities as collateral for NYS deposits at NYS’ Fiscal Agent bank or provide a Surety Bond in accordance with Section 105 of NYS Finance Law.
- 14) Bidders must be able to act as an ODFI for the direct deposit of payments.
- 15) Bidders must be able to perform federal wire transfers or ACH credits to the federal government for tax payments in accordance with the EFTPS Guidelines.
- 16) Bidders must be FDIC insured.
- 17) Bidders must be willing, if awarded, to enter into a Contract consistent with the terms and conditions set forth in this RFP, including but not limited to the General Terms and Conditions terms set forth in ~~of~~ Appendix GTC.
- 18) Bidders are required to have their legal counsel review **Appendix GTC**, General Terms and Conditions as well as **Exhibit A**, **Sample** Banking Service Schedules, and **Attachment 1**, State Authorization Form affirming agreement and the terms of the Banking Service Agreement, and the RFP take precedence over any other Banking Service Agreements. ~~Proposed changes to Exhibit A are discussed in Section 2.12.~~
- 19) Bidders are required to submit their own **Exhibit C**, Banking Service Schedules in an editable word document. With regard to these Schedules, the State reserves the right to negotiate the terms and conditions in the submitted Banking Service Schedules and nothing contained within shall be effective to the extent that it constitutes a variance within terms or requirements of this RFP or any resulting contract.
- ~~19-20)~~ Bidders must be in compliance with and agree to comply with NY Executive Law §296- a “Unlawful Discriminatory Practices in Credit”.
- ~~20~~ 21) Bidders must be in compliance with and agree to comply with all federal and state bank secrecy/anti-money laundering statutes and regulations.
- ~~21~~ 22) All accounts as a result of award from this RFP must be in the State name or in a name designated by the State.

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**Proposals from Bidders not meeting and certifying the above requirements may be eliminated from further consideration. The State, however, reserves the right to eliminate a Mandatory Requirement pursuant to NYS law.**

## **2. TECHNICAL BENEFIT BANKING SERVICES REQUIREMENTS**

This Section of the RFP outlines the Technical Benefit Banking Services Requirements that need to be addressed in response to this RFP. Requirements in this Section correspond to the outline provided in Section 4, Proposal Response Requirements. There are Mandatory Requirements stated throughout the RFP, stipulated by the words “must, shall, will and required”. Failure to provide or include this information in the Technical Proposal will result in Bidder disqualification unless the requirement is waived by the State as outlined in Appendix GTC, Reservation Clauses. Desired services are referenced in the RFP by the words “should, desired, and preferred”. While not Mandatory, failure to provide the requested information may negatively impact the Technical Proposal score.

This Section provides definitive information on requirements and preferences for Benefit Banking Services, account/administrative requirements, and on-line access and reporting requirements. In addition, exhibits to the RFP are included to supplement this information by providing desired descriptions/formats. These exhibits are referenced throughout the Section where appropriate:

- Exhibit 1 – Historical Direct Deposit and Debit Card Issuance Activity
- Exhibit 2 – Schedule and Description of Required Reports
- Exhibit 3 – Desired File Descriptions
- Exhibit 4 – Desired File Descriptions for Child Support ACH Payments
- Exhibit 5 – Regular UI Beneficiaries by City and Town
- Exhibit 6 – UI Beneficiaries Inclusive of COVID Programs by City and Town
- Exhibit A – **Sample** Banking Service Schedules
- **Exhibit D – Redacted Account Analysis Statement**

### **2.1 Current System Requirements**

All system requirements must be met using a web-based system which must allow the State to assign different levels of authority access for individuals in different locations across NYS to provide for internal security during transmission and storage. Data file transmissions are an integral part of the Benefit Banking Services required for all Benefit programs. All file transmissions described in this Section have the following system requirements:

- 1) The minimum requirement for all data transmissions must be through a SFTP connection with encrypted transport and payload for incoming and outgoing transfers.
- 2) Bidders must include a back-up process that will be provided if the primary method of transmission is not available.

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- 3) Bidders must include measures to provide for the security of the information both in transmitted and at rest.
- 4) Bidder must provide a data file transmission process that is designed to allow DOL and OCFS to include unique fields that are necessary for DOL and OCFS internal systems used for incoming and outgoing data file transmissions.
- 5) Bidders must agree to keep a copy of all data files transmitted to the State for a minimum of five (5) business days in the event that the State requires the data to be re-sent.
- 6) Bidder must agree to meet any future system requirements developed by the State.

**Exhibits 3 and 4** are the State's desired file descriptions. Bidders must provide a listing of their file descriptions as **Appendix 1**. Any web-based intranet and internet information and applications development, or programming delivered pursuant to this RFP must comply with the NYS Enterprise IT Policy NYS-P08-005, Accessibility Web-Based Information and Applications as such policy or standard may be amended, modified or superseded. The NYS Enterprise IT Policy NYS-P08-005 requires that NYS web-based intranet and internet information and applications are accessible to persons with disabilities. Web content must conform to NYS Enterprise IT Standards NYS-P08-005, as determined by quality assurance testing, which will be part of the Pre-Implementation Testing. Such quality assurance testing shall be conducted by the State and the results of such testing must be satisfactory to the State before web content will be considered a qualified deliverable under the Contract or procurement.

### 2.1.1 Fraud

The Awarded Bidder must cooperate with the State of New York and law enforcement agencies to combat fraud against the UI and OTA programs and the Adoption Subsidy, KinGAP, and Child Care program. Nothing herein is intended to limit any statutory authority of NYS or law enforcement agencies. The State has investigators assigned to identify fraud, and the Awarded Bidder must provide certain minimum services to support those fraud investigations. The Awarded Bidder must agree that it will, with no transactional fees to the State:

- 1) Respond to lawful requests by the State for documents, including monthly statements of debit card or account transaction history, if applicable, within 15 business days of the request. Response(s) must be delivered electronically in password-protected email or by password-protected media such as USB Flash Drive as directed by the State, and the records must be certified as specified in Section 2.14 below.
- 2) Store IP addresses of all internet transactions with Benefit Banking users for two (2) years from the date of the transaction and provide such information to the State upon its lawful request within a reasonable time.
- 3) Store incoming telephone numbers on all calls from Benefit Banking users for two (2) years from the date of the telephone call and provide such information to the State upon its lawful request within a reasonable time.

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- 4) Keep a record of any telephone conversations between a Recipient and Awarded Bidder's customer assistance unit for two (2) years from the date of the telephone call and provide the records to the State upon its lawful request within a reasonable time.
- 5) Provide a weekly report listing of all Recipient address change requests and requests for re-issuance of debit cards, along with the IP address or telephone number source for the request.
- 6) Store either hard or electronic copies of paid checks for seven (7) years from the paid date.
- 7) Upon lawful request by DOL Office of Special Investigations investigators or OCFS Special Investigations Unit or other authorized entity as identified by the State, the Bidder will provide live monitoring of the use of a debit card or account activity (if applicable) delivering same day usage records, including exact location, amount of the transaction, any other available information about the transaction, such as items purchased, and any surveillance photos/videos of the transaction.
- 8) With regard to an allegation of forgery of a check, the Awarded Bidder must:
  - a) Deliver to the Recipient alleging a forgery, an affidavit in a form to be provided by the State to be completed by the Recipient under oath describing the forgery loss. The Awarded Bidder or its partnered financial institution must deliver a letter of receipt to the State for each forgery affidavit filed on the accounts. The Awarded Bidder must also obtain a written confirmation from the bank of first deposit that the affidavit has been received.
  - b) Conduct an investigation of a forgery allegation and make regular follow ups with the bank of first deposit at least every 30 days.
    - When a forgery claim is denied by the bank, provide the State a copy of the denial letter from the bank of first deposit and a copy of the documentation justifying the denial within two (2) business days.
  - c) Reimburse the State within one (1) business day of receipt of the money from the bank of first deposit.
  - d) Provide the State with a monthly listing of the status of all outstanding forgery claims.
- 9) Make good faith efforts to return funds in the possession of the Bidder, or its subcontractors, when the State has determined that the funds were paid to a Recipient due to fraud or willful misrepresentation by the Recipient.
- 10) Provide a witness, upon request from a prosecutor or the State, to testify in a Grand Jury, trial, or other proceeding regarding alleged fraudulent receipt of Benefits.
- 11) Deployment of a secure web portal for delivery of requested documents and fraud leads to the designated fraud investigators for the State.

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- 12) Monitoring of suspicious requests for debit card replacement, if applicable, such as multiple requests from the same IP address or same telephone number within the same day and reporting of such activity to designated staff at the related State program.

### ***2.1.1.1 Fraud – Optional Services***

The following optional services are listed as examples of the desired additional fraud investigation services that could be offered by Bidders. Bidders will be evaluated on the number of such additional services they are experienced in providing. Bidders may agree to deliver these services to the State with or without a transactional fee, including but not limited to identifying and collecting fraudulently obtained Benefits, forgeries, or other fraudulent transactions. If the Bidder can provide any of the optional **fraud detection and prevention** services, they are required to provide if there is an additional fee for these services as a condition of the response to the RFP. If the Bidder proposes a fee for any of these optional services, the State may, but is not required, to include the optional service in the resulting contract. The State also reserves the right to amend a Contract resulting from this RFP to include option services previously not included in the Contract at the proposed fee. All amendments to the Contract must be approved by OSC.

- 1) Monitoring of debit card transaction, if applicable, for suspicious activity, such as three distinct debit card transactions at the same ATM within 5 minutes and reporting such suspicions to the designated fraud investigators at the related State program.
- 2) Monitoring of debit card usage, if applicable, out of the United States, Canada and U.S. Territories. Preference will be given to the Bidders who provide a routine report of other than internet associated transaction activity to the designated fraud investigators at the related State program each and every debit card usage outside of the United States, Canada and U.S. Territories after its first use outside the United States, Canada and U. S. Territories.
- 3) Conducting predictive analytics on debit card applicants and debit card usage, if applicable, to detect possible identity theft or other fraud, including the use of such publicly available and industry recognized data sets that help identify fraudulent activity.
- 4) Conducting data analytics on debit card transactions, if applicable, to identify anomalous behavior suggestive of a stolen or fraudulently obtained debit card; such as transactions geographically distant from the Recipient's residence, purchase of anomalous luxury items, or shipment of purchased goods to addresses unlikely to be connected to the Recipient; and reporting such suspicious activity to the designated fraud investigators at the related State program.
- 5) Storing ATM photos taken at Awarded Bidder's branches of all debit card transactions, if applicable, for six (6) months from the date of the transaction and provide such information to the State upon its lawful request.
- 6) Storing the audio of telephone calls by debit card Recipients, if applicable, to the Awarded Bidders customer service center for 12 months from the date of the telephone call.

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- 7) Storing and providing ATM photos and audio of calls in connection with Benefit Banking customers for longer than the desired periods above.
- 8) The ability of the State to look up what claimant information is tied to a debit card on a limited basis, if applicable.

### 2.2 Bidder Requirements

Bidders' requirements are as follows:

- 1) Provide an Executive Summary. This shall include, but not be limited to:
  - A statement of the capacity and willingness to meet requirements as listed in within the RFP.
  - A narrative description providing additional information regarding how the proposal will address the requirements of this RFP. This is an opportunity for the Bidder to more fully describe how the solution meets the requirements stated in the RFP.
  - A narrative description that fully describes the technical environment in which the Bidder operates in order to successfully address technical requirements.
  - A description of any potential issues, problems or shortcomings that may be encountered in the State's current environment and what alternatives or modifications may be necessary to enable the implementation of the solution.
  - Provide a description of the Bidder's direct, prior experience in providing similar solutions to clients with complex work environments and a large number of users. Describe this experience and related services as well as describing the client in each case. This shall include, but not be limited to number of years providing the service, past implementations similar to this RFP.

In the Executive Summary, Bidders must provide a description of the organization as it relates to the bid Proposal, including any subcontractors providing a description of services they perform and an estimated amount of the subcontract. As outlined in Appendix GTC, the State reserves the right to approve all subcontractors prior to their assumption of duties on behalf of the Contractor. Bidders shall require all proposed subcontractors to complete such Appendices included in this RFP as are deemed necessary by the State prior to any such proposed subcontractor's performance of banking services under the awarded Contract. Upon notification of award, Awarded Bidder may be requested to provide the proposed subcontractor's Contract. Awarded Bidder must remain responsible for any and all aspects of performance pursuant to this RFP and any Contract executed, including any aspects of performance carried out by subcontractors.

- 2) Bidders must submit as **Appendix 2** a listing of the mailing and street address for the data processing facility, debit card customer service call center (if applicable), fail-safe and disaster recovery operations center, and any other locations where the Awarded Bidder's banking services will be provided. If more than one such facility is involved, Bidders must



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include specifics regarding service and operations for each facility and a description of the debit card customer service call center, if applicable.

- a. The State has a strong preference for all Contractor data storage, access, and processing locations (each a “Facility”) to be located within CONUS.
  - b. Contractor must identify whether any of the Contractor Facilities to be used for these Services is located outside CONUS. Describe with particularity the specific Services that will be provided outside CONUS.
  - c. Contractor must identify the nature of such data storage, access, and/or processing services, the country where each Contractor Facility outside CONUS is located, and a reasonably detailed, summary description of the applicable safeguards the Contractor has or will put in place to protect State data outside of CONUS, such as: (1) protocols for access control and identity management, including physical security features, workstation security, data controls; (2) business continuity and disaster recovery planning and resources; (3) vendor and third-party service provider management protocols; (4) incident response procedures; and (5) a description of vendor’s relevant policies and its overall risk mitigation analysis and plans in place to ameliorate the risks.
  - d. Contractor must state whether each respective Contractor Facility located outside CONUS that will be used for any portion of the Services provided to the State is owned by the Contractor or a third party.
- 3) In addition to ACH and checks (which are required in small quantities as outlined in Section 2.7), all Bidders must offer at least one other method for payment of Benefits. Bidders are strongly encouraged to provide multiple solutions for both traditional, as well as the under and unbanked Recipients, as part of their proposal in addition to describing how those solutions are to be implemented.

The State desires a solution that provides a customer-service oriented process through which unbanked and underbanked Recipients are able to open checking or savings accounts with NYS or federally chartered commercial banks or credit unions. Additional points will be provided to proposals that provide this desired solution in all regions of NYS through a partnership with NYS or federally chartered community banks or credit unions.

The State desires the Bidder to accept a sole funding file for daily payments that would subsequently be disbursed directly to Recipients via any method(s) selected by the Recipients, or a default method as selected by the State in the event the Recipient cannot or will not select a disbursement method. The State may deliver more than one file daily.

- 4) It is desired that the solutions offered by the Bidder’s proposal are accessible via a single web application.
- 5) If Awarded Bidder offers debit cards as an additional solution in their proposal, then the Bidder must ensure that issued debit cards participate in a statewide cash distribution network including at least one surcharge-free ATM network, Merchant Banks, and Retail

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Merchants who offer cash back with purchase. **Exhibits 5 & 6** contains Regional Maps of DOL Claimant population for upstate New York by township or city and has been included for informational purposes. Bidders must provide the proposed network ATM accessibility by providing an **Appendix 3** for ATM and ATM Network Locations as an electronic file with a table formatted in either Comma Separated Value or Excel spreadsheet with the address of each of their ATMs or network ATMs. Below is the required format:

| ATM Operator Name    | Street        | City   | State | Zip Code |
|----------------------|---------------|--------|-------|----------|
| Company/Network Name | 123 Happy Ave | Albany | NY    | 12345    |

P.O. Boxes are not allowed as an ATM address. The address of the ATM must be the exact address of where the ATM is located. If the ATM is located in a business, the address of the business must be used. The State desires **at least** one ATM per New York County. Bidders' ATMs and network ATMs will be evaluated and ranked based on each Bidder's coverage by county, township, and city.

- 6) If debit cards are an additional solution offered in Bidder's proposal, Bidders must provide details of the web-based inquiry system available to look up ATM locations.
- 7) If debit cards are an additional solution offered in Bidder's proposal, the State estimates as many as 180,000 start-up debit cards will be required. This volume is inclusive of all Recipients who chose debit card as their method of payment as identified by the State. The Awarded Bidder must create a debit card account and mail or deliver a debit card to all Recipients. Bidders must affirm their ability to meet this requirement.

**Bidders must also affirm their ability to meet requirements found within the CFR (Code of Federal Regulations) including, but not limited to Regulation E (Electronic Fund Transfers) and Regulation Z (Truth in Lending) as it relates to the Prepaid Rule.**

Bidders must provide their lead time for these new enrollments from award through implementation and production of mailing out the start-up debit cards. Due to potential migration to the Europay, MasterCard® and Visa® (EMV) Chip, the State anticipates orders for Bidder's plastic supply may take longer to receive and must be factored into the lead time for timely issuance upon Certification. Thus, Bidders **must affirm** they will plan lead time to obtain their plastic supply for the State's start-up debit cards to be issued.

- 8) If debt cards are not offered as an additional solution in Bidder's proposal, State estimates as many as 180,000 Recipients who are currently receiving Benefits through debit cards will have to be transitioned to a new payment method. Bidder must provide a process for transitioning these Recipients to one of the solutions proposed by the Bidder. This process must include a method for Recipients to either choose a new payment method or be transitioned to the default payment method identified by the State.

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### 2.2.1 Experience

The Awarded Bidder must be qualified to provide the range of services required and be capable of meeting Contract objectives. To demonstrate the ability to execute the services, Bidders must provide, at minimum, the following information in their Technical Proposals:

- 1) A narrative describing Bidder's financial and managerial experience with providing banking services similar in scope and complexity to those described in this RFP.
- 2) A description of experience working with government or large clients and with adapting procedures and policies according to changes in regulations.
- 3) The annual volumes for the three largest payment processing customers serviced.
- 4) A description of experience in handling Fraud Control Operations requests (including but not limited to subpoenas for records, live monitoring of stolen debit cards, ATM address verifications, request for ATM photo/video for fraudulently used cards, request for unlimited and unrestricted access to information to assist with the Federal Single Audit, Data Breach Notifications and/or other Security Incidents and related processes pursuant to State Technology Law Section 208 and/or Section 899-aa of the General Business Law) and their timeframe for responding to these requests. Currently, DOL averages 1,500 – 2,000 subpoenas per year.
- 5) For the Bidder or Bidder's subcontractor, a description of experience as an ODFI credit transaction service provider, including, but not be limited to:
  - a) Years of experience as an ODFI;
  - b) The annual number of transactions and total dollar amount as an ODFI.

### 2.2.2 References

The Awarded Bidder must demonstrate the ability and resources to provide the range of banking and program services capable of meeting program goals as outlined in this RFP. In **Attachment 4** (References) Bidders must provide references for three (3) customers that when evaluated together, can demonstrate the Bidder is capable of providing services that are similar in scope and complexity to the State's requirements as desired in this RFP. Bidders are solely responsible for providing references that are readily available to be contacted and will respond to reference questions.

The State will contact references either by telephone or by email seeking a written response to validate the information provided on Attachment 4 and evaluate that the Bidder is capable of providing services that are similar in scope and complexity to the State's requirements. If the State is unable to contact a reference, Bidders will be provided one opportunity, with a deadline, to assist in obtaining cooperation from those references that have not responded. As this is a time-sensitive process, if the State does not receive a response from the Bidder's reference by a deadline specified by the State, the Proposal may be disqualified at the discretion of the State.

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### 2.3 Benefit Banking Accounts

The Awarded Bidder (or Bidder's subcontractor) must provide a DOL UI Account, a DOL OTA Account, and an OCFS Adoption Subsidy, KinGAP, and Child Care Account for each LDSS as the primary components of the Benefit Banking Services. The Awarded Bidder must also provide accounts for any related programs that may be developed in the future<sup>4</sup>. Each account requires a full account reconciliation service, including positive pay provisions in the case of paper checks. In addition, the Awarded Bidder will be required to maintain adequate levels of security and controls relative to these accounts, including, but not limited to, the prevention of unauthorized access to the State's accounts, and/or erroneous fund transfers/withdrawals. The Awarded Bidder must agree to make the State whole for misappropriated funds plus applicable interest involved in these instances.

#### 2.3.1 DOL Unemployment Insurance Account

The Awarded Bidder must provide a UI Account consisting of a master concentration account and one (1) zero balance sub-account with controlled disbursement, full account reconciliation, and positive pay services. The Awarded Bidder must transfer funds as necessary from the master concentration account to the zero balance sub-account on a daily basis. DOL's average daily deposit for the period January 1, 2019 to March 31, 2020 was \$9.2M with a largest deposit of \$78.7M. From April 1, 2020 to December 31, 2021<sup>5</sup>, the average daily deposit was \$222.4M with a largest deposit of \$1.75B. **From the period of January 1, 2022 to March 31, 2022, the average daily deposit was \$12M with a largest deposit of \$45M.**

This account is funded daily by Fedwire transfers from the UI Trust Fund. DOL has the responsibility to draw down the funds necessary to maintain the Benefit account. By 10:00 AM (ET) each day; the Awarded Bidder must provide DOL with an on-line report of real-time bank balances, the daily check presentments, scheduled ACH payments, and electronic Benefit payments. DOL will fund the presentments for that day and will advise the bank of the amount of funds to expect in that day's wire transfers.

Presentments after 10:00 AM ET must be held over by the bank until the next business day. If the balance information provided to DOL by the Awarded Bidder is in error, and based upon this information, DOL overdraws from the UI Trust Fund; the Awarded Bidder must make the DOL whole for lost interest and DOL shall not be charged an overdraft fee.

In addition, Awarded Bidder must provide monthly Bank Statements of DOL UI Accounts as well as any other accounts that may become required as part of this contract through either the RFP process or Change Order to DOL.

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<sup>4</sup> Possible future programs include, but are not limited to, unemployment benefit programs created by federal law or action to respond to an emergency or period of high unemployment. As an example, during the COVID-19 pandemic, five additional unemployment programs were created by Congressional action and an additional program was created by federal Executive Order. Some programs required that the funds be maintained in accounts separate from the existing accounts.

<sup>5</sup> This period is inclusive of the historically high unemployment related to the COVID-19 pandemic.

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### 2.3.2 DOL Occupational Training Account

The Awarded Bidder must provide an OTA Account consisting of a master concentration account and one (1) zero balance sub-account with controlled disbursement, full account reconciliation and positive pay services. The Awarded Bidder must transfer funds as necessary from the master concentration account to the zero balance sub-account on a daily basis. From January 1, 2019, to March 31, 2020, the average daily deposit was \$17,500 with a largest deposit of \$200K. From April 1, 2020, to December 31, 2021, the average daily deposit was \$8,200 with a largest deposit of \$200K. The daily presentment information described above for the UI Benefit Account is also obtained daily for the OTA Account. Based on this information, DOL transfers funds to the OTA Account as these funds are needed. If the balance information provided to DOL by the Awarded Bidder is in error, and based upon this information, DOL overdraws from the UI Trust Fund; the Awarded Bidder must make the State whole for lost interest and shall not be charged an overdraft fee.

By 10:00 AM (ET) each day; the Awarded Bidder must provide DOL with an on-line report of real-time bank balances of the DOL Occupational Training Account. In addition, Awarded Bidder must provide monthly Bank Statement of DOL Occupational Training Account to DOL.

### 2.3.3 OCFS Account(s)

Currently there are 57 LDSSs (including the St. Regis Mohawk Tribe) that participate in this program. Each LDSS has its own payment schedule and will maintain its own individual account with the Awarded Bidder. Each LDSS will make deposits on a monthly basis into its own account based on their individual payment process and is responsible for their own reconciliation process.

OCFS has an established system (NYePAY) to facilitate the payment of Benefits/subsidies. The system handles payment file transfers and debit card enrollments on behalf of each LDSS. NYePAY receives return files from the banking vendor to track the success or failure of files and records sent.

- 1) The total number of subsidy Recipients in the NYePay system as of December 7, 2021 is **10,393**. This does not include NYC adoption, KinGAP, or Child Care. NYC has 8,269 adoption vendors and NYS KinGAP vendors total 1,658.
- 2) There are **1,992** Recipients that receive payment via debit card.
  - a. If debit cards are an additional solution offered in the Bidder's proposal, the bidder must be able to meet this need.
  - b. If debit cards are not an additional solution offered in the Bidder's proposal, the 1,992 recipients indicated above will have to be transitioned to a new payment method. Bidder must provide a process for transitioning these Recipients to one of the solutions proposed by the Bidder. This process must include a method for Recipients to either choose a new payment method or be transitioned to the default payment method identified by the State
- 3) There are **8,335** Recipients that receive payment via direct deposit.

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- 4) It is estimated that LDSS outside of NYC make at least 30,000 childcare subsidy payments per month to child care providers.

The Awarded Bidder must work with each LDSS in establishing and maintaining their account(s) and will support the funding of said accounts based on the LDSS's individual processes (wire transfer, courier check, funded account with declining balance). The Awarded Bidder will disburse the funds based on each LDSS established payment schedule and will support the LDSS in its reconciliation process.

These payments are consumer-owned funds. The Awarded Bidder must comply with appropriate NACHA Operating Rules, hereinafter referred to as NACHA Rules, and **applicable** federal and NYS banking standards that support appropriate delivery of the funds to the Recipient as well as the handling of unclaimed funds/inactive accounts.

### 2.4 Child Support ACH Payments

The State makes daily transfers of funds from DOL UI Benefit accounts to the appropriate states for Child Support payments. In calendar year 2021, the State processed approximately 687,000 Child Support Orders, which required over \$261 Million in fund transfers to the appropriate states throughout the United States.

These daily fund transfers are done as ACH transfers. One day before the effective date of the funds transfer, the State transmits an electronic file in a secure method as determined by the State to the bank. The following requirements must be met:

- 1) The fund file transfers are done as ACH file transfers.
- 2) The transfer of the ACH funds files to the state is accomplished through a mutually acceptable electronic means (SFTP, internet, etc.).
- 3) The ACH payment provided must have the capability for one entity to input information and a second entity to authorize and release the payment file.
- 4) The State's account must not be charged prior to the settlement date of the payments.
- 5) The ACH release system must provide the State with immediate verification so that the file totals being released reconcile with the State's records.
  - a) Bidders must describe the methods available to the State to verify and approve release of the payments to the ACH.
  - b) Bidders must provide a detailed explanation of how the State's child support file as described in this Section will be processed and their file descriptions for Child Support ACH Payments as indicated in Section 2.1, Current System Requirements.

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### 2.5 Electronic Distribution of Benefits

The State currently provides Benefits by ACH Direct Deposit and Prepaid Debit Card systems for paying UI and OTA Benefits, and OCFS Adoption Subsidy payments. OCFS will be adding the KinGAP and Child Care programs. Thus, the Awarded Bidder must be able to provide Benefit Banking Services electronically through the ACH and through at least one another award method. Critical to providing electronic Benefit services to our customers, there must be a bank customer service-oriented Call Center, IVR system and a bank website, available 24/7 with multi-language capabilities (See Section 2.5.3.1 (13)), to provide up-to-date information to customers, including information on current balances, weekly replenishments, lost/stolen cards, and other card related information.

In July 2020, DOL processed an average of 24 million UI payments monthly, of which 19.2 million were for direct deposits and 4.8 million were for debit cards.

OCFS currently has approximately 10,393 adoption subsidy payments deposited monthly. Approximately 1,992 are debit card and 8,335 are direct deposit. The addition of NYC adoption subsidy payments is anticipated to increase these numbers by approximately 13,654 additional monthly deposits. KinGAP would add approximately 2,747 additional monthly deposits. Expanding the electronic payment program areas to include Foster Care, KinGAP and/or Child Care would also result in additional monthly deposits. It is estimated that at least 30,000 childcare subsidy payments are made each month by LDSS outside of NYC.

Historical information can be found on **Exhibit 1** – Historical Direct Deposit and Debit Card Issuance Activity for both DOL and OCFS.

These numbers are historical and are to be used for informational purposes only. There is no guarantee or limitation on the numbers or types of program area transactions. The State reserves the right to negotiate better fees should the transactional volume increase significantly. Bidders are encouraged to carefully analyze this information before submitting a Proposal.

#### 2.5.1 Payment Disbursement Requirements

Bidders must include within their Proposals a description of their ACH Direct Deposit and other payment method systems including the Recipient accessibility for such a system. In preparing these recommendations, Bidders should keep in mind that there are Benefit Recipients who do not have bank accounts.

Unless otherwise noted, the following are Mandatory service provisions:

- 1) Independent capability and processes must be in place to provide daily, weekly, monthly, or on-demand direct deposit or any other proposed disbursement of funds (including customer access to funds on a 24 hours/7 day a week basis).
- 2) The Federal Government requires that timely payments be made to UI and OTA Benefit Claimants and Consumers receiving Adoption Subsidy, KinGAP, and Child Care Payments; therefore:

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- a) The Awarded Bidder must arrange for the disbursement of funds into the account identified by the Benefit Recipient **within eight (8) business days** of notification by the State of a Recipient's qualifying for Benefits and the decision to make Benefit payments to the individual using the preferred or default disbursement option.
  - b) The Awarded Bidder must provide the State with any information needed to begin making payments **within four (4) business days** of notification by the State of a Recipient's qualifying for Benefits and the decision to make Benefit payments to the Recipient using the direct deposit or prepaid debit card option.
  - c) The Awarded Bidder must process a daily payment file containing deposits with the assigned account numbers and other identifying information. In general, we expect that Recipients' accounts will reflect the availability of weekly replenishments **no later than two (2) business days** after the payment file is sent to the Awarded Bidder.
  - d) The Awarded Bidder must reimburse the Recipient for all lost interest and bank-related expenses (including but not limited to stop payment fees and returned item fees) for failure to deposit funds to the Recipient's account as directed by the State. The Awarded Bidder will provide the time frame for reimbursement.
- 3) Maintain a secure link from the Awarded Bidder's website to DOL or OCFS site in order to provide a seamless navigation mechanism for customers to access Benefit information and services that do not come under the bank's purview.
  - 4) All OCFS Recipients are not required to submit their Social Security Numbers as part of the Adoption Subsidy Agreement and KinGAP process. Therefore, an appropriate system must be established whereby Adoption Subsidy payees and KinGAP payees will be able to verify their identity to the Awarded Bidder's call center staff **without using SSNs**.
  - 5) There must be a method for transferring Recipient questions or complaints that more properly come under the State's jurisdiction (including, but not limited to eligibility for Benefits and determination of weekly and/or monthly Benefit amount) from the bank's Customer Call Center to the State's Call Centers (or alternate designated State and/or County offices) in a seamless and customer service-oriented fashion.
  - 6) Provide telephone access for Recipients to obtain account information 24 hours a day, 7 days a week.

### 2.5.2 Additional Requirements for Direct Deposit

#### 2.5.2.1 Mandatory Service Provisions

The Awarded Bidder must also meet the following Mandatory service provisions:

- 1) Provide the State an acknowledgment file of all files received for direct deposit ACH transactions.



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- 2) Provide the State a daily file return containing confirmation of successful and failed payments and any other payment-related information needed for the State to properly make and monitor Benefit payments.

### 2.5.2.2 Bidder Requirements

Bidders must affirm the following:

- 1) When requested by the State, direct deposit accounts must be pre-noted to validate the account prior to sending ACH payments.
- 2) Upon notification from the State, the Awarded Bidder will not deposit funds into certain types of Recipient-identified depository accounts.

### 2.5.3 Additional Requirements for Debit Card

#### 2.5.3.1 Mandatory Service Provisions

The Awarded Bidder must also meet the following Mandatory service provisions if issuing and maintaining Debit Cards are part of the proposed solution:

- 1) The prepaid debit card must:
  - a) Operate on a widely accepted banking network, which is compatible with an operating and available ATM network as well as POS retail locations.
  - b) Be limited to **only one specific debit card brand**.
  - c) Have an expiration term of at least three (3) years from the date of issue or according to appropriate banking standards.
  - d) Be replaced, upon request, at no additional cost after the expiration date, if funds are still available to the Recipient, even if account has not had any activity or has not been activated.
  - e) Comply with and remain in compliance with all Federal Reserve Regulations.
  - f) Comply with and remain in compliance with all current industry standards for security and confidentiality.
  - g) Be accepted by participating merchants and will allow PIN based purchases as well as credit via signature without any cardholder fees.
  - h) Allow withdrawal of cash through in-network ATMs.
- 2) Customer service must be provided to Recipients regarding issues, including but not limited to, issuance of cards and replacement cards, PIN changes, withdrawals, account balances, fraudulent use of cards, and account overdrafts.

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- 3) A website must be provided that Recipients can use to locate ATMs throughout the State, view weekly and or monthly replenishments of Benefit amounts to debit cards, and view current balances on accounts as well as transactions histories. This website must be able to be accessed via a link from DOL or OCFS website for seamless customer service.
- 4) Monthly statements, either electronic or paper at the option of the Recipient, must be provided to each/prepaid debit cardholder, reflecting transactions histories and card balances.
- 5) Cardholders must be provided with a minimum of five (5) surcharge-free in-network ATM cash withdrawal transactions per month as well as "surcharge-free" access at a wide range of POS locations throughout the State.
- 6) It is desirable for Cardholders to be able to do balance inquiries at in-network ATMs at no cost, on a 24 hours a day/7 days a week accessibility basis, even if limited to a certain number of balance inquiries per week/month. Bidders must describe the limitations on balance inquiries.
- 7) Take reasonable steps to preclude Recipients from overdrawing their debit card accounts and assume financial responsibility for any debit card accounts that may be overdrawn. The State prefers Bidders **not** charge a denial transaction fee to the Recipient.
- 8) Issue prepaid debit cards and related PINs to Benefit Recipients on behalf of the State. The Awarded Bidder must allow the Cardholders to change their PINs without any charge and provide the cardholder with the PIN selection process for when a card is lost or stolen and when the cardholder forgets his/her PIN, after the initial card issuance.
- 9) The prepaid debit card services must be available to Recipients of Benefits who are outside CONUS and those who have United States Military addresses.
- 10) Notify the Cardholders of any changes in policy that affect them or their account in accordance with industry standards.
- 11) Be able to process multiple account enrollment files on a daily basis and provide an acknowledgment for all enrollment files received. A return file containing the newly created debit card account numbers, all reissued prepaid debit card account numbers, and all other payment-related information needed for the State to properly make and monitor Benefit payments must also be sent on a daily basis.
- 12) Accept without charge to the State or cardholder, any reversals from the State for any prepaid debit card credit entries made in error to the cardholder account per NACHA Rules, to the extent that such entries are within the Awarded Bidder's jurisdiction.
- 13) Comply as follows: Executive Order 6 [<https://www.governor.ny.gov/executive-order/no-6-continuation-and-expiration-prior-executive-orders>] which continues Executive Order 26.1 as issued on March 23, 2021 which directs State agencies that provide direct public services to provide language assistance services (interpretation and translation services) to people with LEP in the ten most common non-English languages spoken by individuals in

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the State of New York, based on United States census data [currently Spanish, Russian, Chinese (Mandarin and Cantonese), Haitian-Creole, Italian, Korean, Arabic, Polish, Bengali, and Yiddish]. Customer support must provide telephone interpretation services in the Recipient's primary language and must provide translation services of vital documents, including essential public documents such as forms and instructions provided to or completed by Recipients, in the ten most common non-English languages listed above.

- 14) Acknowledge the right of the State to approve the name, design and graphics of the card that will be issued, and all instructional materials sent to Cardholders, under this program.
- 15) Create and mail first class notification letters to Cardholders who have not activated their debit cards. The content of the notification letter is subject to the prior approval of the State. For debit cards that have not been activated after the date indicated in the notification letter, transmit to the State an electronic file containing the Cardholder name, address, account number and debit card amount.
- 16) Will return un-activated debit card funds and/or unused debit card funds pursuant to NYS law and/or the direction of DOL and/or OCFS.
- 17) Provide notification to the State whenever the prepaid debit card is no longer active, which is upon its expiration date, or the card is not activated.
- 18) Accept address changes and date of birth changes from DOL Claimant Cardholders. Address changes and date of birth changes made via Awarded Bidder will be made available to DOL in a mutually acceptable electronic format. The Awarded Bidder will also advise Cardholders to notify DOL of their address changes and/or date of birth changes.

**PLEASE NOTE: OCFS Consumer Cardholders are NOT allowed to change their address or date of birth with a bank representative. These changes must be handled at the LDSS.**

- 19) Assist the State with developing informational and marketing materials, for Recipients as well as with training of State staff on debit card program.
  - a) All Recipient informational and marketing material must be clear regarding the services provided; all possible fees are to be built into the fully loaded debit card cost, reflected in each Bidder's Cost Proposal, **Attachment K**. No fees are to be submitted in the Technical Proposal.
  - b) All such informational and marketing materials must be approved by the State prior to distribution or use. All such informational and marketing materials will be deemed "Works for Hire" as such term is used in the Copyright Act. (17 USC Section 101 et seq.)
- 20) Provide detailed monthly reports to the State regarding prepaid debit card activities. These reports will include:

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- a) The total number of prepaid debit cards issued, including the timeliness of the issuance of these cards.
  - b) The total number of prepaid debit cards cancelled.
- 21) Create a debit card account and mail or deliver a debit card to all new Recipients who choose debit card as their method of payment and to existing Recipients who do not already have a debit card account and who choose to change their method of payment to debit card.
  - 22) When discovered that a debit card is overdrawn, the Awarded Bidder will lock the debit card from further use until the issue is resolved or the account is settled, except if the debit card is overdrawn as the result of an error on the part of the Awarded Bidder.
  - 23) Provide Benefit Recipients the following additional debit card services.
    - a) Allow out-of-network ATM cash withdrawals and inquiries.
    - b) Expedited mailing services of replacement cards.
    - c) Additional debit card for an authorized representative of the Benefit Recipient.
    - d) Issue a check to close out the debit card.

### 2.5.3.2 Bidder Requirements:

Bidders must address the following:

- 1) Explain how ongoing and up-to-date Recipient information regarding current balances on individual accounts and transaction history information will be made available to the Recipient via a bank toll-free Customer Call Center, IVR system, or any web-based system that may be proposed by the bidder.
- 2) Provide any limitations on the dollar amount that can be withdrawn at ATMs which are placed on Cardholders.
- 3) Explain how customer support will provide the capability for Cardholders to report lost, stolen or damaged cards. Describe the procedure, including the timeline for reporting lost, or stolen, or damaged cards. In addition describe the process for addressing fraud.
- 4) Provide information as to how quickly and through what method the Cardholders will be notified of the changes in bank policy that affects them.
- 5) Provide the process and timeframe for resolving errors on the part of the Bidder.
- 6) Provide the process and timeframe for resolving complaints from Recipients of Benefits through prepaid debit cards.
- 7) Describe any restrictions that will be placed on debit card usage.

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- 8) Supply a list of additional languages to those required as part of Executive Order 6 (Statewide Language Access Policy), that are available through the Bidder’s customer support center and explain what interpretation and/or translation service(s) that will be used.
- 9) Provide how customer support will be provided to Recipients who are hearing impaired using Teletype (TTY) [Also known as Text Telephone Device or Telecommunication Device for the Deaf (TDD)] and Hearing-Impaired Services as well as other disabilities as referenced in Appendix GTC “Americans with Disabilities Act”.
- 10) Describe the documents that Bidder expects to provide in the ten (10) languages (see Section 2.5.3.1 (13)) including relevant customer service and disclosure information.
- 11) Explain the process of notifications to the State of address changes received by the Bidder and the time frame of the notification.
- 12) Explain the process, including timeframe, for reporting to the State when the Bidder receives returned mail regarding a cardholder.

### **2.6 Requirements for Additional Disbursement Methods**

Bidders must include the following in their proposal as it relates to new disbursement methods to the State

1. The alternative solution proposed must take into consideration the needs of unbanked and underbanked Recipients.
2. The alternative solution should be accessible to Recipients throughout the State.
3. The State desires to have a variety of options for Recipients to receive benefits and Bidders will be evaluated on both the quality and quantity of alternatives proposed.
4. The State has a desire to provide unbanked and underbanked Recipients with the opportunity to obtain a checking or savings account with a NYS or federally chartered commercial bank or credit union and Bidders should propose customer-service oriented a plan for assisting Recipients with establishing a checking or savings account.
5. The State strongly desires a proposal that addresses the need to connect Recipients with NYS or federally chartered community banks or credit unions in regions throughout NYS.
6. The Awarded Bidder must have the ability to perform all functions related to check payments, regardless of if they propose it as a primary disbursement option. This includes such functions as printing checks as well as distributing those checks.

### **2.7 DOL Paper Check Issuance Procedure**

DOL issues a small number of paper checks for UI and OTA Benefits. These checks are issued to reimburse Claimants for tax refunds taken in error, to the estate of a deceased Claimant, to replace

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stale-dated checks, and for other miscellaneous reasons. Additionally, Bidders may propose paper checks as a customer selected payment method for the issuance of weekly benefits.

In addition to benefit checks, paper checks must be issued due to the IRORA. IRORA is an agreement where participating states act as agents for each other to recover overpayments of Benefits. A state will offset a Claimant's current Benefits in order to recover an overpayment incurred in another state. Payments will be made to the requesting states at least once a week.

The Awarded Bidder must provide an electronic file transfer daily which lists all items that have been paid on all the accounts the previous business day. See **Exhibit 3**, Desired File Descriptions. The controlled disbursement site must be able to process as many as 100 checks as part of a normal business day.

The Awarded Bidder must offer check services as part of the proposed solutions; however, checks do not have to be an option for Recipients to receive their weekly or monthly benefit payments. If the Awarded Bidder offers checks as an alternative to ACH, they must be able to meet the number of checks requested by benefit customers each day.

Bidders must provide the following information:

- 1) Location of the controlled disbursement site that will process checks from these accounts.
- 2) The percentage of the items received at the controlled disbursement site that is received at first presentment.
- 3) The average time of the final presentment for the controlled disbursement accounts.
- 4) Lost checks, customer support for check questions, etc.

### 2.7.1 Automated Issuance Procedure

At a minimum, the Awarded Bidder must be willing and capable of receiving the check issuance data daily from NYS electronically. The Awarded Bidder must process the DOL check issuance file with information from both UI and OTA Benefit programs. This issuance file will be sent to the bank as necessary. Bidders must provide their file descriptions for the check issuance file as indicated in Section 2.1, Current System Requirements.

Unmatched items are checks presented for payment that do not match the DOL check issuance file. The Awarded Bidder must compare the checks being presented against the DOL check issuance file that has been provided by NYS on the day of receipt. Funding can include unmatched or exception items, but these items must be adjusted or reversed from the funding no later than the next business day. Bidders must describe the process for the positive pay matching of paid items, how NYS will be notified of the unmatched items, and how and when the funding will be adjusted for any positive pay exceptions.

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### **2.7.2 Check Removal/Void/Stop Payment Issuances for Lost Checks**

When a check has been lost, NYS cancels the issued check and reissues a new check. Due to the urgency of removal/void issuances, it is essential that the Awarded Bidder be able to post these transactions immediately.

- 1) The Awarded Bidder must provide NYS with the ability to void issuances on-line, preferably by entering only the check number. Bidders must include at what point a void will be indicated on the system.
- 2) The Awarded Bidder must provide on-line verification that the voids have been affected no later than 10:00AM ET, the next business day.
- 3) Once a void is placed on-line, the transaction must be effective in that day's bank processing.
- 4) The Awarded Bidder's on-line system must be able to allow a variety of simultaneous accesses, such as separate individuals placing voids.
- 5) Bidders must describe how and when reports on voids will be available.

### **2.7.3 Check Removal/Void Issuances for Returned Checks**

When checks have been returned to the State by either the U.S. Postal Service, as undeliverable, or directly by the Recipient because of an overpayment to the Recipient, the State processes void transactions in its system, but does not issue replacement checks. When necessary, a file of checks to be voided is created by the State and sent to the current Contractor. The Awarded Bidder must be willing and able to receive this file and void the checks from its system no later than the next business day. The file that is sent from the State includes a field for void transaction type. Bidders must provide their file descriptions for the void check file as indicated in Section 2.1, Current System Requirements. The Awarded Bidder must process the void check file, update it, and return the file to the State on a weekly basis for all checks that were voided during the previous week. Bidders must also include the back-up process provided if the primary method of transmission is not available.

### **2.7.4 Write-Off of Checks**

The Awarded Bidder must provide the ability for the State to write off (cancel/void/delete) all checks that have been outstanding for 74 calendar days. The Awarded Bidder must automatically identify for the State aged outstanding items for potential stale-dating. The Awarded Bidder must remove them from the outstanding file and provide the State with a daily electronic file listing of the aged items that were removed. Bidders must provide their file descriptions for the daily electronic file as indicated in Section 2.1, Current System Requirements. The daily electronic file must provide a total item count and total dollar amount.

The Awarded Bidder must include the listing of written-off checks on the paid transmission file that is sent back to the State. If the listing of written-off checks will be a separate file, then it must be electronically transmitted from the Awarded Bidder to the State on the day it was written off.

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Bidders must describe the most efficient and secure method proposed for the daily transmission of written-off check data providing their file descriptions for the paid transmission file as indicated in Section 2.1, Current System Requirements. These files are currently transmitted electronically between NYS and the bank via SFTP.

### 2.7.5 Check Imaging and Check Retention

The Awarded Bidder is required to provide a web-based system via a secure internet connection for viewing and retrieving check images to DTF. The Awarded Bidder must maintain and store images of the front and back of all paid checks issued from these accounts and make these images accessible to the State for a seven-year period. In addition, to avoid having a representative of the Awarded Bidder present at judicial proceedings, physical copies of checks certified by the bank are required. Bidders must describe a procedure to request and receive these certified copies. The check image/retrieval system provided by the Awarded Bidder must include and provide the following capabilities:

- 1) Transmission of check images between the Awarded Bidder and the State must be encrypted and secure;
- 2) The ability to view on-line both sides of imaged checks;
- 3) The ability for the State to print copies of these checks;
- 4) The ability to request certified copies of both sides of the checks, where the bank certifies that the copies accurately represent the original checks;
- 5) The ability to access paid items via the on-line retrieval system must be for one (1) year from the check's paid date;
- 6) The ability to access paid items in some manner from archived files, for checks whose paid date is greater than one (1) year but less than seven (7) years;
- 7) An emergency plan to provide check images to the State when the on-line system is unavailable; and
- 8) Check images must be accessible and retrievable by check number. If a sequence number is also required, Bidders must provide a detailed explanation of how to obtain the sequence number. Only electronic methods of accessing sequence numbers are acceptable.

### 2.8 Account Reconciliation Services for Checks

Currently, checks presented for cashing are matched to the issuance file for Benefit Accounts. Items that do not match the issuance file, such as misreads or encoding errors, are posted to the accounts as paid items before they are “scrubbed”<sup>6</sup>. Adjustments to the posting due to the

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<sup>6</sup> For informational purposes, the scrubbing process is performed by the Awarded Bidder's Account Reconciliation team assigned to the particular account in question. It is designed to correct items such as check encoding errors on valid checks so that the financial adjustment is done to the account as opposed to having to present them to DOL as positive pay exception items and which



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scrubbing process are passed to the State the following business day electronically via SFTP on the paid check transmission.

Items that cannot be reconciled to the issuance file are considered “suspect items” or “rejections”. These are available for viewing by the State on the Awarded Bidder’s web-based on-line system. If the State does not notify the bank concerning the disposition of suspect items, the default is to “not pay”.

The Awarded Bidder must provide a daily full account reconciliation service with a positive pay feature for the Benefit Banking Accounts listed in Section 2.3. Bidders must explain the positive pay feature fully in their Proposal. The State accesses daily statements from the Awarded Bidder’s web-based online system and prints them locally as needed.

Paid items must remain on the inquiry system for at least one year to expedite the request of copies/images.

In addition, Bidders must:

- 1) Provide an overview of the positive pay and account reconciliation services. This overview must include the following:
  - a) A description of how items that do not match the issuance file will be processed;
  - b) A definition of the use of the terms ‘Paid No Issue’ and/or ‘Paid Without Issue’;
  - c) Whether altered or counterfeit items are covered; and
  - d) Procedures for handling altered or counterfeit checks.
- 2) Provide the time of the day the ‘Paid No Issue’ or ‘Paid without Issue’ items will be scrubbed.
- 3) Provide when paid items will be posted (e.g., before or after reconciliation).
- 4) Describe the process for notifying the State of items that cannot be reconciled.
- 5) Describe in detail the process to reconcile differences between postings to the outstanding ledger and postings to the main account. If posting occurs after reconciling, this information is not necessary.
- 6) Provide the length of time that paid items will remain on the system.
- 7) Describe the process the State will use to obtain images once the paid items are cleared from the system.

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need to be adjusted afterwards. It is designed to reduce the number of exceptions that DOL will have on a daily basis. If there was a question on whether or not an item was valid, the State would always defer to the customer to make the final pay/return decision on the item.

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- 8) Affirm commitment to accommodate and support the OCFS Subsidy Payments reconciliation process as established by each of the 57 LDSSs.

### 2.9 Online Access and Reports

- 1) The Awarded Bidder must provide a secure web-based system which allows the State's authorized users access that includes, but is not limited to, reports, inquiries and authorization for payment release.
- 2) The Awarded Bidder must give the State the ability to grant and revoke permissions of its employees for accessing account and report information online. The system shall require unique passwords for the State administrator(s).
- 3) Bidders are to provide an overview of the process for user maintenance to add or delete users and assigning functions to various users.
- 4) In the event that on-line access to the Awarded Bidder's webpage/portal becomes inoperable for one day or longer, the Awarded Bidder must provide a satisfactory back-up service (for example, reports sent by messenger service and/or express mail), so that all photocopy requests and void requests are achieved timely, until the on-line access is fully restored. Bidders must describe how these back-up services will be provided. The Awarded Bidder must also make available all required on-line access and reports specified in this RFP in a comparable form, including reports for the electronic Benefit distribution system via pre-paid/debit cards, if applicable.

#### 2.9.1 Online Access

On-line access is required for the following functions:

- 1) Reconciliation Inquiry – to verify the status of a transaction.
- 2) Transactions Paid Inquiry – to view the daily paid file on-line.
- 3) Void Requests – to view and enter voids on-line.
- 4) Image Requests – to view and request copies of imaged checks on-line. See Section 2.7.6 for more information.
- 5) Account Analysis – to provide the State with an account analysis in '822' format.<sup>7</sup>
- 6) The communication of consumer data that has been changed, such as date of birth, mother's maiden/birth name, and address changes to keep the data in the system uniform with the data in the State system.

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<sup>7</sup> For informational purposes, the '822' format is the electronic equivalent of a bank's Account Analysis statement provided to their customer on a monthly or quarterly basis. The '822' format electronic statement includes balance, compensation, service charge and adjustment information in a standard format that must be imported into a software to be human-readable. Most companies receive account analysis statements in a PDF format that are over 40 pages long. Receiving an '822' format file from the bank allows customers to generate reports and catch errors on statements with ease.

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- 7) If proposed solution includes the issuance of debit cards, generation of weekly reports to check on:
  - a) the status of Recipient’s debit card (active, inactive);
  - b) lost debit cards that are reissued;
  - c) damaged debit cards that are reissued; and  
undeliverable debit cards.

### 2.9.2 Online Reports

See **Exhibit 2**, Schedule and Description of Required Reports. This exhibit provides a detailed schedule, by agency, of the daily, weekly, and monthly reporting requirements, including a description of the report items that must be included. All reports must remain secure during transmission to the State. All reports shall be available online for a minimum period of 90 days and otherwise maintained for a minimum period of seven years. The State reserves the right to add, delete or make changes to the required reports list to accommodate changes in processes. If the State finds it necessary to delete or make changes to the required reports, the State will meet with the Awarded Bidder to determine how new report requirements will be met.

Bidders must address the following in their Proposals:

- 1) Describe each report.
- 2) Provide samples of the reports as **Appendix 4** to the RFP response. In addition to these reports, the Awarded Bidder must provide a report of inactivated debit cards, if part of the proposer’s solution.
- 3) Describe how and when reports will be made available to the State in the event of a system failure in accordance with Section 2.11.
- 4) Provide the length of time that reports will be available on-line.
- 5) Provide the duration that paid items will be available on the system.

## 2.10 Testing and Implementation

### 2.10.1 Pre-implementation Testing

Before implementation, the Awarded Bidder must demonstrate to the complete satisfaction of the State that requirements of this RFP are in place. Prior to testing, the Awarded Bidder and its agents and employees who will have access to State information must sign the Appendix NDA – Non-Disclosure Agreement provided by the State. The Awarded Bidder must conduct a full simulation of an active State bank account using test data representing up to 500,000 electronic payments in a single file. This will include transmitting an issuance file, posting outstanding items, obtaining images, posting voids, and matching paid items to the issuance file.

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### 2.10.1.1 *Full Simulation*

This test will include, but is not limited to, a demonstration of the following:

- 1) Issuance file can be posted to the reconciliation system;
- 2) Paid items can be posted to the reconciliation system;
- 3) Electronic transmission of paid checks to the State;
- 4) Provide sample of required reports;
- 5) Online inquiry system can be accessed to perform status inquiry and void requests;
- 6) Processing of any type of electronic payments;
- 7) Processing of ACH payments and pre-notes;
- 8) Processing of acknowledgement file indicating receipt of ACH file;
- 9) Processing of alternative methods of payments proposed by the Bidder;
- 10) If applicable, processing of Debit Card Enrollments via file transfer as well as through the provided online web application;
- 11) If applicable, processing of acknowledgement file indicating receipt of Debit Card Enrollment file;
- 12) Accessing deposit and ACH Federal Wire information;
- 13) Test checks can be matched to an issuance file;
- 14) Testing and Conversion Capabilities;
- 15) Check imaging and retrieval capability;
- 16) Physical deposits of checks by the State;
- 17) Test that all encryption methods are in place and working for bi-directional SFTP of payment files and debit card enrollment files; and

### 2.10.1.2 *Testing Plan*

The plan should at least address the following:

- 1) The procedures for testing the items listed above in Section 2.10.1, Pre-implementation Testing;
- 2) How an account simulation will be conducted;

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- 3) The extent of the State’s role in the testing process; and
- 4) Timeframe.

All possible costs associated with the Pre-Implementation Testing are to be built into the development cost, reflected on the Cost Proposal Form – **Attachment K**.

### 2.10.2 Implementation Plan

The Awarded Bidder must provide an Implementation Plan for providing the Benefit Banking Services. The Awarded Bidder must work with all parties necessary to: i) establish the banking services required under this RFP; ii) make all reasonable efforts to work with current Contractor for transition; and iii) transfer services without interruption from the Awarded Bidder to the State and/or a subsequent Contractor upon termination or expiration of the Contract resulting from this RFP. Bidders must list major activities and time frames for completing the development, Pre-Implementation Testing, transition to production, and on-going support functions.

The Implementation Plan should include a plan to include all necessary activities to perform and procedures to follow to ensure a smooth, timely, transition into Production environment, including, but not limited to:

- 1) A description of the Bidder’s implementation approach and how the project will be managed, to include a project communications and risk management plan;
- 2) A description of how and when the State will test and accept the solution and confirm and authorize its implementation;
- 3) A description of the steps to be taken to ensure claimants and state staff will be ready to use the solution once implemented
- 4) A description of the steps to be taken to ensure claimants are ready to provide ongoing support once the solution has been implemented;
- 5) A description of the point in implementation that the State takes responsibility for troubleshooting and resolving problems;
- 6) Identification, including a full description, of user and technical documentation to be delivered as part of the implementation;
- 7) A description of the approach to be used in transferring knowledge to State staff;
- 8) A project schedule of all activities to be performed by the State and the Awarded Bidder to meet the requirements specified within the RFP;
- 9) A description of the dedicated resources, procedures, and controls the Bidder will provide, and any recommendations they may have for the transition period to ensure that the transition/knowledge transfer and continuity of support services is completely successful;

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- 10) A description of up to two days of training, as determined by the State employees who will be working with the Awarded Bidder;
- 11) A description of all applicable Federal Reserve Regulations requirements and how they will be met;
- 12) A description of the approach, process and timeline for the design and implementation of electronic distribution of Benefits, including ACH, checks, and any alternatives proposed; and
- 13) The Bidder's agreement to provide to its staff and all subcontractors' staff awareness of and adherence to all confidentiality and secrecy provisions more thoroughly described in Appendix GTC.

All possible costs associated with the Implementation Testing are to be built into the development cost, reflected on the Cost Proposal Form – **Attachment K which is submitted only in the Financial Proposal.**

### 2.10.3 Staffing Plan

Bidders must provide a staffing plan for development, implementation (testing and conversion), training and continuous support of banking services. The staffing plan must include qualifications of bank staff and years of experience. The staffing plan must also include, but not be limited to:

- 1) An organization outline or chart;
- 2) The names, titles, telephone numbers, email addresses and locations of key bank staff responsible for each bank service described in the RFP, both for implementation of services and on-going operations;
- 3) ~~Some~~The means ~~of to~~ providing staffing continuity throughout the duration of the Contract; and
- 4) A description of the account de-provisioning process for any Awarded Bidder's or their Subcontractor's employees who have access to State data when an employee's status changes or ends and no longer requires access.

### 2.11 Disaster Recovery/Fail Safe Operations

The Awarded Bidder must submit a Disaster Recovery Plan that would be used in the event of a systems failure or other disaster at the primary processing site related to these services which provides a sufficient level of fail-safe and disaster recovery operations so that any disruptions to services are not apparent to Recipients. The Awarded Bidder must describe the critical aspects of the plan in the event of a systems failure or other disaster at the primary processing site related to these services. The Awarded Bidder must provide the date when the relevant aspects of the plan were last tested and the frequency which the plan will be tested and updated. The Awarded Bidder will be required to submit an updated Disaster Recovery Preparedness Plan on an annual basis for the life of the Contract.

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In the RFP response, Bidders must:

- 1) Describe the formal disaster recovery plan that will be in place in the event of a systems failure or other disaster at the primary processing site.
- 2) Provide a detailed description of the testing process that will be used.
- 3) Identify and describe existing or proposed fail-safe and disaster recovery plans and the extent to which they will be able to accommodate the programs in this RFP. The description of the plans must include, at a minimum:
  - a) whether or not this is an automatic switch over to systems at a separate site, shared workload at multiple sites, hot site disaster recovery and/or a cold site disaster recovery;
  - b) the recovery of environmental systems (e.g., power, cooling) for your systems; and
  - c) recovery time objective for each service that will be provided.
- 4) Describe the priority for the State programs within the Bidders' disaster recovery plans.
- 5) Identify any enhancements to the existing plans that the Awarded Bidder will make to accommodate the State's programs.
- 6) Provide a diagram that identifies the level of redundancy at the network, operating, and application level, including any interest processing delays during the fail-safe procedure (e.g., draft routing strategy between the main processing site and backup site).
- 7) Describe service agreements and response time frames that Bidders will have prior to operations commencing, providing identification and remediation of foreign substances in the workplace. These services and their associated costs must be built into the fully loaded direct deposit and debit card costs reflected in the Cost Proposal form, **Attachment K**. Please note, no reference to costs shall be provided in the technical Proposal.
- 8) Identify how program documentation and supporting equipment will be stored off-site and available to provide disaster recovery/fail-safe operations.
- 9) Describe whether the bank's source code will also be stored off site in a format that can be implemented in the event of a disaster;
- 10) Describe the bidder's plan for responding to sudden and unforeseeable increased in the distribution of funds from State programs; and
- 11) Describe the bidder's plan for responding to the needs of the State in the event that that the State is required to operate additional federal or state benefit programs.

### 2.12 Banking Service Schedules

With regard to Banking Services Schedules and other standard Bank-related materials submitted by Contractor with its proposal, the Proposer should note that nothing contained in such Schedules

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and materials will be effective to the extent that it constitutes a variance with the terms or requirements of the Agreement, the RFP Z-46, or any of the above-referenced documents, **and which has not been agreed to by the State in the final Contract/Agreement.** Any proposed banking services schedules submitted with the Proposal must be submitted as an attachment to the Administrative Proposal” **and must be provided in editable, Word format.**

### 2.13 Check Cashing

The Awarded Bidder must cash DOL Benefit checks (see Section 2.7) without requiring the individual to have an account with that bank (“On-Us” checking). Many DOL Claimants do not have bank accounts. The State will not indemnify any Awarded Bidder for losses incurred for cashing checks. Anticipated cost of this service must be incorporated into the categories of charges shown on the fee schedule in **Attachment K**, Cost Proposal, in response to this RFP. No cost for check cashing can be passed on the claimant, they must be passed on the State as part of **Attachment K.**

Bidders must describe policies regarding cashing “on-us” checks and provide a list of requirements that would be imposed for DOL Claimants to cash a check (e.g.: picture ID, employee ID, driver’s license, etc.).

The Awarded Bidder should use positive pay at the teller level. Bidders must describe the positive pay program that will be used.

### 2.14 Court Certifications

The Awarded Bidder must provide certification of records for admission in court cases or administrative hearings and witnesses upon request of the State, at no additional cost to the State.



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### 3. FINANCIAL REQUIREMENTS

The purpose of this Section of the RFP is to prescribe the items that must be included in the **Bidder's Cost Proposal, Attachment K**. All costs associated with the requirements of this RFP must be incorporated into the categories shown in the Cost Proposal. No other add-on costs are permitted. The Cost Proposal shall comply with the Mandatory format and content requirements as detailed in this RFP and in **Attachment K**. Failure to comply with the Mandatory format and content requirements may result in disqualification. The prices quoted will be in effect for the term of the Contract as outlined in Section 1.3. The State may, by amendment to the Contract, entertain changes in fees if the State requests enhanced or modified service(s) and the Awarded Bidder agrees to provide said service(s).

The estimated volumes shown on the Cost Proposal will be used only for evaluation purposes to compare prices proposed by Bidders responding to this RFP. Payments will be based on the actual monthly volumes and the contracting Bank will be reimbursed monthly for these services based on items processed for the preceding month. The State reserves the right to negotiate better fees should the transactional volume increase significantly.

Prices quoted must **not include** any FDIC fees. The State may elect to pay for FDIC fees as an add-on to this Contract or include the fees in the overall existing relationship with the Awarded Bidder and pay for them by compensating balance.

The State, **at its sole discretion**, will pay for the services requested in this RFP by either Compensating Balance or Direct Fee payments. Bidder must prepare **Attachment K**, Cost Proposal. There shall be no deviation in proposed cost regardless of method of compensation chosen by the State.

The State reserves the right to change the compensation method at any time during the Contract term with appropriate notification to the Awarded Bidder. The State reserves the right to determine the method to be used to compensate the Awarded Bidder for services. The method may include, but is not limited to, direct fee payment, compensating balance, or a combination of both. The method of compensation shall be that which is expected to provide the lowest cost for Services to the State, as determined solely by the State. Except in extraordinary circumstances as determined by the State, the State agrees not to change the method of compensation at a frequency greater than once annually. ~~and shall provide the Awarded Bidder with at least ninety (90) days written notice of such a change.~~

**Depending upon the method of compensation chosen, the following procedures will be used to determine the compensation:**

#### 3.1 Payment by Direct Fee

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

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relationship the Awarded Bidder has with the State. Earnings Credits are to be calculated using the following formula:

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

Where:

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

**Time** = number of days in period/365

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

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

### 3.2 Payment by Compensating Balance

If the State elects to pay by Compensating Balances, an account specific to this use may need to be established. The value of the Compensating Balances shall be calculated using the same formula as shown above under "Payment by Direct Fees" provided, however, that the Earnings Credit Rate shall be determined based on an OSC computation which factors a three-year average spread between the OSC's Short Term Investment Pool rate and the monthly average investment rate on the three-month Treasury Bill as determined at the weekly auction and published on the US Treasury website or the Awarded Bidder's standard rate, whichever is greater. The Earnings Credit Rate shall be determined by OSC and confirmed with the Awarded Bidder monthly. If payment is made via Compensating Balances, the Awarded Bidder must provide a monthly bank account analysis electronically (currently an 822 file) to OSC. This analysis must include the monthly volume and total costs associated with the Accounts. All excess Earnings Credits on a monthly basis must be carried forward to offset future payments throughout the term of the Contract. **If Earnings Credits remain as of the end date (whether by termination or expiration) of this Agreement, such Earnings Credits may be applied, at the State of New York's sole election and without limitation, to any other banking services (including services covered under a separate agreement) provided by the Bank to the State of New York, including any of its agencies.**

**Please consider the above discussion of the ECR in preparing Attachment K, the Cost Proposal.**

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### 3.3 Development Fees

The Bidder must submit their development fees for services prior to the operational date, including but not limited to systems development, testing and all program support requirements and systems maintenance on **Attachment K**, Cost Proposal.

### 3.4 State Banking Services Fees

A fully loaded operations fee must include but not be limited to all costs related to services required in this RFP including staffing, facilities, equipment, management, program support activities, training and any indirect costs related to the required functions for each banking service detailed on **Attachment K**, Cost Proposal. The Awarded Bidder must guarantee all proposed fees for the ten (10) year Contract term (see Section 1.3).

### 3.5 State Debit Card Fees

Upon Contract award and after certification of the system, the State will request the issuance of approximately 180,000 debit cards to Recipients, if debit cards are part of the Awarded Bidder's proposed solution. These initial cards are separate from the year one estimated volume.

The Contractor must submit a charge to the State for a fully loaded transaction fee for each debit card that is created and mailed. Such fee must incorporate all costs associated with the debit card services.

**Note: No other fees, including but not limited to retrieving and generating reports that are requested in the RFP, will be considered.**

### 3.6 Cardholder Fees

If the Bidder proposed debit cards as part of their solution, the Bidder must provide the following debit card services to Recipient Cardholders. The State requires these Mandatory services either at no fee, desired "no fee," or allowable fee to Recipient Cardholders as outlined below. The Awarded Bidder must guarantee that the proposed Cardholder fees will not increase for the ten (10) year Contract term (see Section 1.3). The proposed fees must be consistent with the requirements of the RFP, US Department of Labor Guidelines, and Federal Rules and Regulations.

Bidders shall submit Attachment K, Cardholder Fees, for the fees they will charge debit card Recipients. The fees established in Attachment K, Cardholder Fees, are the **only** Recipient Cardholder fees allowable in any resulting Contract. If no fee is provided for any of the required services listed on Attachment K, Cardholder Fees, the fee will be set at \$0. Bidders are encouraged to minimize cardholder fees. The Bidders' financial scores will be evaluated where Cardholder fees are imposed.

#### 3.6.1 **Mandatory Services at "no fee" to Cardholders**

- 1) Bank Teller cash withdrawals of any amount.

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- 2) On-line, Merchant Retailers (POS) payments, PIN-based purchases as well as credit via signature.
- 3) Telephone access for Recipients to obtain account information 24 hours a day, 7 days a week.
- 4) Customer Service to Recipients regarding issues, including but not limited to, issuance of cards and replacement cards, PIN changes, withdrawals, account balances, fraudulent use of cards, and account overdrafts.
- 5) A bank toll-free Customer Call Center and IVR system. It is strongly desired that the Awarded Bidder's proposal also has a web-based component.
- 6) Monthly statements, either electronic or paper at the option of the Recipient, provided to each prepaid debit cardholder, reflecting transactions histories and card balances.
- 7) A minimum of five (5) surcharge-free in-network ATM cash withdrawal transactions per month.
- 8) Account maintenance.
- 9) No minimum balance requirements and no fee for account inactivity.
- 10) No charge for PIN changes. The cardholder must be provided with a PIN selection process for when a card is lost or stolen and when the cardholder forgets his/her PIN, after the initial card issuance
- 11) No charge to the State or cardholder for any reversals from the State for any prepaid debit card credit entries made in error to the cardholder account per NACHA Rules, to the extent that such entries are within the Bidders' jurisdiction.
- 12) No charge for replacement of defective cards.
- 13) No charge for replacement of card compromised by third-parties engaged in fraud.

### **3.6.2 Desired no fee to Cardholders**

- 1) Balance inquiries at in-network ATMs at no cost, on a 24 hour/7 day a week accessibility basis, even if limited to a certain number of balance inquiries per week/month.
- 2) No charge to the Recipient for ATM denial transaction fees.
- 3) No charge for in-network ATM cash withdrawals.
- 4) No charge for one replacement card per year.

### **3.6.3 Allowable fees to the Cardholders**

- 1) Cash withdrawals at in-network ATMs after the Mandatory five (5) free per month.

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- 2) Cash withdrawals at out-of-network ATMs.
- 3) ATM balance inquiries at in-network ATMs.
- 4) ATM balance inquiries at out-of-network ATMs.
- 5) ATM denial transaction fee (withdrawal beyond account balance).
- 6) After one replacement card per year (desired) replacement card fees except when due to a defect.
- 7) International ATM cash withdrawals.
- 8) Foreign currency conversion.
- 9) Expedited delivery of cards.
- 10) Check issued to close account.
- 11) Additional card for an authorized representative of Recipient.

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### 4. PROPOSAL RESPONSE REQUIREMENTS

To be considered eligible, Bidders must meet the eligibility criteria outlined in Section 1.9 and submit a complete response to this RFP in conformance with the format and content requirements set forth herein. A Proposal that does not provide all material information requested in this Section may be deemed unresponsive and disqualified. The Proposal must contain sufficient detail to permit the evaluation team members to assess the Bidder's degree of understanding of the total requirements of each item. All Bidders are required to submit complete Technical, Cost, and Administrative Proposals.

To expedite review of the Proposals, Bidders are requested to submit Proposals in separate Technical, Cost and Administrative packages. This separation of information will facilitate the review of the material requested. Bidders are requested to keep their submissions to the shortest length consistent with making a complete presentation of qualifications and services they will provide to meet the requirements of the RFP. Proposals must contain sufficient information to assure the State of their accuracy.

Evaluations of the Technical, Cost, and Administrative Proposals received in response to this RFP will be conducted separately. Bidders are therefore cautioned **not to include** any State fees from the Cost Proposal, Attachment K, in the Administrative or Technical Proposal documents.

**The State will not be responsible for any expenses incurred in preparing and submitting the Technical, Cost or Administrative Proposals. Such costs must not be included in the Proposal.**

So that all Proposals are evaluated on the same basis, Proposals must be organized in the sequence described below.

#### 4.1 Technical Proposal

The purpose of the Technical Proposal is to demonstrate the qualifications, competence, and capacity of the Bidder to perform the services contained in this RFP. The Technical Proposal should demonstrate the qualifications of the Bidder and of the staff to be assigned to provide services related to the services included in this RFP.

A Technical Proposal that is incomplete in any material respect may be eliminated from consideration. The following outlines the required information to be provided, in the following order, by Bidders. The information requested should be provided in the prescribed format. Responses that do not follow the prescribed format may be eliminated from consideration. All responses to the RFP will be subject to verification for accuracy.

The Technical Proposal will address the requirements described in Section 2 – Technical Benefit Banking Services Requirements of this RFP. The Technical Proposal must be packaged separately from the Cost and Administrative Proposals. Use the following format for your Technical Proposal:

##### 4.1.1 Title Page

Provide the following information on the Technical Proposal Title page:

- RFP Title “Benefit Banking Services – RFP # Z-46

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- The words “Technical Proposal”
- The Proposer’s name, and date of the Proposal

### 4.1.2 Table of Contents

The Table of Contents should clearly identify all material (by Section and page number) included in the Technical Proposal.

### 4.1.3 Executive Summary

Include an Executive Summary highlighting significant features of the Bidder’s Proposal which reflect an understanding of the work to be performed as indicated in Section 2.2. If Bidders will use subcontractor(s), a description of services they will perform and estimated amount of the subcontract as required in Section 2.2 must be included. As outlined in Appendix GTC, the State reserves the right to approve all subcontractors prior to their assumption of duties on behalf of the Contractor.

### 4.1.4 Technical Proposal Format

Bidders must describe the methods and procedures that will be used to meet the requirements stated in this RFP in their Technical Proposal.

Please provide the information in the same order in which it is requested. Your Proposal must contain sufficient information to assure the State of its accuracy. Failure to follow these instructions may result in disqualification.

| RFP Section     | Description                 |
|-----------------|-----------------------------|
| 4.1.3           | Executive Summary           |
| 1.9             | Attachments 3               |
| 2.2.2           | Attachment 4                |
| 1.9             | Attachment 5                |
| 2.1, 2.2, 2.9.2 | Bidders' Appendices (1- 4)  |
| 2.1             | Current System Requirements |
| 2.1.1           | Fraud                       |

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| <b>RFP Section</b> | <b>Description</b>                                        |
|--------------------|-----------------------------------------------------------|
| 2.2                | Bidder Requirements                                       |
| 2.2.1              | Experience                                                |
| 2.2.2              | References                                                |
| 2.3                | Benefit Banking Accounts                                  |
| 2.3.1              | DOL Unemployment Insurance Account                        |
| 2.3.2              | DOL Occupational Training Account                         |
| 2.3.3              | OCFS Account(s)                                           |
| 2.4                | Child Support ACH Payments                                |
| 2.5                | Electronic Distribution of Benefits                       |
| 2.5.1              | Payment Disbursement Requirements                         |
| 2.5.2              | Additional Requirements for Direct Deposit                |
| 2.5.3              | Additional Requirements for Debit Card                    |
| 2.6                | Requirements for Additional Disbursement Methods          |
| 2.7                | DOL Paper Check Issuance Procedure                        |
| 2.7.1              | Automated Issuance Procedure                              |
| 2.7.2              | Check Removal/Void/Stop Payment Issuances for Lost Checks |



**REQUEST FOR PROPOSALS (RFP) #Z-46 – Benefit Banking Services**

| <b>RFP Section</b> | <b>Description</b>                               |
|--------------------|--------------------------------------------------|
| 2.7.3              | Check Removal/Void Issuances for Returned Checks |
| 2.7.4              | Write-Off of Checks                              |
| 2.7.5              | Check Imaging and Check Retention                |
| 2.8                | Account Reconciliation Services for Checks       |
| 2.9                | Online Access and Reports                        |
| 2.9.1              | Online Access                                    |
| 2.9.2              | Online Reports                                   |
| 2.10               | Testing and Implementation                       |
| 2.10.1             | Pre-implementation Testing                       |
| 2.10.2             | Implementation Plan                              |
| 2.10.3             | Staffing Plan                                    |
| 2.11               | Disaster Recovery/Fail Safe Operations           |
| 2.12               | Banking Service Schedules                        |
| 2.13               | Check Cashing                                    |
| 2.14               | Court Certifications                             |

***Important: No Fees shall be included in the Technical Proposal documents.***

## REQUEST FOR PROPOSALS (RFP) #Z-46 – Benefit Banking Services

### 4.1.5 Technical Attachments

The following Attachments and Appendices are required in the Bidder's Technical Proposal. Failure to provide these documents with the Proposal may result in the Bidder's disqualification.

#### 1) Attachment 3, Bidder's Certified Statements

**Bidders must submit Attachment 3**, Bidder's Certified Statements, affirming their understanding of the RFP and certifying the Mandatory Bidder Eligibility Requirements specified in Section 1.9 and agreement to comply with the Mandatory Requirements of Section 2, Technical Benefit Banking Services Requirements.

**Attachment 3**, Bidder's Certified Statements, includes information regarding the Bidder and must be signed by an individual authorized to bind the Bidder contractually. Please indicate the title or position that the signer holds with the Bidder. The State reserves the right to reject a Proposal that contains an incomplete or unsigned **Attachment 3**.

**NOTE:** Alteration of any language contained in **Attachment 3** may render the Proposal non-responsive.

#### 2) Attachment 4, References

Bidders must provide references as requested in Section 2.2.2.

#### 3) Bidder's Attachment 5, Mandatory Technical Requirements Affirmation

Bidders must affirm on Attachment 5 that they will meet the Mandatory Technical Requirements for banking services outlined in Section 2. Any affirmations provided with a negative "no" response will be interpreted as the Bidder's inability or unwillingness to provide the Mandatory services and may result in the Bidder's disqualification.

#### 4) Bidder's Appendix 1, File Descriptions

Bidders must provide their File Descriptions as indicated in Section 2.1.

#### 5) Bidder's Appendix 2, Facility Locations

Bidders must provide their Facility Locations as indicated in Section 2.2.

#### 6) Bidder's Appendix 3, ATM and ATM Network Locations

Bidders must provide the proposed network ATM accessibility by providing **Appendix 3** listing ATM and ATM Network Locations as indicated in Section 2.2. If the Bidder is not proposing the issuance of debit cards as part of the proposed solution, the Bidder must still submit an Appendix 3 indicating that debit cards are not part of the proposed solution.

#### 7) Bidder's Appendix 4, Bidder's Samples of Reports

Bidders must provide Samples of Reports as indicated in Section 2.9.2.

## REQUEST FOR PROPOSALS (RFP) #Z-46 – Benefit Banking Services

### 4.2 Cost Proposal Format

The purpose of this Section of the RFP is to prescribe the items that must be included in the Bidder's Cost Proposal Response. Bidders shall not modify or change **Attachment K**. All costs associated with providing the services of the RFP must be incorporated into the Bidder's Cost Proposal, **Attachment K**. No other add-on costs are permitted. The Cost Proposal, **Attachment K** must be enclosed in a sealed envelope, separate and distinct from the Technical and Administrative Proposals. The following are required Sections of the Cost Proposal Response.

#### 4.2.1 Title Page

Provide the following information on the Cost Proposal Title page:

- RFP Title “Benefit Banking Services – RFP #Z-46”
- The words “Cost Proposal”
- The Proposer's name, and date of the Proposal

#### 4.2.2 Table of Contents

The Table of Contents should clearly identify all material (by Section and page number) included in the Cost Proposal.

#### 4.2.3 Cost Executive Summary

The Cost Proposal must begin with an introduction and summary that provides a brief overview and description of the Bidder's approach that was used to determine the overall costs of the banking services proposed.

#### 4.2.4 Cost Proposal Narrative

The Cost Proposal Narrative must provide a detailed narrative description of the Bidder's costs as described in the Summary of Proposed Costs (below). This Section must immediately follow the Cost Executive Summary.

#### 4.2.5 Summary of Proposed Costs

The fees established in Section 3, Financial Requirements, are the only State fees allowable in any resulting Contract. Respond to Section 3 by affirming understanding and agreement with each requirement. **Attachment K**, Cost Proposal must be submitted; failure to provide these documents with the Proposal will result in the Bidder's disqualification.

### 4.3 Administrative Proposal Format

The Administrative Proposal should contain all requirements listed below. A Proposal that is incomplete in any material respect may be eliminated from consideration. The information requested should be provided in the prescribed format. Responses that do not follow the prescribed format may be eliminated from consideration. All responses to the RFP will be subject to verification for accuracy.

## REQUEST FOR PROPOSALS (RFP) #Z-46 – Benefit Banking Services

Please provide the forms in the same order in which they are requested. Your Proposal must contain sufficient information to assure the State of its accuracy.

### 4.3.1 Title Page

Provide the following information on the Administrative Proposal Title page:

- RFP Title “Benefit Banking Services – RFP # Z-46
- The words “Administrative Proposal”
- The Proposer’s name, and date of the Proposal

### 4.3.2 Table of Contents

The Table of Contents should clearly identify all material (by Section and page number) included in the Administrative Proposal.

### 4.3.3 Bidder's Freedom of Information Law (FOIL) Letter

Bidders must clearly and specifically identify any portion(s) of the Proposal that a Bidder believes constitute(s) trade secrets or proprietary information exempt from disclosure pursuant to Public Officers Law (POL) Section 87(2) (d). If there is information in your Proposal which you claim meets the definition set forth in POL Section 87(2) (d), you must so inform us in a letter accompanying your Administrative Proposal.

### 4.3.4 Bidder’s Federal and State Certifications

Bidder must acknowledge and attest that it has read and agrees to the Proposal Requirements as outlined in Sections 4, 5 and 6. Bidder must submit a completed and signed **Attachment A** – “Bidder’s Federal and State Certifications”.

### 4.3.5 Vendor Responsibility Questionnaire

Bidders must complete, certify, and file a NYS Vendor Responsibility Questionnaire.

If a Vendor Responsibility Questionnaire has been filed on-line and has not been certified within the last six months, Bidders must either update/recertify the on-line questionnaire or submit a new paper questionnaire. Bidders must complete **Attachment I**, Vendor Responsibility Form, with their Administrative Proposal. Upon notification of intent to award, the Contractor may be required to update/recertify the on-line questionnaire.

### 4.3.6 Offerer’s Affirmation of Understanding and Agreement pursuant to State Finance Law §139-j (3) and §139-j (6) (b) and Disclosure of Prior Non-Responsibility Determinations

Submit a completed and signed **Attachment C**, Offerer's Affirmation of Understanding and Agreement pursuant to State Finance Law §139-j and §139-j(6)(b) and **Attachment B**, Offerer’s Disclosure of Prior Non-Responsibility Determinations.

## REQUEST FOR PROPOSALS (RFP) #Z-46 – Benefit Banking Services

### 4.3.7 Minority- And Women-Owned Business Enterprises (MWBE)

Bidders are required to submit in their Administrative Proposal **Appendix MWBE-4, MWBE 100**, MWBE Utilization Plan, or **Appendix MWBE-5, MWBE 101**, Application for Waiver of MWBE Participation Goal as described in Appendix GTC.

### 4.3.8 Equal Employment Opportunity (EEO) Reporting

Submit a copy of the Bidder's EEO Policy Statement (**Appendix MWBE-1**), as described in Clause 12 of **Appendix A**, Standard Clauses for New York State Contracts, or in RFP Appendix GTC.

**Submit a completed and signed Appendix MWBE-2**, EEO-100 Equal Employment Opportunity Staffing Plan. This documents the workforce to be utilized on the State Contract entered into as a result of this procurement, broken down by specified ethnic background, gender, and Federal occupational categories or other appropriate categories specified by the State. See Appendix GTC.

### 4.3.9 Encouraging use of New York State Business in Contract Performance

NYS businesses have a substantial presence in State Contracts and strongly contribute to the economies of the State and Nation. In recognition of their economic activity and leadership in doing business in NYS, Bidders/proposers for this Contract for commodities, services or technology are strongly encouraged and expected to consider NYS businesses in the fulfillment of the requirements of the Contract. Such partnering may be as subcontractors, suppliers, or other supporting roles. Each Bidder must complete and submit **Attachment J**, Encouraging Use of New York State Businesses in Contract Performance.

### 4.3.10 Proposed Banking Service Schedule

Bidders are required to submit their own **Exhibit C**, Banking Service Schedules in an editable word document. With regard to these Schedules, the State reserves the right to negotiate the terms and conditions in the submitted Banking Service Schedules and nothing contained within shall be effective to the extent that it constitutes a variance within terms or requirements of this RFP or any resulting contract.

### 4.3.11 Additional Forms (Mandatory Administrative Proposal Submissions)

Bidders are required to include the following forms with their Administrative Proposal.

- A. **Attachment F** – Bidders Certification of Compliance with Public Officers Law § 73(4)
- B. **Attachment G** - AC 3237-S NYSOSC Substitute W-9
- C. **Attachment H** – No Conflict of Interest
- D. **Appendix EO 177** – EO 177 Certification

### 4.3.12 Additional Forms (Optional Administrative Proposal Submissions)

While the following information is not required until notification of selection of award (see Sections noted), Bidders are encouraged to submit the following materials with their Administrative Proposal:

## **REQUEST FOR PROPOSALS (RFP) #Z-46 – Benefit Banking Services**

- A. **Attachment L**, State of New York Undertaking for Bank Deposits and Assignment of Securities (Section 1.9)
- B. **Attachment D**, ST-220 CA, Sales and Compensating Use Tax Certification (Appendix GTC)
- C. **Attachment E**, ST-220-TD Contractor Certification to NYS Dept. of Taxation and Finance
- D. Workers' Compensation and Disability Documentation (Appendix GTC)

### **4.4 Summary of Required Documents**

The table found Section 4.1.4 summarizes the documents to be completed and submitted with the Bidder's Proposal as well as the forms that the Awarded Bidder will need to complete prior to a Contract being approved.

**REQUEST FOR PROPOSALS (RFP) #Z-46 – Benefit Banking Services**

**5. PROPOSAL SUBMISSION REQUIREMENTS**

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

Proposals that do not comply with these instructions or do not meet the full intent of all of the requirements of this RFP may be subject to scoring reductions during the evaluation process or may be deemed non-responsive.

**5.1 Questions Concerning This RFP**

The State will provide written response to all substantive questions and requests for clarifications submitted in writing as discussed in this Section. Bidders should submit questions regarding exceptions to the RFP as well as to the Mandatory Contract Terms specified in Appendix GTC; and in a separate attachment, Bidders must provide each proposed extraneous term (addition, deletion, counteroffer, deviation or modification), supporting applicable documentation, and reasons for disagreement. Bidders may submit written questions via email (preferred) or by hard copy mailed to the address below. Questions regarding the RFP will be accepted no later than the date and time specified in Section 1.2, Calendar of Events. No telephone inquiries will be accepted. It is the Bidder's responsibility to verify that their questions are received by the deadline for submission as specified in Section 1.2.

The comprehensive list of questions and responses will be posted to the NYS Contract Reporter as well as NYSDOL’s Website for this RFP and notice of such posting will be distributed by email to all Bidders known to the State (submitted questions or requested responses via email). This listing will not include the identities of the Bidders submitting the questions; those Bidders will remain anonymous to the extent allowed by law. Prospective Bidders may also obtain an electronic or hard copy of the questions and answers upon request to the email below.

Any questions received **must reference** the **RFP Section/Subsection** and **page number** that the question is pertaining to in a table as outlined below.

| # | RFP Section/Subsection | RFP Page # | Question |
|---|------------------------|------------|----------|
|---|------------------------|------------|----------|

Any questions received after the due date and time may not be considered in the process. The State takes no responsibility for any third-party error in the delivery of questions (e.g., U.S. Postal Service, Federal Express, UPS, courier).

**Written Correspondence:** New York State Department of Labor  
Purchase & Contracts  
State Office Campus  
Bldg. 12, Rm. 465  
Albany, New York 12226

**Email Address:** [DOLPurchase-Contracts@labor.ny.gov](mailto:DOLPurchase-Contracts@labor.ny.gov)

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### 5.2 Notice of Intent to Bid

All Bidders intending to submit a Proposal in response to this RFP should complete and submit the "Notice of Intent to Bid" (**Attachment 2**) form to the email or correspondence address above no later than the date and time specified in Section 1.2. Submission of this form is not Mandatory for a Proposal to be submitted. If your organization does not intend to submit a bid proposal, please provide an explanation/reason why on **Attachment 2**.

### 5.3 Response Due Date

Responses to this RFP must be received no later than **date and time specified in Section 1.2, Calendar of Events**. Any responses, or unsolicited amendments to Proposals, received after the due date and time may not be considered in the process at the sole discretion of the State. The State takes no responsibility for any third-party error in the delivery of responses (e.g., U.S. Postal Service, Federal Express, UPS, courier, etc.). It is the Bidder's responsibility to verify that their RFP Proposal sent is received by the deadline for submission as specified in Section 1.2.

### 5.4 Response Forwarding Instructions and Format

RFP Proposals must be sent via hard copy mail as provided below. RFP responses must be transmitted in a sealed mailer with the title of the RFP, and the respondent's name and address, clearly displayed on the exterior of the package.

**Written Correspondence:** Ryan Cerone & Sarah Berte  
Re: RFP #Z-46  
New York State Department of Labor  
Purchase and Contracts Unit  
Building 12 – Room 465  
State Office Building Campus  
Albany, New York 12226

Each Proposal should contain a Table of Contents with page numbers and original Proposals must be clearly marked "Original" on the cover page.

Each Technical Proposal, Cost Proposal, and Administrative Proposal must be packed *separately* in sealed envelopes/package with the title of the RFP, RFP #Z-46, and the Bidder's name and address clearly displayed on the exterior of each envelope. The separate Technical Proposals, Cost Proposals, and Administrative Proposals may be submitted within one complete package/shipping container.

a) *For the TECHNICAL Proposal:*

Submit **THREE (3)** complete originals with original signatures and **five (5)** paper copies. The original of the Technical Proposal must be clearly marked "ORIGINAL" on the cover page.

b) *For the COST Proposal:*

Submit **THREE (3)** complete originals with original signatures and **five (5)** paper copies. The original of the Cost Proposal must be clearly marked "ORIGINAL" on the cover page.



## REQUEST FOR PROPOSALS (RFP) #Z-46 – Benefit Banking Services

c) *For the ADMINISTRATIVE Proposal:*

Submit **THREE (3)** complete originals with original signatures and **five (5)** paper copies. The originals of the Administrative Proposal must be clearly marked “ORIGINAL” on the cover page.

d) *For EACH of the Administrative, Technical, and Cost Proposals:*

In addition to the paper proposals above, submit each of the Administrative, Technical, and Cost Proposals as separate files on separate USB flash drives. An acceptable format for files is unlocked Adobe PDF. The State prefers that such files be searchable. The files must be representative copies of the original documents, including signatures.

The Proposer should scan the USB flash drives prior to submission to ensure there is no malicious software (i.e., malware) on the drive. The State will perform a security scan on the USB flash drives prior to accessing the stored files. If the security scan identifies malicious software on the drives, the State will destroy the device and request a replacement USB flash drive from the Proposer. The content of the replacement drive must be identical to the original submission and will be compared to the paper proposals submitted in accordance with the due date.

*\*Please Note: Other types of data storage devices will not be accepted.*

## REQUEST FOR PROPOSALS (RFP) #Z-46 – Benefit Banking Services

### 6. EVALUATION PROCESS AND CRITERIA

All Proposals received shall be subject to an evaluation by the State based on the “best value” concept. This means that the Proposal(s) which “optimize quality, cost, and efficiency among the responsible and responsive Bidders” shall be selected for award (State Finance Law, Article 11, Section 163). Bidders must meet all the Mandatory Requirements and as many desirable requirements as possible. Evaluations include three components: Initial Screening, Technical Evaluation, and Cost Evaluation. Bidders who meet the Mandatory Requirements will have the technical and cost components of their Proposal scored and rated. Bidders not meeting Mandatory eligibility criteria will be disqualified and, therefore, will not be scored or rated. A Proposal shall be deemed non-responsive if it fails to meet the Mandatory Bidder Eligibility Requirements as outlined in Section 1.9. Non-responsive Proposals will not be evaluated or ranked.

A Technical Proposal Review Committee and a Cost Proposal Review Committee will be established. Members of each committee will individually evaluate the technical and cost portions of the Proposals. The two Committees will not share information or members at any time during the review of the Proposals. The evaluation methodology has been completed before Proposals are received and opened by the State. After all of the technical components are scored, a separate comparative analysis will be undertaken for the financial component. The technical and financial components of the Proposals will be evaluated separately bearing the weight assigned below:

**Technical Component = 60%**

**Cost Component = 40%**

The State, at its sole discretion, will determine which Proposal best satisfies its requirements. The State reserves all rights with respect to the award. All Proposals deemed to be responsive to the requirements of this procurement will be evaluated and scored for technical qualities and cost. Proposals failing to meet the requirements of this document may be eliminated from consideration. The result of each evaluation shall remain confidential until both evaluations have been completed and a selection of the winning Proposal is made.

#### 6.1 Proposal Clarification

The State reserves the right to request a Bidder to provide clarification and validation of its Proposal through any means the State deems necessary. Other than to provide such information as may be requested by the State, no Bidder will be allowed to alter its Proposal or add information, except as provided in Appendix GTC, after the Deadline for Submission of Proposals. Failure of a Bidder to cooperate with the States' efforts to clarify or validate Proposal information may result in the Proposal being labeled as non-responsive and given no further consideration.

#### 6.2 Evaluation of Proposals

All Proposals accepted from qualified Bidders that pass the initial screening will be subject to an interagency evaluation by the State.

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### 6.3 Method of Selection

The method of selection will be based on a point system, with the technical portion of the rating criteria weighted at 60% and the Cost portion weighted at 40%. After the process is complete, the State will select the Bidder that provides the best value, taking into consideration a combination of factors including qualifications, experience, technical, and cost as described herein. The Awarded Bidder will be selected on the basis of the highest total points scored. Note that the Contract award will be subject to the results of the vendor responsibility determination, which may impact the ability to proceed with execution of the Contract.

### 6.4 Evaluation Process Stages

Stage 1: Initial Screening (Pass/Fail – No points)

The State will examine all Proposals that are received in a proper and timely manner to determine if they meet the Proposal submission requirements, as described in Proposal Submission Requirements, Section 5.4, and include the proper documentation, including all documentation required for the Administrative Proposal, outlined in Section 4.3. In this review, the State will confirm that all documents are submitted completely and in full. Proposals that are materially deficient in meeting the submission requirements or have omitted material documents, in the sole opinion of the State, may be rejected.

**Bidders are reminded that the Cost Proposal must be sent in a sealed envelope, separate and distinct from the Technical and Administrative Proposals.**

All Proposals that pass the Initial Screening will be evaluated to determine if Bidders meet the Mandatory Eligibility Requirements specified in Section 1.9. If all Eligibility requirements are not met, the Bidder's Proposal may be labeled non-responsive and may not be given further consideration. The State reserves the right to eliminate a Mandatory Requirement that cannot be met by all Bidders and to continue the evaluation of the Proposals and to select the Proposal that most closely meets the requirements specified in this RFP.

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

#### 6.4.1 Stage 2: Technical Evaluation (60%)

Bidders are reminded that the Cost Proposal must be sent in a sealed envelope, **separate and distinct** from the Technical and Administrative Proposals.

The Technical Evaluation team will evaluate the Technical Proposal. This component will consist of an evaluation of Attachment 5, Mandatory Technical Requirements Affirmations, and Bidder's response to RFP Section 2 – Technical Benefit Banking Services Requirements, as required in Section 4.1. The evaluation process will be conducted in a comprehensive and impartial manner. A Technical Evaluation Committee comprised of program staff of the State will review and evaluate all Proposals.

The Technical Evaluation Committee members will independently score each Technical Proposal that meets the submission requirements of this RFP. The individual Committee Member scores will be averaged to calculate the Technical Score for each responsive Bidder.

The technical evaluation is **60% (up to 60 points)** of the final score.

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### 6.4.2 Stage 3: Cost Evaluation (40%)

**Bidders are reminded that the Attachment K, Cost Proposal, must be sent in a sealed envelope, separate and distinct from the Technical and Administrative Proposals.**

The Cost Evaluation Team will perform the Cost Proposal evaluation concurrently and separately from the Technical Evaluation. The Cost Proposal Evaluation will be based upon the requirements set forth in Sections 4.2 of this RFP and upon Bidder's response provided on **Attachment K, Cost Proposal**. All costs and rates provided in response to this RFP must be inclusive of additional costs. The State will evaluate Proposals based on the total costs of services for a ten-year Contract term.

The Cost Evaluation Committee will examine the Cost Proposal documents. The Cost Proposals will be opened and reviewed for responsiveness to cost requirements. If a cost Proposal is found to be non-responsive, that Proposal may not receive a cost score and may be eliminated from consideration.

Each Proposal that passes Submission Review and meets the Cost Proposal requirements will receive a cost score. The Cost Proposals will be scored based on a maximum cost score of 40 points. Attachment K, Cost Proposal, score will be allocated to the Proposal with the lowest all-inclusive not-to-exceed maximum price. All other responsive Proposals will receive a proportionate score based on the relation of their Attachment K, Cost Proposal, to the Proposal offered at the lowest final cost. Cardholder fees will be calculated, and points awarded to the Bidder that provides financial benefit to fees passed along to Recipient Cardholders.

The total cost evaluation is **40% (up to 40 points)** of the final score.

### 6.5 Final Composite Score

A Final Composite Score will be calculated by the State by adding the Final Technical Proposal points and the Financial points.

### 6.6 Award Recommendation

Bidder with the highest composite score whose experience and qualifications verify that they are able to perform the Mandatory Requirement Services outlined in Section 2 will be recommended for Contract Award. In the event that Bidders receive the same final score, the State will use the following tie breaking mechanisms, in the order listed, to determine final ranking:

- The Bidder's Financial Score
- The Bidder's Technical Score
- Determination by DOL Commissioner, after consultation with OCFS Commissioner

The Awarded Bidder will be notified in writing that their submitted Proposal has been selected and that a Contract will be forthcoming for execution. Bidders not awarded will also be notified. The original Proposal, and any additions or deletions to the Proposal, along with the RFP will become part of the Contract. If the awarded Bidder cannot sign a negotiated Contract within **30 days** of Notification of Award, the State reserves the right to negotiate with the next highest ranked Bidder.

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Public announcements or news releases pertaining to any Contract resulting from this solicitation must not be made without prior approval from the State.

## **7. MINORITY- & WOMEN-OWNED BUSINESSES AND SERVICE-DISABLED VETERAN-OWNED BUSINESSES GUIDELINES**

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

#### **New York State Law**

Pursuant to NYS Executive Law Article 15-A and Parts 140-145 of Title 5 of the New York Codes, Rules and Regulations, the State recognizes its obligation under the law to promote opportunities for maximum feasible participation of NYS-certified MWBEs and the employment of minority group members and women in the performance of DOL contracts.

#### **Business Participation Opportunities for MWBEs**

For purposes of this solicitation, DOL hereby establishes an overall goal of **30%** for MWBE participation, **15%** for NYS certified MBE participation and **15%** for NYS certified WBE participation (based on the current availability of MBEs and WBEs). A Contractor on any contract resulting from this procurement (“Contract”) must document its good faith efforts to provide meaningful participation by MWBEs as subcontractors or suppliers in the performance of the Contract. To that end, by submitting a response to this RFP, the Bidder agrees that DOL may withhold payment pursuant to any Contract awarded as a result of this RFP pending receipt of the required MWBE documentation. The directory of MWBEs can be viewed at: <https://ny.newnycontracts.com>. For guidance on how DOL will evaluate a Contractor’s “good faith efforts,” refer to 5 NYCRR §142.8.

The Bidder understands that only sums paid to MWBEs for the performance of a commercially useful function, as that term is defined in 5 NYCRR § 140.1, may be applied towards the achievement of the applicable MWBE participation goal. The portion of a contract with an MWBE serving as a broker that shall be deemed to represent the commercially useful function performed by the MWBE shall be 25 percent of the total value of the contract.

In accordance with 5 NYCRR §142.13, the Contractor further acknowledges that if it is found to have willfully and intentionally failed to comply with the MWBE participation goals set forth in a Contract resulting from this RFP, such finding constitutes a breach of Contract and DOL may withhold payment as liquidated damages.

Such liquidated damages shall be calculated as an amount equaling the difference between: (1) all sums identified for payment to MWBEs had the Contractor achieved the contractual MWBE goals; and (2) all sums actually paid to MWBEs for work performed or materials supplied under the Contract.

By submitting a bid or proposal, a Bidder on the Contract (“Bidder”) agrees to demonstrate its good faith efforts to achieve the applicable MWBE participation goals by submitting evidence thereof through the New York State Contract System (“NYSCS”), which can be viewed at <https://ny.newnycontracts.com>, provided, however, that a Bidder may arrange to provide such evidence via a non-electronic method by contacting:

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NYS Department of Labor  
Purchase and Contracts, MWBE Administrator  
State Campus  
Building 12, Room 465  
Albany, NY 12240  
518-474-2678  
Fax: 518-457-0620

Please note that the NYSCS is a one stop solution for all of your MWBE and Article 15-A contract requirements.

Additionally, a Bidder will be required to submit the following documents and information as evidence of compliance with the foregoing:

- A. **Appendix MWBE-4** MWBE 100, MWBE Utilization Plan with their bid or proposal. Any modifications or changes to an accepted MWBE Utilization Plan after the Contract award and during the term of the Contract must be reported on a revised MWBE Utilization Plan and submitted to DOL for review and approval.

DOL will review the submitted MWBE Utilization Plan and advise the Bidder of acceptance or issue a notice of deficiency within 30 days of receipt.

- B. If a notice of deficiency is issued, the Bidder will be required to respond to the notice of deficiency within seven (7) business days of receipt by submitting to DOL, a written remedy in response to the notice of deficiency. If the written remedy that is submitted is not timely or is found by DOL to be inadequate, DOL shall notify the Bidder and direct the Bidder to submit, within five (5) business days, a request for a partial or total waiver of MWBE participation goals. Failure to file the waiver form in a timely manner may be grounds for disqualification of the bid or proposal.

DOL may disqualify a Bidder as being non-responsive under the following circumstances:

- a) If a Bidder fails to submit a MWBE Utilization Plan (**Appendix MWBE-4**);
- b) If a Bidder fails to submit a written remedy to a notice of deficiency;
- c) If a Bidder fails to submit a Request for Waiver - Form MWBE 101 (**Appendix MWBE-5**); or
- d) If DOL determines that the Bidder has failed to document good faith efforts.

The Contractor will be required to attempt to utilize, in good faith, any MBE or WBE identified within its MWBE Utilization Plan, during the performance of the Contract. Requests for a partial or total waiver of established goal requirements made subsequent to Contract Award may be made at any time during the term of the Contract to DOL but must be made no later than prior to the submission of a request for final payment on the Contract.

The Contractor will be required to submit a MWBE Quarterly Compliance Report – Form EEO 101 to DOL, by the 10<sup>th</sup> day following each end of quarter over the term of the Contract documenting the progress made toward achievement of the MWBE goals of the Contract.

## REQUEST FOR PROPOSALS (RFP) #Z-46 – Benefit Banking Services

### Equal Employment Opportunity Requirements

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

The Bidder will be required to submit a Minority and Women-Owned Business Enterprises and Equal Employment Opportunity Policy Statement (**Appendix MWBE-1**) to DOL with its bid or proposal.

To ensure compliance with this Section, the Bidder will be required to submit with the bid or proposal an Equal Employment Opportunity Staffing Plan – Form EEO 100 (**Appendix MWBE-2**) identifying the anticipated work force to be utilized on the Contract.

If awarded a Contract, Bidder shall submit a Workforce Utilization Report and shall require each of its Subcontractors to submit a Workforce Utilization Report, in such format as shall be required by DOL on a quarterly basis during the term of the contract.

Pursuant to Executive Order #6, which continues the prior Governor’s Executive Order 162, contractors and subcontractors will also be required to report the gross wages paid to each of their employees for the work performed by such employees on the contract utilizing the Workforce Utilization Report on a quarterly basis.

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

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

### **PARTICIPATION OPPORTUNITIES FOR NEW YORK STATE CERTIFIED SERVICE-DISABLED VETERAN-OWNED BUSINESSES (SDVOBs)**

Article 17-B of the NYS Executive Law provides for more meaningful participation in public procurement by certified Service-Disabled Veteran-Owned Businesses (“SDVOB”), thereby further integrating such



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businesses into NYS's economy. DOL recognizes the need to promote the employment of service-disabled veterans and to ensure that certified service-disabled veteran-owned businesses have opportunities for maximum feasible participation in the performance of DOL contracts.

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

### **I. Contract Goals**

- A. DOL hereby establishes an overall goal of **6%** for SDVOB participation, based on the current availability of qualified SDVOBs. For purposes of providing meaningful participation by SDVOBs, the Bidder/Contractor should reference the directory of NYS Certified SDVOBs found at: <https://online.ogs.ny.gov/SDVOB/search>. Questions regarding compliance with SDVOB participation goals should be directed to NYS Department of Labor, SDVOB Administrator, Purchase and Contracts, State Campus, Building 12, Room 465, Albany, NY 12240. Email: [Labor.sm.SDVOBAdmin@labor.ny.gov](mailto:Labor.sm.SDVOBAdmin@labor.ny.gov); Phone: 518-474-2678; Fax: 518-457-0620. Additionally, following Contract execution, Contractor is encouraged to contact the Office of General Services' Division of Service-Disabled Veterans' Business Development at 518-474-2015 or [VeteransDevelopment@ogs.ny.gov](mailto:VeteransDevelopment@ogs.ny.gov) to discuss additional methods of maximizing participation by SDVOBs on the Contract.
- B. Contractor must document "good faith efforts" to provide meaningful participation by SDVOBs as subcontractors or suppliers in the performance of the Contract (see clause IV below).

### **II. SDVOB Utilization Plan – Form SDVOB 100**

- A. In accordance with 9 NYCRR § 252.2(i), Bidders are required to submit a completed SDVOB Utilization Plan - Form SDVOB 100 with their bid.
- B. The Utilization Plan shall list the SDVOBs that the Bidder intends to use to perform the Contract, a description of the work that the Bidder intends the SDVOB to perform to meet the goals on the Contract, the estimated dollar amounts to be paid to an SDVOB, or, if not known, an estimate of the percentage of Contract work the SDVOB will perform. By signing the Utilization Plan, the Bidder acknowledges that making false representations or providing information that shows a lack of good faith as part of, or in conjunction with, the submission of a Utilization Plan is prohibited by law and may result in penalties including, but not limited to, termination of a contract for cause, loss of eligibility to submit future bids, and/or withholding of payments. Any modifications or changes to the agreed participation by SDVOBs after the Contract award and during the term of the Contract must be reported on a revised SDVOB Utilization Plan and submitted to DOL.
- C. DOL will review the submitted SDVOB Utilization Plan and advise the Bidder/Contractor of DOL's acceptance or issue a notice of deficiency within 20 days of receipt.
- D. If a notice of deficiency is issued, Bidder/Contractor agrees that it shall respond to the notice of deficiency, within seven business days of receipt, by submitting to DOL a written remedy in response to the notice of deficiency. If the written remedy that is submitted is not timely or is

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found by DOL to be inadequate, DOL shall notify the Bidder/Contractor and direct the Bidder/Contractor to submit, within five business days of notification by DOL, a request for a partial or total waiver of SDVOB participation goals - Form SDVOB 200. Failure to file the waiver form in a timely manner may be grounds for disqualification of the bid or proposal.

- E. DOL may disqualify a Bidder's bid or proposal as being non-responsive under the following circumstances:
  - 1. If a Bidder fails to submit an SDVOB Utilization Plan;
  - 2. If a Bidder fails to submit a written remedy to a notice of deficiency;
  - 3. If a Bidder fails to submit a request for waiver; or
  - 4. If DOL determines that the Bidder has failed to document good faith efforts.
- F. If awarded a Contract, Contractor certifies that it will follow the submitted SDVOB Utilization Plan for the performance of SDVOBs on the Contract pursuant to the prescribed SDVOB contract goals set forth above.
- G. Contractor further agrees that a failure to use SDVOBs as agreed in the Utilization Plan shall constitute a material breach of the terms of the Contract. Upon the occurrence of such a material breach, DOL shall be entitled to any remedy provided herein, including but not limited to, a finding of Contractor non-responsibility.

### III. Request for Waiver – Form SDVOB 200

- A. **Prior to submission of a request for a partial or total waiver, Bidder/Contractor shall speak to the SDVOB Administrator at DOL for guidance.**
- B. In accordance with 9 NYCRR § 252.2(m), a Bidder/Contractor that is able to document good faith efforts to meet the goal requirements, as set forth in clause IV below, may submit a request for a partial or total waiver on Form SDVOB 200, accompanied by supporting documentation. A Bidder may submit the request for waiver at the same time it submits its SDVOB Utilization Plan. If a request for waiver is submitted with the SDVOB Utilization Plan and is not accepted by DOL at that time, the provisions of clauses II (C), (D) & (E) will apply. If the documentation included with the Bidder's/Contractor's waiver request is complete, DOL shall evaluate the request and issue a written notice of acceptance or denial within 20 days of receipt.
- C. Contractor shall attempt to utilize, in good faith, the SDVOBs identified within its SDVOB Utilization Plan, during the performance of the Contract. Requests for a partial or total waiver of established goal requirements made subsequent to Contract award may be made at any time during the term of the Contract to DOL, but must be made no later than prior to the submission of a request for final payment on the Contract.
- D. If DOL, upon review of the SDVOB Utilization Plan and Monthly SDVOB Compliance Report (SDVOB 101) determines that Contractor is failing or refusing to comply with the contract goals and no waiver has been issued in regard to such non-compliance, DOL may issue a notice of

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deficiency to the Contractor. The Contractor must respond to the notice of deficiency within seven business days of receipt. Such response may include a request for partial or total waiver of SDVOB contract goals.

- E. Waiver requests should be sent to the Department of Labor, Purchase and Contracts, SDVOB Administrator, State Campus, Building 12, Room 465, Albany, NY 12240.

### IV. Required Good Faith Efforts

In accordance with 9 NYCRR § 252.2(n), Contractors must document their good faith efforts toward utilizing SDVOBs on the Contract. Evidence of required good faith efforts shall include, but not be limited to, the following:

1. Copies of solicitations to SDVOBs and any responses thereto.
2. Explanation of the specific reasons each SDVOB that responded to Bidders/Contractors' solicitation was not selected.
3. Dates of any pre-bid, pre-award or other meetings attended by Contractor, if any, scheduled by DOL with certified SDVOBs whom DOL determined were capable of fulfilling the SDVOB goals set in the Contract.
4. Information describing the specific steps undertaken to reasonably structure the Contract scope of work for the purpose of subcontracting with, or obtaining supplies from, certified SDVOBs.
5. Other information deemed relevant to the waiver request.

### V. Monthly SDVOB Contractor Compliance Report – Form SDVOB 101

In accordance with 9 NYCRR § 252.2(q), Contractor is required to report Monthly SDVOB Contractor Compliance Report – SDVOB 101 to DOL during the term of the Contract for the preceding month's activity, documenting progress made towards achieving the Contract SDVOB goals. This information must be submitted using form SDVOB 101 available on DOL's website and should be completed by the Contractor and submitted to DOL, by the 10th day of each month during the term of the Contract, for the preceding month's activity to: NYS Department of Labor, SDVOB Administrator, Purchase and Contracts, State Campus, Building 12, Room 465, Albany, NY 12240. Email: [Labor.sm.SDVOBAdmin@labor.ny.gov](mailto:Labor.sm.SDVOBAdmin@labor.ny.gov); Phone: 518-474-2678.

### VI. Breach of Contract and Damages

In accordance with 9 NYCRR § 252.2(s), any Contractor found to have willfully and intentionally failed to comply with the SDVOB participation goals set forth in the Contract, shall be found to have breached the contract and Contractor shall pay damages as set forth therein.