

RFP #05-09

Request for Proposal
BUSINESS TAX

Sales and Use Tax

Estate Tax

International Fuel Tax Agreement (IFTA)

NEW YORK STATE
DEPARTMENT OF TAXATION AND FINANCE

Book 1 of 2

10/30/2006

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SECTION I - INTRODUCTION

A. Purpose

The New York State Department of Taxation and Finance (DTF) requests proposals from document processors or commercial banks for return, payment document and remittance processing services with respect to three tax programs – Sales and Use Tax, Estate Tax, and International Fuel Tax Agreement (IFTA).

There are approximately 1.9 million return documents filed annually and associated deposits of approximately \$9.3 billion for the three Programs included in this procurement. See Part C – Program Overview, below, for more specific details on each Program.

This Request for Proposal (RFP) consists of two modules. Module 1 includes lockbox processing and remittance deposit for Sales and Use Tax and Estate Tax. Module 2 includes lockbox processing and remittance deposit for the IFTA program. **Bidders may submit proposals for one or both modules.** Each module will be evaluated on a stand-alone basis and DTF will award on a modular basis.

The Bidder must be the prime contractor and be responsible for all aspects of the program. A document processor, bidding as a prime contractor is required to disclose in their proposal, the commercial bank that will be the subcontractor for banking services (e.g., deposit, check clearing, online balance reporting, financial reporting, item research, etc.).

For Module 2, seven additional states, belonging to the IFTA Regional Processing Center (RPC), may enter into separate contracts with the awardee, with the New York State contract being the model.

B. Strategic Direction

DTF is consistently pursuing avenues to receive accurate and timely information. In pursuit of this goal, a fundamental premise is that our lockbox, remittance and image processing services are highly accurate and timely. The results of achieving these service goals are minimizing exception processing due to processor error or delay, allowing for our taxpayer contact center staff to assist taxpayer filing inquiries in a timely fashion, generating accurate bills, and maximizing cash flow for the State.

DTF continues its effort to achieve a “paperless” back office environment. As such, this RFP seeks the imaging and indexing of returns, remittances and all other associated documentation contained in a tax filing in order to populate DTF’s image archive system.

Given the importance of return and payments processing to the State’s revenue stream, it is paramount that a sufficient level of fail safe and disaster recovery operations exist to maintain services in the event of a disaster. For all programs in this RFP, DTF is seeking rapid restoration of all functionality to ensure that disruptions have a minimal impact to taxpayers and the State.

DTF has undertaken development of an Integrated Tax System initiative, e-MPIRE (e-Managed Processes for an Integrated Revenue Enterprise). The primary objective of the initiative is to restructure DTF’s workflow and the automated systems in order to optimize service delivery. The e-MPIRE project will provide a single, robust architecture for taxpayer identification information, information from all filed returns and transactions across tax types, and all information regarding correspondence between the taxpayer and DTF, as well as integrating accounts receivable, collection and enforcement functions. Sales Tax e-MPIRE implementation is scheduled for March 2008. This RFP includes certain requirements that reflect known Sales Tax e-MPIRE requirements. The bidder’s solution must be flexible enough to accommodate future changes and must be able to accommodate other programmatic changes as the e-MPIRE Sales Tax requirements become refined throughout the development and testing phases.

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C. Program Overview

Module 1 - Sales and Use Tax and Estate Tax

Sales and Use Tax

New York State requires any business that sells tangible personal property (goods) or services in New York State to be registered and collect state and local sales. In general, the sales tax collected and remitted is computed using the combined state and local rate in effect in the locality where the taxable product or service is delivered. The rates change on a frequent basis, often with little advance notice, based on legislative actions on the both the local and State levels. In addition, New York State requires the payment of a use tax. Use tax is defined as a tax on a person or business consuming, using, or storing a taxable item in the state. The consumer must remit the funds directly to the state unless the consumer pays the tax to the retailer or other the person authorized to collect the tax.

The Sales and Use Tax Program involves the receipt, processing and deposit annually of approximately 1.7 million primary returns (and their associated schedules, which may or may not be filed with the primary return) and \$8.2 billion in associated remittances, exclusive of the Department's electronic payment and filing programs for high value taxpayers. Refer to Exhibit 10-B for monthly Sales Tax processing volumes. In addition, approximately 3,000 refund forms and 6,000 AU-196.10 (Bulk Sales Notification) forms, are received annually. The volumes depicted in Exhibit 10-B represent mail receipt patterns. Actual processed volumes may be as much as 8% higher, reflecting for instance, multiple filings in a single envelope. Sales and Use Tax returns are filed on either a monthly, part-quarterly, quarterly or annual basis. The following is a list of the return types and the percentage of documents processed annually:

Filing Period and Document Type	Processing Percentage
Annual – ST101	12.5
Quarterly – ST100,ST102	59.1
Monthly – ST810	6.9
Part-Quarterly – ST809	12.2
All Others	9.3

The Department prints and mails the returns, schedules and other forms for taxpayer usage. The Department provides a preprinted header label for use on these documents. The following table, based on a recent sample, indicates that the majority of taxpayers (vendors) use the Department provided form and label and that the majority are filled out by hand.

Sales Tax Return Type	Estimated % of Returns w/Handwritten Labels	Estimated % of Returns w/Handwritten Entries on the Return	Estimated % of Returns that were photo-copied or Computer Generated*	Estimated % of Vendor Facsimile Returns**
ST-100	16%	68%	21%	28%
ST-101	21%	88%	Not Available	Not Available
ST-102	8%	89%	17%	8%
ST-102A	3%	95%	4%	3%
ST-810	5%	92%	12%	4%

* These represent non-DTF original forms

** Vendor Facsimile Returns are documents are generated from tax computing software applications

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An analysis of Sales and Use Tax returns, and their associated schedules, indicates the following about the average number of characters data captured:

Form Type	Average Characters per tax filing	Estimated Annual Volume
Annual	53	Exhibit 10
Quarterly	75	Exhibit 10
Monthly	181	Exhibit 10
Part Quarterly	39	Exhibit 10
ST-330 – Advance Payments	24	19,949
ST-945/1045 – Motor/Diesel Fuel	42	6750
Prepaid Cigarette	53	253
ST-716/719 – Cigarette Licensing	53	23,313
Sch N-ATT – Taxes on Parking Services in NYC Parking	117	7,524
Schedule FR – Sales and Use Tax on Motor Fuel and Diesel Motor Fuel	163	16,478
Connecticut Sch K	53	5,595

Images of all Sales Tax forms and documents are required and are expected to be delivered to the Department on the same day as the fully processed tax filings. It is estimated that there is an average of six images per tax filing, including the return, schedules, other forms, remittance, and related documents.

The Contractor awarded this Module will be required to process address changes that have been noted by taxpayers on tax returns and forms. It is estimated that there are 18,000 per year.

New York, Connecticut (Schedule CT) and New Jersey (Schedule NJ) have entered into agreement to enable vendors doing business in more than one state to satisfy their filing requirements for each state by submitting one return to their base state. Therefore, the Contractor, awarded this contract, will be required to process the New York returns and to separate out the Schedule CTs and Schedule NJs. All returns and forms will be imaged for New York. A mandatory/desirable requirement is included in this RFP for imaging of the Schedule CTs and for data capture of the Schedule CTs.

The bidder's solution must be able to fully integrate callable modules with the Department's systems. For example, this RFP incorporates a callable Sales Tax rate table to be used in the verification process. This will ensure that there is a single rate table used by all parties and will diminish bidder development and maintenance as rates change in the future.

The Department will continue to expand its electronic services to taxpayers. These services will include the ability for taxpayers to utilize the Department's web site to complete and print online Sales Tax forms. The Department plans to develop an online Sales Tax return printed with 2D barcoded information to facilitate processing. DTF has estimated that this could mean approximately 35,000 2D returns annually, once the 2D return is implemented.

Estate Tax

New York State Estate Tax Law requires the filing of an Estate Tax Return, depending on the individual's estate value on the date of death. The Estate Tax Program involves the receipt, processing (including imaging) and deposit of approximately 5,000 associated remittances and the processing of approximately 21,000 returns annually. The remittances are valued at approximately \$930 million. Refer to Exhibit 10-A, for monthly Estate Tax processing volumes.

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Estate Tax filings include returns, which rarely undergo legislative changes, secondary forms and other documents that must be identified, arranged, imaged and delivered to the Department in a prescribed order. The following list identifies the incidence, in an Estate Tax filing, of the miscellaneous documents.

Type of Attachment	Estimated Percentage
Secondary Forms (see Requirement B.2.4.H for listing of Secondary forms)	67%
Cover Letters	59%
Death Certificate	68%
Letters of Testamentary/Administration	53%
Power of Attorney	7%
Miscellaneous Correspondence	19%

Estate Tax filings vary in size, from just a few pages to as many as 4,000 pages (4 boxes), though fewer than 1% of Estate Tax filings have more than 500 pages. The average size of an Estate Tax filing is 25 pages. Note that approximately 75% of Estate Tax filings are received bound, in binders or stapled.

Estate Tax filings are generally typed, with handwritten entries on fewer than 10% of the filings. Data capture of Estate Tax filings include an average of 297 characters per return.

Module 2 – IFTA

IFTA, the International Fuel Tax Agreement, is a multi-jurisdictional agreement, mandated by the "Intermodal Surface Transportation Efficiency Act of 1991", intended to simplify the reporting of motor fuel use taxes by interstate motor carriers. Motor carriers subject to the fuel use tax file quarterly returns (IFTA-100 and IFTA-101) with their base jurisdiction, reporting the miles traveled and the taxes paid. The base jurisdictions, in turn, collect and distribute the carrier's motor fuel use tax payments to other IFTA jurisdictions, via a "monthly transmittal" (see examples in Exhibit 13).

Sixteen states and one Canadian province have joined together to form the Regional Processing Center (the "RPC"), with New York State DTF serving an administrative role – maintaining the IFTA system. The "RPC Lockbox" jurisdictions, in addition to New York, are: Alabama, California, Connecticut, Kentucky, Maryland, Massachusetts, and Rhode Island. Each of these jurisdictions is expected to enter into agreements (contracts) with the awardee of this RFP. It should be noted that New York is not, in any way, bound by agreements between the Contractor and the RPC Lockbox Jurisdictions.

The eight "lockbox" jurisdictions have approximately 50,000 registered motor carriers. Approximately 189,000 returns are processed annually, as well as 5,500 monthly transmittals, with remittances valued at \$182 million.

IFTA tax filings include returns (the IFTA-100), a schedule (the IFTA-101) and occasional miscellaneous documentation (e.g., correspondence). Tax filings may include, rather than a return and schedule, an IFTA-100-V, the payment voucher for an electronically filed IFTA return or an unassociated remittance. It is estimated that there are approximately 600 of these each quarter. The Contractor awarded this Module will also be required to process ACH Debits. Imaging of all IFTA documents will be required by New York, and may be required by other RPC Lockbox Jurisdictions (i.e., Alabama, California, Connecticut, and/or Maryland.) The returns and associated schedules (IFTA-100/IFTA-101) have an average of two pages per return.

The IFTA monthly transmittals are filed based on a required format, but with much variation, based on the reporting jurisdiction. Three of the RPC Lockbox Jurisdictions require only four fields of data from the monthly transmittals, with an average data capture of only eleven characters. However, four other jurisdictions require more data capture – resulting in an average data capture of approximately 2,000 characters. See Exhibit 10 for details relating to each of the jurisdictions. The monthly transmittal filings

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may include correspondence (usually a cover letter), the transmittal audit report (with no required data capture) that may be many pages long. The size of the monthly transmittals varies – some only a page or two of reporting data and others with a hundred, or more, pages. A recent survey found that there is an average of seventeen pages. Monthly transmittals (examples in Exhibit 13) may be filed with a remittance, or a remittance may be sent separately, often with associated correspondence. In addition, audit reports may be associated with the monthly transmittal. No processing, other than imaging, is required from these audit reports.

It is estimated that the majority of return filings (IFTA-100/101) are done so using the forms that have been sent to the taxpayer (90%), and thus, include a preprinted header and preprinted jurisdictions (on the IFTA-101). However, the majority of data filed on these returns is handwritten (88%).

The IFTA system incorporates an IFTA Taxpayer Profile System, that the Contractor will be expected to utilize, for header validation purposes and for updating noted address changes, in certain instances (based on Requirements in Section VI). It is estimated that there are 170 address changes made each month for all of the RPC Lockbox Jurisdictions.

D. Implementation

The services solicited herein must be operational according to the following schedule:

April 1, 2008	IFTA
July 1, 2008	Estate Tax
October 1, 2008	Sales and Use Tax

On the following dates, DTF expects to begin its user acceptance testing (UAT) for all required functionality for each program below:

September 3, 2007	IFTA
December 3, 2007	Estate
March 3, 2008	Sales and Use Tax

On the following certification dates, all required data, image and report outputs must meet DTF's requirements:

March 3, 2008	IFTA
June 2, 2008	Estate Tax
September 1, 2008	Sales and Use Tax

The Bidder must provide a comprehensive implementation plan which satisfies the Program Development and Implementation Requirements in Sections VII and VIII of this RFP. The Bidder must demonstrate the ability to meet deadlines and to produce deliverables in a timely manner. The Contractor must cooperate with DTF during the certification process.

E.. Procurement Objectives

The objective of this RFP is to procure best value services, which:

- achieve certification and implementation deadlines;
- meet the stated requirements;
- timely deposit funds;
- provide image output of all paper documents and remittances;
- allow for growth and changes to the Programs;
- provide system and operational security; and
- provide fail safe and disaster recovery services.

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The Contractor must achieve the required accuracy and timeliness performance standards, as set forth in Section II – Performance Standards and Liquidated Damages, for the deposit of remittances (paper and electronic) and the processing of tax returns and payment documents. The required standards are expected, regardless of the form source, including, but not limited to DTF supplied forms, photocopies, faxed copies, computer generated printed, as well as taxpayer produced attachments (e.g., spreadsheets, etc.).

The Bidder must demonstrate the ability and resources to respond rapidly and in a best value manner to change systems and/or operations due to legislative mandate, administrative directive, Program enhancement, or changes in taxpayer behavior (e.g., filing patterns or methods). In addition, other changes to State or Federal law may impact New York State tax processing systems. The Contractor must be prepared to respond to these requirements with whatever resources are necessary to accommodate limited implementation time frames.

Consistent with the DTF Strategic Plan, DTF may request the Contractor to provide Program enhancement services. Depending on the nature of the Program enhancement, DTF will work with the Contractor to evaluate the cost-benefit of implementing these changes. However, DTF is under no obligation to have the Contractor implement the enhancement, and it reserves the right to 1) develop and implement Program enhancement services internally at DTF or 2) hire a third party to provide such services. The Contractor must be willing to work in good faith with DTF and any other party to assist in the development and/or implementation of any Program enhancement services.

The Bidder must demonstrate that the processing facility(ies) and system(s) are secure, and that confidential material and information will be safeguarded according to the Department's standard. Disaster recovery and fail safe plans must exist and be operational to ensure minimal disruption to the Program(s) in the event of such occurrences. Section VII – Program Development and Support Requirements details the disaster recovery/fail safe requirements for each Program.

Finally, DTF requires the Contractor to meet the requirements of this RFP regardless of other present or future business commitments to DTF or other parties. Additional program specific functional, support and implementation requirements, as well as performance standards are detailed in subsequent Sections of this RFP.

F. Bid Administration

All inquiries concerning this solicitation should be addressed to the following designated contacts:

Janice Piccone	(518) 457-0954	bfs_contacts@tax.state.ny.us
Ann Dieckmann	(518) 457-0954	bfs_contacts@tax.state.ny.us
Karen Brino	(518) 457-0954	bfs_contacts@tax.state.ny.us

Contacting individuals other than the designated contacts listed above may result in the disqualification of the bidder's proposal - please refer to the procurement lobbying law and the department guidelines posted on the Department's procurement website at: <http://www.nystax.gov/procurement> and referenced in Section III – Administration Conditions and Proposal Responses Requirements.

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G. Procurement Schedule

The key dates of this procurement process are as follows:

Issuance of RFP	Monday, October 30, 2006
Deadline for Registering for Pre-Bid Conference and for filing the "Affirmation and Understanding of, and Compliance with Procurement Lobbying Guidelines" (Appendix B-7)	Friday, November 10, 2006 (by 4:00 PM)
Pre-Bid Conference	Thursday, November 16, 2006
Deadline for Filing the "Notification of Intent to Bid" (Appendix B-1)	Monday, November 27, 2006 (by 4:00 PM)
Deadline for Submission of Questions	Monday, November 27, 2006 (by 4:00 PM)
Department's Written Responses to Questions	Monday, December 11, 2006
Deadline for Follow-up Questions Based on Department Responses only	Monday, December 18, 2006 (by 4:00 PM)
Department's Written Responses to Follow-up Questions	Friday, December 22, 2006
Proposals Due	Tuesday, January 16, 2007 (by 4:00 PM)
Notification of Award of Bid	Monday, April 9, 2007

For a more comprehensive list of events, see Section III – Administrative Conditions and Proposal Response Requirements, in this RFP.

H. Contract Duration

The contract duration for Module 1 and Module 2 will be six years, seven months (i.e., 6/8/07 through 12/31/2013), with two optional one year renewal periods (i.e., 1/1/14 – 12/31/14 and 1/1/15 – 12/31/15).

The final contracts, drafts of which will be provided after award, for this procurement will be based on the invariable contract conditions and mandatory topics set forth in Section XI – Contract Conditions, and the Performance Standards set forth in Section II – Performance Standards and Liquidated Damages. If the Bidder disagrees with any of the mandatory topics (as identified in Section XI) and performance standards (as identified in Section II), **specific** alternative language must be provided as part of the Bidder's proposal. Upon selection of the Contractor, DTF reserves the right to negotiate the final contract and standards based on the RFP and the responses to the RFP.

The Contractor must sign the contract within sixty (60) calendar days after the award of the bid. If the Contractor fails to do so, DTF reserves the right to begin negotiations with the second rated bidder.

I. Bid Evaluation

Proposals submitted in response to this RFP will be evaluated based on the merits of the technical and financial proposals, alternative language proposed to the performance standards (as identified in Section II) and invariable contract conditions and mandatory topics (identified in Section XI) of this RFP, reference

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checks, site visits and interviews with bidders. For more details on the evaluation process, see Section V – Evaluation Process and Criteria, of this RFP.

In addition, due to the critical nature of the programs described in this RFP and the associated risks to New York State's finances, a prime contractor must either be a high performance document processor or a commercial bank. Section IV – Qualifying Requirements details the criteria which must be met by the prime contractor and its subcontractor(s) in order to qualify to bid for this RFP.

SECTION II – PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

A. Purpose of the Performance Standards

Performance standards establish the acceptable level of service for all aspects of the Contractor's processing systems and operations. The RFP includes performance standards for:

1. Automated Environment;
2. General Controls;
3. Performance Monitoring;
4. Operations Fees;
5. Deposit Processing;
6. Tax Filing Processing; and
7. Output Delivery.

B. Future Program Changes

The performance standards reflect current statutes, rules, regulations, policies and procedures. Changes that alter the existing processing requirements may require the performance standards to be adjusted accordingly. In such instances, established processing standards would be modified through the Change Procedure (see Appendix E of this RFP).

C. Evaluating Contractor Compliance With Standards

The Department's performance monitoring program for contractor services provides a means to evaluate compliance with performance standards. The Contractor's performance will be evaluated through performance monitoring reviews, timeliness reports and/or audits to assess the effectiveness of specific functions and/or processes and to determine compliance with performance standards. Accordingly, the performance monitoring programs ensure that:

1. Appropriate controls are implemented and maintained for complete and accurate processing of Tax Filings and Remittances, consistent with the performance standards;
2. Timely and accurate processing of Tax Filings and Remittances is achieved, consistent with the performance standards;
3. Manual procedures, automated processing and deposit systems are implemented and maintained, consistent with the performance standards;
4. Security measures are implemented and maintained, consistent with the performance standards;
5. Disaster recovery and fail safe operations capability is maintained, consistent with the performance standards; and,
6. Complete and accurate documentation is maintained, consistent with the performance standards.

D. Liquidated Damages/Reimbursement Structure

Failure to comply with the performance standards may result in the imposition of financial liquidated damages and/or reimbursements to the Department and/or taxpayers. Additionally, civil and/or criminal penalties exist for violation of secrecy and confidentiality statutes.

SECTION II – PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

E. Definitions

The following terms, when utilized within the language of the performance standards, are defined as follows:

- Agreement:** Contract which results from the award of this RFP.
- Business Day:** Monday through Friday, with the exception of legal bank holidays. A Business Day is further defined by the agreed upon cut-off time, as referenced in Section VII – Program Development and Program Specific Requirements (e.g., a 12:00 noon receipt cut off is agreed to – Monday's Business Day includes the activity from 12:01 p.m. on the previous Friday through 12:00 p.m. on Monday).
- Contractor:** The selected bidder resulting from the competitive bid process with respect to this RFP.
- Defect:** Any failure by an Implementation Deliverable (or Final Implementation Deliverable) to perform in accordance with the specifications.
- Defect Correction Date:** The date set forth in a Notice of Defect by which a Defect is to be corrected.
- Enhancement:** Services which are not set forth under the Agreement which the Department deems necessary to administer the applicable tax program, which may include, but not be limited to, development and implementation of technological alternatives and software enhancements.
- Final Implementation Deliverable:** All the Implementation Deliverables integrated and performing together to constitute the Program which is to provide the services.
- Fully Processed:** The processing of paper Tax Filings and Remittances (from lockbox receipt through transmission to DTF of all data/file outputs) and the processing of electronic payments in accordance with the Program requirements and procedures (see Section VI Functional Requirements).
- IFTA Monthly Transmittal:** Reports required by IFTA to be filed by base jurisdictions detailing the carrier activity in another member jurisdiction (e.g., a report from Vermont to New York).
- Implementation Deliverable:** A component of the Final Implementation Deliverable as identified in the Implementation Plan
- Implementation Plan:** The plan set forth in the Agreement under which the Contractor shall take charge of providing the services for the Program. The Implementation Plan shall include, but not be limited to, a time schedule, management and staffing plan, communications and hardware requirements, software and programming requirements, remedial response and escalation procedures, testing and acceptance criteria, performance measurements and certification dates (see Section VIII for Implementation Requirements).

SECTION II – PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

Ledger Credit:	Deposits to a demand account prior to the Contractor's stated cut-off time.
Maintenance:	Maintenance includes: <ol style="list-style-type: none">1. all modifications to proprietary software, proprietary documentation and operating procedures necessary to ensure that the services are satisfactorily provided, and the performance standards are met;2. all changes necessary to accommodate upgrades to licensed software, to ensure that the services are satisfactorily provided, and the performance standards are met;3. all changes necessary to implement and achieve a new performance standard where the change is initiated by the Contractor and approved by the Department;4. the development and implementation of new or modified reports and inquiries created from existing data elements, which includes additional elements added as a result of prior Maintenance and Enhancement activities; and,5. changes to proprietary software, proprietary documentation and operating procedures necessitated by changes to licensed software.
Non-Peak Period:	For Sales Tax, the remainder of a processing year, that is not a Peak Period
Notice of Defect:	A written notice issued by the Department which sets forth Defect(s) as determined by the Department.
Peak Period:	For Sales Tax, the five business days prior to a quarterly due date of a return filing through the end of the month of the due date (e.g., a due date is September 20, the peak period begins on September 13 and goes through September 29, 2006).
Program:	All services defined in the RFP requirements and/or services subsequently modified through the Change Procedure.
Remittance:	Cash or a negotiable instrument of payment of money, including but not limited to a check, certified check, travelers check, cashier's check, bank draft, teller's check, money order, ACH Debit, and/or Fedwire.
Tax Filing:	A return, form, remittance, associated schedules and/or supporting documents filed by a taxpayer. Such filings may, or may not, include forms supplied by DTF, photocopies, "faxed" copies, forms that have been generated by software or forms created by taxpayers, as well as miscellaneous associated documents (e.g., spreadsheets, correspondence, copies of previously filed documents, etc.).
User Acceptance Test (UAT):	The process defined by the Department to determine whether an Implementation Deliverable (or Final Implementation Deliverable) performs in accordance with the specifications.
User Acceptance Test (UAT) Delivery Date:	The date, as set forth in the Implementation Plan, upon which or prior to, an Implementation Deliverable (or Final Implementation Deliverable) is to be delivered to the Department for User Acceptance Testing.

SECTION II – PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

STANDARDS	LIQUIDATED DAMAGES	REIMBURSEMENTS
1. Automated Environment: 100% Timely, Complete and Accurate		
1.A. Implementation Deliverables The Contractor must deliver to the Department an Implementation Deliverable that is a fully Contractor tested system by the DTF UAT Delivery Date.	At the Department's discretion, the Contractor shall pay the Department \$2,000 per calendar day that delivery of an Implementation Deliverable is later than the UAT Delivery Date for the deliverable.	
1.B. Final Implementation Deliverable All Program development activities, deliverables, etc. for complete Program(s) must be available and operational according to the agreed upon certification dates in the Implementation Plan.	At the Department's discretion, a flat-fee of \$10,000 per calendar day that the final certification date is missed.	
1.C. System Modification, Enhancement/ Maintenance and Certification The Contractor must accurately and timely implement and test any data and production system modification and Enhancements/ Maintenance which affect the Program(s), whether initiated by the Contractor, or as agreed upon pursuant to the Change Control Procedure (as defined in Appendix E of the RFP). The Contractor must work with the Department to test and certify such system modifications and Enhancements/Maintenance prior to implementation.		At the Department's discretion, the Department will be reimbursed for any expenses and loss of revenue for failure to meet the standard; And/Or The taxpayer will be reimbursed for any bank related expenses (e.g., stop payment, returned item fees, etc.) for failure to meet the standard.
1.D. System/Program Documentation All documentation related to the Program must be complete, accurate and delivered to and/or available to the Department in accordance with the RFP requirements (see Section VII Program Development and Support Requirements and Section VIII Implementation Requirements). The Department and the Contractor shall jointly determine a documentation scope and schedule, recognizing that there may be a delay between the system/program completion and final documentation.	At the Department's discretion, a flat fee of \$500 for each occurrence the deliverable is incomplete, inaccurate, or late based upon the agreed upon scope and schedule.	
2. General Controls: 100% Timely, Complete and Accurate		
2.A. Logical System Security The Contractor must implement and maintain the logical system security, to prevent unauthorized access to taxpayer and/or tax administration data (see Section VII Program Development and Support Requirements).	At the Department's discretion, Liquidated Damages of \$2,500 for each violation of unauthorized access. Corrective time frames will be specified by mutual agreement between the Contractor and the Department for each violation.	At the Department's discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard; And/Or The taxpayer will be reimbursed for any bank related expenses

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STANDARDS	LIQUIDATED DAMAGES	REIMBURSEMENTS
		(e.g., stop payment, returned item fees, etc.) for failure to meet the standard.
<p>2.B. Security/Confidentiality The Contractor must implement and maintain security and confidentiality measures in accordance with the requirements (see Section VII Program Development and Support Requirements).</p>	At the Department's discretion, Liquidated Damages of \$2,500 for each violation of the security measures as they relate to the Program. Correction action and a timetable will be specified by mutual agreement between the Contractor and the Department for each violation.	<p>At the Department's discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard;</p> <p>And/Or</p> <p>The taxpayer will be reimbursed for any bank related expenses (e.g., stop payment, returned item fees, etc.) for failure to meet the standard.</p>
<p>2.C. Physical Security and Internal Controls The Contractor must maintain the agreed upon physical security and internal controls for all sites and services required in order to adequately prevent or minimize the risk of loss, destruction or theft of physical assets and unauthorized access (see Section VII Program Development and Support Requirements).</p>	At the Department's discretion, Liquidated Damages of \$2,500 for each violation as it relates to the Program. Correction action and a timetable will be specified by mutual agreement between the Contractor and the Department for each violation.	<p>At the Department's discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard;</p> <p>And/Or</p> <p>The taxpayer will be reimbursed for any bank related expenses (e.g., stop payment, returned item fees, etc.) for failure to meet the standard.</p>
<p>2.D. Change Management Process and Procedures The Contractor must provide the Department with thirty (30) Business Days prior notification of planned changes to the organization, expansion of services to other clients, new or modified relationship with material sub-contractors, hardware and software modifications that either directly or indirectly impact the Program.</p> <p>The Contractor must utilize the Change Control Process to identify, request, analyze, prioritize, and track any changes to the Program.</p>	At the Department's discretion, Liquidated Damages of \$2,500 for each violation as it relates to the Program. If appropriate, corrective action and a timetable will be specified by mutual agreement between the Contractor and the Department.	<p>At the Department's discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard;</p> <p>And/Or</p> <p>The taxpayer will be reimbursed for any bank related expenses (e.g., stop payment, returned item fees, etc.) for failure to meet the standard.</p>
<p>2.E. Disaster Recovery/Fail Safe Operations The Contractor must maintain, test and update as necessary (at least once annually) disaster recovery/fail safe operations procedures throughout the duration of the Agreement. In addition, the Contractor must provide the Department with an annual briefing to discuss disaster recovery/fail safe operations procedures, test results, updates, etc. (see Section VII Program Development and Support Requirements).</p>	At the Department's discretion, Liquidated Damages of \$5,000 for failure to maintain, test and update as necessary the agreed upon disaster recovery/fail safe operations procedures which impact the Program, and/or failure to brief the Department regarding disaster recovery/fail safe operations procedures, test results, updates, etc.	

SECTION II – PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

STANDARDS	LIQUIDATED DAMAGES	REIMBURSEMENTS
<p>The Contractor must activate the disaster recovery/fail safe operations procedures upon declaration of a disaster and as agreed to by the Department.</p> <p>All functions up to and including the deposit process must be restored to achieve 25% of the throughput volume within one Business Day, 50% of the throughput volume within two Business Days and 100% of the throughput volume within three Business Days of a disaster declared by the Contractor and agreed to by the Department.</p> <p>All remaining functions must be restored to achieve 50% processing throughput within 5 calendar days, achieve 70% processing throughput within 10 calendar days, and achieve 100% processing throughput within 15 calendar days of a disaster declared by the Contractor and agreed to be the Department.</p> <p>The Department may require an alteration to existing processing plans and priorities during and/or immediately after the declaration of a disaster in order to ensure that the mix of work conforms to our priorities at that point in time.</p>	<p>At the Department's discretion, Liquidated Damages of \$10,000 for failure to activate the agreed upon disaster recovery/fail safe operations procedures being declared by the Contractor and agreed to by the Department.</p> <p>Note: However, during the period a disaster is agreed to and the plan is activated the Contractor will not be subject to any Liquidated Damages provisions as set for in this Section II. Once the disaster recovery/fail safe operations plan is implemented and operational, the Contractor will be subject to the Liquidated Damages provisions as set for in this Section II.</p>	
<p>2.F. Procedures The Contractor must implement and maintain all Program procedures in accordance with requirements in this RFP.</p>		<p>At the Department's discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard;</p> <p>And/Or</p> <p>The taxpayer will be reimbursed for any bank related expenses (e.g., stop payment, returned item fees, etc.) for failure to meet the standard.</p>
<p>3. Performance Monitoring: 100% Timely, Complete and Accurate</p>		
<p>3.A. Performance Monitoring The Contractor must cooperate fully with the Department and Office of State Comptroller or their agents for all performance monitoring audits and reviews.</p>	<p>At the Department's discretion, liquidated damages of \$1,000 per Business Day for each failure to meet this standard.</p>	
<p>4. Operations Fees: 100% Timely, Complete and Accurate</p>		
<p>4.A. Invoice Billing, including Change Controls and Enhancements The Contractor shall provide the Department with a complete invoice or voucher no later than 30 calendar days after the end of the month in which services are rendered, in appropriate detail to</p>	<p>At the Department's discretion, Liquidated Damages of \$1,000 for each week for each failure to meet this standard;</p> <p>And/Or</p>	<p>At the Department's discretion, the Department will be reimbursed for any expenses for failure to meet the standard.</p>

SECTION II – PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

STANDARDS	LIQUIDATED DAMAGES	REIMBURSEMENTS
<p>permit the Department to reconcile all fees and charges imposed by the Contractor for such invoice/voucher.</p> <p>The Contractor shall provide the Department with a complete and accurate invoice or voucher no later than April 30th for services rendered in the prior fiscal year, in appropriate detail to permit the Department to reconcile all fees and charges imposed by the Contractor for such invoice/voucher.</p> <p>The Contractor must include the appropriate detail to permit the Department to justify payment of such invoice or voucher.</p>	<p>If the Department's appropriation lapses without the expenditure of the funds, then the Contractor may risk not being reimbursed for services provided.</p>	
<p>4.B. The Change Analysis and Support Documentation</p> <p>The Contractor shall provide to the Department a complete and accurate Change Analysis form (see Appendix E of the RFP) with supporting documentation in appropriate detail to identify all fees and charges within ten Business Days of the receipt of change request form.</p>		<p>At the Department's discretion, the Department will be reimbursed for any expenses for failure to meet the standard.</p>
<p>5. Deposit Processing Timeliness, Accuracy and Completeness</p>		
<p>5.A. Deposit Timeliness: 100% Timely</p>		
<p>5.A.1 Deposit of Remittances - Estate Tax and IFTA</p> <p>The Contractor must deposit all Remittances into the respective tax receipt account (see Section VI Functional Requirements) for Ledger Credit on the same Business Day as receipt.</p>		<p>At the Department's discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard; reimbursement includes, but is not limited to, lost interest earnings calculated based on the actual number of days to accomplish ledger credit beyond the time frame specified and the monthly normalized 90 Day Treasury Bill rate for the period during which the violation occurred.</p> <p>And/Or</p> <p>The taxpayer will be reimbursed for any bank related expenses (e.g., stop payment, returned item fees, etc.) for failure to meet the standard.</p>
<p>5.A.2. Deposit of Remittances – IFTA ACH</p> <p>The Contractor must initiate 100% of all ACH Debits so that funds are available at the opening of business on the date contained on the file</p>		<p>At the Department's discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure</p>

SECTION II – PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

STANDARDS	LIQUIDATED DAMAGES	REIMBURSEMENTS
<p>provided by NYS DTF, or any RPC Lockbox Jurisdiction(s), provided the file is received prior to the agreed upon cut off, as set forth in Section VII – Program Development and Support Requirements of this RFP and the RFP response.</p>		<p>to meet the standard; reimbursement includes, but is not limited to, lost interest earnings calculated based on the actual number of Business Days to accomplish ledger credit beyond the time frame specified and the monthly normalized 90 Day Treasury Bill rate for the period during which the violation occurred.</p>
<p>5.A.3. Deposit of Remittances – Sales and Compensating Use Tax – Non-Peak Period Processing The Contractor must deposit all remittances into the Department tax receipt account (see Section VI Functional Requirements) for Ledger Credit on the same Business Day as receipt.</p>		<p>At the Department’s discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard; reimbursement includes, but is not limited to, lost interest earnings calculated based on the actual number of Business Days to accomplish ledger credit beyond the time frame specified and the monthly normalized 90 Day Treasury Bill rate for the period during which the violation occurred.</p> <p>And/Or</p> <p>The taxpayer will be reimbursed for any bank related expenses (e.g., stop payment, returned item fees, etc.) for failure to meet the standard.</p>
<p>5.A.4. Deposit of Remittances – Sales and Use Tax – Peak Period Processing The Contractor must deposit all remittances, associated with the fully processed Tax Filing (required according to the Performance Standard referenced at 6.A.2.) for Ledger Credit on the same Business Day.</p> <p>All remittances received during a month must be deposited into the Department’s tax receipt account for Ledger Credit by the last Business Day of that month.</p>		<p>At the Department’s discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard; reimbursement includes, but is not limited to, lost interest earnings calculated based on the actual number of Business Days to accomplish ledger credit beyond the time frame specified and the monthly normalized 90 Day Treasury Bill rate for the period during which the violation occurred.</p> <p>And/Or</p> <p>The taxpayer will be reimbursed for any bank related expenses</p>

**SECTION II – PERFORMANCE STANDARDS AND
LIQUIDATED DAMAGES**

STANDARDS	LIQUIDATED DAMAGES	REIMBURSEMENTS
		(e.g., stop payment, returned item fees, etc.) for failure to meet the standard.
<p>5.A.5. Deposit of Remittances – Sales and Use Tax – Multi-State Program The Contractor must deposit all remittances associated with the Jurisdictional (NY, NJ or CT) portion of “split” deposits into the respective Jurisdictional joint tax receipt account (established for DTF and the NYS Office of the Comptroller) on the same Business Day as receipt.</p> <p>The Contractor must initiate a wire transfer of funds from the CT jurisdictional joint tax receipt account (established for DTF and the NYS Office of the Comptroller) to the designated CT account weekly, on each Thursday, no later than 10:00 am, and the last Business Day of the month, if other than a Thursday.</p> <p>The Contractor must initiate a wire transfer of funds from the NJ jurisdictional joint tax receipt account (established for DTF and the NYS Office of the Comptroller) to the designated NJ account weekly, on each Friday, no later than 10:00 am, and the last Business Day of the month, if other than a Friday.</p>		<p>At the Department’s discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard; reimbursement includes, but is not limited to, lost interest earnings calculated based on the actual number of Business Days to accomplish ledger credit beyond the time frame specified and the monthly normalized 90 Day Treasury Bill rate for the period during which the violation occurred.</p> <p>And/Or</p> <p>The taxpayer will be reimbursed for any bank related expenses (e.g., stop payment, returned item fees, etc.) for failure to meet the standard.</p>
<p>5.A.6. Copies of Remittances – Timeliness The Contractor must deliver a copy or an image of a remittance to the Department within ten (10) Business Days from the date of a request for such copy by the Department.</p>		<p>At the Department’s discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard.</p> <p>And/Or</p> <p>The taxpayer will be reimbursed for any bank related expenses (e.g., stop payment, returned item fees, etc.) for failure to meet the standard.</p>
<p>5.B. Accuracy and Completeness of Deposit: 100% Accurate and Complete</p>		
<p>5.B.1. Deposit Accuracy The Contractor must correctly deposit each remittance to the respective Department tax receipt account in the amount of the remittance and perform all deposit associated functions (i.e., encoding, reconciliation, balancing, data capture of remittance amount, etc.). See Section VI – Functional Requirements.</p>		<p>At the Department’s discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard;</p> <p>And/Or</p> <p>The taxpayer will be reimbursed for any bank related expenses (e.g., stop payment, returned item fees, etc.) for failure to meet the standard.</p>

SECTION II – PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

STANDARDS	LIQUIDATED DAMAGES	REIMBURSEMENTS
<p>5.B.2. Remittance Copies – Accuracy The Contractor must provide the Department with an accurate, complete and legible copy of a requested remittance within ten Business Days from the date of the request from the Department.</p>		<p>At the Department’s discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard.</p> <p>And/Or</p> <p>The taxpayer will be reimbursed for any bank related expenses (e.g., stop payment, returned item fees, etc.) for failure to meet the standard.</p>
<p>6. Tax Filing Processing – Timeliness, Accuracy & Completeness</p>		
<p>6.A. Timeliness of Tax Filing Processing: 100% Timely</p>		
<p>6.A.1 Sales and Use Tax – Non-Peak Period Processing All Tax Filings must be fully processed on the same Business Day as receipt.</p>		<p>At the Department’s discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard.</p> <p>And/Or</p> <p>The taxpayer will be reimbursed for any bank related expenses (e.g., stop payment, returned item fees, etc.) for failure to meet the standard.</p> <p>And/Or</p> <p>At the Department’s discretion, the Contractor will be compensated based upon the Contractor’s overall performance level. Such performance level will be established based upon a sample error rate applied to a defined universe or via examination of a defined universe through system reports or other methods of review. The Contractor will be compensated based upon the following method:</p> <ul style="list-style-type: none"> A. For a performance level of 100%, the Contractor will receipt full compensation; or, B. For a performance level of 95.0%-99.9%, the Contractor will be compensated based upon

SECTION II – PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

STANDARDS	LIQUIDATED DAMAGES	REIMBURSEMENTS
		<p>the performance level achieved (for example; an achieved timeliness performance level of 97% would correspond to 97% [97% / 100%]) compensation; or,</p> <p>C. For a performance level of less than 95.0%, the Contractor’s compensation will be reduced by two times the error rate for the performance level achieved (for example; an achieved timeliness performance level of 90% would correspond to compensation of 80% [100%-90%=10% error rate; 10%x2=20% reduction or compensation of 80%]).</p>
<p>6.A.2. Sales and Use Tax – Peak Period Processing</p> <p>The Contractor must fully process a minimum of 50,000 tax filings on any Monday and a minimum of 25,000 on any other Business Day, in accordance with the following processing priorities:</p> <ul style="list-style-type: none"> - AU-196.10 (Bulk Sales Notification) - ST-810 (monthly filers) returns with remittance - ST-810 (monthly filers) returns without remittance - ST-100, ST-102 (quarterly filers) with remittance - ST-100, ST-102 (quarterly filers) without remittance - All other tax filings with remittance - All other tax returns without remittance <p>If the Contractor does not have sufficient tax filings in carryover inventory and mail receipt for that Business Day, it will fully process all Tax Filings on hand.</p> <p>At month-end cut off, all Tax Filings received during a month must be fully processed by the last Business Day of that month.</p>		<p>At the Department’s discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard.</p> <p>And/Or</p> <p>The taxpayer will be reimbursed for any bank related expenses (e.g., stop payment, returned item fees, etc.) for failure to meet the standard.</p> <p>And/Or</p> <p>At the Department’s discretion, the Contractor will be compensated based upon the Contractor’s overall performance level. Such performance level will be established based upon sample error rate applied to a defined universe or via examination of a defined universe through systems reports or other methods of review. The Contractor will be compensated based upon the following method:</p> <p>A. For a performance level of 100%, the Contractor will receive full compensation; or,</p>

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STANDARDS	LIQUIDATED DAMAGES	REIMBURSEMENTS
		<p>B. For a performance level of 95.0%-99.9%, the Contractor will be compensated based upon the performance level achieved (for example; an achieved timeliness performance level of 97% would correspond to 97% [97% / 100%]) compensation; or,</p> <p>C. For a performance level of less than 95.0%, the Contractor's compensation will be reduced by two times the error rate for the performance level achieved (for example; an achieved timeliness performance level of 90% would correspond to compensation of 80% [100%-90%=10% error rate; 10%x2=20% reduction or compensation of 80%]).</p>
<p>6.A.3. Estate Tax All Tax Filings received between the Friday cut-off of the previous week and the Friday cut-off of the current week (weekly standard) must be fully processed by that current week's end to meet the output delivery standard (See Standard 7.A.1, below).</p>		<p>At the Department's discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard.</p> <p>And/Or</p> <p>The taxpayer will be reimbursed for any bank related expenses (e.g., stop payment, returned item fees, etc.) for failure to meet the standard.</p> <p>And/Or</p> <p>At the Department's discretion, the Contractor will be compensated based upon the Contractor's overall performance level. Such performance level will be established based upon a sample error rate applied to a defined universe or via examination of a defined universe through system reports or other methods of review. The Contractor will be compensated based upon the following method:</p>

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STANDARDS	LIQUIDATED DAMAGES	REIMBURSEMENTS
		<p>A. For a performance level of 100%, the Contractor will receive full compensation; or,</p> <p>B. For a performance level of 95.0%-99.9%, the Contractor will be compensated based upon the performance level achieved (for example; an achieved timeliness performance level of 97% would correspond to 97% [97% / 100%]) compensation; or,</p> <p>C. For a performance level of less than 95.0%, the Contractor's compensation will be reduced by two times the error rate for the performance level achieved (for example; an achieved timeliness performance level of 90% would correspond to compensation of 80% [100%-90%=10% error rate; 10%x2=20% reduction or compensation of 80%]).</p>
<p>6.A.4. IFTA Tax Filings and IFTA Monthly Transmittals</p> <p>All Tax Filings received between the Friday cut-off of the previous week and the Friday cut-off of the current week (weekly standard) must be fully processed by that current week's end to meet the output delivery standard (see Standard 7.A.1. below).</p> <p>All Monthly Transmittals received between the Thursday cut-off of the previous week and the Thursday cut-off of the current week (weekly standard) must be fully processed by that current week's end to meet the output delivery standard (see Standard 7.A.1, below).</p> <p>Month-end Cut-Off: All Tax Filings and Monthly Transmittals received between the Friday cut-off of the previous week and the cut-off on the last Business Day of the month must be fully processed by the last Business Day of that month to meet the output delivery standard.</p>		<p>At the Department's discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard.</p> <p>And/Or</p> <p>The taxpayer will be reimbursed for any bank related expenses (e.g., stop payment, returned item fees, etc.) for failure to meet the standard.</p> <p>And/Or</p> <p>At the Department's discretion, the Contractor will be compensated based upon the Contractor's overall performance level. Such performance level will be established based upon sample error rate applied to a defined universe or via</p>

SECTION II – PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

STANDARDS	LIQUIDATED DAMAGES	REIMBURSEMENTS
		<p>examination of a defined universe through systems reports or other methods of review. The Contractor will be compensated based upon the following method:</p> <ul style="list-style-type: none"> A. For a performance level of 100%, the Contractor will receive full compensation; or, B. For a performance level of 95.0%-99.9%, the Contractor will be compensated based upon the performance level achieved (for example; an achieved timeliness performance level of 97% would correspond to 97% [97% / 100%]) compensation; or, C. For a performance level of less than 95.0%, the Contractor's compensation will be reduced by two times the error rate for the performance level achieved (for example; an achieved timeliness performance level of 90% would correspond to compensation of 80% [100%-90%=10% error rate; 10%x2=20% reduction or compensation of 80%]).
<p>6.B. Accuracy and Completeness of Tax Filings Processing</p>		
<p>6.B.1. Estate, IFTA and Sales Tax Tax Filings Processing 99.5% Accurate & Complete The Contractor must complete the Tax Filing processing in accordance with program requirements and procedures.</p>		<p>At the Department's discretion, the Department will be reimbursed for any expenses and/or loss of revenue for failure to meet the standard.</p> <p>And/Or</p> <p>The taxpayer will be reimbursed for any bank related expenses (e.g., stop payment, returned item fees, etc.) for failure to meet the standard.</p> <p>And/Or</p> <p>At the Department's discretion,</p>

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STANDARDS	LIQUIDATED DAMAGES	REIMBURSEMENTS
		<p>the Contractor will be compensated based upon the Contractor's overall performance level. Such performance level will be established based upon a sample error rate applied to a defined universe or via examination of a defined universe through system reports or other methods of review. The Contractor will be compensated based upon the following method:</p> <ul style="list-style-type: none"> A. For a performance level of 100%, the Contractor will receipt full compensation; or, B. For a performance level of 95.0%-99.9%, the Contractor will be compensated based upon the performance level achieved (for example; an achieved timeliness performance level of 97% would correspond to 97% [97% / 100%]) compensation; or, C. For a performance level of less than 95.0%, the Contractor's compensation will be reduced by two times the error rate for the performance level achieved (for example; an achieved timeliness performance level of 90% would correspond to compensation of 80% [100%-90%=10% error rate; 10%x2=20% reduction or compensation of 80%]).
<p>7. Output Delivery: 100% Timely, Accurate and Complete</p>		
<p>7.A.1 Output Delivery to the Department (e.g., Data File Transmissions, Image Tapes, Reports, Tax Filings, etc.) – 100% Timeliness All data, image and report transmissions must be delivered to the Department as follows:</p> <ul style="list-style-type: none"> • Estate Tax and Sales Tax – data, images and related reports, received between Monday and Friday must be delivered by 5:00 a.m. (EST) of the following Monday; and • IFTA – data, images and related reports, from 	<p>Liquidated damages of \$1,000 for initial failure to meet the standard.</p> <p>Corrective action will be identified and a timetable specified by the Department. Additional liquidated damages of \$500 will be assessed for each Business Day</p>	

SECTION II – PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

STANDARDS	LIQUIDATED DAMAGES	REIMBURSEMENTS
<p>filings and Monthly Transmittals received between Monday and Friday must be delivered by 5:00 a.m. (EST) of the following Monday.</p> <p>All image tapes must be delivered to the Department and to Connecticut (for the Schedule CTs) by 12:00 p.m. on the same Business Day as delivery of corresponding data transmission referenced above.</p> <p>All fully processed Estate Tax Filings must be delivered to the Department on a weekly basis.</p> <p>All fully processed Sales and Use Tax Filings, with the exception of the Schedule CT's and Schedule NJ's, must be delivered to the Department by at such time that a full pallet is available.</p> <p>All unprocessed Sch CT's must be delivered to the Connecticut by 12:00 pm on the Business Day following receipt by the Contractor. All fully processed Schedule CTs must be delivered to Connecticut on a weekly basis.</p> <p>All Schedule NJ's must be delivered to the Department by 12:00 pm on the Business Day following receipt by the Contractor.</p> <p>All fully processed NY IFTA Tax Filings and Monthly Transmittals must be delivered to the NYS DTF by 12:00 pm on the same Business Day as the delivery of the corresponding data transmission.</p>	<p>implementation of the corrective action is late. Liquidated damages will be assessed daily from the date the Contractor is notified in writing that the correction action is not acceptable. Liquidated damages will not accrue during the Department's review period(s).</p> <p>For repeated offenses of the same violation in the same audit period, the applicable fee will double (\$1,000 increases to \$2,000; \$500 increases to \$1,000).</p>	
<p>7.A.2. Output Delivery to the Department (e.g. Data File Transmission, Image Tapes and Reports, etc.) – 100% Accuracy</p> <p>All output (e.g., data file transmissions, image tapes and reports) must be processed in accordance with program requirements and procedures. The Contractor must provide output to the Department which is accurate and complete.</p>	<p>Liquidated damages of \$1,000 for initial failure to meet the standard.</p> <p>Corrective action will be identified and a timetable specified by the Department. Additional liquidated damages of \$500 will be assessed for each Business Day implementation of the corrective action is late. Liquidated damages will be assessed daily from the date the Contractor is notified in writing that the corrective action is not acceptable. Liquidated damages will not accrue during the Department's review</p>	

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STANDARDS	LIQUIDATED DAMAGES	REIMBURSEMENTS
	<p>period(s).</p> <p>The Contractor will correct reports and images at the Contractor's expense.</p> <p>For repeated offenses of the same violation in the same audit period, the applicable fee will double (\$1,000 increases to \$2,000; \$500 increases to \$1,000).</p>	
<p>7.A.3. Tax Filing Image Quality The Contractor must provide the Department with accurate, complete and legible images of Tax Filings. The image quality (readability) must be as good as or better than the Tax Filing document.</p>	<p>Liquidated damages of \$500 for initial failure to meet the standard.</p> <p>Corrective action will be identified and a timetable specified by the Department. Additional liquidated damages of \$250 will be assessed for each Business Day implementation of the corrective action is late. Liquidated damages will be assessed daily from the date the Contractor is notified in writing that the corrective action is not acceptable. Liquidated damages will not accrue during the Department's review period(s).</p> <p>For repeated offenses of the same violation in the same audit period, the applicable fee will double (\$1,000 increases to \$2,000; \$500 increases to \$1,000).</p>	

SECTION III – ADMINISTRATIVE CONDITIONS AND PROPOSAL RESPONSES REQUIREMENTS

I. Procurement Key Events

I.A. Timetable

Issuance of RFP	Monday, October 30, 2006
Deadline for Registering for Pre-Bid Conference and for filing the “Affirmation And Understanding of, and Compliance with, Procurement Lobbying Guidelines” (Appendix B-7, see also I.E.1.E. of this Section)	Thursday, November 9, 2006 (by 4:00 PM)
Pre-Bid Conference	Thursday, November 16, 2006 Sign-In: 1:00 – 1:30 Pre-Bid Conference: 1:30 – 3:30
Deadline for Filing the “Notification of Intent to Bid” (Appendix B-1)	Monday, November 27, 2006 (by 4:00 P.M.)
Deadline for Submission of Questions	Monday, November 27, 2006 (by 4:00 P.M.)
Department’s Written Responses to Questions	Monday, December 11, 2006
Deadline for Follow-up Questions Based on Department Responses ONLY	Monday, December 18, 2006 (by 4:00 PM)
Department’s Written Responses to Follow-up Questions	Friday, December 22, 2006
Proposals Due	Monday, January 22, 2007 (by 4:00 P.M.)
Notification of Award of Bid	Monday, April 9, 2007
Deadline for Contract Signature	Friday, June 8, 2007 (must be within 60 calendar days of Notification of Award of Bid)
Department User Acceptance Testing Begins	IFTA - September 3, 2007 Estate - December 3, 2007 Sales - March 3, 2008
Staged Certification Dates	IFTA - March 3, 2008 Estate - June 2, 2008 Sales - September 1, 2008
Implementation Date	IFTA - April 1, 2008 Estate - July 1, 2008 Sales - October 1, 2008

SECTION III – ADMINISTRATIVE CONDITIONS AND PROPOSAL RESPONSES REQUIREMENTS

I.B. Pre-Bid Conference

A Pre-Bid Conference will be conducted on Thursday, November 16, 2006, at the Department of Tax and Finance's Wade Road Building, Latham, NY. Sign-in will begin at 1:00, with the Conference from 1:30 – 3:30. Bidders interested in attending the Pre-Bid Conference must register to attend by e-mail (bfs_contracts@tax.state.ny.us), fax (518-435-8413) or by phone (518-457-0954) no later than 4:00 PM, Thursday, November 9, 2006. Confirmation will be acknowledged, along with directions to the Wade Road Building. **Prospective bidders are required to attend the Pre-Bid Conference.** Prospective bidders that do not attend the Pre-Bid Conference will not be considered in the bidding process. Prospective bidders will have the opportunity to ask questions at the Pre-Bid Conference, and are also encouraged to submit those questions to the Department by Monday, November 27, 2006 for inclusion in the formal Question and Answer document.

Note: Due to space limitations, each Bidder will be limited to six (6) representatives to attend the Pre-Bid Conference.

I.C. Notification of Intent to Bid

Bidders intending to submit a proposal to this RFP must provide a "Notification of Intent to Bid" (Appendix B-1) Monday, November 27, 2006 (no later than 4:00 P.M.) to Ms. Janice Piccone at the address referenced below. The "Notification of Intent to Bid" must be filed by the Prime Contractor only.

I.D. Submission of Questions

The Department will accept written questions regarding the RFP until 4:00 PM on Monday, November 27, 2006. The Department will subsequently make available, at the Department's web site – "<http://www.nystax.gov/procurement>", written answers to all substantive questions by Monday, December 11, 2006. The Department will accept follow-up questions based on Department responses ONLY by 4:00 PM on Monday, December 18, 2006. The Department will make available responses to the follow-up questions by Friday, December 22, 2006.

Questions should be submitted, in writing to:
New York State Department of Taxation and Finance
Attention: Ms. Janice Piccone
Procurement Bureau
W. A. Harriman State Office Building Campus
Building 9, Room 234
Albany, New York 12227

E-mail: bfs_contracts@tax.state.ny.us
Fax: (518-435-8413)

SECTION III – ADMINISTRATIVE CONDITIONS AND PROPOSAL RESPONSES REQUIREMENTS

I.E. Submission of Proposals

Proposals must be received no later than 4:00 PM on Wednesday, January 22, 2007 with the following visibly inscribed on the outside of the package:

**Proposal to Provide Services for
“Sales Tax, Estate Tax and IFTA”**

**Contractor Name and Address
Date of Submission**

The proposal packages and other related materials must be enclosed in sealed containers and delivered to:

New York State Department of Taxation and Finance
Attention: Ms. Janice Piccone
Procurement Bureau
W. A. Harriman State Office Building Campus
Building 9, Room 234
Albany, New York 12227

Note: Mail deliveries requiring a signature of receipt should be addressed to the Department’s campus address, but the delivery service should be instructed to deliver the bid documents to the following address:

90 Cohoes Avenue
Green Island, New York 12183.

Faxed or electronically submitted proposals will NOT be accepted. No consideration will be given to proposals received after the Monday, January 22, 2007 deadline. The Department will provide bidders with confirmation of receipt of bids.

To facilitate the evaluation process, the bidder must submit:

1. Ten paper copies of the Bid Documents detailed in I.E.1.A – 1.E.1.E, below;
2. Ten bound copies of the Technical Proposal, which include the page number on all pages, and five copies in PDF format on a CD;
3. Ten bound copies of the Financial Proposal, which include the page number on all pages, and five copies in PDF format on a CD; and
4. Ten bound copies of the responses to Section II – Performance Standards and Liquidated Damages and Section XI – Invariable Contract Conditions and Mandatory Topics.

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

Bidders may be requested to provide two CDs with the complete proposal in a non-PDF format (e.g., MS Word, MS Excel) to support any future FOIL request.

I.E.1. Bid Documents

The following forms and documents (I.E.1.A. through I.E.1.E.) must be submitted with the Proposals:

I.E.1.A. Attestation Form

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

SECTION III – ADMINISTRATIVE CONDITIONS AND PROPOSAL RESPONSES REQUIREMENTS

I.E.1.A. Non-Collusive Bidding Practices Certification

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

I.E.1.B. McBride Fair Employment Principles

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

I.E.1.C. Contractor Certification and Certificates of Authority (Sales and Use Tax Documentation)

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

This law imposes upon certain contractors the obligation to certify whether or not the contractor, its affiliates, and its subcontractors are required to register to collect state sales and compensating use tax and contractors must certify to DTF that each affiliate and subcontractor exceeding such sales threshold is registered with DTF to collect New York State and local sales and compensating use taxes. The law prohibits the State Comptroller, or other approving agency, from approving a contract awarded to a contractor meeting the registration requirements but who is not so registered in accordance with the law. Contractor certification forms and instructions for completing the forms are attached to this bid. Form No. ST-220-TD must be filed with and returned directly to DTF. Unless the information upon which the ST-220-TD is based changes, this form only needs to be filed once with DTF. If the information changes for the contractor, its affiliate(s), or its subcontractor(s), a new Form No. ST-220-TD must be filed with DTF.

Form ST-220-CA must be filed with the bid (Appendix B-5 of this RFP) and submitted to the procuring covered agency certifying that the contractor filed the ST-220-TD with DTF. Proposed contractors should complete and return the certification forms within two business days of request (if the forms are not completed and returned with bid submission). Failure to make either of these filings may render a bidder non-responsive and non-responsible. Bidders shall take the necessary steps to provide properly certified forms within a timely manner to ensure compliance with the law.

Vendors may call DTF at 1-800-698--2931 for any and all questions relating to Section 5-a of the Tax Law and relating to a company's registration status with the DTF. For additional information and frequently asked questions, please refer to the DTF web site: <http://www.nystax.gov>.

I.E.1.D. Vendor Responsibility Questionnaire

Article XI Section 163(4)(d) of the State Finance Law states that "service contracts shall be awarded on the basis of best value to a responsive and responsible offerer." Each bidder must complete and submit the Responsibility Questionnaire (see Appendix B-6 of this RFP). The Bidder Responsibility Questionnaire will be analyzed to ensure that the bidder is responsible. Bidders who are deemed not to be responsible, based on this analysis, may be rejected.

I.E.1.E. Procurement Lobbying Act

All inquiries concerning this solicitation should be addressed to the following designated contacts:

Janice Piccone	(518) 457-0954	bfs_contacts@tax.state.ny.us
Ann Dieckmann	(518) 457-0954	bfs_contacts@tax.state.ny.us

SECTION III – ADMINISTRATIVE CONDITIONS AND PROPOSAL RESPONSES REQUIREMENTS

Karen Brino

(518) 457-0954

bfs_contacts@tax.state.ny.us

Contacting individuals other than the designated contacts listed above may result in the disqualification of the bidder's proposal - please refer to the procurement lobbying law and the department guidelines posted on the Department's procurement website at: <http://www.nystax.gov/procurement> and referenced below.

Pursuant to State Finance Law §§139-j and 139-k, this solicitation includes and imposes certain restrictions on communications between DTF and an Offerer/bidder during the procurement process. An Offerer/bidder is restricted from making contacts from the earliest notice of intent to solicit offers/bids through final award and approval of the Procurement Contract by DTF and, if applicable, the Office of the State Comptroller ("restricted period") to other than designated staff unless it is a contact that is included among certain statutory exceptions set forth in State Finance Law §139-j (3) (a). Designated staff, as of the date hereof, is identified in Section One and this Section of the Request for Proposal. DTF employees are also required to obtain certain information when contacted during the restricted period and make a determination of the responsibility of the Offerer/bidder pursuant to these two statutes. Certain findings of non-responsibility can result in rejection for contract award and in the event of two findings within a four-year period, the Offerer/bidder is debarred from obtaining governmental Procurement Contracts. Information related to the Procurement Lobbying Law and DTF guidelines can be found on the Department's Procurement website at: <http://www.nystax.gov/procurement>. Bidders must file the "Affirmation and Understanding of, and Compliance with Procurement Lobbying Guidelines", "Offerer Disclosure of Prior Non-Responsibility Determinations" and the "Offerer's Certification of Compliance with State Finance Law 139-k(5)" in Appendix B-7.

a. Offerer Disclosure of Prior Non-Responsibility Determinations

New York State Finance Law §139-k(2) obligates a Governmental Entity to obtain specific information regarding prior non-responsibility determinations with respect to State Finance Law §139-j. This information must be collected in addition to the information that is separately obtained pursuant to State Finance Law §163(9). In accordance with State Finance Law §139-k, an Offerer must be asked to disclose whether there has been a finding of non-responsibility made within the previous four (4) years by any Governmental Entity due to: (a) a violation of State Finance Law §139-j or (b) the intentional provision of false or incomplete information to a Governmental Entity. The terms "Offerer" and "Governmental Entity" are defined in State Finance Law § 139-k(1). State Finance Law §139-j sets forth detailed requirements about the restrictions on Contacts during the procurement process. A violation of State Finance Law §139-j includes, but is not limited to, an impermissible Contact during the restricted period (for example, contacting a person or entity other than the designated contact person, when such contact does not fall within one of the exemptions).

As part of its responsibility determination, State Finance Law §139-k(3) mandates consideration of whether an Offerer fails to timely disclose accurate or complete information regarding the above non-responsibility determination. In accordance with law, no Procurement Contract shall be awarded to any Offerer that fails to timely disclose accurate or complete information under this section, unless a finding is made that the award of the Procurement Contract to the Offerer is necessary to protect public property or public health safety, and that the Offerer is the only source capable of supplying the required Article of Procurement within the necessary timeframe. See State Finance Law §§139-j (10)(b) and 139-k(3).

A Governmental Entity must include a disclosure request regarding prior non-responsibility determinations in accordance with State Finance Law §139-k in its solicitation of proposals or bid documents or specifications or contract documents, as applicable, for procurement contracts. The attached form is to be completed and submitted by the individual or entity seeking to enter into a Procurement Contract. It shall be submitted to the Governmental Entity conducting the Governmental Procurement.

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b. Offerer's Certification of Compliance with State Finance Law 139-k(5)

New York State Finance Law 139-k(5) requires that every Procurement Contract award subject to the provisions of State Finance Law 139-k or 139-j shall contain a certification by the Offerer that all information provided to the procuring Government Entity with respect to State Finance Law 139-k is complete, true and accurate.

I.E.2. Technical Proposal

The Technical Proposal must include the following sections:

I.E.2.A. Section I - Executive Summary

This Section should be directed to the Department's upper level management and should contain a summary of management considerations. Bidders should utilize this Section to demonstrate how their proposal, services, and/or products meet the Department's procurement objectives as outlined in Section I - Introduction.

The Executive Summary must address, at a minimum:

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

I.E.2.B. Section 2 - Responses to Requirements – Technical Proposal

This Section must contain responses to the individual requirements contained in Sections III – XI, and any specific alternative language to the Performance Standards and Liquidated Damages in Section II and to the Contract Conditions in Section X of this RFP, if applicable.

I.E.3. Financial Proposal

The Bidder must submit a Financial Proposal, separate and distinct from the Technical Proposal. The Financial Proposal must be for the proposal, services and/or products contained in the Technical Proposal. The Financial Proposal must include narrative responses, as dictated by the response column of the financial proposal requirements in Section X - Financial Requirements, as well as tabular responses as dictated by the Financial Tables included in that same section.

The Financial Proposal must identify all one-time development fees and all operations fees to ensure that the Department can accurately determine the full life cycle cost of this procurement. The volumes provided in Section I - Introduction should be used to develop the Financial Proposal.

If the table formats provided in Section X - Financial Requirements do not provide the Bidder with flexibility to do so, information required to completely and accurately respond must be included in the narrative text section of the response. If a Bidder prefers to present required data in a different format from the tables provided, prior approval must be obtained from the Department and the Bidder must follow the Department's guidance.

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I.E.4. Responses to Requirements – General

The requirements in Sections IV, VI, VII, VIII, IX, X, XI are categorized as mandatory (M) or mandatory/desirable (M/D), based on DTF's approach to implementation of the requirement and the response from the contractor as defined as follows:

- A. Mandatory (M) requirements must be included in the Technical and Financial proposals. The responses to these requirements will be considered in the evaluation and award process. These requirements will be implemented by DTF.
- B. Mandatory/Desirable (M/D) requirements must be included in the Technical and Financial proposals. The responses to these requirements will be considered in the evaluation and award process. These requirements may, or may not, be implemented by DTF at any time throughout the term of the contract.

Within each RFP section, the response column of the matrices specifies the content of responses that must be contained in the proposal. A bidder is required to affirm agreement, and in some cases, describe a solution or provide a detailed response describing the strategy proposed to satisfy each requirement.

II. Proposal Administrative Conditions

II.A. Timely Submission of Proposals

The bidders are solely responsible for timely delivery of their bids to the location set forth above prior to the stated bid opening date/time and are solely responsible for delays in receipt, including but not limited to those due to third-party carriers.

II.B. Late Bids

No late bids will be accepted. Delays in United States Postal Service deliveries or any other means of transmittal, including couriers or agents of the State, shall not excuse late bid submissions.

II.C. Improperly Labeled Proposals

In the event that a package is not labeled properly as described in I.E. of this Section, the Department reserves the right to inspect the contents of the package(s) to determine such information. The bidder shall have no claim against the Department arising from such inspection and such inspection shall not affect the validity of the procurement. Notwithstanding the Department's right to inspect contents of the package(s) to ascertain the foregoing information, the bidder assumes all risk of late delivery associated with the bid not being identified, packaged or labeled in accordance with the foregoing requirements.

II.D. Extraneous Terms

Bid proposals must conform to the terms and conditions set forth in this RFP. Any objections to terms and conditions set forth in this RFP must be provided to the Department in the bidder's response to the Administrative Conditions contained in its technical proposal. Material deviations to the terms and conditions set forth in this RFP (including additional, inconsistent, conflicting or alternative terms) may render the bid non-responsive and may result in rejection.

Only those extraneous terms that meet all the following requirements will be considered as having been submitted as part of the proposal:

1. Each proposed extraneous term (addition, counter-offer, deviation, or modification) must be specifically enumerated in a writing which is not part of a pre-printed form and must be identified

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within the Technical and Financial proposal by a “pointer” to a bidder supplied extraneous term addenda to the Technical or Financial Proposal;

2. The writing (described in II.D.1. above) must identify the particular term to which the bidder objects or proposes to modify by inclusion of the extraneous term; and,
3. The bidder shall enumerate the proposed addition, counter-offer, modification or deviation from the bid proposal, and the reasons therefore.

Extraneous term(s) submitted on standard, pre-printed forms (including but not limited to: product literature, order forms, license agreements, contracts or other documents), whether or not deemed “material”, which are attached or referenced with submissions and which do not meet the above requirements will not be considered part of the bid or resulting contract, but rather will be deemed to have been included for informational or promotional purposes only. Acceptance and/or processing of the bid proposal shall not constitute such written acceptance of Extraneous Term(s) or a waiver of the Department’s rights set forth below. Failure to object to a term set forth in this RFP shall be deemed to constitute acceptance thereof by the bidder.

II.E. Proposal Clarifications and Bidder Presentations

The Department reserves the right to require a bidder to provide clarification and validation of its proposal, to the satisfaction of the Department, through any means the Department deems necessary. Failure of a bidder to cooperate with the Department’s effort to clarify a proposal may result in the proposal being labeled as non-responsive and be given no further consideration.

The Department reserves the right to use information submitted by the bidder in response to the Department’s request for clarifying information in the course of evaluation and selection under this RFP.

Additionally, bidders may be required to participate in individual presentations or to provide written clarification. Such clarifications will be considered in the evaluation process.

II.F. Proposal Effective Date

A bidder’s proposal must be in effect for twenty-four (24) months from date of award (through April 9, 2009).

II.G. Prime Bidder

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

II.H. Prime Contractor

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

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II.I. Subcontracting

The Contractor agrees not to enter into any subcontract with a commercial bank for banking services, including depository services, without the Department's prior written approval. DTF shall have the right to approve each and every such subcontract prior to giving written approval to the Contractor to enter into such subcontract. DTF reserves the right to review and approval other subcontract(s) directly related to the proposed services and/or products for the performance of contractual obligations. All such contract(s) shall contain provisions specifying that:

- A. The work performed by the subcontractor must be in accordance with the terms of the contract between DTF and the prime contractor;
- B. Nothing contained in such agreement shall impair the rights of DTF;
- C. Nothing contained under the contract between DTF and the prime contractor shall create any contractual relationship between any subcontractor and DTF;
- D. DTF reserves the right to request that a member or members of the subcontractor's staff be removed for work related cause from any work activity performed as a result of the subcontract, provided that such cause is not one which is prohibited by law as a basis for terminating an employee;
- E. The prime contractor is solely responsible for subcontractor performance;
- F. DTF has final approval of subcontractors; and,
- G. In the event of contract termination, DTF reserves the right to have any subcontracts assigned to it on the same terms and conditions as applied to the prime contractor (to the extent consistent with New York State Law).

All subcontracts must contain provisions similar to those in the contract between DTF and the prime contractor so that the provisions of any subcontract entered into by the prime contractor are similar to, and not inconsistent with, the contract awarded as a result of this RFP.

II.J. Bid Opening

Bids will not be opened publicly. The Department reserves the right at any time to postpone or cancel a scheduled bid opening.

II.K. Proposal Security

Each bidder's proposal will be held in strict confidence by Department staff and will not be disclosed except to the Office of the Attorney General, the Office of the State Comptroller, and the Division of the Budget, as may be necessary to obtain the approvals of those agencies for the final contract.

Public inspection of the bids is regulated by the Freedom of Information Law (Article 6 of the New York State Public Officers Law). The bids are presumptively available for public inspection. If this is unacceptable to a bidder, the bidder should apply to the Department for trade secret protection of the applicable portions of their bid, according to Department regulations.

In applying for trade secret protection, it would be unacceptable to categorize the entire proposal as such. Instead, the bidder should identify, in a letter attached to their proposal, those sections of the proposal that are trade secrets and explain the reasons, therefore. The bidder may wish to review with its legal counsel Restatement of Torts, Section 757, comment b., and the cases under the Federal Freedom of Information Act, 5 USC Section 552. The Department will review applications and grant trade secret protection, if appropriate.

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The Public Officers' Code of Ethics (Section 74 of the Public Officers Law) sets the standard that no officer or employee of a State agency shall disclose confidential information that (s)he acquires during the course of official duties. These standards control the confidentiality of a Contractor's proposal unless the Department grants a petition for records access in accordance with the Freedom of Information Law.

Bidders should be advised that the confidentiality of their proposals is based upon statute, as described above. A nondisclosure agreement, whether prescribed by the Department or the Bidder, would not alter the rights and responsibilities of either party under the Freedom of Information Law. Bidders should not propose a nondisclosure agreement for Department employees, for that would be legally ineffective to alter any legal responsibility under the Freedom of Information law or the Code of Ethics.

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

NO RECORDS CONCERNING THIS PROCUREMENT, INCLUDING DETAILS OF THE BID SUBMISSIONS, WILL BE AVAILABLE PRIOR TO CONTRACT EXECUTION AND APPROVAL.

II.L. Request for Exemption from Disclosure

As outlined in II.K. above, public inspection of bid proposals is regulated by the Freedom of Information Law. The bids are presumptively available for public inspection. If this would be unacceptable to the bidder, the bidder should apply to the Department for trade secret protection of its bid. As stated in II.K. above, it would be unacceptable to categorize the entire proposal as trade secrets. Instead, the bidder should identify, in a letter attached to their proposal, those sections of the proposal that are trade secrets and explain the reasons, therefore.

II.M. Proposal Ownership

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

II.N. Contractor Selection and Notification of Award

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

II.O. Debriefing

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

II.P. Contract Negotiations and Approval

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

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The Contractor(s) must sign a contract by Friday, June 8, 2007, and if the Contractor fails to do so, the Department reserves the right to begin negotiations with the second rated bidder.

II.Q. Amendments

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

II.R. Bid Protest Policy

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

II.S. Bid Solicitation

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

II.T. Issuing Office

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

II.U. Liability

The State of New York is not liable for any costs incurred by a bidder in the preparation and production of any proposal, or for any work performed prior to the final execution of a contract.

II.V. Reserved Rights

The Department of Taxation and Finance reserves the right to:

- A. Disqualify a bidder from receiving an award if such bidder has previously failed to perform satisfactorily in connection with public bidding or contract(s) or is deemed otherwise not responsible;
- B. Reject any or all proposals received in response to this RFP and to reissue modified version of this RFP;
- C. Withdraw the RFP (in whole or part);
- D. Use the proposal, information obtained through site visits, management interviews and the Department's investigation of a bidder's qualifications, experience, ability or financial standing, and any material or information submitted by the bidder in response to the Department's request for clarifying information in the course of evaluation and selection under this RFP;
- E. Change any of the scheduled dates stated herein;
- F. Develop and implement program enhancements in-house or by entering into agreements with other third party providers. If the Department does not select the contractor(s) to develop and/or implement a program enhancement, the contractor(s) must be willing to work in good faith with the Department and/or any other involved party or parties to develop the requested program enhancements. Should the Department determine that enhancement services being provided by a third party does not meet the Department's expectations, the Department reserves the right to begin negotiations with the Contractor(s) to provide such services;
- G. Eliminate any mandatory specification that cannot be complied with by any of the prospective bidders;
- H. Determine a tie-breaking mechanism for award of the contract based upon an in-house established methodology which serves the best interest of the State; and
- I. Negotiate with the successful bidder within the scope of the RFP in the best interests of the State; and conduct contract negotiations with the next eligible responsible bidder should the Department be unsuccessful in negotiating an agreement with the selected bidder within a time frame

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acceptable to the Department. Such time frame is to be determined solely by the Department based on the best interests of the State.

II.W. News Releases

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

SECTION IV – QUALIFYING REQUIREMENTS

I. Bidder Qualifications

Failure to meet the following qualifications will result in disqualification of a bidder’s proposal.

II. Contractor Qualifications

REQUIREMENT	RESPONSE
<p>1.0 Technical Qualifications</p>	<p>Affirm understanding and agreement with requirements II.1.1 through II.1.2 below. The Contractor must provide a detailed description of how each requirement will be met, including, but not limited to the specific details identified below.</p>
<p>1.1 (M) The prime bidder must be a document processor or a state or federally chartered Commercial Bank.</p> <p>The prime bidder must maintain lockbox and processing operations within New York State to provide the services contained in this RFP, with the exception of banking services and the electronic funds transfer origination site, which must be in the continental United States. Any development activities related to the program may be performed anywhere in the continental U.S.</p> <p>A document processor acting as prime bidder must subcontract with a commercial bank to handle banking services (e.g., deposit, check clearing, online balance reporting, financial reporting, item research, etc.).</p> <p>For Module 1, the prime bidder must have at least three (3) years demonstrated experience with large scale lockbox document processing programs (i.e., with greater than 1 million documents annually for at least one contractor). For Module 2, the prime bidder must have at least three (3) years demonstrated experience with large scale lockbox document processing programs (i.e., with at least 250,000 documents annually for at least one contractor).</p>	<p>1.1 Provide, at a minimum, the following information for the Bidder and prospective commercial bank subcontractor, if applicable, including evidence of prior experience in performing joint venture projects with the subcontractor:</p> <p>A. Statement of the capacity and willingness of the Bidder to enter into a contract in accordance with the terms and conditions specified in Section II - Performance Standards and Liquidated Damages, Section IX – Cash Management Requirements, Section X – Financial Requirements, and Section XI – Invariable Contract Conditions and Mandatory Topics, and to perform the work set forth in Section VI - Functional Requirements and Section VII - Program Development and Support Requirements, regardless of any contingencies which may occur;</p> <p>B. A description of the Bidder, including, at a minimum:</p> <ol style="list-style-type: none"> 1. Organizational overview, key managers and titles, and 2. Location of the Bidder’s processing center(s). <p>C. Description of all projects in process or completed within the last five years with the State of New York, or its localities. Provide the names and telephone numbers of the agency staff who administered the contract(s) and/or supervised the Bidder during the course of the project.</p>

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REQUIREMENT	RESPONSE
	<p>D. Evidence of the Bidder's three years experience for each Module in providing services such as those required by this RFP and of comparable scope. Such evidence should include:</p> <ol style="list-style-type: none"> 1. Description of the project(s) (e.g., client served, application, daily volumes, and duration); and 2. Names and telephone numbers of client staff who administered the Bidder's contract(s) and/or supervised the Bidder during the course of the project. <p>E. Description of any activities in which the Contractor is engaged which may constitute a conflict of interest regarding this program; and</p> <p>F. List of all litigation in which the Bidder has been, or currently is involved, and a complete description (including current status) of litigation which may reflect on the ability of the Bidder to provide the requested services.</p>
<p>1.2 (M) Lockbox processing operations (e.g., receipt, extraction, document preparation, deposit preparation, balancing and reconciliation, remittance encoding, data capture, image scan and index, data/image/reporting output, etc.) should be performed in a manner similar to that prescribed by Section VI and Section VII of this RFP, at an accuracy level no less than the levels set forth in Section II – Performance Standards and Liquidated Damages.</p> <p>The prime bidder should have demonstrated experience implementing such large scale document processing on time and within budget.</p> <p>Depository bank services must be in close proximity to the lockbox operation in order to expedite funds availability. Further, the depository bank should possess comprehensive EFT experience and customer support capability.</p>	<p>1.2 Provide, at a minimum, the following information for the Bidder and prospective subcontractors for each Module:</p> <ol style="list-style-type: none"> A. Minimum of three references for projects similar in scope, complexity and/or subject matter to the program set forth herein; B. Description of any implementation or operational failures within the last five years (including enhancements to existing programs) in terms of timeliness, exceeding budget, or accuracy levels. Such description should include: <ol style="list-style-type: none"> 1. Description of the project(s) (e.g., client served, application, daily volumes, and duration); 2. Full description of the implementation or operational failure; 3. Steps taken to mitigate the recurrence of the failure; and, 4. Customer's management level point of contact (name and telephone number) who is

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	REQUIREMENT	RESPONSE
		<p>willing to validate the prime contractor's description of the failure and steps taken to mitigate the problem.</p>
<p>II</p>	<p>2.0 Financial Stability</p>	<p>Affirm understanding and agreement with requirements II 2.1 through II 2.2 below. The Contractor must provide a detailed description of how each requirement will be met, including, but not limited to the specific details identified below.</p>
	<p>2.1 (M) The primary bidder, and a commercial bank acting as a subcontractor for depository bank services (commercial bank subcontractor), if applicable, must be a financially stable entity, such that it may initiate and perform its obligations through the duration of the project.</p> <p>As a condition of any resulting contract, the Contractor must continue to evidence financial stability. The on-going financial stability of the Contractor will be evaluated based upon criteria similar to that used in the evaluation process. Annual financial statements prepared by an accountant in accordance with GAAP will be required to be submitted for review to the Department within 90 days of the fiscal year end. The annual financial statements will be required for the Contractor, as well as any of its subsidiaries or parent companies. Any material change in ownership of the Contractor, or material financial change of the Contractor, will require a reevaluation of the contract in its entirety by the Department.</p>	<p>2.1 Provide, at a minimum, the following information:</p> <p>Proof of financial stability, as set forth in the requirements listed below:</p> <p>Audited/reviewed financial statements, required where indicated below, must have been prepared by a CPA in accordance with GAAP. All required information must be provided for any predecessor company within the last three years and any other subsidiary, affiliate, and/or related company requested by the Department. Any additional information requested must be submitted.</p> <ol style="list-style-type: none"> 1. If the bidder is a subsidiary of a parent company that is publicly held, the bidder must comply with the preceding requirements by either (a) submitting separate, audited/reviewed, annual financial statements for the parent and subsidiary for the last three years OR (b) by submitting audited/reviewed, annual financial statements for the parent for the last three years, unaudited/internal annual financial statements for the subsidiary for the last three years and the spreadsheet(s) used for consolidation. <p>Additionally, the most recent interim financial statements (audited, reviewed, or unaudited/internal) are required for both the parent and subsidiary.</p> <ol style="list-style-type: none"> 2. If the bidder is a subsidiary of a

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		<p>parent company that is privately held, the bidder must either (a) comply with the requirement outlined in paragraph one OR (b) submit separate annual, unaudited/internal company financial statements for both the parent and subsidiary for the last three years, a separate Dunn and Bradstreet Comprehensive Report (dated within 21 days of bid submittal) for both the parent and bidder, and a statement explaining why annual, audited/reviewed statements are not available.</p> <p>Additionally, the most recent interim financial statements (audited, reviewed, or unaudited/internal) are required for both the parent and subsidiary.</p> <p>3. If the bidder is a publicly held company and is not a subsidiary of a parent company, it must provide audited or reviewed annual financial statements for the last three years. Plus, the most recent interim financial statements (audited, reviewed, or unaudited/internal) are required.</p> <p>4. If a bidder is a privately held company and is not a subsidiary of a parent company, it must either (a) fulfill the requirements set forth in paragraph three above or (b) provide annual, unaudited/internal company financial statements for the last three years, a Dunn and Bradstreet Comprehensive Report (dated within 21 days of bid submitted) and a statement explaining why annual audited/reviewed statements are not available.</p> <p>Additionally, the most recent interim financial statements (audited, reviewed, or unaudited/internal) are required.</p> <p>Bidders must also provide:</p>

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		<ul style="list-style-type: none"> • its primary bank reference, including the name and phone number of the relationship manager; • documentation attesting to any significant line(s) of credit that are available to the bidder. This documentation must include information identifying the source of such lines and detailing the maximum credit amount(s) available to the bidder, outstanding balance(s), and current amount(s) available; <p>The bidder must indicate whether or not it guarantees the debt of any other entity.</p> <p>Additionally, if the bidder is a subsidiary of a parent company, the bidder must explain, in detail, the inter-company financial relationship between the parent company and the bidder. The bidder must indicate if the parent company guarantees the debt of the bidder, or if the bidder guarantees the debt of the parent company.</p> <ul style="list-style-type: none"> • organizational charts, including a listing and detailed description of: <ul style="list-style-type: none"> a. The bidder’s primary business units and divisions; b. Key executives; c. Any and all subsidiaries; and d. Any and all minority interests, joint ventures or other type of business affiliations; and • brief biographies of its key officers and management.
	<p>2.2 (M) The Bidder must agree to allow DTF to perform a financial stability analysis on the prime bidder and the commercial bank subcontractor, if</p>	

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	<p>applicable, during bid evaluation.</p> <p>Basis of Financial Stability Evaluation: The Department will conduct a standardized evaluation of the financial statements, or equivalent. Bidder's and commercial bank subcontractor's, if applicable, financial information will be evaluated in a similar fashion to the process a bank would utilize to evaluate financial transactions. Each proposal will be rated on a pass/fail basis on the aggregate of factors to include, at a minimum, the following:</p> <ul style="list-style-type: none"> A. Strength of balance sheet; B. Consistency and strength of earnings and cash flow (trend analysis); C. Prospects for future earnings; D. Comparison of Bidder's and commercial bank subcontractor's, if applicable, financial information to industry statistics as provided on the customary commercial suitability analysis (see above); E. The primary bank reference check will address, but not be limited to, length of relationship, depository information, and loan information; and F. Credit History: External sources will be utilized to determine if a bidder is meeting its credit obligations in a prescribed manner. 	

SECTION V – EVALUATION PROCESS AND CRITERIA

Pursuant to Article XI of the State Finance Law, the basis for an award of a contract(s) pursuant to this RFP is a best value offer which optimizes quality, cost and efficiency, among responsive and responsible bidders, and which is consistent with the best interests of the State of New York.

A. Evaluation Process Overview

An evaluation team comprised of New York State Department of Taxation and Finance (DTF) management and staff representing applicable programmatic and administrative units will be organized into separate sub-teams, one for technical evaluation, one for financial evaluation and a third for the management evaluation, for each module.

The evaluation will be based on an assessment of the following:

1. Technical and Financial Proposals;
2. Bidder's affirmations and/or alternate language proposed for Section II – Performance Standards and Liquidated Damages and Section XI – Invariable Contract Conditions and Mandatory Terms
3. Reference checks based on references identified by the Bidder and other follow-ups from sources other than the Bidder;
4. Bidder's responsibility;
5. Bidder's financial stability;

And, if deemed necessary by the Department:

- 1 On-site evaluation of the Bidder's operations and proposed technology applications as applicable; and
- 2 Interviews with and presentations by the Bidder's proposed management team, including appropriate executives and technical specialists.

B. Bidder Selection

The Bidder(s) will be selected on the basis of best value.

C. Evaluations

Bidder Qualification and Responsibility Review

The initial review will determine if a bidder meets the minimum qualifications necessary to bid as stated in Section IV – Qualifying Requirements. A bidder which does not meet such minimum qualifications will be disqualified without further evaluation. In addition, bidders who are deemed not to be responsible and reliable, based on requirements in Section IV – Qualifying Requirements and requirements in Section II – Performance Standards and Liquidated Damages, may be rejected.

Technical and Financial Review

1. Completeness Review - Proposals will be screened for completeness, including verification that:
 - a. each requirement has a corresponding response;
 - b. the Executive Summary, Corporate History and Conceptual Overview are provided;
 - c. the items identified in Section III (I.E.1.) are provided; and,
 - d. all required Financial Tables, as specified in Section X, are provided.

The Department reserves the right to reject any proposal which does not contain a complete set of responses.

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2. Requirement Review

The Bidder's responses to individual functional requirements; program development and support requirements; implementation requirements; administrative and cash management requirements will be evaluated and rated "Pass", "Pass with Deficiency" or "Fail". In addition, the Bidder's financial and technical qualifications and level of responsibility will be evaluated based on the Section IV - Qualifying Requirements, and review of the Bidder's ability to meet the minimum bid criteria and explanation of performance matters. Bidders will be rated "Pass" or "Fail". A failure to meet a requirement may lead to disqualification of a bidder's proposal.

3. Proposal Scoring

The Technical and Financial evaluation components for each module will be valued at a total of 85 points and distributed, according to the point distributions noted in sub-sections D and F below. The Management evaluation, for each module, will be valued at a total of 15 points.

D. Financial Evaluation

Financial proposals will be evaluated based on the life cycle cost for the base term of the resultant contract (see Section 1, H, Contract Duration, of this RFP for applicable base term for each module), as reflected by the direct fees proposed for development and operations. The financial evaluation will utilize the volumes identified in Exhibit 10 of this RFP, in combination with the Bidder's financial proposals to compute the life cycle cost. The financial proposal will be evaluation based on:

Module 1	=	30 points
Module 2	=	30 points

E. Technical Evaluation

Technical proposals will be evaluated based on a hierarchical review process identified below. The technical proposal will be evaluated based on:

Module 1	=	55 points
Module 2	=	55 points

For Module 1, the Department's technical evaluation will be based solely on the Sales Tax program. However, the Department will evaluate Estate Tax proposals and will determine that all mandatory requirements have been met.

Mandatory requirements in Module 1 and 2 must be met – a failure to meet a requirement may lead to disqualification of a bidder's proposal.

The technical evaluation scoring process will be conducted as follows:

1. Functional Review - At the function level (e.g., deposit, data capture, etc.), Bidder responses will be evaluated for comprehensiveness, effectiveness, flexibility and control;
2. Program Development and Support Review - At the topic level (e.g., lockbox configuration and processing sites, internal controls and security, etc.), Bidder responses will be evaluated for comprehensiveness, effectiveness, flexibility and control; and
3. Integration Review - At this step in the evaluation process, the teams will evaluate the Bidder's proposal based on the following:
 - (a) integration of workflow, systems, functional approaches and resources for the proposed program;
 - (b) appropriateness of any proposed technologies;
 - (c) if the performance standards can be met; and,
 - (d) the Bidder's ability to manage the project.

SECTION V – EVALUATION PROCESS AND CRITERIA

F. Management Committee Evaluation

The Department will perform a management evaluation valued at 15 points for each module. Included in this management evaluation will be:

1. Bidder's experience developing, implementing and operating programs of similar size and complexity;
2. Bidder's proposed Implementation Plan (Section VIII of this RFP);
3. Reference checks based on references identified by the Bidder and follow-up from sources other than the Bidder;
4. Evaluation of Bidder's financial and technical qualifications and responsibility;
5. Bidder's adaptability and flexibility to accommodate program changes and enhancements;
6. Bidder's financial stability; and,
7. Bidder's affirmations and/or alternate language proposed for Section II – Program Performance Standards and Liquidated Damages and in Section XI – Invariable Contract Conditions and Mandatory Topics (see Footnote¹ below) of this RFP.

The Table below summarizes the evaluation point distribution:

Evaluation Component	Module 1	Module 2
Financial Evaluation	30 points	30 points
Technical Evaluation	55 points	55 points
Management Evaluation	15 points	15 points
TOTAL	100 points	100 points

¹ The Program Performance Standards and Liquidated Damages, as set forth in Section II of this RFP, represent the Department's preferred standards and liquidated damages. In the event a Bidder provides specific alternative language to the Program Performance Standards and Liquidated Damages, such alternative language will be evaluated utilizing a scaled rating whereby an affirmation of the Department's standard and/or liquidated damage receives the highest rating and the maximum deviation (based on the minimum allowed values stated below) from a standard or liquidated damage receives the lowest rating. The minimum allowed values are as follows:

1) For Performance Standards: the Department will not accept any alternative language to general control standards or deposit standards. The Department will allow alternate language for timeliness standards on data and image output of up to one business day. The Department will allow alternate language for completeness and accuracy standards for returns processing, however, the accuracy standards cannot be less than 98%; and,

2) For Liquidated Damages, the Department will not accept any alternative language that reduces a liquidated damage by more than 25% for specified dollar damages (e.g.; \$1,000). The Department will not accept percentage reductions in the reimbursement column.

A bid which does not meet the minimum allowed values will be subject to disqualification.

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<p>A. INTAKE REQUIREMENTS <i>Intake encompasses those functions associated with the receipt of tax filings from the post office, private delivery services and courier service to/from DTF.</i></p>	<p>Affirm understanding and agreement with requirements A. 1.1 through A. 2.1. The Contractor must provide a detailed description of how each requirement will be met, including, but not limited to the specific details identified below.</p>
<p>A. 1.0 Postal Delivery and Pick-Up Schedule</p>	
<p>A. 1.1 (M) The Contractor must pick-up from Post Office boxes, located in New York State, established for the receipt of tax filings for the Sales Tax Program of this RFP, and from Post Office boxes from the previous contract for one full year. Subsequent to the one full year, the mail received in these Post Office boxes will be forwarded by the USPS for an additional two years. The Contractor will be required to establish and maintain a relationship with the U.S. Post Office in order to facilitate mail receipt. Note: DTF will have ownership of the Post Office boxes and will pay associated rental fees (see Exhibit 3 – Current Post Office Box Configurations).</p>	<p>A. 1.1 Identify the location of the Post Office, the number of boxes the contractor proposes, the distance relative to the contractor's processing site, the method of transport between the locations, security and controls associated with this requirement.</p>
<p>A. 1.2 (M) The Contractor must provide courier service for pick-up and delivery from/to DTF Central Offices (may be more than one building, including various rooms and floors) to accommodate a morning delivery deadline (see Section II – Performance Standards and Liquidated Damages). Courier service will be utilized to include, but not be limited to, pick up of tax filings sent from DTF, and delivery of unprocessable items (see Requirement B.6.3 below), reports and image output sent from the Contractor. Note: Scheduled courier services are currently provided for less than five locations within three DTF buildings. Specific locations for courier service will be provided to the Contractor during implementation.</p>	<p>A. 1.2 Describe the proposed courier service that will be provided, including, but not limited to the proposed schedule, shared service with any other programs, plans for subcontracting and associated security.</p>
<p>A. 1.3 (M) The Contractor must provide an address to accommodate the receipt of tax filings from private delivery services (e.g., UPS or FedEx).</p>	
<p>A. 1.4 (M) The Contractor must verify that all items received from DTF are accompanied by a transmittal and that all items listed on the transmittal are present. The Contractor must sign the transmittal and return one copy to DTF, via secure e-mail, within one business day of receipt. The Contractor must maintain a control log of the transmittals received from DTF for one year.</p>	<p>A. 1.4 Describe the proposed e-mail procedure and provide a copy of the proposed control log of transmittals received.</p>
<p>A. 2.0 Receipt Log</p>	
<p>A. 2.1 (M) The Contractor must maintain daily volumes of receipts for each PO Box included in this RFP. Volumes must be measurable in an aggregate manner (e.g. weight, number of trays, estimated number of returns) and distinguish between regular and registered/certified mail. The Contractor must develop a method</p>	<p>A. 2.1 Describe the proposed strategy to be used to measure volumes and to track that volume on a daily basis. Describe the method, and frequency, to be used to periodically update those assumptions in order to verify accurate aggregate measurements</p>

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for determining accurate aggregate measurements and must periodically validate and/or adjust the accuracy of estimated volumes. This information must be included in the Processing Report sent to DTF (see Exhibit 1C - Processing and Management Reports).	and/or estimated volumes.
B. DOCUMENT PREPARATION <i>Document preparation encompasses those functions associated with extraction, indating, assembly and batching, document identification, special handling, correspondence identification and processing, and tracking number assignment.</i>	Affirm understanding and agreement with requirements B. 1.1 through B. 7.3. The Contractor must provide a detailed description of how each requirement will be met, including, but not limited to, the specific details identified below.
B. 1.0 Extraction	
B. 1.1 (M) The Contractor must provide a strategy for extraction that maximizes cost effective processing, supports the deposit and processing standards, and ensures that all envelope contents are extracted. See Section II – Performance Standards and Liquidated Damages.	B. 1.1 Describe the proposed method of extraction and of verification that all contents have been extracted (e.g. “candling”, sampling of envelopes, 3-side slitting of envelopes, etc.).
B. 1.2 (M) The Contractor must process taxpayer return receipt requests with an accompanying self-addressed, stamped envelope in the following manner: stamp correspondence with the calendar date corresponding with the day of receipt, send correspondence to taxpayer and continue with routine processing of the tax filing.	
B. 1.3 (M) The Contractor must properly execute Postal Service Return Receipt Requests, Postal Service Certified Mail Acknowledgements and private delivery service receipts.	
B. 1.4 (M) The Contractor must provide a strategy to identify and process cash remittances.	B. 1.4 Describe the proposed method for identifying and processing cash remittances (e.g., extraction clerk forwards to a supervisor; a cash substitution ticket replaces the cash for processing, etc.).
B. 2.0 Indating, Assembly and Batching	
B. 2.1 Contractor Receipt (M) The Contractor must maintain the integrity of the Received Date for each tax filing until the information can be added to the document record, as required in the file layouts (see Exhibit 5B – Sales Tax File Layouts). The <i>Received Date</i> is defined as the business day the tax filing is received by the Contractor from the Post Office, delivered to the processing facility from a private delivery service, delivered to the processing facility from DTF by the courier, or received in some other manner directly by the Contractor.	B. 2.1 Describe the method proposed for maintaining the integrity of the Received Date and for capturing that Received date.
B. 2.2 Postmark Date (M) The Contractor must maintain the integrity of the postmark date of each tax filing and remittance (if applicable) until the information can be added to the document record, as required in the file layouts (see Exhibit 5B – Sales Tax File Layouts). Postmark is defined as a mark affixed on envelopes or other mailing pieces by the United States Postal Service showing the date and location of the post office where it was mailed.	B. 2.2 Describe the method proposed for maintaining the integrity of the postmark date and for capturing that date.

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<p>A. Non-Peak Postmark Process:</p> <ol style="list-style-type: none"> 1. Populate the data record with the postmark date on the envelope affixed by the USPS. 2. If the postmark is illegible or missing the contractor should populate the data record with the date from a metering device, 3. If the metered date is missing or illegible the contractor shall populate the appropriate field with the actual receipt date (the calendar date the tax filing is received at the contractor's processing site). Note: if the tax filing has been delivered via one of the Department authorized private delivery services, the date of pick-up or delivery to the service is the date that should be used, or, if the tax filing has been forwarded by DTF, the date noted by DTF should be used. <p>B. Peak Postmark Process:</p> <ol style="list-style-type: none"> 1. Beginning the first Business Day of the defined quarterly peaks and ending the third Business Day after the quarterly due date, the Contractor will populate the postmark field with the quarterly due date for timely filed returns. For all other tax filings (e.g. late returns, AU-11, DTF-716, etc) the Contractor will populate the postmark field with the method outlined above. 	
<p>B. 2.3 Envelope Retention (M) The Contractor must retain the envelope accompanying the tax filing until the tax filing is determined to be processible (including bankability), the postmark date has been determined, and any correspondence has been identified.</p> <p>The Contractor must retain and image envelopes associated with the following tax documents:</p> <ol style="list-style-type: none"> A. DTF-716, DTF-719 B. ST-330 <p>The Contractor must retain and image envelopes under other conditions, including envelope(s) associated with late document(s), prior period documents, unassociated remittances, tax filings with missing or illegible postmark or metering device dates; and/or unprocessable items will need to be retained with the tax filing.</p> <p>If an envelope contains multiple tax filings, and the envelope is required to be retained for such tax filings, the Contractor must photocopy/image the envelope, so that each tax filing has either the original, or a copy associated with it.</p>	
<p>B. 3.0 Document Preparation and Identification</p>	
<p>B. 3.1 (M) The Contractor must prepare documents and remittances within the tax filing for data and image capture. The Contractor</p>	<p>B. 3.1 Describe the proposed solution for preparing documents and remittances for data and image</p>

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must ensure that the remittance and documents within a tax filing remain physically together through tracking number assignment.	processing. Include a description of the proposed method for ensuring that the remittance and return remain physically together through the tracking number assignment process.
<p>B. 3.2 Document Identification (M) The Contractor must ensure a document identification strategy that maximizes workflow; accommodates processing priorities and tracking number assignment (see Exhibit 4B - Tracking Number Ranges), and ensures that all processing standards are met or exceeded (see Section II – Performance Standards and Liquidated Damages).</p> <p>The Contractor must process tax filings according to the following priorities and in accordance to Section II – Performance Standards and Liquidated Damages:</p> <ul style="list-style-type: none"> A. ST-196.10 B. ST-810 (monthly filers) returns with remittance C. ST-810 (monthly filers) returns without remittance D. ST-100, ST-102 (quarterly filers) with remittance E. ST-100, ST-102 (quarterly filers) without remittance F. All other tax filings with remittance G. All other tax filings without remittance. 	<p>B. 3.2 Describe the proposed document identification strategy, showing how it will maximize workflow, accommodate the program specific processing priorities and tracking number assignment, and ensure that all processing standards are met.</p>
<p>B. 3.3 (M) The Contractor must identify and process all tax filings, regardless of the source or format, including, but not limited to, DTF supplied forms, DTF approved forms, one sided and two sided forms, photocopies, computer software generated documents, and or other substitute documents, whether they are handwritten (pen or pencil), typed or computer printed, in accordance with deposit and processing standards (see Section II - Performance Standards and Liquidated Damages).</p>	
B. 4.0 Special Handling	
<p>B. 4.1 Special Handling (M) The Contractor must review all tax filings, identify conditions that require repair and modify the tax filing(s) and process as instructed by DTF (to be provided during implementation):</p> <ul style="list-style-type: none"> A. Forms ST-100, ST-101, ST-102, ST-102A, ST-103, ST-809, ST-810 and FT- 945/1045 <ul style="list-style-type: none"> 1. Period Designator missing or inconsistent with the filing period. 2. Missing or invalid jurisdiction information (e.g. jurisdiction(s) outside of New York State or jurisdiction(s) within New York State that is not a taxing jurisdiction); 3. Two separate entries for the same county jurisdiction on a blank Page 2 line and on a pre-printed line. 4. Rates inconsistent with the valid rates for the filing period. B. Software Generated Returns (non DTF pre-printed) <ul style="list-style-type: none"> 1. Errors regarding rates, rate codes or jurisdictions on software generated forms 	

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<p>C. Forms ST-130, ST-131, ST-140 and ST-141</p> <ol style="list-style-type: none"> 1. Missing period designator; 2. Missing ID Number. <p>D. Form DTF-716</p> <ol style="list-style-type: none"> 1. Missing DTF transmittal. <p>E. Form DTF-719</p> <ol style="list-style-type: none"> 1. Filing period other than current 2. Line consistency <p>F. Schedules A, B, FR, H, N, Q, T, B-ATT and T-ATT</p> <ol style="list-style-type: none"> 1. Line duplication between the schedule(s) and primary return; 2. Inconsistency between schedule(s) total and total field on primary return. 3. Association with appropriate primary form <p>G. Schedule N-ATT</p> <ol style="list-style-type: none"> 1. Incomplete address 2. Missing maximum daily rate 3. Missing license vehicle capacity 4. Without at least one license number 5. Missing total amount in Section B and no indicator in the “exempt organization box” <p>H. Schedules CT and NJ</p> <ol style="list-style-type: none"> 1. Schedules CT and/or Schedules NJ must be identified and processing accordingly: <ol style="list-style-type: none"> a. Associate with the NY return through imaging and tracking number assignment. Schedules NJ receive both the NY tracking number and the NJ DLN (see Exhibit 4B for the tracking number formats). Schedule CT receives the NY tracking number only. b. If the period designator is missing, or dates have been altered, apply the period designator to match the tax reporting period (see Exhibit 8). c. After tracking number assignment, imaging and deposit preparation, the Schedules CT and NJ are separated. The Schedules NJ are prepared for delivery to NYS DTF (see Requirement....). Continue processing the Schedule CT’s. <p>I. Form ST-100(MV) – County Clerk Reports</p> <ol style="list-style-type: none"> 1. Received from DTF, a transmittal and “DUMMY” return, <p>J. Form ST-100 (MV) – District Office Reports</p> <p>(Note: These reports are received via overnight mail from NYS DMV approximately five to eight business days prior to the end of each month. An ACH Credit Payment, associated to the reports, is made by the Office of the State Comptroller to the Contractor. The Contractor must process both the data and the deposit within the same month. Approximately 38 reports per month.</p> <ol style="list-style-type: none"> 1. Contractor must prepare a “DUMMY” return to associate with each of these reports and must process the subsequent return with its associated taxing jurisdiction information (see Exhibit 5B - Sales and Use Tax 	

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<p>Layouts).</p> <ol style="list-style-type: none"> a. One electronic transfer payment is made for the entire group of District Office documents (currently it is an ACH credit payment) from the Office of the State Comptroller. The payment and the documents must be processed together within the same month. b. Compare the total of “Sales and Use Tax Grand Totals” for all the documents and reconcile to the ACH payment. If these do not equal, a DTF contact name will be provided for this situation during implementation. c. A financial transaction must be created which matches the ACH payment with the document data (the payment amount must be allocated properly to each document item and must be reconciled in total d. The range of tracking numbers must be affixed to each “financial transaction” within the batch. <p>K. Pre-paid Sales Tax on Cigarettes</p> <ol style="list-style-type: none"> 1. Contractor must process the electronic payment and the associated return for prepaid sales tax on cigarettes (one daily faxed by DTF). 	
<p>B. 4.2 Multiple Document/Remittances (M) The Contractor must:</p> <ol style="list-style-type: none"> A. Process multiple remittances received with a single return document by combining the multiple remittances into a single tax paid amount for that return document, apply a unique tracking number to that single return document and associate that same tracking number to each remittance; B. Process a single remittance received with multiple return documents by verifying that the amount of the remittance satisfies all taxes/liabilities due (if not, see Program Specific Requirements), apply a unique tracking number to each document and associate each tracking number to each remittance. If consecutive tracking numbers are to be applied, the remittance should have the first and last tracking numbers applied. The remittance image must be associated with each document; and C. Process multiple remittances received with multiple tax filings: <ol style="list-style-type: none"> 1. If none of the remittances agree exactly with any of the documents, but the total amount of the remittance agrees exactly with the total amount due, process each document as full paid. The remittance image(s) must be associated with each document. 2. If total amount due does not equal total of the remittances: <ol style="list-style-type: none"> a. If the taxpayer provides instructions, apply accordingly. b. If there are not instructions from the taxpayer and the remittance is less than total due, apply 	<p>B. 4.2 Describe the proposed method of associating multiple remittances with a single return document into a single tax paid amount for that document and for processing a single or multiple remittance(s) associated with multiple returns (either the same tax form or different and not necessarily with a one to one match).</p>

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<p>remittance to the following documents, oldest returns first and in this descending order</p> <ol style="list-style-type: none"> (1) DTF-719 Applications (2) Multi-state Schedules <ol style="list-style-type: none"> (a) Schedule NJ (b) Schedule CT (3) FT-945/1045 Reports (4) Sales Tax Documents <p>3. When a tax document listed above cannot be processed as full paid, apply the remaining remittance amount as partial payment.</p> <p>4. Any remaining tax documents, without a portion of the remittance applied, are to be processed as “zero remit” documents.</p> <p>D. Schedule NJ</p> <ol style="list-style-type: none"> 1. Enter in the “For office use only” box the following information: <ol style="list-style-type: none"> a. The amount being applied to New York on the “Amt applied N.Y. \$ _____” line. b. The total amount due on the New York return, regardless of the remittance amount, on the “(return type), \$ _____” line. <p>Note: For all remittance received with either Schedule NJ and/or Schedule CT, stamp “Multi-State Split Deposit” on the back of the remittance and enter the amount(s) being applied to Schedules NJ and/or CT and NY documents.</p>	
<p>B. 4.3 Split Remittance</p> <p>(M) The Contractor must identify any split remittance and send the remittance and all return documents to DTF (address to be provided during implementation). A split remittance is defined as a remittance which is to be applied to multiple tax documents within multiple tax programs (e.g., a check accompanying a Sales Tax return that indicates it is to be used for a Sales Tax and Corporation Tax liability, or a Sales Tax and IFTA liabilities).</p>	
<p>B. 5.0 Correspondence Identification and Processing</p> <p>B. 5.1</p> <p>(M) The Contractor must identify correspondence received with or on a Sales Tax filing and add the appropriate Special Processing Indicator (SPI) to the data record. (See Requirement B. 7.4)</p> <p>Identify loose correspondence containing tax filing data (i.e., reporting period, gross and/or taxable sales and total sales tax due) and prepare a “DUMMY” return and continue processing</p> <p>Identify a DTF-95, detach any documents for routine processing and process according to Requirement B 6.1.</p> <p>Identify a POA-1 with a tax filing, see Requirement B 6.1.</p>	<p>B. 5.1</p> <p>Describe the proposed strategy for identifying correspondence and the proposed strategy to associate correspondence with the tax filing.</p>
<p>B. 5.2</p> <p>(M) The Contractor must ensure that the document data record/image output reflects the presence of associated</p>	

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correspondence, through image indexing and a Special Processing Indicator SPI in the data record.	
B. 6.0 Unprocessable Item Identification	
<p>B. 6.1 Unprocessable Item Identification (M) The Contractor must identify, and return to DTF, unprocessable items and In addition to any illegible or otherwise unclear documents and empty certified mail envelopes the contractor must be able to identify the following unprocessable conditions:</p> <p>A. Forms ST-100, ST-101, ST-102, ST-102A, ST-103 and ST-810:</p> <ol style="list-style-type: none"> 1. Remittance and a credit entry in column total for sales and use tax. <p>B. Forms DTF-716 and/or DTF-719</p> <ol style="list-style-type: none"> 1. DTF-716 without DTF transmittal 2. DTF-719 for a previous period, 3. DTF-716 with a prior year application. 4. DTF-719 with no remittance. 5. DTF-719 with altered pre-printed DTF label, typed or handwritten taxpayer information which has an invalid or missing Taxpayer Identification Number. 6. DTF-719 with a non character identification number with any of the following suffixes: "01", "02", etc. or "S1", "S2", etc. 7. DTF-719 when multiple applications are received for the same year and from the same taxpayer but the taxpayer's identification number and legal name are not exactly the same for each of the applications within the group. 8. When a DTF-716 or DTF-719 is received with a DTF-17 (see Exhibit 2B – Sales Tax Forms). <p>C. Form ST-565</p> <ol style="list-style-type: none"> 1. Blank. 2. When a taxpayer checks only the box indicating "The Sales Tax Vendor Identification Number shown above is different than what I filed with. I filed using the following Vendor Identification Number". 3. When a taxpayer checks only the box indicating "I used the Sales Tax Telefile System. My 8-digit confirmation number is...". 4. When a taxpayer checks only the box indicating "The 8-digit deposit number stamped on the front of my cancelled check is...". 5. When a taxpayer checks only the box indicating "Attached is a copy of the cancelled check showing the front and back of the check". 6. When a taxpayer indicates "I sold/discontinued my business on // "and the date entered is not within the sales tax period printed on Form ST-565. 7. When taxpayer checks multiple boxes. <p>D. Schedule N-ATT "Loose" (without a primary document)</p>	

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<p>will be returned to DTF. DTF will modify the “Loose” Schedule N-ATT and send to Contractor for processing (see Requirement B 4.1.L).</p> <p>E. Schedule FR with a credit entry in column total for sales and use tax or box 7.</p> <p>F. Unassociated multi-state correspondence.</p> <p>G. Taxpayer submits DTF-95 (detach any documents for routine processing).</p> <p>H. Taxpayer submits POA-1 (detach any documents for routine processing). Note: If POA-1 does not have the taxpayer identification number, enter taxpayer identification number from the tax filing on the top of the POA-1 document prior to sending to DTF.</p> <p>I. Tax filings with liability periods prior to 2000.</p>	
<p>B. 6.2 Misdirected Mail</p> <p>(M) The Contractor must redirect non-tax items and misdirected mail (e.g., utility bills or credit card payments) back to the sender. The Contractor must deliver tax filings which are intended for other taxing authorities (including, but not limited to the IRS, NYS, and NYC taxes) to the appropriate taxing authority, using specific addresses to be provided by DTF during implementation, no later than one business day after identification as misdirected. Note: NYS tax filings sent to an incorrect DTF post office box, but for a tax type also processed by the Contractor, are not considered unprocessable and should be processed in the appropriate program area by the Contractor.</p>	
<p>B. 6.3</p> <p>(M) The Contractor must maintain a control log and file of transmittals of unprocessable items, identified according to criteria, established in B.6.1, forwarded to DTF. These logs must be maintained for twelve months.</p>	<p>B. 6.3</p> <p>Provide a copy of the control log of transmittals sent to DTF.</p>
<p>B. 7.0 Tracking Number Assignment</p>	
<p>B. 7.1</p> <p>(M) The Contractor must assign and include a unique alpha-numeric tracking number to each document in a tax filing (including the return documents, the associated remittance(s), correspondence, schedules, envelope, etc.). The Contractor must be willing and able to accommodate DTF’s tracking number assignment formats (See Exhibit 4B - Tracking Number Ranges) and must use a font size and placement which ensures easy readability of the tracking number, without obscuring the text of the document itself.</p>	<p>B. 7.1</p> <p>Describe the process for assigning tracking numbers. Provide a sample of return and remittance with tracking number placement and font size that will be utilized.</p>
<p>B. 7.2</p> <p>(M) The Contractor must provide a method for applying tracking numbers that ensures that numbers are not duplicated or skipped.</p>	<p>B. 7.2</p> <p>Describe the proposed methodology for ensuring that tracking numbers are not duplicated or skipped.</p>
<p>B. 7.3</p> <p>(M) The Contractor must systematically track and report to DTF tracking numbers that are voided. Tracking numbers that are voided must be included in the document record, in accordance with the file layouts (see Exhibit 5B – File Layouts).</p>	

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<p>B. 7.4 (M) The Contractor must populate Special Processing Indicators (SPI) in the data record to identify certain conditions that is currently identified by intelligent tracking number ranges. SPI's will include but are not limited to:</p> <ul style="list-style-type: none"> A. Change of address B. Name change C. Final or Out of Business D. Correspondence E. Amended returns F. No Jurisdiction information G. Disaster conditions (e.g. World Trade Center, Amnesty, natural disasters) H. Multi-state participants I. Pre-abatement 	
<p>C. DEPOSIT PREPARATION REQUIREMENTS <i>Deposit includes the following functions: bankability review, foreign check handling, balancing, and deposit processing.</i></p>	
<p>C. 1.0 Bankability Review</p>	<p>Affirm understanding and agreement with requirements C. 1.1 through C. 4.1. The Contractor must provide a detailed description of how each requirement will be met, including, but not limited to the specific details identified below.</p>
<p>C. 1.1 (M) The Contractor must review any remittances to ensure bankability (suitability for depositing) in accordance with standard banking procedures and the following DTF procedures.</p> <p>A. Payee Verification:</p> <ol style="list-style-type: none"> 1. The following payees are considered bankable, whether or not the remittance agrees with the amount due: <ol style="list-style-type: none"> a. any New York State District Tax Office or Collector b. Bureau of Taxation and Finance c. Commissioner of Taxation and Finance d. Comptroller State of New York e. Department of Tax Collection f. Department of Taxation and Finance g. Internal Revenue New York State h. New York State Department of Taxation and Finance i. New York State/Internal Revenue Service j. New York State Sales Tax k. New York State Sales Tax Bureau l. New York State Tax m. New York State Tax Bureau n. New York State Tax Commission or Commissioner o. New York State Tax Department p. New York State Tax Office 	<p>C. 1.1 Describe the proposed bankability review process. Include the procedure for dealing with remittances at the beginning of a new year (e.g., a check written on January 3, 2006, but dated January 3, 2005).</p>

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<p>q. Processing Division r. Returns Processing Sales Tax s. Sales Tax t. Sales Tax Bureau u. State Comptroller v. State of New York w. State Revenue Bureau x. State Sales Tax Bureau y. State Tax Bureau z. State Tax Collector aa. State Tax Commission bb. State Tax Commissioner cc. Taxation and Finance</p> <p>2. If any one of the following payees is entered on a remittance, the amount of the remittance agrees exactly with the amount due, indicated on the tax document, stamp with DTF approved restrictive language on the remittance to make it bankable (the restrictive language stamp must be approved by DTF during implementation):</p> <p>a. Any other State agency b. City Collector c. City Collector of New York d. City of New York e. City of Yonkers f. Internal Revenue g. Internal Revenue Service h. IRS i. New York City Tax Collector j. Secretary of State k. Secretary of State of New York</p> <p>3. If the payee line indicates two payees (one of which is listed in 1 or 2 above), affix with DTF approved restrictive language on the remittance to make it bankable.</p> <p>4. If the payee line is blank, stamp with DTF approved restrictive language on the remittance to make it bankable.</p> <p>5. Checks made payable to someone other than those listed under C.1.1.B. 1. or C.1.1.B.2. above, must be properly endorsed by the payee on the back of the remittance:</p> <p>a. If endorsed, proceed as bankable; b. If not endorsed, assign SPI to the associated tax filing, and return to taxpayer, with DTF approved notification;</p> <p>B. Remittance Amount Verification</p> <p>1. When the Courtesy Amount (numeric amount) agrees with the Legal Amount (written amount) on the check, the remittance is bankable, as shown.</p> <p>2. When the Courtesy Amount does not agree with the</p>	

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<p>Legal Amount on the check, process as follows:</p> <ol style="list-style-type: none"> a. If either the Courtesy or Legal amount on the check agrees with the amount due on the tax return, guarantee the check by stamping “Correct Amount is \$...” on the face of the check, enter the correct amount in the space provided and consider the check bankable; b. If neither amount agrees with the amount due on the tax return, assign SPI to the associated tax filing, and return to taxpayer, with DTF approved notification; c. If both the Legal and Courtesy amounts are omitted on the check, assign SPI to the associated tax filing, and return to taxpayer, with DTF approved notification. <p>C. Signature Verification</p> <ol style="list-style-type: none"> 1. If the remittance is signed, consider it bankable; 2. If the remittance is not signed, but the amount of the check agrees with the amount due on the return, stamp over the signature line the statement, “This check, accompanying your tax return or payment document, was processed for your convenience to save you possible interest charges for late payment” in order to make it bankable; 3. If more than one signature is required, but only one person’s signature appears, assign SPI to the associated tax filing, and return to taxpayer, with DTF approved notification. 	
<p>C. 1.2 (M) Foreign Checks and Postal Money Orders</p> <ol style="list-style-type: none"> A. The Contractor must review foreign checks and money orders for bankability. <ol style="list-style-type: none"> 1. Foreign checks and money orders should be considered bankable if: <ol style="list-style-type: none"> a. Payable through a United States Bank and payable in US dollars; or b. Payable through a Canadian bank and payable in US dollars; or c. Foreign Postal money orders, specifying “Payable in US Funds”. 2. Foreign checks and money orders should be considered unbankable if the above conditions are not met. B. If either the name and/or address is missing on an otherwise bankable Foreign Check or Foreign Money Order, enter from the return document to make it bankable; C. If the payee line on an otherwise bankable Foreign Check or Foreign Money Order is blank, stamp with DTF approved restrictive language on the remittance to make it bankable; 	<p>C. 1.2 Describe the proposed method for review of foreign checks and money orders.</p> <p>Note: All foreign check processing fees are to be factored into the Contractor’s fully loaded transaction fees in Section X. No consideration will be given to foreign check processing fees as a separate billable item.</p>

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If the Foreign Check or Foreign Money Order is unbankable, assign SPI to the associated tax filing, and return to taxpayer, with DTF approved notification.	
<p>C. 1.3 Remittances Received Without a Return Document (Unassociated Remittances)</p> <p>(M) The Contractor must review and process remittances received without a tax return document.</p> <p>The Contractor must determine whether the remittance is bankable (see Requirement C 1.0).</p> <p>A. If unbankable, forward to DTF.</p> <p>B. If bankable:</p> <ol style="list-style-type: none"> 1. If an unassociated remittance has a taxpayer account (identified either by a Taxpayer Identification Number that has been provided, or through the DTF eMPIRE System – (TI) search), Taxpayer Identification Number should be associated with that remittance and continue processing. Process using an ST-330. 2. If an unassociated remittance does not have a taxpayer account, use the Exception Identification Number (see Requirements D 2.3), prepare a ST-330 and continue processing. 	
<p>C. 1.4</p> <p>(M) The Contractor must provide a method for re-association of separated checks. A separated check is defined as one which is found, at some point during processing, without the corresponding tax filing document with which it was originally received.</p>	<p>C. 1.4</p> <p>Provide the proposed approach for ensuring the re-association of separated checks and the method of ensuring timely deposit processing of the separated check, if re-association is not possible.</p>
C. 2.0 Balancing and Reconciliation	
<p>C. 2.1</p> <p>(M) The Contractor must ensure that the deposited remittance amount agrees with the remittance amount on the document's data record.</p>	<p>C. 2.1</p> <p>Provide the proposed approach for ensuring that the remittance amount deposited for a taxpayer agrees with the remittance amount recorded on the document's data record.</p>
<p>C. 2.2</p> <p>(M) The Contractor must ensure that for every tax document processed as "with remittance" there is a corresponding remittance(s).</p>	<p>C. 2.2</p> <p>Describe the proposed mechanism and control that will guarantee that every tax document processed as a "with remittance" has a corresponding remittance.</p>
<p>C. 2.3</p> <p>(M) The Contractor must ensure that the tracking number on the tax document and remittance within the tax filing provides for the ability to accurately associate the remittance amount with the proper tax document data record when data capture occurs.</p>	<p>C. 2.3</p> <p>Describe the proposed method to ensure that each remittance is accurately associated with the appropriate tax document data record when the data capture occurs.</p>
<p>C. 2.4</p> <p>(M) The Contractor must ensure "item to item" and batch balancing.</p>	<p>C. 2.4</p> <p>Describe the proposed mechanism that will ensure "item to item" and batch balancing.</p>
<p>C. 2.5</p> <p>(M) The Contractor must ensure reconciliation of the deposit amount, on a daily basis, between the processing site and the check clearing process.</p>	<p>C. 2.5</p> <p>Describe the proposed mechanism and process that will ensure reconciliation on a daily basis between the return and/or tax filing processing site to the check clearing process.</p>

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C. 3.0 Deposit Processing	
<p>C. 3.1 Deposit Processing (M) The Contractor must deposit each remittance into a program specific joint custody tax receipt account, established for DTF and NYS Office of the Comptroller, in a manner which ensures meeting the standards for timeliness and accuracy (see Section II - Performance Standards and Liquidated Damages):</p> <p>A. Multi-State Processing – The Contractor must deposit the Jurisdictional (NY, NJ or CT) portion of “split” deposits into respective Jurisdictional joint tax receipt account established for DTF and the NYS Office of Comptroller.</p> <p>B. The Contractor must initiate wire transfer of funds from respective Jurisdictional (NJ or CT) joint tax receipt account to respective NJ or CT account (routing & transmit numbers to be provided during implementation) based on the following:</p> <ol style="list-style-type: none"> 1. Weekly, each Friday morning, or last business day of the week, if other than Friday. 2. Last business day of the month, if other than Friday. 3. Days other than the end of the week/month. If dollar amount subject to transfer exceeds \$20,000. <p>C. The Contractor must accept wire transfer of funds from respective Jurisdictional (NJ or CT) account(s) (routing & transmit numbers to be provided) to NYS joint tax receipt account.</p>	
<p>C. 3.2 (M) The Contractor must MICR encode, deposit and legibly endorse each remittance in accordance with established banking procedures. Note: The remittance image (scan/index) must include both the front and back of the remittance, post-encoding and endorsement (see Requirement D.3.0 below).</p>	
<p>C. 3.3 (M) The Contractor must maintain the integrity of the deposit date of each remittance until that information can be added to the document record/data record for the respective tax filing, as required in the file layouts (See Exhibit 5B – Sales Tax File Layouts).</p>	<p>C. 3.3 Identify the proposed method for maintaining the integrity of the deposit date.</p>
<p>C. 3.4 (M) The Contractor must immediately re-present a dishonored check (if applicable based on dishonorment reason) following notice of initial dishonorment. The Contractor should not notify DTF after initial dishonorment and no entries should appear on the bank statement. If a second dishonorment occurs after a second attempt to present the check, the Contractor must not attempt to re-present the check again.</p>	
<p>C. 3.5 (M) The Contractor must provide a method of reporting to DTF all bank adjustments related to dishonorments, encoding problems, debits and credits. (Also, see Exhibit 1B - Accounting Reports).</p>	<p>C. 3.5 Describe the proposed method for reporting bank adjustments, including the method of ensuring the matching of dishonorments to proper tracking</p>

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	number for multiples and/or proper amount on foreign checks, money orders, etc.
C. 3.6 (M) The Contractor must cooperate with DTF and OSC to establish and maintain a schedule for end of year fiscal reconciliation, including, but not limited to, cut-off dates for debit memos, credit memos and returned checks.	
(M) The contractor shall create and transmit a file for bank adjustment (See file layout Exhibit 5B – Sales Tax File Layouts)	
C. 4.0 Remittance Copying	
C. 4.1 (M) The Contractor must have the ability to provide a copy (or image) of each remittance, after tracking number assignment and MICR encoding, in accordance with Section II – Performance Standards and Liquidated Damages.	C. 4.1 Identify the proposed method for providing copies.
D. DOCUMENT PROCESSING REQUIREMENTS <i>Document processing includes all functions related to data capture, including completeness and accuracy of the header data verification and output to DTF.</i>	Affirm understanding and agreement with requirements D.1.1 through D. 6.2. The Contractor must provide a detailed description of how each requirement will be met, including, but not limited to the specific details identified below.
D. 1.0 General Data Capture	
D. 1.1 (M) The Contractor must provide a method to capture data which: A. determines that all required data elements are present in accordance with the file layouts (see Exhibit 5B – Sales Tax File Layouts); B. assures timeliness and accuracy in conformance with performance standards (see Section II – Performance Standards and Liquidated Damages); C. maximizes automated routines rather than manual review; D. allows for expansion or contraction of the number of data elements to be reviewed and processed, based on DTF changes (e.g., legislative, document redesign, addition or deletion of documents, e-MPIRE, etc.); and E. utilizes edits to cleanse the data of any data capture errors. *Note: These file layouts are provided as an example of those used currently. DTF will provide any updates during implementation. The Contractor will be responsible for the data capture of all required elements at the time of certification/implementation. Note: To assist the Contractor with key verification, a data file of Sales Tax rate data, relative to filing period, locality and rate, will be made available to the Contractor by DTF. The data should be refreshed by the Contractor daily or when notified by DTF.	D. 1.1 Describe the proposed method of data capture, including the method for validating the accuracy of the data capture (e.g., use of automated routines, key verification or algorithms). Describe the proposed use of the Sales Tax rate data in the overall workflow.
D.1.2 (M/D) The Contractor must capture data from the Sales and Use Tax, Schedule CT, in accordance with the file layout (see Exhibit 5B – Sales Tax File Layouts).	D.1.2 Describe the proposed method for processing and capturing data of the Sch CT.
D. 2.0 Header Data Validation and Verification	

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<p>D. 2.1 (M) The Contractor must validate the Taxpayer Identification number utilizing the Extract (to be provided by DTF) and/or DTF e-MPIRE System – TI. Note: DTF will provide, with regular updates, a taxpayer identification information database extract (the “Extract”) which will include complete taxpayer identification information relative to the Sales Tax program (see Exhibit 6). Online access to the DTF e-MPIRE System – Taxpayer Interface will also be made available to the Contractor (see Section VII Program Development and Support Requirements) and will be required in instances where complete information is not provided by the taxpayer or when a match does not occur between the taxpayer’s reported information and the information in the Extract.</p>	<p>D.2.1 Describe the proposed usage of the taxpayer identification information database extract, including, but not limited to how it will ensure the accuracy of the header information. In addition, identify the conditions for utilization of the taxpayer identification information database extract and/or DTF e-MPIRE System – TI.</p>
<p>D. 2.2 Header Information (M) The Contractor must ensure an accurate header record for each tax document. At a minimum, the Contractor must validate the TPID and associated check digit.</p> <p>The Contractor must validate the Taxpayer Identification Number, check digit and name:</p> <p>A. If taxpayer identification number and check digit, from the tax filing, match the Extract, continue processing.</p> <p>B. If the taxpayer identification number is present, but no check digit on the tax filing, or check digit does not match the Extract, utilize the Extract and/or DTF e-MPIRE System – TI by comparing the legal name provided within the tax filing and, if the same, capture taxpayer identification number and check digit from Extract or TI (see Exhibit 6):</p> <ol style="list-style-type: none"> 1. If legal name does not match, compare DBA name, utilize the Extract and/or DTF e-MPIRE System – TI, if the same, capture taxpayer identification number and check digit from Extract or TI (see Exhibit 6). 2. If neither the legal name nor the DBA name exists, capture name and the taxpayer submitted ID on the tax filing. <p>C. If no taxpayer identification number is present from the tax filing, utilize the Extract and/or DTF e-MPIRE System – TI, compare the legal name provided within the tax filing and if same, capture taxpayer identification number and check digit from Extract or TI (see Exhibit 6).</p> <ol style="list-style-type: none"> 1. If legal name does not match, compare DBA name, utilize the Extract and/or DTF e-MPIRE System – TI, if same, capture taxpayer identification number and check digit from Extract or TI (see Exhibit 6). <p>D. If no match of legal name or DBA name is found within the Extract or TI, refer to Requirement D 2.3.</p>	
<p>D. 2.3 Exception Identification Number (M) The Contractor must assign an exception identification number to tax filings with missing in accordance with DTF requirements.</p>	

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When a Taxpayer Identification Number is missing, enter "000000000" and the number "7" as the check digit.	
<p>D. 2.4 Address Changes</p> <p>(M) The Contractor must identify address change requests from a taxpayer. Address changes will be identified by either an indicator in the address or business information changed check box or any other indication on the document or correspondence that relates to a change in address, the Contractor must ensure that address changes, provided by taxpayers, are accurately made on DTF e-MPIRE System – TI. The Contractor will set a Special Processing Indicator (SPI) on the data record.</p>	
D. 3.0 Document Imaging	
<p>D. 3.1</p> <p>(M) The Contractor must image (scan/index) all tax filings. The indexing approach must ensure that:</p> <ul style="list-style-type: none"> A. there be one(1) multi-page TIFF image file for each separate form type within a document set (at tax filing); B. image files consist of fewer than 1,000,000,000 bytes; C. no blank pages are transmitted; and D. all components of a tax return filing are imaged, that each image file is represented on the Image Control File (the image index file) and that each has a corresponding data record. 	<p>D. 3.1</p> <p>Provide a description of the proposed approach which includes, but is not limited to, the following details:</p> <ul style="list-style-type: none"> A. the equipment (hardware) and software that will be used; B. identification of any subcontractors (including for application development); C. the proposed method of identifying blank pages and of ensuring that no blank pages are included; and D. the reconciliation process that will guarantee that each component of a tax filing is imaged, that each image file is represented on the Image Control File and that each image file has a corresponding data record
<p>D. 3.2</p> <p>(M) The Contractor will be required to create, for each document set, an image file key, a file name and a pathname. The image file key includes the tracking number, a tax type indicator (two alpha characters assigned by DTF), and the processing year (four numeric characters). Each image file (return, schedule, remittance, envelope, etc) within a document set (the tax filing) is assigned a three (3) character suffix (e.g., 12345678ST2006.001, 12345678ST2006.002; and 12345678ST.003), making up the file name. The pathname is created using the format "/images/dnnn/nn/file name" (i.e., /images/d101/23/12345678/001); see the layout in Exhibit 9 for the placement of the pathname.</p>	
<p>D. 3.3</p> <p>(M) The Contractor must provide sorted images in accordance with the image priority specified by DTF (see Exhibit 9).</p>	<p>D. 3.3 Describe the process (manual or systematic) to be utilized to sort/order images in accordance with DTF's image priority requirements.</p>
<p>D. 3.4 (M/D) The Contractor must host, for at least six months, of all images. Access to the images must be available to Department users via the Internet, and must be searchable via the DLN and Taxpayer ID.</p>	<p>D.3.4 Describe the proposed image retention solution.</p>

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D. 4.0 Data Delivery - Fully Processed Data	
D. 4.1 Data Delivery – Fully Processed Data (M) The Contractor must transmit data for fully processed tax filings to DTF in accordance with timeframes described in Section II – Performance Standards and Liquidated Damages, in accordance with the method required in Section VII – Program Development and Support Requirements, and in accordance with file layouts in Exhibit 5B – Sales Tax File Layouts.	D. 4.1 Describe the proposed data delivery process.
D. 4.2 (M) The Contractor must ensure that each data transmission represents deposits and tax filings that have been reconciled.	
D. 4.3 (M) The Contractor must consolidate data transmissions/data delivery from multiple processing sites, if applicable, as well as from multiple intake methods, into a single transmission or set of transmissions.	
D. 5.0 Data Delivery - Fully Processed Paper Documents	
D. 5.1 (M) The Contractor must associate/re-associate all related paper documents for each tax filing before delivery to DTF. The Contractor must also remove any separator sheets within a tax filing that may have been included during document processing.	D.5.1 Describe the proposed process for associating all related paper and preparing for delivery to DTF.
D. 5.2 (M) The Contractor must ensure that there are no unprocessed remittances or returns in any of the fully processed tax filings prior to being returned to DTF.	D. 5.2 Describe the proposed methodology to ensure that there are no unprocessed remittances in any of the paper documents and/or envelopes prior to being returned to DTF.
D. 5.3 (M) The Contractor must deliver the fully processed tax filings (paper documents associated with the data transmitted), along with all associated control documents to DTF and/or DTF's designated storage facility (which is currently located approximately five miles from DTF's Albany location, in Latham, NY), at such time as a full pallet of boxes is available (in accordance to Section II – Performance Standards and Liquidated Damages and in accordance to Requirement D.5.4, below). Original Schedule CT's to the State of Connecticut Department of Revenue, in Hartford, CT – address to be provided during implementation.	
D. 5.4 (M) The Contractor must place fully processed tax filings, with the exception of Sch CTs and Sch NJs, in tracking number order, into Liberty Bankers style boxes (box must have handles and dimensions of 12 ½ " wide x 10 ½" tall x 15 ½ " long). The Contractor must prepare and place a total of five labels on each box; one label on the box lid and an additional label on each side of the box. The label must provide tax type, processed date and the starting and ending ranges of the tracking numbers for the fully processed tax filings contained within each box.	

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<p>D. 5.5 (M) The Contractor must send Sch NJs, in tracking number order to DTF (address to be provided during implementation) in accordance to Section II – Performance Standards and Liquidated Damages.</p> <p>The Contractor must prepare batch control sheets to accompany all Schedule NJ's prior to delivery to DTF. The batch control sheet must include the following information:</p> <ol style="list-style-type: none"> 1. Beginning DLN/tracking number; 2. Ending DLN/tracking number ; 3. Number of tax filings in the batch 	
<p>D. 5.6 (M) The Contractor must send Sch CTs, in tracking number order to the Connecticut Department of Revenue (address to be provided during implementation) in accordance to Section II – Performance Standards and Liquidated Damages.</p>	
<p>D. 5.7 (M) Any tax filing that is removed from a box/batch is to remain at the Contractor's site for subsequent processing or is boxed/batched separately to be forwarded to DTF and must have an outcharge sheet inserted within the box/batch in its place. The outcharge sheet must include the tracking number, taxpayer identification number, contact name and phone number, date and reason for pulling the tax filing.</p>	
<p>D. 5.8 (M) Batches of tax filings identifying unique return conditions requiring DTF review must be accompanied by a transmittal identifying returns and conditions.</p>	
D. 6.0 Data Delivery - Tax Filing Image Media	
<p>D. 6.1 (M) The Contractor must deliver tax filing image media on LTO2 tape, and transmit corresponding control data (in accordance with Control Record layout, see Exhibit 9 – Image Archive System) and/or index files, in accordance to Section II – Performance Standards and Liquidated Damages. The tax filing images on the LTO tape must reconcile to the tax filing data on the transmission(s).</p>	
<p>D. 6.2 (M) The Contractor must ensure that the image header file and the associated images are included on the LTO2 tape. The Contractor must also send a separate data transmission for the Image Control Records, to complete data file transfer to DTF's IBM mainframe before downloading to the pSeries platform. The maximum number of images to be included on a single LTO2 tape is 1,500,000.</p>	<p>D. 6.2 Describe the proposed methodology and controls to identify blank images and ensure that all images, except blank images, are sent to DTF.</p>
<p>D. 6.3 (M/D) The Contractor must deliver, to the Connecticut Department of Revenue, Sales and Use Tax Sch CT and Sales and Use Tax Sch K image media and index file on CD and via</p>	

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a secure VPN connection (at an internet access speed capable of transmitting files up to 600 megabytes in accordance with Control Record layout, see Exhibit 9 – Image Archive System) in accordance to Section II – Performance Standards and Liquidated Damages.	
E. REPORTING REQUIREMENTS	
E. 1.0 Reporting Requirements	Affirm understanding and agreement with requirements E. 1.1 through E. 1.5. The Contractor must ensure that the data flow will support each output requirement.
E. 1.1 (M) The Contractor must provide DTF accounting, processing and financial management reports in a form and format prescribed by DTF. See Exhibit 1B – Accounting Reports and Exhibit 1C – Processing and Management Reports.	E 1.1 Describe the proposed means of meeting the reporting requirements included in Exhibit 1B - Accounting Reports and Exhibit 1C - Processing and Management Reports, including, but not limited to, the proposed format for transmission. For each report or document listed in Exhibit 1, provide a sample.
E. 1.2 (M) The Contractor must provide the reports listed in Exhibit 1 electronically to OSC and/or DTF, as applicable.	E. 1.2 Describe the proposed method for electronic delivery, including any available options.
E. 1.3 (M) The Contractor must ensure that adjustments to the financial reports will be made only under the direction and approval of DTF.	
E. 1.4 (M) The Contractor must provide electronic balance reporting, including same day online balance reporting (online balance reporting must provide detail for each separate program account, as well as a summary of all program accounts) and previous day balance reporting in BAI format.	E 1.4 Describe the online balance reporting system, including the level of reporting detail available. Provide sample screens and reports, describe controls for access, and describe the level of available customization.
E. 1.5 (M) In addition to the reports listed in Exhibit 1, the Contractor must be able to provide DTF with reports generated from queries to the Contractor's database for the program.	E 1.5 Describe the availability and accessibility of such ad hoc reporting from the Contractor's database for the program(s).

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<p>A. INTAKE REQUIREMENTS <i>Intake encompasses those functions associated with the receipt of tax filings from the post office, private delivery services and courier service to/from DTF.</i></p>	Affirm understanding and agreement with requirements A. 1.1 through A. 2.1. The Contractor must provide a detailed description of how each requirement will be met, including, but not limited to the specific details identified below.
<p>A. 1.0 Postal Delivery and Pick-Up Schedule</p>	
<p>A. 1.1 (M) The Contractor must pick-up from Post Office boxes, located in New York State, established for the receipt of tax filings for the Estate Tax Program of this RFP, and from Post Office boxes from the previous contract for one full year. Subsequent to the one full year, the mail received in these Post Office boxes will be forwarded by the USPS for an additional two years. The Contractor will be required to establish and maintain a relationship with the U.S. Post Office in order to facilitate mail receipt. Note: DTF will have ownership of the Post Office boxes and will pay associated rental fees (see Exhibit 3 – Current Post Office Box Configurations).</p>	
<p>A. 1.2 (M) The Contractor must provide courier service for pick-up and delivery from/to DTF Central Offices (may be more than one building, including various rooms and floors) to accommodate a morning delivery deadline (see Section II – Performance Standards and Liquidated Damages). Courier service will be utilized to include, but not be limited to, pick up of tax filings sent from DTF, and delivery of unprocessable items (see Requirement B.6.3 below), reports and image output sent from the Contractor. Note: Scheduled courier services are currently provided for less than five locations within three DTF buildings. Specific locations for courier service will be provided to the Contractor during implementation.</p>	A. 1.2 Describe the proposed courier service that will be provided, including, but not limited to the proposed schedule, plans for subcontracting and associated security.
<p>A. 1.3 (M) The Contractor must provide an address to accommodate the receipt of tax filings from private delivery services (e.g., UPS or FedEx).</p>	
<p>A. 1.4 (M) The Contractor must verify that all items received from DTF are accompanied by a transmittal and that all items listed on the transmittal are present. The Contractor must sign the transmittal and return one copy to DTF, via secure e-mail, within one business day of receipt. The Contractor must maintain a control log of the transmittals received from DTF for one year.</p>	A. 1.4 Provide a copy of the proposed control log of transmittals received.
<p>A. 2.0 Receipt Log</p>	
<p>A. 2.1 (M) The Contractor must maintain daily volumes of receipts for each PO Box included in this RFP. Volumes must be measurable in an aggregate manner (e.g. weight, number of trays, estimated number of returns) and distinguish between regular and registered/certified mail. The Contractor must develop a method for determining accurate aggregate measurements and must periodically validate and/or adjust the accuracy of estimated volumes. This information must be included in the Processing</p>	A. 2.1 Describe the proposed strategy to be used to measure volumes and to track that volume on a daily basis. Describe the method, and frequency, to be used to periodically update those assumptions in order to verify accurate aggregate measurements and/or estimated volumes.

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Report sent to DTF (see Exhibit 1-C - Processing and Management Reports).	
B. DOCUMENT PREPARATION <i>Document preparation encompasses those functions associated with extraction, indating, assembly and batching, document identification, special handling, correspondence identification and processing, and tracking number assignment.</i>	Affirm understanding and agreement with requirements B. 1.1 through B. 7.3. The Contractor must provide a detailed description of how each requirement will be met, including, but not limited to, the specific details identified below.
B. 1.0 Extraction	
B. 1.1 (M) The Contractor must provide a strategy for extraction which maximizes cost effective processing, supports the deposit and processing standards, and ensures that all envelope contents are extracted. See Section II – Performance Standards and Liquidated Damages.	B. 1.1 Describe the proposed method of extraction and of verification that all contents have been extracted (e.g. “candling”, sampling of envelopes, 3-side slitting of envelopes, etc.).
B. 1.2 (M) The Contractor must process taxpayer return receipt requests with an accompanying self-addressed, stamped envelope in the following manner: stamp correspondence with the calendar date corresponding with the day of receipt, send correspondence to taxpayer and continue with routine processing of the tax filing.	
B. 1.3 (M) The Contractor must properly execute Postal Service Return Receipt Requests and Postal Service Certified Mail Acknowledgements and private delivery service receipts.	
B. 1.4 (M) The Contractor must provide a strategy to identify and process cash remittances.	B. 1.4 Describe the proposed method for identifying and processing cash remittances (e.g., extraction clerk forwards to a supervisor; a cash substitution ticket replaces the cash for processing, etc.).
B. 2.0 Indating, Assembly and Batching	
B. 2.1 Contractor Receipt (M) The Contractor must maintain the integrity of the Contractor’s receipt date of each document and remittance in a tax filing until that information can be added to the document record, as required in the file layouts (see Exhibit 5-A – Estate Tax File Layouts). The Contractor’s receipt date is defined as the date the tax filing is received by the Contractor from the Post Office, delivered to the processing facility from a private delivery service, delivered to the processing facility from DTF by the courier, or received in some other manner directly to the Contractor.	B. 2.1 Describe the method proposed for maintaining the integrity of the Contractor’s receipt date and for capturing that receipt date.
B. 2.2 Taxpayer Filing Timeliness (M) The Contractor must maintain the integrity of the taxpayer filing receipt date of each document and remittance (if applicable) in a tax filing until that information can be added to the document record, as required in the file layouts (see Exhibit 5-A – Estate Tax File Layouts). The taxpayer filing receipt date is defined as the postmark date and is used by DTF to determine timely taxpayer filing. In the case of items originally received by DTF, the taxpayer filing receipt date is considered to be the earlier of either the postmark date or the date specified by DTF before being forwarded to the Contractor’s facility.	B. 2.2 Describe the method proposed for maintaining the integrity of the taxpayer filing receipt date and for capturing that date.

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<p>The Contractor must place postmark date to the first page of the primary form (see Requirement B.2.4 below) using one of the following:</p> <ul style="list-style-type: none"> A. Postmark date; B. Metering Device Date; or C. Contractor Receipt Date <p>Specific guidelines on the use of each of the above dates will be provided during implementation.</p>	
<p>B. 2.3 Envelope Retention (M) The Contractor must retain and image all envelopes accompanying the tax filing. If an envelope contains multiple tax filings, the Contractor must photocopy/image the envelope, so that each tax filing has either the original, or a copy of the envelope associated with it.</p>	
<p>B. 2.4 Document Assembly and Batching (M) The Contractor must assemble tax filings in the following order:</p> <ul style="list-style-type: none"> A. Remittance, if any B. Primary Forms: <ol style="list-style-type: none"> 1. ET-706, <i>New York State Estate Tax Return, For an estate of an individual who died on or after February 1, 2000 and before January 1, 2007</i> 2. ET-90, <i>New York State Estate Tax Return, For estates of decedents whose date of death is after May 25, 1990 and before February 1, 2000</i> <ul style="list-style-type: none"> a. Schedules attached to ET-90: <ol style="list-style-type: none"> (1) ET-90.1 (Schedules A-D) (2) ET-90.2 (Schedules E-G) (3) ET-90.3 (Schedules H-L) (4) ET-90.4 (Schedules M-N) 3. ET-133, <i>Application for Extension of Time to File and/or Pay Estate Tax</i> 4. ET-130, <i>Tentative Payment of Estate Tax</i> 5. ET-85, <i>New York State Estate Tax Certification, For an estate of an individual whose date of death is after May 25, 1990</i> 6. ET-30, <i>Application for Release(s) of Estate Tax Lien, For estates of individuals whose date of death is on or after February 1, 2000</i> 7. ET-300, <i>Estate Tax Payment Document</i> 8. ET-500, <i>Generation-Skipping Transfer Tax Return for Distributions, For distributions made after May 25, 1990 and before January 1, 2007</i> 9. ET-501, <i>Generation-Skipping Transfer Tax Return for Terminations, For distributions made after May 25, 1990, and before January 1, 2007</i> C. Cover Letter D. Envelope, postmark side out E. Death Certificate F. Letters of Testamentary/Administration G. Power of Attorney: <ol style="list-style-type: none"> 1. ET-14, <i>Estate Tax Power of Attorney</i> 	

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2. POA-1, <i>Power of Attorney</i> (previously Form DTF-14) 3. Form 2848 (Federal Power of Attorney) 4. P-44 (Durable General Power of Attorney) 5. General Affidavit H. Secondary Forms: 1. ET-141, <i>New York State Estate Tax Domicile Affidavit, For estates of decedents dying after May 25, 1990</i> 2. ET-99, <i>Estate Tax Waiver Notice</i> 3. ET-117, <i>Release of Lien of Estate Tax, Real property or cooperative apartment</i> 4. ET-415, <i>Application for Deferred Payment of Estate Tax, When the estate consists largely of an interest in a closely held business. For the estate of a decedent whose date of death is after May 25, 1990</i> 5. FED 706, <i>United States (and Generation-Skipping Transfer) Tax Return</i> 6. ET-95, <i>Claim for Credit or Refund of New York State Estate Tax</i> 7. ET-190, <i>Computation of Credit for Estate Tax on Prior Transfers, For estates of decedents who died after May 25, 1990</i> 8. ET-92, <i>Application for Release of Safe Deposit Box, For estates of decedents dying before February 1, 2000</i> 9. ET-20, <i>Stipulation Reserving Domicile</i> 10. ET-411, <i>Computation of Estate Tax Credit for Agricultural Exemptions, For estates of decedents who died after May 25, 1990</i> 11. ET-412, <i>Computation of Credit for Gift Tax, For estates of decedents who died after May 25, 1990</i> 12. ET-416, <i>Computation of Estate Tax Credit for Closely Held Businesses, For estates of decedents dying after June 9, 1994</i> 13. ET-417, <i>Computation of Family-Owned Business Exclusion, For estates of decedents dying on or after January 1, 1998 and before February 1, 2000</i> 14. ET-417-D, <i>Computation of the Family-owned Business Interests Deduction, for estates of decedents dying on or after January 1, 1998, and before February 1, 2000</i> 15. ET-418, <i>Computation of Qualified Conservation Easement Exclusion, For estates of decedents dying on or after January 1, 1998 and before February 1, 2000</i> 16. ET-419, <i>Computation of Exclusion for a Victim of Nazi Persecution, For estates of decedents dying before February 1, 2000</i> I. Appraisal documents, copy of Last Will and Testament and all other miscellaneous correspondence.	
B. 3.0 Document Preparation and Identification	
B. 3.1 (M) The Contractor must prepare documents and remittances within the tax filing for data and image capture. The Contractor must ensure that the remittance and return documents within a tax filing remain physically together through tracking number	B. 3.1 Describe the proposed solution for preparing documents and remittances for data and image processing. Include a description of the proposed method for

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assignment.	ensuring that the remittance and return remain physically together through the tracking number assignment process.
<p>B 3.2 Document Identification (M) The Contractor must ensure a document identification strategy that maximizes workflow; accommodates processing priorities and tracking number assignment (see Exhibit 4A - Tracking Number Ranges), and ensures that all processing standards are met or exceeded (see Section II – Performance Standards and Liquidated Damages).</p>	<p>B. 3.2 Describe the proposed document identification strategy, showing how it will maximize workflow, accommodate the program specific processing priorities and tracking number assignment, and ensure that all processing standards are met.</p>
<p>B. 3.3 (M) The Contractor must identify and process all tax filings, regardless of the source or format, including, but not limited to, DTF supplied forms, DTF approved forms, one sided and two sided forms, photocopies, computer software generated documents, and or other substitute documents, whether they are handwritten (pen or pencil), typed or computer printed, in accordance with deposit and processing standards (see Section II - Performance Standards and Liquidated Damages).</p>	
B. 4.0 Special Handling	
<p>B. 4.1 Special Handling (M) The Contractor must review and modify tax filing(s), based on RFP/DTF requirements, prior to data capture. Modifications include, but are not limited to, corrections on tax filings.</p> <p>The Contractor must prepare a primary form for data capture, by making the following corrections:</p> <p style="margin-left: 20px;">A. Overpayments/Underpayments</p> <p style="margin-left: 40px;">1. Compare remittance amount to amount shown due on primary form.</p> <p style="margin-left: 60px;">a. If amounts agree, continue processing</p> <p style="margin-left: 60px;">b. If amounts disagree, stamp "For Office Use Only" box with a stamp that identifies that remittance is different from the amount shown due on the form and then enter the amount of remittance in the stamped area.</p> <p style="margin-left: 20px;">B. Decedent name missing</p> <p style="margin-left: 40px;">1. Refer to other documentation within the tax filing to locate name.</p> <p style="margin-left: 60px;">a. If found, enter all available decedent header data (e.g. name, address, Country, etc.)</p> <p style="margin-left: 60px;">b. If not found, segregate as unprocessable (see Requirement B.6.1)</p> <p style="margin-left: 20px;">C. Decedent SSN missing or incomplete</p> <p style="margin-left: 40px;">1. If notations, e.g., 'pending', 'applied for', etc., draw a single line through the notation.</p> <p style="margin-left: 40px;">2. Refer to other documentation within the tax filing to location SSN.</p> <p style="margin-left: 60px;">a. If found, enter in designated area (may be 9 numerics or "TF" and 7 numerics)</p> <p style="margin-left: 60px;">b. If not found, enter ES0000000 (ES + 7 zero's) in designated area</p> <p style="margin-left: 20px;">D. Date of death</p> <p style="margin-left: 40px;">1. Verify that date of death (DOD) is present on form.</p>	

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<p>a. If not, refer to Death Certificate.</p> <p>(1) If Death Certificate found, enter date of death in designated area</p> <p>(2) If Death Certificate is not found, segregate as unprocessable (see Requirement B.6.1)</p> <p>2. If DOD is present, verify that date is May 26, 1990 or later.</p> <p>a. If yes, continue processing.</p> <p>b. If no, segregate as unprocessable (see Requirement B.6.1).</p> <p>E. Death Certificate</p> <p>F. Power of Attorney</p> <p>G. Letters of Testamentary/Administration</p> <p>H. Determining Number of Counties on primary forms (ET-90, ET-706, ET-30, ET-85) with an accompanying ET-117.</p> <p>1. Reference area designated for "Recorded in the... county clerk's office" on each ET-117 to determine the number of different counties.</p> <p>2. Verify the number of counties entered on primary return requiring a release of lien is same as the number of counties reported on ET-117.</p> <p>a. If number of counties are the same on both primary form and ET-117, continue processing</p> <p>b. If number of counties entered on primary form and ET-117 are different, draw a single line through the incorrect entry and enter and circle the number established in Requirement B.4.1.H.1, in a blank area on the bottom margin of form.</p> <p>I. ET-706</p> <p>1. No entry in the Litigation indicator checkbox, verify if Schedule 3 on Page 2 of ET-706 is attached.</p> <p>a. If yes, enter an "X" in the checkbox</p> <p>b. If no, leave checkbox blank</p> <p>2. No entry in the Release of Lien Request checkbox, verify if a Release of Lien of Estate Tax Real Property, ET-117 is attached.</p> <p>a. If yes, see "Determining Number of Counties on primary forms..." in Requirement B 4.1.H.1</p> <p>b. If no, leave blank.</p> <p>3. No entry in Federal Gross Tax box.</p> <p>a. If Federal 706 or 706NA are attached, enter the amount listed on Page 3, Schedule A, Line 31 or Page 4, Schedule B, Line 46.</p> <p>(1) If Page 3 is missing for an ET-706, segregate as unprocessable (see Requirement B.6.1).</p> <p>(2) If Page 4 is missing for an ET-706NA, segregate as unprocessable (see Requirement B 6.1).</p> <p>4. No entry in Federal Taxable Estate box.</p> <p>a. If Federal 706 or 706NA are attached, enter the amount listed on Page 3, Schedule A, Line 26 or Page 4, Schedule B, Line 41.</p> <p>(1) If Page 3 is missing for an ET-706, segregate as unprocessable (see Requirement B 6.1).</p>	

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<p>(2) If Page 4 is missing for an ET-706NA, segregate as unprocessable (see Requirement B 6.1).</p> <p>J. ET-90</p> <ol style="list-style-type: none"> 1. With no entry in the Waiver Requested Indicator checkbox, verify that ET-99 is attached. <ol style="list-style-type: none"> a. If yes, enter an "X" in the checkbox. b. If no, leave checkbox blank. 2. With no entry in the Release of Lien Request checkbox, verify if a Release of Lien of Estate Tax Real Property, ET-117 is attached. 3. If no entry on Line 1, enter amounts shown on Page 2, Line 34. 4. If entry on Line 15a, verify Form ET-411 is attached and compare amount shown on Line 11 of ET-411 to Line 15 entry. <ol style="list-style-type: none"> a. If amounts agree, continue processing. b. If amounts disagree, draw a single line through Line 15a entry, enter ET-411, Line 11 amount in blank area to right of original entry. 5. If entry on Line 15b, verify ET-416 is attached and compare amount shown on Line 3 of ET-416 to 15b entry. <ol style="list-style-type: none"> a. If entry agrees, continue processing. b. If amounts disagree, draw a single line through Line 15b entry and enter ET-416, Line 3 amount in the blank area to the right of original entry. 6. If entry on Line 17, verify ET-412 is attached and compare amount shown on Line 34 of ET-412 to Line 17 entry. <ol style="list-style-type: none"> a. If amounts agree, continue processing. b. If amounts disagree, draw a single line through Line 17 and enter ET-412, Line 34 amount in the blank area to the right of original entry. 7. If both Yes and No checkboxes on Page 2, "elect alternate valuation..." section are selected, check the total entries on Schedules ET-90.1, ET-90.2, ET-90.3, ET-90.4 or Page 3 of Fed 706. <ol style="list-style-type: none"> a. If entries are in the "Alternate Value" column, draw two (2) single lines through the "No" box. b. If entries are in the "Value at Date of Death" column, draw two (2) single lines through the "Yes" box. 8. If both Yes and No checkboxes on Page 2, "elect alternate valuation..." section are blank, check the total entries on Schedules ET-90.1, ET-90.2, ET-90.3, ET-90.4 or Page 3 of Fed 706. <ol style="list-style-type: none"> a. If entries are in the "Alternate Value" column, check the "Yes" box. b. If entries are in the "Value at Date of Death" column, check the "No" box. 9. Lines 23-47 with totals that disagree with the total from the appropriate schedule, draw a single line through ET-90 entry and enter total from related schedule. 	

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<p>10. No entry on Line 33e, enter Page 3, Line 69 amount.</p> <p>11. Entry on Line 33e which disagrees with amount on Page 3, Line 69, draw a single line through the Line 33e entry and enter the Page 3, Line 69 amount.</p> <p>12. If entry on Line 35, verify entry in Resident checkbox on Page 1 of ET-90.</p> <p style="padding-left: 20px;">a. If entry in Resident checkbox, continue processing.</p> <p style="padding-left: 20px;">b. If no entry in Resident checkbox, draw single line through it.</p> <p>13. Entry on Line 35 which disagrees with amount on Page 3, Line 70, draw a single line through the Line 35 entry and enter the Page 3, Line 70 amount.</p> <p>14. If entry on Line 36b, verify entry in Nonresident checkbox on Page 1 of ET-90.</p> <p style="padding-left: 20px;">a. If entry in Nonresident checkbox, continue processing.</p> <p style="padding-left: 20px;">b. If no entry in Nonresident checkbox, draw a single line through the checkbox.</p> <p>15. Entry on Line 36b which disagrees with amount on Page 3, Line 71c, draw a single line through the Line 36b entry and enter the Page 3, Line 71c amount.</p> <p>16. Entry on Line 45 which disagrees with amount on Page 4, Line 72, draw a single line through the Line 45 entry and enter the Page 4, Line 72 amount.</p> <p>17. Entry on Line 48 which disagrees with amount on Page 4, Line 73, draw a single line through the Line 48 entry and enter the Page 4, Line 73 amount.</p> <p>K. ET-30</p> <p style="padding-left: 20px;">1. Without ET-99 or ET-117 attached and entries in the "waivers are requested" or "liens are requested" checkboxes, continue processing.</p> <p style="padding-left: 20px;">2. With ET-99 or ET-117 attached and no entries in the "waivers are requested" or "liens are requested" checkboxes, enter an "X" in the appropriate checkbox.</p> <p>L. ET-133</p> <p style="padding-left: 20px;">1. If "Extension of time to file" and "Extension of time to pay" checkboxes are blank, refer to dates entered in the "Extension date requested" sections and enter an "X" in the appropriate box(es).</p> <p>M. ET-85</p> <p style="padding-left: 20px;">1. Without ET-99 or ET-92 attached and entry in the "Waivers are requested" checkbox, continue processing. (Note: If no ET99 or ET-92 attached, but the tax filings indicate a waiver request, place an "X" in the waiver box.)</p> <p style="padding-left: 20px;">2. Without ET-117 attached, and an entry in the "Releases of lien are required" checkbox, continue processing. (Note: If no ET-117 attached, but tax filings indicate a release of lien request, place an "X" in the lien box.)</p> <p>N. ET-500 and ET-501</p> <p style="padding-left: 20px;">1. With entry in areas designated for calendar year or last name of distribute, continue processing.</p>	

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<p>2. Without entry in areas designated for calendar year or last name of distribute, enter information found in tax filing (most likely found in the cover letter and/or Federal forms).</p> <p>a. If unable to locate calendar year or last name of distribute information in tax filing, segregate as unprocessable.</p>																							
<p>B. 4.2 Multiple Document/Remittances (M) The Contractor must:</p> <p>A. Process multiple remittances received with a single return document by combining the multiple remittances into a single tax paid amount for that return document, apply a unique tracking number to that single return document and associate that same tracking number to each remittance.</p> <p>1. Calculate the remittance total and compare the remittance total to the amount shown due on the primary form.</p> <table border="1"> <thead> <tr> <th align="center">Primary Form</th> <th align="center">Amount Due Line#</th> </tr> </thead> <tbody> <tr> <td align="center">ET-706</td> <td align="center">Line 10</td> </tr> <tr> <td align="center">ET-90</td> <td align="center">Line 21</td> </tr> <tr> <td align="center">ET-133</td> <td align="center">Line 6</td> </tr> <tr> <td align="center">ET-130</td> <td align="center">Line 6</td> </tr> <tr> <td align="center">ET-300</td> <td align="center">Line 5</td> </tr> <tr> <td align="center">ET-500</td> <td align="center">Line 7</td> </tr> <tr> <td align="center">ET-501</td> <td align="center">Line 7</td> </tr> </tbody> </table> <p>a. If the remittance total agrees with the amount shown due on the primary form, continue processing.</p> <p>b. If the remittance total disagrees with the amount shown due on the primary form:</p> <p>(1) Stamp primary form "For Office Use Only" box with a stamp that identifies the remittance total is different from the amount shown due on the primary form.</p> <p>(2) Enter the remittance total in the stamped area.</p> <p>B. Process a single remittance received with multiple return documents by verifying that the amount of the remittance satisfies all taxes/liabilities due and apply a unique tracking number to each document and associate each tracking number to the single remittance. If consecutive tracking numbers are to be applied, the remittance should have the first and last tracking numbers applied. The remittance image must be associated with each document.</p> <p>1. Calculate the total of amounts shown due on all primary forms and compare the total to the amount of remittance.</p> <table border="1"> <thead> <tr> <th align="center">Primary Form</th> <th align="center">Amount Due Line#</th> </tr> </thead> <tbody> <tr> <td align="center">ET-706</td> <td align="center">Line 10</td> </tr> <tr> <td align="center">ET-90</td> <td align="center">Line 21</td> </tr> </tbody> </table>	Primary Form	Amount Due Line#	ET-706	Line 10	ET-90	Line 21	ET-133	Line 6	ET-130	Line 6	ET-300	Line 5	ET-500	Line 7	ET-501	Line 7	Primary Form	Amount Due Line#	ET-706	Line 10	ET-90	Line 21	<p>B. 4.2 Describe the proposed method of associating multiple remittances with a single return document into a single tax paid amount for that document and for processing a single or multiple remittance(s) associated with multiple returns (either the same tax form or different and not necessarily with a one to one match).</p>
Primary Form	Amount Due Line#																						
ET-706	Line 10																						
ET-90	Line 21																						
ET-133	Line 6																						
ET-130	Line 6																						
ET-300	Line 5																						
ET-500	Line 7																						
ET-501	Line 7																						
Primary Form	Amount Due Line#																						
ET-706	Line 10																						
ET-90	Line 21																						

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<table border="1" style="margin-left: 20px;"> <tr><td>ET-133</td><td>Line 6</td></tr> <tr><td>ET-130</td><td>Line 6</td></tr> <tr><td>ET-300</td><td>Line 5</td></tr> <tr><td>ET-500</td><td>Line 7</td></tr> <tr><td>ET-501</td><td>Line 7</td></tr> </table> <p>a. If the total of amounts due for all primary forms is equal to the single remittance amount, distribute the remittance by entering the amount to be applied to each of the primary forms in the "For Office Use Only" box. Additionally, when applying a remittance to multiple primary forms, the remittance must be distributed in the same hierarchal order of the primary forms listed above.</p> <p>b. If the total of amounts due for all primary forms does not equal the remittance amount, segregate as unprocessable (see Requirement B 6.1).</p> <p>C. Process multiple remittances received with multiple return documents by verifying that the total of the remittances satisfies all taxes/liabilities due and apply unique tracking numbers to each return document and associate that same tracking number (or tracking numbers) with the corresponding remittances. If consecutive tracking numbers are to be applied, the remittance should have the first and last tracking numbers applied. The remittance image must be associated with each document.</p> <ol style="list-style-type: none"> 1. Separate tax filings and associate with applicable remittance. 2. If there is not sufficient information to permit separation, segregate as unprocessable (see Requirement B 6.1). 	ET-133	Line 6	ET-130	Line 6	ET-300	Line 5	ET-500	Line 7	ET-501	Line 7	
ET-133	Line 6										
ET-130	Line 6										
ET-300	Line 5										
ET-500	Line 7										
ET-501	Line 7										
<p>B. 4.3 Split Remittance (M) The Contractor must identify any split remittance and send the remittance and all return documents to DTF (address to be provided during implementation). A split remittance is defined as a remittance which is to be applied to multiple tax documents within multiple tax programs (e.g., a check accompanying a Sales Tax return that indicates it is to be used for a Sales Tax and Corporation Tax liability, or a Sales Tax and IFTA liabilities).</p>											
B. 5.0 Correspondence Identification and Processing											
<p>B. 5.1 (M) The Contractor must identify correspondence associated with the tax filing as directed.</p>	<p>B. 5.1 Describe the proposed strategy for identifying correspondence and the proposed strategy to associate correspondence with the tax filing.</p>										
<p>B. 5.2 (M) The Contractor must ensure that the document data record/image output reflects the presence of associated correspondence, either through image indexing only, image indexing and an indicator in the data record, or image indexing and a separate tracking number range, as applicable (see Exhibit 4A – Tracking Number Formats; Exhibit 5A – File Layouts and Exhibit 9 – Image Archive System and Image Indexing).</p>											
B. 6.0 Unprocessable Item Identification											
<p>B. 6.1 Unprocessable Item Identification</p>											

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<p>(M) The Contractor must identify, and return to DTF (addresses to be provided during implementation), unprocessable items, based on RFP/DTF requirements. Any illegible or otherwise unclear document is considered to be unprocessable, as are empty certified mail envelopes.</p> <p>The Contractor must review tax filings for the following additional unprocessable conditions:</p> <ul style="list-style-type: none"> A. Estate tax documents for dates of death May 25, 1990 and prior. B. Scheduled received alone, without a primary return. C. Tax filing for multiple decedents, received together, without sufficient information to permit separation. D. Tax filing without name of decedent and date of death information. E. ET-90 without Schedules ET-90.1, ET-90.2, ET-90.3, ET 90.4 or Fed 706. F. The following ET-706 conditions: <ul style="list-style-type: none"> 1. No entry in the Federal Gross Tax box or Federal Taxable Estate box and Federal 706 or 706NA are not attached. 2. No signature and no associated remittance with signature. G. The following ET-90 conditions: <ul style="list-style-type: none"> 1. With an entry on Line 15a and no ET-411 attached. 2. With an entry on Line 15b and no ET-416 attached. 3. With an entry on Line 16 and no ET-190 attached. 4. With an entry on Line 17 and no ET-412 attached. 5. Without a signature and no remittance. 6. On top of Page 2, designate to elect alternate valuation; an entry in the "Yes" and "No" box and without Schedule ET-90.1, ET-90.2, ET-90.3, ET-90.4 or Page 3 of Fed 706. <ul style="list-style-type: none"> a. An entry in both the "Yes" and "No" boxes and there are totals in both columns of Schedule ET-90.1, ET-90.2, ET-90.3, ET-90.4 or Page 3 of Fed 706. b. An entry in neither the "Yes" or "No" box and there are totals in both columns on Schedule ET-90.1, ET-90.2, ET-90.3, ET-90.4 or Page 3 of Fed 706. 7. No entry in any one of the boxes on Page 3, Lines 53-62. H. The following ET-85 conditions: <ul style="list-style-type: none"> 1. Entry in the non-resident box and no ET-141 attached. 2. No signature or notarization. I. ET-500 and ET-501, if no entry in either the calendar year box or last name of distribute and information cannot be found in fax filing (most likely found in the cover letter and/or Federal forms). J. ET-300 without remittance. 	
<p>B. 6.2 Misdirected Mail</p> <p>(M) The Contractor must redirect non-tax items and misdirected mail (e.g., utility bills or credit card payments) back to the sender.</p>	

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<p>The Contractor must deliver tax filings which are intended for other taxing authorities (including, but not limited to the IRS, NYS, and NYC taxes) to the appropriate taxing authority, using specific addresses to be provided by DTF during implementation, no later than one business day after identification as misdirected.</p> <p>Note: NYS tax filings sent to an incorrect DTF post office box, but for a tax type also processed by the Contractor, are not considered unprocessable and should be processed in the appropriate program area by the Contractor.</p>	
<p>B. 6.3 (M) The Contractor must maintain a control log and file of transmittals of unprocessable items, identified according to criteria, established in B.6.1, forwarded to DTF. These logs must be maintained for twelve months.</p>	<p>B. 6.3 Provide a copy of the control log of transmittals sent to DTF.</p>
<p>B. 7.0 Tracking Number Assignment</p>	
<p>B. 7.1 (M) The Contractor must assign and include a unique numeric and/or alpha-numeric tracking number to each document in a processible tax filing (including the return documents, the associated remittance(s), correspondence, envelope, etc.). The Contractor must be willing and able to accommodate DTF's existing tracking number assignment formats (See Exhibit 4A - Tracking Number Ranges) and must use a font size and placement which ensures easy readability of the tracking number, without obscuring the text of the document itself.</p>	<p>B. 7.1 Describe the process for assigning tracking numbers. Provide a sample of return and remittance with tracking number placement and font size that will be utilized.</p>
<p>B. 7.2 (M) The Contractor must provide a method for applying tracking numbers that ensures that numbers are not duplicated or skipped.</p>	<p>B. 7.2 Describe the proposed methodology for ensuring that tracking numbers are not duplicated or skipped.</p>
<p>B. 7.3 (M) The Contractor must systematically track and report to DTF tracking numbers that are voided. Tracking numbers that are voided must be included in the document record, in accordance with the file layouts (see Exhibit 5A – File Layouts).</p>	
<p>C. DEPOSIT PREPARATION REQUIREMENTS <i>Deposit includes the following functions: bankability review, foreign check handling, balancing, and deposit processing.</i></p>	
<p>C. 1.0 Bankability Review</p>	<p>Affirm understanding and agreement with requirements C. 1.1 through C. 4.1. The Contractor must provide a detailed description of how each requirement will be met, including, but not limited to the specific details identified below.</p>
<p>C. 1.1 (M) The Contractor must review any remittances to ensure bankability (suitability for depositing) in accordance with standard banking procedures and the following DTF procedures.</p> <p style="margin-left: 40px;">A. Payee Verification:</p> <p style="margin-left: 80px;">1. The following payees are considered bankable, whether or not the remittance agrees with the amount due:</p> <p style="margin-left: 120px;">a. any New York State District Tax Office or</p>	<p>C. 1.1 Describe the proposed bankability review process. Include the procedure for dealing with remittances at the beginning of a new year (e.g., a check written on January 3, 2006, but dated January 3, 2005).</p>

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<p>Collector</p> <ul style="list-style-type: none"> b. Bureau of Taxation and Finance c. Commissioner of Taxation and Finance d. Comptroller State of New York e. Department of Tax Collection f. Department of Taxation and Finance g. Internal Revenue New York State h. New York State i. New York State Estate Tax Bureau j. New York State Department of Taxation and Finance k. New York State/Internal Revenue Service l. New York State Miscellaneous Tax m. New York State Tax n. New York State Tax Bureau o. New York State Tax Commission or Commissioner p. New York State Tax Department q. New York State Tax Office r. NY State s. Processing Division t. State of New York u. State Comptroller v. State Revenue Bureau w. State Tax Bureau x. State Tax Collector y. State Tax Commission z. State Tax Commissioner aa. Tax Commission bb. Taxation and Finance <p>2. If any one of the following payees is entered on a remittance, the amount of the remittance agrees exactly with the amount due, indicated on the tax document, stamp with DTF approved restrictive language on the remittance to make it bankable (the restrictive language stamp must be approved by DTF during implementation):</p> <ul style="list-style-type: none"> a. Any other State agency b. City Collector c. City Collector of New York d. City of New York e. City of Yonkers f. Internal Revenue g. Internal Revenue Service h. New York City Tax Collector i. Secretary of State j. Secretary of State of New York <p>3. If the payee line indicates two payees (one of which is listed in 1 or 2 above), affix with DTF approved restrictive language on the remittance to make it bankable.</p> <p>4. If the payee line is blank, stamp with DTF approved restrictive language on the remittance to make it bankable.</p> <p>5. Checks made payable to someone other than those</p>	

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<p>listed under C.1.1.B. 1. or C.1.1.B.2. above, must be properly endorsed by the payee on the back of the remittance:</p> <ol style="list-style-type: none"> a. If endorsed, proceed as bankable; b. If not endorsed, forward to DTF; <p>B. Remittance Amount Verification</p> <ol style="list-style-type: none"> 1. When the Courtesy Amount (numeric amount) agrees with the Legal Amount (written amount) on the check, the remittance is bankable, as shown. 2. When the Courtesy Amount does not agree with the Legal Amount on the check, process as follows: <ol style="list-style-type: none"> a. If either the Courtesy or Legal amount on the check agrees with the amount due on the tax return, guarantee the check by stamping "Correct Amount is \$..." on the face of the check, enter the correct amount in the space provided and consider the check bankable; b. If neither amount agrees with the amount due on the tax return, forward to DTF; c. If both the Legal and Courtesy amounts are omitted on the check, forward to DTF. <p>C. Signature Verification</p> <ol style="list-style-type: none"> 1. If the remittance is signed, consider it bankable; 2. If the remittance is not signed, but the amount of the check agrees with the amount due on the return, stamp over the signature line the statement, "This check, accompanying your tax return or payment document, was processed for your convenience to save you possible interest charges for late payment" in order to make it bankable; 3. If more than one signature is required, but only one person's signature appears, forward the remittance and the document to DTF. 	
<p>C. 1.2 Foreign Checks and Postal Money Orders (M) The Contractor must review foreign checks and money orders:</p> <ol style="list-style-type: none"> A. If payable through a United States Bank and if payable in US dollars consider the remittance bankable; B. If payable through a Canadian bank and payable in US dollars, consider the remittance bankable. If not payable in US dollars, consider the remittance unbankable; C. If not payable through a United States bank, foreign checks are considered unbankable; D. Foreign Postal money orders, specifying "Payable in US Funds" are bankable, if not, consider unbankable; E. If either the name and/or address is missing on the Foreign Check or Foreign Money Order, enter from the return document to make it bankable; F. If the payee line on the Foreign Check or Foreign Money Order is blank, stamp with DTF approved restrictive language on the remittance to make it bankable; G. If the Foreign Check or Foreign Money Order is unbankable, forward to DTF. 	<p>C. 1.2 Describe the proposed method for review of foreign checks and money orders.</p> <p>Note: All foreign check processing fees are to be factored into the Contractor's fully loaded transaction fees in Section X. No consideration will be given to foreign check processing fees as a separate billable item.</p>
<p>C. 1.3 Remittances Received Without a Return Document</p>	

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(Unassociated Remittances) (M) The Contractor must review remittances received without a tax return document to determine if the remittance is bankable (see Requirement C 1.0). A. If bankable, contact DTF, who will provide (e.g. via fax) a "DUMMY" ET-130. B. If unbankable, forward to DTF.	
C. 1.4 (M) The Contractor must provide a method for re-association of separated checks. A separated check is defined as one which is found, at some point during processing, without the corresponding tax return document with which it was originally received.	C. 1.4 Provide the proposed approach for ensuring the re-association of separated checks and the method of ensuring timely deposit processing of the separated check, if re-association is not possible.
C. 2.0 Balancing and Reconciliation	
C. 2.1 (M) The Contractor must ensure that the deposited remittance amount agrees with the remittance amount on the document's data record.	C. 2.1 Provide the proposed approach for ensuring that the remittance amount deposited for a taxpayer agrees with the remittance amount recorded on the document's data record.
C. 2.2 (M) The Contractor must ensure that for every tax document processed as "with remittance" there is a corresponding remittance(s).	C. 2.2 Describe the proposed mechanism that will guarantee that every tax document processed as a "with remittance" has a corresponding remittance.
C. 2.3 (M) The Contractor must ensure that the tracking number on the tax document and remittance within the tax filing provides for the ability to accurately associate the remittance amount with the proper tax document data record when data capture occurs.	C. 2.3 Describe the proposed method to ensure that each remittance is accurately associated with the appropriate tax document data record when the data capture occurs.
C. 2.4 (M) The Contractor must ensure "item to item" and batch balancing.	C. 2.4 Describe the proposed mechanism that will ensure "item to item" and batch balancing.
C. 2.5 (M) The Contractor must ensure reconciliation of the deposit amount, on a daily basis, between the processing site and the check clearing process.	C. 2.5 Describe the proposed mechanism and process that will ensure reconciliation on a daily basis between the return and/or tax filing processing site to the check clearing process.
C. 3.0 Deposit Processing	
C. 3.1 Deposit Processing (M) The Contractor must deposit each remittance into a program specific joint custody tax receipt account, established for DTF and NYS Office of the Comptroller, in a manner which ensures meeting the standards for timeliness and accuracy (see Section II - Performance Standards and Liquidated Damages).	
C. 3.2 (M) The Contractor must MICR encode, deposit and legibly endorse each remittance in accordance with established banking procedures. Note: The remittance image (scan/index) must include both the front and back of the remittance, post-encoding and endorsement	

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(see Requirement D.3.0 below).	
C. 3.3 (M) The Contractor must maintain the integrity of the deposit date of each remittance until that information can be added to the document record/data record for the respective tax filing, as required in the file layouts (See Exhibit 5A – File Layouts).	C. 3.3 Identify the proposed method for maintaining the integrity of the deposit date.
C. 3.4 (M) The Contractor must immediately re-present a dishonored check (if applicable based on dishonorment reason) following notice of initial dishonorment. The Contractor should not notify DTF after initial dishonorment and no entries should appear on the bank statement. If a second dishonorment occurs after a second attempt to present the check, the Contractor must not attempt to re-present the check again.	
C. 3.5 (M) The Contractor must provide a method of reporting to DTF all bank adjustments related to dishonorments, encoding problems, debits and credits. (Also, see Exhibit 1B – Accounting Reports).	C. 3.5 Describe the proposed method for reporting bank adjustments, including the method of ensuring the matching of dishonorments to proper tracking number for multiples and/or proper amount on foreign checks, money orders, etc.
C. 3.6 (M) The Contractor must cooperate with DTF and OSC to establish and maintain a schedule for end of year fiscal reconciliation, including, but not limited to, cut-off dates for debit memos, credit memos and returned checks.	
C. 4.0 Remittance Copying	
C. 4.1 (M) The Contractor must have the ability to provide a copy of each remittance, after tracking number assignment and MICR encoding, in accordance with Section II – Performance Standards and Liquidated Damages.	C. 4.1 Identify the proposed method for providing copies.
D. DOCUMENT PROCESSING REQUIREMENTS <i>Document processing includes all functions related to data capture, including completeness and accuracy of the header data verification and output to DTF.</i>	Affirm understanding and agreement with requirements D.1.1 through D. 6.2. The Contractor must provide a detailed description of how each requirement will be met, including, but not limited to the specific details identified below.
D. 1.0 General Data Capture	
D. 1.1 The Contractor must provide a method to capture data which: <ul style="list-style-type: none"> A. determines that all required data elements are present in accordance with the file layouts (see Exhibit 5A- File Layouts); B. assures timeliness and accuracy in conformance with performance standards (see Section II – Performance Standards and Liquidated Damages); C. maximizes automated routines rather than manual review; D. allows for expansion or contraction of the number of data elements to be reviewed and processed, based on DTF changes (e.g., legislative, document redesign, addition or deletion of documents, e-MPIRE, etc.); and E. utilizes edits to cleanse the data of any data capture 	D. 1.1 Describe the proposed method of data capture, including the method for validating the accuracy of the data capture (e.g., use of automated routines, key verification or algorithms).

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<p>errors.</p> <p>*Note: These file layouts are provided as an example of those used currently. DTF will provide any updates during implementation. The Contractor will be responsible for the data capture of all required elements at the time of certification/implementation.</p>	
D. 2.0 Header Data Validation and Verification	
<p>D. 2.1 Header Information (M) The Contractor must ensure an accurate header record for each tax document. At a minimum, the Contractor must verify SSN has an acceptable configuration.</p>	
<p>D. 2.2 Exception Identification Number (M) The Contractor must assign an exception identification number to tax filings with missing or invalid taxpayer identification numbers in accordance with DTF requirements.</p> <p>The Contractor must review SSN. If SSN is missing or has an unacceptable configuration and Contractor is unable to locate the correct SSN on tax filing, cross out the unacceptable SSN and enter ES0000000 (ES + 7 zero's).</p>	
D. 3.0 Document Imaging	
<p>D. 3.1 (M) The Contractor must image (scan/index) all tax filings. The indexing approach must ensure that:</p> <ul style="list-style-type: none"> A. there be one(1) multi-page TIFF image file for each separate form type within a document set (at tax filing); B. image files consist of fewer than 1,000,000,000 bytes; C. no blank pages are transmitted; and D. all components of a tax return filing are imaged, that each image file is represented on the Image Control File (the image index file) and that each has a corresponding data record. 	<p>D. 3.1 Provide a description of the proposed approach which includes, but is not limited to, the following details:</p> <ul style="list-style-type: none"> A. the equipment (hardware) and software that will be used; B. identification of any subcontractors (including for application development); C. the proposed method of identifying blank pages and of ensuring that no blank pages are included; and D. the reconciliation process that will guarantee that each component of a tax filing is imaged, that each image file is represented on the Image Control File and that each image file has a corresponding data record
<p>D. 3.2 (M) The Contractor will be required to create, for each document set; an image file key, a file name and a pathname.</p> <p>The image file key includes the tracking number, a tax type indicator (two alpha characters assigned by DTF), and the processing year (four numeric characters).</p> <p>Each image file (return, schedule, remittance, envelope, etc.) within a document set (tax filing) is assigned a three character suffix (e.g., 12345678ST2006.001, 12345678ST2006.002 and</p>	

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12345678ST.003) making up the file name. The pathname is created using the format "/images/dnnn/nn/file name" (i.e., /images/d101/23/12345678/001). See layout in Exhibit 9 for the placement of the pathname.	
D. 3.3 (M) The Contractor must provide sorted images in accordance with the image priority specified by DTF (see Exhibit 9).	D. 3.3 Describe the process (manual or systematic) to be utilized to sort/order images in accordance with DTF's image priority requirements.
D. 3.4 (M/D) The Contractor must host, for at least six months, all Images. Access to the images must be available to Department Users via the Internet, and must be searchable via the DLN and Taxpayer ID.	D.3.4 Describe the proposed image retention solution.
D. 4.0 Data Delivery - Fully Processed Data	
D. 4.1 Data Delivery – Fully Processed Data (M) The Contractor must transmit data for fully processed tax filings to DTF in accordance with timeframes described in Section II – Performance Standards and Liquidated Damages, in accordance with the method required in Section VII – Program Development and Support Requirements, and in accordance with file layouts in Exhibit 5A – File Layouts.	D. 4.1 Describe the proposed data delivery process.
D. 4.2 (M) The Contractor must ensure that each data transmission represents deposits and tax filings that have been reconciled.	
D. 4.3 (M) The Contractor must consolidate data transmissions/data delivery from multiple processing sites, if applicable, as well as from multiple intake methods, into a single transmission or set of transmissions to DTF for each program.	
D. 5.0 Data Delivery - Fully Processed Paper Documents	
D. 5.1 (M) The Contractor must deliver the fully processed tax filings (paper documents associated with the data transmitted), along with all associated control data to DTF and/or DTF's designated storage facility (which is currently located approximately five miles from DTF's Albany location, in Latham, NY), in accordance to Section II – Performance Standards and Liquidated Damages. Documents must be assembled/re-assembled and clipped or banded together in the order described in Requirement B 2.4.	
D. 5.2 (M) The Contractor must associate/re-associate all related paper documents for each tax filing before delivery to DTF. The Contractor must also remove any separator sheets within a tax filing that may have been included during document processing.	D.5.2 Describe the proposed process for associating all related paper and preparing for delivery to DTF.
D. 5.3 (M) The Contractor must ensure that there are no unprocessed remittances or returns in any of the fully processed tax filings prior to being returned to DTF.	D. 5.3 Describe the proposed methodology to ensure that there are no unprocessed remittances in any of the paper documents and/or envelopes prior to being returned to DTF.
D. 5.4 (M) The Contractor must place fully processed tax filings in	

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tracking number order, into Liberty Bankers style boxes (box must have handles and dimensions of 12 ½ " wide x 10 ½" tall x 15 ½ " long). The Contractor must prepare and place a total of five labels on each box; one label on the box lid and an additional label on each side of the box. The label must provide tax type, processed date and the starting and ending ranges of the tracking numbers for the fully processed tax filings contained within each box.	
D. 5.5 (M) Any tax filing that is removed from a box/batch is to remain at the Contractor's site for subsequent processing or is boxed/batched separately to be forwarded to DTF and must have an outcharge sheet inserted within the box/batch in its place. The outcharge sheet must include the tracking number, taxpayer identification number, contact name and phone number, date and reason for pulling the tax filing.	
D. 5.6 (M) Batches of tax filings identifying unique return conditions requiring DTF review must be accompanied by a transmittal identifying returns and conditions.	
D. 6.0 Data Delivery - Tax Filing Image Media	
D. 6.1 (M) The Contractor must deliver tax filing image media on LTO2 tape, and transmit corresponding control data (in accordance with Control Record layout, see Exhibit 9) and/or index files, in accordance to Section II – Performance Standards and Liquidated Damages. The tax filing images on the LTO tape must reconcile to the tax filing data on the transmission(s). The images must be indexed in the order described in Requirement B 2.4.	
D. 6.2 (M) The Contractor must ensure that the image header file and the associated images are included on the LTO2 tape. The Contractor must also send a separate data transmission for the Image Control Records, to complete data file transfer to DTF's IBM mainframe before downloading to the pSeries platform. The maximum number of images to be included on a single LTO2 tape is 1,500,000.	D. 6.2 Describe the proposed methodology and controls to identify blank images and ensure that all images, except blank images, are sent to DTF.
E. REPORTING REQUIREMENTS	
E. 1.0 Reporting Requirements	Affirm understanding and agreement with requirements E. 1.1 through E. 1.5. The Contractor must ensure that the data flow will support each output requirement.
E. 1.1 (M) The Contractor must provide DTF accounting, processing and financial management reports in a form and format prescribed by DTF. See Exhibit 1B – Accounting Reports and Exhibit 1C – Processing and Management Reports.	E 1.1 Describe the proposed means of meeting the reporting requirements included in Exhibit 1B – Accounting Reports and Exhibit 1C - Processing and Management Reports, including, but not limited to, the proposed format for transmission. For each report or document listed in Exhibit 1, provide a sample.
E. 1.2 (M) The Contractor must provide the reports listed in Exhibit 1	E. 1.2 Describe the proposed method for

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electronically to OSC and/or DTF, as applicable.	electronic delivery, including any available options.
E. 1.3 (M) The Contractor must ensure that adjustments to the financial reports will be made only under the direction and approval of DTF.	
E. 1.4 (M) The Contractor must provide electronic balance reporting, including same day online balance reporting (online balance reporting must provide detail for each separate program account, as well as a summary of all program accounts) and previous day balance reporting in BAI format.	E 1.4 Describe the online balance reporting system, including the level of reporting detail available. Provide sample screens and reports, describe controls for access, and describe the level of available customization.
E. 1.5 (M) In addition to the reports listed in Exhibit 1, the Contractor must be able to provide DTF with reports generated from queries to the Contractor's database for the program(s).	E 1.5 Describe the availability and accessibility of such ad hoc reporting from the Contractor's database for the program(s).

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<p>A. INTAKE REQUIREMENTS <i>Intake encompasses those functions associated with the receipt of tax filings from the post office, private delivery services and courier service to/from DTF.</i></p>	<p>Affirm understanding and agreement with requirements A.1.1 through A.2.1. The Contractor must provide a detailed description of how each requirement will be met, including, but not limited to the specific details identified below.</p>
<p>A. 1.0 Postal Delivery and Pick-Up Schedule</p>	
<p>A. 1.1 (M) The Contractor must pick-up from Post Office boxes, located in New York State, established for the receipt of tax filing(s) for the IFTA Program included in this RFP; and from Post Office boxes from the previous contract for one full year. Subsequent to one full year, the mail received in these Post Office boxes will be forwarded by the USPS for an additional two years. The Contractor will be required to establish and maintain a relationship with the U.S. Post Office in order to facilitate mail receipt. Note: each RPC Lockbox Jurisdiction(s) will have ownership of their respective Post Office boxes and will pay associated rental fees (see Exhibit 3 – Current Post Office Box Configurations).</p>	
<p>A. 1.2 (M) The Contractor must provide courier service for pick-up and delivery from/to NYS DTF Central Offices (may be more than one building, including various rooms and floors) to accommodate a weekly morning delivery deadline (see Section II – Performance Standards and Liquidated Damages). Courier service will be utilized to include, but not be limited to, pick up of tax filings sent from NYS DTF, and delivery of unprocessable items (see Requirement B.6.3 below), reports and image output sent from the Contractor. Note: Currently, there are approximately four stops within one NYS DTF building. Courier stops will be provided to the Contractor during implementation.</p>	<p>A. 1.2 Provide the proposed courier schedule.</p>
<p>A. 1.3 (M) The Contractor must provide an address to accommodate the receipt of documents/remittances from private delivery services (e.g., UPS, FedEx, etc.).</p>	
<p>A. 1.4 (M) The Contractor must verify that all items received directly from the RPC Lockbox Jurisdiction(s) are accompanied by a cover page/transmittal and that all items listed on the cover page/transmittal are attached. The Contractor must sign the cover page/transmittal and return, via secure e-mail, one copy to the respective RPC Lockbox Jurisdiction(s), within one business day of receipt. The Contractor must maintain a control log and file of the cover pages/transmittals received from the RPC Lockbox Jurisdiction(s) for one year.</p>	<p>A. 1.4 Provide a copy of the proposed control log of cover pages/transmittals received and a description of the secure e-mail proposal.</p>
<p>A. 2.0 Receipt Log</p>	
<p>A. 2.1 (M) The Contractor must maintain daily receipt volumes for IFTA tax filings, by form number, and for monthly transmittals for each RPC Lockbox Jurisdiction. Volumes must be measurable in an aggregate manner (e.g. weight, number of trays, estimated number of returns) and</p>	<p>A. 2.1 Provide the proposed strategy to be used to measure volumes and to track that volume on a daily basis. Describe the method and</p>

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distinguish between regular and registered/certified mail. The Contractor must develop a method for determining accurate aggregate measurements and must periodically validate and/or adjust the accuracy of estimated volumes. This information must be included in the Processing Report to DTF (see Exhibit 1C – Processing and Management Reports).	frequency to be used to periodically update those assumptions in order to verify accurate aggregate measurements and/or estimated volumes.
B. DOCUMENT PREPARATION <i>Document preparation encompasses those functions associated with extraction, indating, assembly and batching, document identification, special handling, correspondence identification and processing, and tracking number assignment.</i>	Affirm understanding and agreement with requirements B.1.1 through B. 7.3. The Contractor must provide a detailed description of how each requirement will be met, including, but not limited to, the specific details identified below.
B. 1.0 Extraction	
B. 1.1 (M) The Contractor must provide a strategy for extraction which maximizes cost effective processing, supports the deposit and processing standards, and ensures that all envelope contents are extracted. See Section II – Performance Standards and Liquidated Damages.	B. 1.1 Describe the proposed method of extraction and verification that all contents have been extracted (e.g. “candling”, sampling of envelopes, 3-side slitting of envelopes, etc.).
B. 1.2 (M) The Contractor must process taxpayer return receipt requests with an accompanying self-addressed, stamped envelope in the following manner: stamp correspondence with the calendar date corresponding with the day of receipt, send correspondence to taxpayer and continue with routine processing of the tax filing.	
B. 1.3 (M) The Contractor must properly execute Postal Service Return Receipt Requests and Postal Service Certified Mail Acknowledgements and private delivery service receipts.	
B. 1.4 (M) The Contractor must provide a strategy to identify and process cash remittances.	B. 1.4 Describe the proposed method for identifying and processing cash remittances (e.g., extraction clerk forwards to a supervisor; a cash substitution ticket replaces the cash for processing, etc.).
B. 2.0 Indating	
B. 2.1 Contractor Receipt (M) The Contractor must maintain the integrity of the Contractor’s receipt date of each document and remittance in a tax filing until that information can be added to the document record, as required in the layouts (see Exhibit 5C – IFTA File Layouts). The Contractor’s receipt date is defined as the date the item is received by the Contractor from the Post Office, delivered to the processing facility from a private delivery service, delivered to the processing facility from any of the RFP Lockbox Jurisdiction(s), by the Courier, or received in some other manner directly to the Contractor.	B. 2.1 Describe the proposed method for maintaining the integrity of the Contractor receipt date and for capturing that date.
B. 2.2 Taxpayer Filing Timeliness (M) The Contractor must maintain the integrity of the taxpayer filing receipt date of each document and remittance (if applicable) in a tax filing until that information can be added to the document record, as required in	B. 2.2 Describe the proposed method for maintaining the integrity of the taxpayer filing receipt date and for

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<p>the layouts (see Exhibit 5C – IFTA File Layouts). The taxpayer filing receipt date is defined as the due date, (if received by that date or within five business days following the due date), or the postmark date (if received after the five day review period), and is used to determine timely taxpayer filing. In the case of items originally received by an RPC Lockbox Jurisdiction, the taxpayer filing receipt date is considered to be the earlier of either the postmark date or the date specified by the RPC Lockbox Jurisdiction, before being forwarded to the Contractor’s facility. Note: Returns for previous filing periods, but received during a subsequent filing period, are not considered to be timely filed and, therefore, must have the postmark date captured.</p>	<p>capturing that date.</p>
<p>B. 2.3 Envelope Retention (M) The Contractor must retain and image the envelope accompanying the tax filing until the associated tax return and/or remittance is determined to be processible (including bankability), the taxpayer filing receipt date has been determined, and any correspondence has been identified. Any envelope(s) associated with late filed documents, prior period documents, and/or unprocessable items and unbankable remittances must be retained with the tax filing. If an envelope, associated with multiple documents, is required to be retained, photocopy/image the envelope, so that each document has either the original, or a copy associated with it.</p>	
<p>B. 3.0 Document Preparation and Identification</p>	
<p>B. 3.1 (M) The Contractor must prepare documents and remittances within the tax filing for data capture. The Contractor must ensure that the remittance and return documents within a tax filing remain physically together through tracking number assignment.</p>	<p>B. 3.1 Describe the proposed solution for preparing documents and remittances for data processing. Include a description of the proposed method for ensuring that the remittance and return remain physically together through the tracking number assignment process.</p>
<p>B. 3.2 Document Identification (M) The Contractor must ensure a document identification strategy that maximizes workflow; accommodates tracking number assignment (see Exhibit 4C), and ensures that all processing standards are met or exceeded (see Section II – Performance Standards and Liquidated Damages).</p>	<p>B. 3.2 Describe the proposed document identification strategy, showing how it will maximize workflow, accommodate the application specific processing priorities and tracking number assignment, and ensure that all processing standards are met.</p>
<p>B. 3.3 (M) The Contractor must identify and process all tax filings, regardless of the source or format, including, but not limited to, NYS DTF supplied forms, NYS DTF approved forms, one sided and two sided forms, photocopies, computer software generated documents, and or other substitute documents, whether they are handwritten (pen or pencil), typed or computer printed, in accordance with deposit and processing standards (see Section II – Performance Standards and Liquidated Damages).</p>	
<p>B. 4.0 Special Handling</p>	
<p>B. 4.1</p>	

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<p>(M) The Contractor must review and modify tax filings, based on RFP/RPC Lockbox Jurisdiction requirements, prior to data capture. Modifications will include, but not be limited to, corrections to the following tax filings:</p> <ul style="list-style-type: none"> A. IFTA-100 – If no payment amount is entered in the “Enter the amount of your payment here...” box, record the amount of remittance. If the amount of remittance does not match the amount the taxpayer has recorded, cross out the amount and record the correct amount. If no remittance is provided, record “NR” to indicate “no remittance”; B. IFTA-100 without at least one IFTA-101 – An IFTA-101 is required, unless the “No operation in any jurisdiction” or “Cancel license” box is checked. If checked, continue processing; if not checked and no IFTA-101, create a dummy IFTA-101, using Diesel as the fuel type and zero miles; C. IFTA-100 with an address change noted – see Requirement D.2.4; D. IFTA-100 without a signature – check the “Missing Signature” box and set the “Missing Signature” flag (see the Exhibit 5C – IFTA File Layouts); E. IFTA-100 with a name or ID change noted – check the “ID/Name Change” box and set the ID/Name Change flag (see Exhibit 5C – IFTA File Layouts). Note: the IFTA-100 is being modified and will actually read “ID/Name Change/Address Change”; F. IFTA-100 with correspondence, see Requirement B.5.1; G. IFTA-101 – with no taxpayer reported information, or with only zeros reported – no data capture required, though the document must be imaged/indexed; H. IFTA-100-V – with accompanying remittance – process as a payment record only (see Exhibit 5C – IFTA File Layouts). If an IFTA-100 is attached, consider it unprocessable and return to base jurisdiction; I. Monthly Transmittals – The Contractor must review Monthly Transmittals for relevant data: <ul style="list-style-type: none"> 1. Remittance Amount <ul style="list-style-type: none"> a. Record the amount of the remittance in the upper right hand corner of the Monthly Transmittal. If unbankable, or no remittance, record “0” in upper right hand corner of Monthly Transmittal; 2. Reporting Period <ul style="list-style-type: none"> a. If the reporting period is missing, review any correspondence to determine the reporting period. If the period can be determined, record the information. If the period cannot be determined, use the month prior to the date of receipt. If the reporting period overlaps two calendar months: <ul style="list-style-type: none"> (1) when the date of the first month is prior to the 15th, use the first month as the Reported Period; (2) when the date of the first month is on or after the 15th, use the second month as the reported period; 3. Reporting Jurisdiction <ul style="list-style-type: none"> a. If the reporting jurisdiction (the jurisdiction submitting the 	

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<p>monthly transmittal) is not apparent from the transmittal, attempt to determine reporting jurisdiction based on the envelope, or correspondence;</p> <p>4. Fee Sequence Number</p> <p style="padding-left: 20px;">a. If the fee transmittal number is missing, enter "0001" as the default; in the upper left-hand corner and highlight;</p> <p>5. Taxpayer ID</p> <p style="padding-left: 20px;">a. The taxpayer ID (this information may also be referred to as the "FEI Number") must include the two digit jurisdiction code.</p> <p style="padding-left: 20px;">b. (1) If the jurisdiction code is missing, apply the same code as the jurisdiction submitting the Monthly Transmittal Report. (2) If no taxpayer ID is available, use the Jurisdiction Code and nine 9's – the "exception" ID (e.g., "NY999999999").</p> <p>6. The Contractor must create a cover sheet for each Monthly Transmittal, prior to sending to the RPC Lockbox Jurisdiction. The cover sheet must include the Monthly Transmittal remittance amount, the tracking number, the deposit date, Submitter Code (Reporting Jurisdiction), Data Capture Operator and Verification Operator initials.</p> <p>Note: Do not process Monthly Transmittals from (the "Reporting Jurisdiction") the following Jurisdictions(the "Reporting Jurisdiction"): Alabama, California, Connecticut, Delaware, Georgia, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Jersey, New York, Rhode Island, Texas and New Brunswick (see Requirement B.6.1).</p>	
<p>B. 4.2 Multiple Remittances Within a Tax Filing</p> <p>(M) The Contractor must associate multiple remittances received with a single document into a single tax paid amount for that return document, apply a unique tracking number to that single return document and associate that same tracking number to each remittance.</p>	<p>B. 4.2</p> <p>Describe the proposed method of associating a multiple remittance with a single document into a single tax paid amount for that document.</p>
<p>B. 4.3 Multiple Documents Within a Tax Filing</p> <p>(M) The Contractor must:</p> <p style="padding-left: 20px;">A. Process a single remittance received with multiple return documents by verifying that the amount of the remittance satisfies all taxes/liabilities due, if not, but it equals the amount of one of the documents, process that one as a "with remittance" return and draw a line through the remittance amount on all other related returns, label as "N/R" next to the remittance box and process as a "no remittance" document. Apply the unique tracking number to each document and associate each tracking number to each remittance. If consecutive tracking numbers are to be applied, the remittance should have the first and last tracking numbers applied. The remittance image must be associated with each document;</p> <p style="padding-left: 20px;">B. Process multiple documents received with multiple remittances:</p> <p style="padding-left: 40px;">1. If the amount of the remittances equals the total due on the associated multiple documents, continue processing;</p> <p style="padding-left: 40px;">2. If the amount of the remittances does not equal the total due</p>	

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<p>on the associated multiple documents, but the amount of the remittance equals the amount of one of the documents, process that one as a “with remittance” return and draw a line through the remittance amount on all other related returns, label as “N/R” next to the remittance box and process as a “no remittance” document;</p> <p>a. If the amount of the remittance does not equal the total amount due on all related returns and the returns are for the same taxpayer apply the remittance to the earliest/oldest return first; continue applying money to each subsequent return;</p> <p>b. When the portion of remittance applied to a return is less than amount due, apply remainder of payment to the next oldest return and mark “PP” next to the remittance amount; and any remaining returns without a portion of the remittance applied as no remit returns.</p>	
<p>B. 4.4 Split Remittances (M) The Contractor must identify any split remittance and send the remittance and all return documents to the appropriate RPC Lockbox jurisdiction (address to be provided during implementation). A split remittance is defined as a remittance which is to be applied to multiple documents within multiple tax programs (e.g., a check accompanying an IFTA return that indicates that it is to be used for IFTA and Sales Tax liabilities).</p>	
<p>B. 5.0 Correspondence Identification and Processing</p>	
<p>B. 5.1 (M) The Contractor must review correspondence attached to tax filings to determine content for subsequent processing. The Contractor must either process the document as presented or process based on correspondence. If the tax filing includes correspondence, check the “Corr” box in the “For Office Use Only” section of the form:</p> <p>A. Correspondence that indicates a change of address or address correction – see Requirement D.2.3;</p> <p>B. Correspondence that indicates a request for a return receipt, but does not include a self addressed stamped envelope – associate correspondence with the return, continue processing. These need not be identified in the data record as Correspondence, (i.e., do not set the “Correspondence” flag), but should be imaged and indexed as Correspondence; and</p> <p>C. IFTA-3, if filed with another tax return (i.e., an IFTA-100/101), treat as Correspondence (check the “Corr” box and set the “Correspondence” flag).</p>	<p>B. 5.1 Describe the proposed strategy for handling correspondence which associates the correspondence within the tax filing.</p>
<p>B. 5.2 (M) The Contractor must ensure that the data record/image output reflects the presence of associated correspondence with image indexing and an indicator in the data record.</p>	
<p>B. 6.0 Unprocessable Item Identification</p>	
<p>B. 6.1 Unprocessable Item Identification (M) The Contractor must identify, and return to the RPC Lockbox Jurisdictions, unprocessable items, based on RFP/RPC Lockbox Jurisdiction requirements. Items for which the proper jurisdiction is not</p>	

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<p>identifiable should be forwarded to NYS DTF. In addition to the items noted below, any illegible, or otherwise unclear, document is considered to be unprocessable.</p> <p>The following are considered to be unprocessable:</p> <ul style="list-style-type: none"> A. multiple returns, not intended for the same taxpayer, with a remittance(s) that does not match the total of the amount due on all the individual returns, or the amount due on any of the individual returns; B. a single IFTA-100 with more than one Taxpayer ID; C. an IFTA-100 without an evident filing period; D. an IFTA-100 filed with an IFTA-100-V; E. IFTA-3, if filed alone; and F. any monthly transmittals from Alabama, California, Connecticut, Delaware, Georgia, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Jersey, New York, Rhode Island, Texas and New Brunswick. 	
<p>B. 6.2 Misdirected Mail</p> <p>(M) The Contractor must redirect non-tax items and misdirected mail (e.g., utility bills or credit card payments) back to the sender. The Contractor must deliver tax filings which are intended for other taxing authorities (including, but not limited to the IRS, NYS, and NYC taxes) to the appropriate taxing authority, using specific addresses to be provided by DTF during implementation, no later than one business day after identification as misdirected.</p> <p>Note: NYS tax filings sent to an incorrect RPC Lockbox Jurisdiction or DTF post office box, but for a tax type also processed by the Contractor, are not considered unprocessable and should be processed in the appropriate program area by the Contractor.</p>	
<p>B. 6.3</p> <p>(M) The Contractor must maintain a control log and file of cover sheets/transmittals of unprocessable items, identified according to criteria established in requirement B.6.1, and forwarded to the RPC Lockbox Jurisdiction. These logs must be maintained for twelve months.</p>	<p>B. 6.3</p> <p>Provide a copy of the control log of cover sheets/transmittals sent to the IFTA RPC Lockbox Jurisdictions.</p>
<p>B. 7.0 Tracking Number Assignment</p>	
<p>B. 7.1</p> <p>(M) The Contractor must assign and include a unique numeric and/or alpha-numeric tracking number to each document in a processible tax filing (including the return documents, the associated remittance(s), correspondence, envelope, etc.). The Contractor must be willing and able to accommodate the RPC Lockbox Jurisdiction(s)'s existing tracking number assignment format (see Exhibit 4C) and must use a font size and placement which ensures easy readability of the tracking number, without obscuring the text of the document itself.</p>	<p>B. 7.1</p> <p>Describe the process for assigning tracking numbers. Provide a sample of return and remittance with tracking number placement and font size that will be utilized.</p>
<p>B. 7.2</p> <p>(M) The Contractor must provide a method for applying tracking numbers that ensures that numbers are not duplicated or skipped.</p>	<p>B. 7.2</p> <p>Describe the proposed methodology for ensuring that tracking numbers are not duplicated or skipped.</p>
<p>B. 7.3</p> <p>(M) The Contractor must systematically track and report to the RPC Lockbox Jurisdictions tracking numbers that are skipped or voided (see</p>	

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Exhibit 1D – Miscellaneous Reports).	
<p>C. DEPOSIT PREPARATION REQUIREMENTS <i>Deposit includes the following functions: bankability review, foreign check handling, balancing, and deposit processing.</i></p>	Affirm understanding and agreement with requirements C1.1 through C4.1. The Contractor must provide a detailed description of how each requirement will be met, including, but not limited to the specific details identified below.
C. 1.0 Bankability Review	
<p>C. 1.1 (M) The Contractor must review any remittances to ensure bankability (suitability for depositing) in accordance with the standard banking procedures and the following procedures:</p> <p>A. Payee Verification – (see Exhibit 12 - IFTA RPC Jurisdiction’s Bankability Requirements)</p> <ol style="list-style-type: none"> 1. If the payee line indicates two payees (one of which is listed in C.1.1.B.1 or C.1.1.B.2, in Exhibit 12), affix with RPC Lockbox Jurisdiction, approved restrictive language on the remittance to make it bankable; 2. If the payee line is blank, stamp with RPC Lockbox Jurisdiction approved restrictive language on the remittance to make it bankable; 3. Checks made payable to someone other than those listed under C.1.1.B.1 or C.1.1.B.2 in Exhibit 12, must be properly endorsed by the payee on the back of the remittance: <ol style="list-style-type: none"> a. If endorsed, proceed as bankable; b. If the check accompanies an IFTA-100 or IFTA-101, and is not endorsed, forward the remittance and the return/document to the taxpayer (or to the RPC Lockbox Jurisdiction); and/or c. If the check accompanies a Monthly Transmittal, and is not endorsed, return the remittance to the reporting jurisdiction, and process the transmittal as a transmittal with no remittance. <p>B. Remittance Amount Verification</p> <ol style="list-style-type: none"> 1. When the Courtesy Amount (numeric amount) agrees with the Legal Amount (written amount) on the check, the remittance is bankable, as shown; 2. When the Courtesy Amount does not agree with the Legal Amount on the check, process as follows: <ol style="list-style-type: none"> a. If either the Courtesy or Legal amount on the check agrees with the Amount Due on the IFTA-100, guarantee the check by stamping “Correct Amount is \$...” on the face of the check, enter the correct amount and consider the check bankable; b. If neither amount agrees with the Total Amount Due, forward the remittance and tax document to the taxpayer (or to the RPC Lockbox Jurisdiction) with an approved form; and c. If both the Legal and Courtesy amounts are omitted on the remittance, forward the remittance and the tax document to the taxpayer (or to the RPC Lockbox 	<p>C.1.1 Describe the proposed bankability review process. Include the procedure for dealing with remittances at the beginning of a new year (e.g., a check written on January 3, 2006, but dated January 3, 2005).</p>

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<p align="center">Jurisdiction) with an approved form.</p> <p>C. Signature Verification</p> <ol style="list-style-type: none"> 1. If the remittance is signed, consider it bankable; 2. If the remittance is not signed, but the amount of the check agrees with the Total Amount Due, reported on the IFTA-100, stamp over the signature line the statement, "This check, accompanying your tax return or payment document, was processed for your convenience to save you possible interest charges for late payment" and consider it bankable. 3. If more than one signature is required, but only one person's signature appears, forward the remittance and tax document to the taxpayer (or to the RPC Lockbox Jurisdiction) along with an approved form. 	
<p>C. 1.2 Foreign Checks and Postal Money Orders</p> <p>(M) The Contractor must review foreign checks and money orders:</p> <ol style="list-style-type: none"> 1. If payable through a United States Bank and if payable in US dollars consider the remittance bankable; 2. If payable through a Canadian bank and payable in US dollars, consider the remittance bankable. If not payable in US dollars, consider the remittance unbankable; 3. If not payable through a United States bank, foreign checks are considered unbankable; 4. Foreign Postal money orders, specifying "Payable in US Funds" are bankable, if not, consider unbankable; 5. If either the name and/or address is missing on the Foreign Check or Foreign Money Order, enter from the return document to make it bankable; 6. If the payee line on the Foreign Check or Foreign Money Order is blank, stamp with RPC Lockbox Jurisdiction approved restrictive language on the remittance to make it bankable; and 7. If the Foreign Check or Foreign Money Order is unbankable, forward to the RPC Lockbox Jurisdiction. 	
<p>C. 1.3 Remittances Received Without a Return Document (Unassociated Remittances)</p> <p>(M) The Contractor must identify remittances received without an IFTA-100:</p> <ol style="list-style-type: none"> A. Review the remittance to determine the intent of the remittance by noting either that the payee name is one of the appropriate payee names (see Requirement C.1.1, B.) and/or that correspondence, if any, indicates that the remittance is intended as an IFTA payment; B. Process, using an "Unassociated Payment Document" form (to be developed in cooperation with the RPC Lockbox Jurisdictions during implementation), with the following information: <ol style="list-style-type: none"> 1. Period for Fuel Tax – review the remittance and correspondence (if any) for the period date for which the remittance is submitted. If found, record this date in the "Period" field. If not found, apply the current filing period. 2. Date Received or Postmark Date – record the received date in the "Date Received" field. If determined to be late, keep envelope with document through processing (see 	

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<p>Requirement B.2.2)</p> <ol style="list-style-type: none"> 3. Taxpayer Identification Number – locate the taxpayer ID (including appropriate jurisdiction code) and record in “TPID” field. If no taxpayer ID can be determined, use the “exception ID” (nine 9’s) along with the jurisdiction code (e.g., NY999999999) 4. Namecode – determine name and record first four characters in the “Namecode” field 5. Remitted Amount – record the amount received in the “Remitted Amount” field 6. Check Number – record the check number, if available, in the “Check Number” field 7. Preparer’s Initials – record Contractor’s initials in “Preparer’s Initials” field 	
<p>C. 1.4 Unassociated Payment Documents for Monthly Transmittals (M) The Contractor must identify remittances received without a Monthly Transmittal.</p> <ol style="list-style-type: none"> A. Prepare an Unassociated Payment Document – Monthly Transmittal (to be developed in cooperation with the RPC Lockbox Jurisdictions during implementation) with the following information: <ol style="list-style-type: none"> 1. Base Jurisdiction Code – review the transmittal, remittance (represented as the payee on the remittance) or correspondence for the Base Jurisdiction Code; 2. Reporting Jurisdiction – review the transmittal, remittance (represented as the payor on the remittance) or correspondence for the Reporting Jurisdiction Code; 3. Reporting Period – record the reporting period; 4. Date Received – record the date received; 5. Remitted Amount – record the amount of the remittance; and 6. Preparer’s Initials – record Contractor’s initials. 	
<p>C. 1.5 (M) The Contractor must provide a method for re-association of separated checks. A separated check is defined as one which is found, at some point during processing, without the corresponding tax return document with which it was originally received.</p>	<p>C. 1.5 Identify the proposed approach for ensuring the re-association of separated checks and the method of ensuring timely deposit processing of the separated check if re-association is not possible.</p>
<p>C. 2.0 Balancing and Reconciliation</p>	
<p>C. 2.1 (M) The Contractor must ensure that the deposited remittance amount agrees with the remittance amount on the tax filing return document data record.</p>	<p>C. 2.1 Identify the proposed mechanism for ensuring that the remittance amount deposited for a taxpayer agrees with the remittance amount recorded on the tax filing return document/data record.</p>
<p>C. 2.2 (M) The Contractor must ensure that for every tax document processed as “with remittance” there is a corresponding remittance(s).</p>	<p>C. 2.2 Describe the proposed mechanism that will guarantee that every tax document processed as a “with remittance” has a corresponding remittance.</p>

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C. 2.3 (M) The Contractor must ensure that the tracking number on the tax document and remittance within the tax filing provides for the ability to accurately associate the remittance amount with the proper payment document when data capture occurs.	C. 2.3 Describe the proposed method to ensure that each remittance is accurately associated with the appropriate tax filing when the data capture occurs.
C. 2.4 (M) The Contractor must ensure "item to item" and batch balancing.	C. 2.4 Describe the proposed mechanism that will ensure "item to item" and batch balancing.
C. 2.5 (M) The Contractor must ensure reconciliation of the deposit amount, on a daily basis between the processing site and the check clearing process.	C. 2.5 Describe the proposed mechanism and process that will ensure reconciliation on a daily basis between the return and/or payment document processing site to the check clearing process.
C. 3.0 Deposit Processing	
C. 3.1 (M) The Contractor must deposit each remittance into specific RPC Lockbox Jurisdiction account (for example, NY DTF will require a joint custody tax receipt account, established for NY DTF and NYS OSC) in a manner which ensures meeting the standards for timeliness and accuracy (see Section II - Performance Standards and Liquidated Damages).	
C. 3.2 (M) The Contractor must MICR encode, endorse, and deposit each remittance according to established banking procedures. Note: The remittance image (scan/index) must include both the front and back of the remittance, post-encoding and endorsement (see Requirement D.3.0, below).	
C. 3.3 (M) The Contractor must maintain the integrity of the deposit date of each remittance until that information can be added to the document record/data record for the respective tax filing, as required in the file layouts (see Exhibit 5C – IFTA File Layouts).	C. 3.3 Identify the proposed method for maintaining the integrity of the deposit date.
C. 3.4 (M) The Contractor must immediately re-present a dishonored check (if applicable based on dishonorment reason) following notice of initial dishonorment. The Contractor should not notify the RPC Lockbox Jurisdiction after initial dishonorment and no entries should appear on the bank statement. If a second dishonorment occurs after a second attempt to present the check, the Contractor must not attempt to re-present the check again.	
C. 3.5 (M) The Contractor must provide a method of reporting all bank adjustments related to dishonorments, encoding problems, debits and credits to the RPC Lockbox Jurisdiction. See also Exhibit 1B – Accounting Reports.	C. 3.5 Describe the proposed method for reporting bank adjustments, including how the Contractor will ensure matching dishonorments to proper tracking number for multiples and/or proper amount on foreign checks, money orders, etc.
C. 3.6	C. 3.6

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REQUIREMENT	RESPONSE
(M) The Contractor must ensure that adjustments to the accounting reports will be made only under the direction and approval of the RPC Lockbox Jurisdictions.	Describe the proposed method, including all available options.
C. 3.6 (M) The Contractor must cooperate with the RPC Lockbox Jurisdictions to establish and maintain a schedule for end of year fiscal reconciliation, including, but not limited to, cut-off dates for debit memos, credit memos and returned checks.	
C. 4.0 Remittance Copying	
C. 4.1 (M) The Contractor must have the ability to provide a copy of each remittance, after tracking number assignment and MICR encoding, in accordance with Section II – Performance Standards and Liquidated Damages.	C. 4.1 Identify the proposed method for providing copies.
D. DOCUMENT PROCESSING REQUIREMENTS <i>Document processing includes all functions related to the completeness and accuracy of the header and document data prior to data capture, data capture, data verification, and transmissions to DTF.</i>	Affirm understanding and agreement with requirements D1.0 through D 6.2. The Contractor must provide a detailed description of how each requirement will be met, including, but not limited to the specific details identified below.
D. 1.0 General Data Review/Capture	
D. 1.1 (M) The Contractor must provide a method to capture data which: <ul style="list-style-type: none"> A. determines that all required data elements are present, in accordance with file layouts (see Exhibit 5C – IFTA File Layouts*); B. ensures timeliness and accuracy in conformance with performance standards (see Section II - Performance Standards and Liquidated Damages); C. maximizes automated routines, rather than manual review; D. allows for expansion or contraction of the number of data elements to be reviewed and processed based on RPC Jurisdiction changes (e.g. legislative, document redesign, addition or deletion of documents, etc.); E. utilizes edits to cleanse the data of any data capture errors. *Note: These layouts are provided as an example of those used currently. The RPC Lockbox Jurisdictions will provide any updated layouts during Implementation. The Contractor will be responsible for the data capture of all required elements at the time of implementation/certification.	D. 1.1 Describe the proposed method of data capture, including the method for validating the accuracy of the data capture (e.g., use of automated routines, key verification or algorithms).
D. 2.0 Header Data Validation and Capture	
D. 2.1 (M) The Contractor must ensure an accurate header record for each tax document. At a minimum, the Contractor must validate the taxpayer ID, check digit (must be validated against the check digit algorithm, see Exhibit 5C – IFTA File Layouts) and the four character name code. For documents without a taxpayer ID, refer to the IFTA Taxpayer Profile System.	
D. 2.2 (M) The Contractor must assign an exception identification number (“999999999”, preceded by a Jurisdictional code) to tax filings with	

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missing or invalid taxpayer identification numbers, in accordance with the RPC Lockbox Jurisdiction requirements.	
<p>D. 2.3 Address Changes</p> <p>(M) The Contractor must ensure that address changes, indicated by a taxpayer with a checkmark in the "Address Change" box at the top of the page, or in some other manner, is accurately processed:</p> <ul style="list-style-type: none"> A. For New York tax filings – capture/update the new address in the IFTA Profile System. Do not set the ID/Name/Address Change flag; B. For California – set the ID/Name/Address Change flag. Do not capture/update the new address in the IFTA Profile System; C. For Massachusetts – capture/update the new address in the IFTA Profile System and set the Correspondence flag. Do not set the ID/Name/Address Change flag; and D. For Alabama, Connecticut, Kentucky, Maryland and Rhode Island – capture/update the new address in the IFTA Profile System and set the ID/Name/Address Change flag. 	
D. 3.0 Document Imaging	
<p>D. 3.1</p> <p>(M) The Contractor must image (scan/index) all tax filings for Alabama, California, Connecticut, Maryland and New York. The indexing approach must ensure that:</p> <ul style="list-style-type: none"> A. there be one(1) multi-page TIFF image file for each separate form type within a document set (at tax filing); B. image files consist of fewer than 1,000,000,000 bytes; C. no blank pages are transmitted; and D. all components of a tax return filing are imaged, that each image file is represented on the Image Control File (the image index file) and that each has a corresponding data record. 	<p>D. 3.1 Provide a description of the proposed approach which includes, but is not limited to, the following details:</p> <ul style="list-style-type: none"> A. the equipment (hardware) and software that will be used; B. identification of any subcontractors (including for application development); C. the proposed method of identifying blank pages and of ensuring that no blank pages are included; and D. the reconciliation process that will guarantee that each component of a tax filing is imaged, that each image file is represented on the Image Control File and that each image file has a corresponding data record.
<p>D. 3.2</p> <p>(M) The Contractor will be required to create, for each document set, an image file key, a file name and a pathname. The image file key includes the tracking number, a tax type indicator (two alpha characters assigned by DTF), and the processing year (four numeric characters). Each image file (return, schedule, remittance, envelope, etc) within a document set (the tax filing) is assigned a three (3) character suffix (e.g.,</p>	

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12345678ST2006.001, 12345678ST2006.002; and 12345678ST.003), making up the file name. The pathname is created using the format "/images/dnnn/nn/file name" (i.e., /images/d101/23/12345678/001); see Exhibit 5C – IFTA File Layouts for the placement of the pathname.	
D. 3.3 (M) The Contractor must provide sorted images in accordance with the image priority specified in Exhibit 9.	D. 3.3 Describe the process (manual or systematic) to be utilized to sort/order images in accordance with DTF's image priority requirements.
D. 3.4 (M/D)The Contractor must provide retention, for at least six months, of all images. Access to the images must be available via the Internet, and must be searchable via the DLN and Taxpayer ID.	D. 3.4 Describe the proposed image retention solution.
D. 4.0 Data Delivery - Fully Processed Data	
D. 4.1 (M) The Contractor must transmit data for fully processed (from lockbox receipt through data capture and image scan/index) tax filings to NYS DTF in accordance with timeframes described in Section II – Performance Standards and Liquidated Damages, in accordance to the method required in Section VII – Program Development and Support Requirements, and in accordance to file layouts in Exhibits 5C – IFTA File Layouts. Note: Data for each Jurisdiction is transmitted to NYS DTF as separate data transmissions.	D. 4.1 Describe the proposed data delivery process.
D. 4.2 (M) The Contractor must ensure that each data transmission represents deposits and tax filings that have been reconciled.	
D. 4.3 (M) The Contractor must consolidate data transmissions/data delivery from multiple processing sites, if applicable, as well as from multiple intake methods. The maximum number of return files to be included in a single transmission file is 240.	
D. 5.0 Data Delivery - Fully Processed Paper Documents	
D. 5.1 (M) The Contractor must deliver the fully processed tax filings (paper documents associated with the data transmitted), along with all associated control data to the appropriate RPC Lockbox Jurisdiction and/or DTF's designated storage facility currently located approximately five miles from DTF's Albany location, in Latham, NY, in accordance to Section II- Performance Standards and Liquidated Damages.	
D. 5.2 (M) The Contractor must associate/re-associate all related paper documents for each tax filing before delivery to the RPC Jurisdiction.	
D.5.3 (M) The Contractor must remove any separator sheets that may have been included during document processing within a tax filing.	
D. 5.4 (M) The Contractor must place fully processed tax filings, in tracking number order, into Liberty Bankers style boxes (box must have handles and dimensions of 12 ½" wide x 10 ½" tall x 15 ½" long). The Contractor must prepare and place a total of five labels on each box; one label on the box lid and an additional label on each side of the box. The label must	

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provide the starting and ending ranges of the tracking numbers for the fully-processed tax filings contained within each box.	
D. 5.5 (M) Any return that is removed from a batch to remain at the Contractor's site for subsequent processing or is batched separately to be forwarded to the RPC Lockbox Jurisdiction must have an "outcharge" sheet inserted within the batch in its place. The "outcharge" sheet must include the tracking number, taxpayer identification number, contact name and phone number, date and reason for pulling return.	
D. 5.6 (M) The Contractor must ensure that there are no unprocessed remittances or returns in any of the fully processed tax filings prior to being returned to the RPC Lockbox Jurisdictions.	D. 5.4 Describe the proposed methodology to ensure that there are no unprocessed remittances in any of the paper documents and/or envelopes prior to being returned to the RPC Lockbox Jurisdiction.
D. 6.0 Data Delivery - Tax Filing Image Media	
D. 6.1 (M) The Contractor must deliver tax filing image media and associated image header files to New York on LTO2 tape, and transmit corresponding control data (in accordance with Control Record layout, see Exhibit 9 – Image Archive System) and/or index files, in accordance to Section II – Performance Standards and Liquidated Damages. The tax filing images on the LTO tape must reconcile to the tax filing data on the transmission(s). The maximum number of images to be included on a single LT02 tape is 1,500,000.	D. 6.1 Describe the proposed methodology and controls to identify blank images and ensure that all images, except blank images, are sent to DTF.
D. 6.2 (M/D) The Contractor must deliver image media and the corresponding control data to the Alabama Department of Revenue. The image media and index file must be delivered in accordance with the Control File Layout, see Exhibit 9 – Image Archive System and in accordance to Section II – Performance Standards and Liquidated Damages.	
D.6.3 (M/D) The Contractor must deliver media and the corresponding control data to California. The image media and index file must be encrypted and delivered on DVD and via a secure VPN connection (at an internet access speed capable of transmitting files up to 600 megabytes, in accordance with the Control File Layout, see Exhibit 9 – Image Archive System) in accordance to Section II – Performance Standards and Liquidated Damages.	
D. 6.4 (M/D) The Contractor must deliver media and the corresponding control data to the Connecticut Department of Revenue. The image media and index file must be delivered on CD and via a secure VPN connection (at an internet access speed capable of transmitting files up to 600 megabytes in accordance with the Control File Layout, see Exhibit 9 in accordance to Section II – Performance Standards and Liquidated Damages.	

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D. 6.5 (M/D) The Contractor must deliver image media and the corresponding control data to the Maryland Office of the Comptroller. The image media and index file must be delivered on CD (in accordance with the Control File Layout, see Exhibit 9) in accordance to Section II – Performance Standards and Liquidated Damages.	
E. REPORTING REQUIREMENTS	
E. 1.0 Reporting Requirements	Affirm understanding and agreement with requirements E1.1 through E1.5. The Contractor must ensure that the data flow will support each output requirement.
E. 1.1 (M) The Contractor must provide DTF, and/or other RPC Lockbox Jurisdictions, accounting, processing and financial management reports in a form and format prescribed by the RPC Lockbox Jurisdictions. See Exhibit 1B – Accounting Reports and Exhibit 1C – Processing and Management Reports.	E 1.1 Describe the proposed means of meeting the reporting requirements included in Exhibit 1, including, but not limited to, the proposed format for transmission. For each report or document, provide a sample. Describe the proposed method for electronic delivery, including any available options.
E. 1.2 (M) The Contractor must provide the reports and documents listed in Exhibit 1 electronically to OSC and/or NY DTF, as well as to the RPC Lockbox Jurisdictions, as applicable.	E. 1.2 Describe the proposed method for electronic delivery, including any available options.
E. 1.3 (M) The Contractor must ensure that adjustments to the financial reports will be made only under the direction and approval of the RPC Lockbox Jurisdictions.	
E. 1.4 (M) The Contractor must provide online balance reporting, including same day online balance reporting (online balance reporting must provide detail for each separate program account, as well as a summary of all program accounts) on a daily basis, and previous day balance reporting in BAI format.	E 143 Describe the online balance reporting system, including the level of reporting detail available. Provide sample screens and reports, and describe controls for access. Describe the level of customization available.
E. 1.5 (M) In addition to the reports listed in Exhibit 1, the Contractor must be able to provide reports generated from queries to the Contractor's database for the Program.	E. 1.5 Describe the availability and accessibility of such ad hoc reporting from the database.
F. ACH REQUIREMENTS	The Contractor must respond to requirements F. 1.1 – F. 7.1 by affirming understanding and agreement with each requirement and, where required, provide a description of how each requirement will be met.
F. 1.0 ACH Transmission Receipt	
F. 1.1	F. 1.1

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(M) The Contractor must accept, from NYS DTF, a daily data file transmission of ACH Debit transactions. NYS DTF and the Contractor must agree to a mutually acceptable data transmission schedule prior to Implementation. Note that a file is sent daily, even if there are no ACH Debit transaction. See "ACH Transmission File Specification" in Exhibit 5C – IFTA File Layouts.	Provide the proposed schedule of transmissions receipt from NYS DTF and the back-up timeframes to transmit to the Contractor, if for any reason, the initial transmission either is not initiated or fails.
F. 1.2 (M) The Contractor must immediately acknowledge receipt of the daily ACH Debit file. See "IFTA ACH Acknowledgement Transmission File Specification" in Exhibit 5C – IFTA File Layouts.	
F. 2.0 ACH Debit Initiation and Account Deposit	
F. 2.1 (M) The Contractor must initiate ACH debits on the day following the receipt of data from NYS DTF.	F. 2.1 Provide the timing of transmissions from the Contractor's site to the ACH network and the back-up timeframes to transmit to the ACH network, if for any reason, the initial transmission either is not initiated or fails.
F. 2.2 (M) The Contractor must deposit the associated funds into the NYS DTF IFTA Account so that funds are available to NYS DTF at the opening of business on the day following the receipt of data from NYS DTF.	F. 2.2 Provide a description of the control structure for the IFTA account, as it relates to ACH Debits (i.e., how transfers into and out of the account will be identified and segregated from the regular IFTA transactions).
F. 3.0 ACH Debit Rejections and Notifications of Change	
F. 3.1 (M) As part of the program development effort, the Contractor must provide to NYS DTF the most recent ACH Debit rejection reason codes, and update as necessary throughout the life of the contract.	F. 3.1 Provide the proposed format that the ACH Debit rejection information will be provided to NYS DTF.
F. 3.2 (M) The Contractor must provide daily, to NYS DTF, rejection information electronically, including the original tracking number provided by NYS DTF and any associated reason codes, based on the most recent publication of the NACHA rules. Note that a file must be sent daily, even if there is no data to report. See Return/Change Transmission File Specification in Exhibit 5C – IFTA File Layouts.	F. 3.2 Provide the proposed plan for the timing of the ACH rejection information transmission.
F. 3.3 (M) The Contractor must immediately re-present an ACH transaction, following notice of initial dishonorment. The Contractor should not notify NYS DTF after initial dishonorment and no entries should appear on the bank statement. If a second dishonorment occurs, the Contractor must not attempt to re-present the transaction.	
F. 4.0 ACH Debit Reversals	
F. 4.1 (M) The Contractor must initiate actions (i.e., ACH Debit reversals) from ACH Debit transactions which NYS DTF has indicated must be acted upon.	F. 4.2 Provide the proposed procedure to be used to initiate ACH Credit reversals (e.g., Customer Service contact phone number, fax number, online service, etc.).

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F. 5.0 Data Delivery and Reports	
F. 5.1 (M) The Contractor must electronically report remittance and reconciliation data. See sample Tax File Transaction File Layout in Exhibit 5C – IFTA File Layouts.	
F. 6.0 Transit and Routing Number Verification Table	
F. 6.1 (M) As part of program development and operations, the Contractor must provide, to NYS DTF, the transit and routing number verification table in an electronic file format.	F. 6.1 Provide the proposal for the timing of transmissions of updates to the transit and routing number verification table information (e.g., updated quarterly and available to NYS DTF within fifteen days after the update).

SECTION VII PROGRAM DEVELOPMENT AND SUPPORT REQUIREMENTS

Note: For each required response identify whether the proposed actions/solutions are currently in existence, based on modification to existing functionality or whether they will require new development. Bidders for Module 1 and Module 2 must respond to each of the Guiding Principles in this Section.

Topic	Guiding Principles	Required Response
A (M) Processing Sites	<p>The Contractor must establish and maintain a processing site(s) that is able to optimize both receipt of mail (minimizing mail float) and funds availability (see Section IV for processing site location requirements) and must support its long-term commitment to these programs. The proposed schedule and method of pick-ups from the Post Office boxes and the Department's central offices must incorporate times and frequencies that support the performance standards (see Section II – Performance Standards, Liquidated Damages and Reimbursements).</p> <p>The processing site must be able to accommodate fluctuating workloads and capacity and must comply with applicable building codes, regulations and laws.</p>	<p>A. Affirm understanding with and agreement to meet the Guiding Principle, and provide details addressing the Guiding Principle, including, but not limited to:</p> <ul style="list-style-type: none"> A. the processing site location(s); B. The demographic factors which affected location(s) and site(s) selection, such as: <ul style="list-style-type: none"> 1. total population in the commuting vicinity; 2. unemployment levels; 3. trained/skilled workforce; 4. availability of a temporary workforce to support peak processing periods; 5. availability of recruitment methods and services; 6. transportation options for staff; and, 7. proximity to modes of transportation (e.g., highway, commuter rail, subway, etc.). C. The methodology which was employed, consulting firm utilized, or sustained experience used to validate that the location(s) and site(s) selected readily access a labor market which fully supports the Contractor's solution for the duration of the resulting contract. D. the distance between the Post Office facility(ies) processing site(s) and how such optimizes mail receipt and funds availability; E. the Contractor's presence at U.S. Post Office(s) during peak periods to facilitate U.S. Post Office mail processing/delivery to the processing site; F. the schedule used by the U.S. Postal Service to receive and distribute mail to the processing site(s); G. the method of retrieval and the pick-up schedule from the Post Office(s) and the Department's central offices during both peak and non-peak periods; H. the courier service(s) to be utilized - if these services are not currently part of the Contractor's organization, then identify the sub-contractors that will be included; I. the floor plan of each processing

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Topic	Guiding Principles	Required Response
		<p>function location for each program/module (during peak and non-peak periods);</p> <p>J. identify the daily, weekly, and peak and non-peak processing capacity for remittances and tax filing volume for each program/module; and, the receipt and cut-off times associated with the capacity plan;</p> <p>K. fully detail the distance, method of transport, reconciliation, cut-off times and funds availability between the processing site and clearing site. Also, address the reconciliation process between the data files, the payment files and the amount credited to the tax receipt account, and processes to minimize reconciliation difference;</p> <p>L. identify whether the processing site is owned or leased, and, if leased, what is the term of the lease; if the Contractor's processing site is contingent upon contract award, identify all phases of site acquisition into the implementation plan (see Section VIII Implementation Requirements);</p> <p>M. identify the location of the Electronic Funds Transfer origination site;</p> <p>N. the Electronic Funds Transfer transmission strategy/proposal (i.e., timing cut-off for file transfers – ACH payment files, acknowledgment files and rejection notice files).</p> <p>O. if subcontractors are used, delineate the material subcontractors and the nature of the relationship (e.g. security, courier, systems design, depository bank, systems integrator, etc.). Also, indicate how the subcontract provisions of the Department's contract with the Contractor are incorporated into the contract between the Contractor and the material subcontractor (see Section X – Invariable Contract Conditions and Mandatory Topics).</p> <p>Note: During program development and again, prior to implementation, Deliverable 4 – Processing Site Documentation must be provided. As described in Section VIII – Implementation Requirements the Processing Site Documentation includes, but is not limited to: facility floor plan diagrams, security procedures and plans,</p>

**SECTION VII
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Topic	Guiding Principles	Required Response
<p>B (M) Internal Controls, Security and Confidentiality</p>	<p>The Contractor must be able to ensure the security, confidentiality and integrity of the Department's data in accordance with federal and state tax law provisions, as well as generally accepted information security policies, procedures and standards. The Contractor (and its employees and subcontractors) must sign confidentiality agreements (see Appendices F and G). In addition, the Contractor must have policies, procedures, controls and software in place which, at a minimum, ensure both physical security and data security, minimize the risk of loss, destruction or theft of physical assets and prevent unauthorized access to taxpayer information.</p> <p>The Contractor must have:</p> <ul style="list-style-type: none"> • documented information security policies that address the security, confidentiality, integrity, and availability of the Contractor's information systems; • documented procedures and physical security controls which limit access to the data center and/or the area where computer hardware is located to only those employees with job functions that require access to such areas (e.g., computer operations staff, quality control, systems programmers, etc.); • documented procedures and logical data access controls which restrict access to information stored within the computer system to only those employees who require access to such information to perform job related functions; and • network security controls that ensure the Contractor's information systems are protected from unauthorized access from outside the Contractor's network. <p>The Department shall have the right to send its employees or designees into the facilities of the Contractor for inspection of the facilities and operations utilized in the performance of any work under the contract. On the basis of such inspection, specific measures may be required in cases where the Contractor is found to be noncompliant with any applicable security controls/procedures/requirements, etc.</p>	<p>internal control procedures and plans; organization and management plans, and disaster recovery/fail safe plans.</p> <p>B. Affirm understanding with and agreement to meet the Guiding Principle, and provide details addressing the Guiding Principle, including, but not limited to:</p> <ul style="list-style-type: none"> A. the existing internal controls and security and confidentiality procedures, including the procedure to monitor compliance with such (e.g., internal audit controls and/or independent audit programs); B. security tools (e.g., locks, alarms, badges, cameras, etc) which will be used to ensure that physical security is maintained; C. the screening process for staff hired by the Contractor, as well as any other persons having access to the processing site and tax filings and remittances - from the Post Office to the processing site, at/within the Contractor's processing site; D. the approach to present the secrecy and confidentiality provisions to employees for signature; E. the prevention of unauthorized access to physical site(s) and systems (i.e., code and data); record keeping of such attempts; and, the methods used to address these attempts by the Contractor, and the method to communicate them to the Department; F. the strategy and implementation protocol to guard against and respond to internet viruses, denial of service attacks, jamming tactics, etc.; identify controls or programs such as virus protection, intrusion detection systems and firewall rules that protect the systems from unauthorized access; G. the method used to record access to systems and data, including supervisory data capture overrides, and, how long these records are maintained; H. identification and designation of high risk areas (e.g., tax filing receipt area, document scanning area, check processing/storage areas, data center, etc.) and any unique internal control and security procedures used to mitigate this risk;

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	<p>Please see General Controls standards in Section II - Performance Standards.</p> <p>The Contractor must disclose to the Department representative (identified in the communication matrix) any material breach of security or internal control within 24 hours from the point where the violation becomes known. A violation includes, but is not limited to: employee and/or subcontractor accessing taxpayer information not required by their job's responsibility, misappropriation of Department assets, unauthorized access to the site facilities and unauthorized destruction of Department assets and/or information.</p> <p>The Contractor shall provide DTF with any reports or findings from independent auditors relating to internal controls, security, system/data controls, etc., as they relate to the services under the contract.</p>	<ul style="list-style-type: none"> I. security procedures that will be used for moving work within and among the processing site(s); J. how the logical security system within the deposit system prevents and reports unauthorized debits, both paper remittances and electronic funds transfers, presented against the tax receipt account; and K. the process and procedure which conforms to federal and state law requirements for controlled destruction of system output or other data containing taxpayer information (e.g., name, address, identification numbers, etc.).
<p>C (M) Training and Training Tools</p>	<p>The Contractor must demonstrate the ability to adequately train all persons, permanent and temporary, involved with the program(s) to oversee and operate the program(s)/module(s) in accordance with the RFP requirements and performance standards as specified.</p>	<p>C. Affirm understanding with and agreement to meet the Guiding Principle, and provide details addressing the Guiding Principle, including, but not limited to:</p> <ul style="list-style-type: none"> A. the training approach, including the development, implementation and post-implementation phase for the program(s)/module(s); B. a description of the circumstances that would require additional training and/or retraining (e.g., permanent employees, returning temporary employees, and new employees); C. the training techniques which will be utilized (e.g., hands-on, online, etc.), including the number of hours of training that will be provided for the program(s)/module(s) functions (e.g., pre-processing, data capture), what staff will be performing the training (e.g., contractor or sub-contractor), the method to evaluate the trainers and content, and the nature of the training tools; D. any functional support aids that will be implemented/utilized for ongoing processing (e.g., reference materials, processing manuals, etc.); and, E. the physical location where the training will take place.

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		<p>Note: During program development and again, prior to implementation, Deliverable 5 – Operational Procedures Documentation must be provided. As described in Section VIII – Implementation Requirements the Operational Procedures Documentation includes, among other things, a description of training tools.</p>
<p>D (M) Systems Environment</p>	<p>The Contractor must use generally accepted industry standards to implement and operate the systems environment to ensure that the RFP requirements and performance standards (Section II – Performance Standards and Liquidated Damages) are achieved. This includes the use of auditable procedures for system operations, change control, capacity planning, performance management, problem management, backup (including off-site storage), fail safe and disaster recovery.</p> <p>The systems environment must also be scalable to accommodate future systems expansion and must operate in the continental United States of America.</p> <p>If the systems environment is shared, the contractor must follow auditable procedures which assure the security and confidentiality of programs and data associated with the program(s)/module(s) [see Guiding Principle B. of this Section VII].</p> <p>Connectivity The Contractor must have the capacity to engage in electronic data file exchange with the Department and must use an electronic data exchange protocol which is acceptable to the Department. The Department requires electronic data file exchange, to and from the Department. The Department would prefer this exchange via the Internet. Data file exchange processes that are specifically <u>unacceptable</u> are: magnetic tapes, email, paper, CD, floppy Disc, removable drives, and analog or digital dial up, Value Added Networks (VAN) or DSL connections. In addition, the Department requires LTO2 tapes for images (see Section VI D. for additional information related to image and data delivery). The Department has approved using a secure</p>	<p>D. Affirm understanding with and agreement to meet the Guiding Principle, and provide details addressing the Guiding Principle, including, but not limited to:</p> <ul style="list-style-type: none"> A. identify the hardware, software and throughput capabilities; B. identify where the system(s) will be located for all services; C. indicate whether the systems environment is shared. If so, identify the process to establish and administer priorities for the systems environment, the process for resolving conflicts and provide the Service Level Agreements that will impact provision of services to the Department; D. identify the auditable procedures which are, or will be, in place for system operations, change control, capacity planning, performance management, problem management, security and confidentiality, and fail safe and disaster recovery and also the availability of these procedures for the Department’s review; E. provide a detailed description of the proposed method(s) for electronic file data exchange and on-line access for Department employees; and F. identify the percentage of total capacity to be utilized during peak periods for the program(s)/module(s).

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	<p>file transfer protocol (SFTP) provided by OpenSSH and Vshell as our Client and Server secure FTP connection software, respectively. The Contractor will be responsible for implementing compatible software with these products. The Department has approved the use of Public/Private Key authentication for the SFTP protocol, and as such, requires the use of SSH2, 1024 byte, RSA algorithms in the key generation. Additionally, the Department has approved and prefers the encryption of the data file using PGP with PGP encryption key exchange. This connection will need to meet all Department and industry standard security measures, including using the standard TCP Port 22.</p> <p>The Contractor must have acceptable internet browser software to enable access to the Department's website, if applicable. The current minimum requirement is Microsoft Internet Explorer 5.5.</p> <p>The Department strongly prefers that any access provided for Department employees (for the performance of their tax administration duties per these RFP requirements) to the Contractor's system be done online via the Internet. The Contractor's system must be compatible with MS Proxy using standard HTTP or HTTPS on TCP ports 80 or 443. The Contractor should specify the method(s) to allow access for Department employees.</p> <p>File Transfers All file transfers related to Sales Tax will be in XML format. See Exhibit 5-B- Sales Tax Layouts, for the general XML format for return filings.</p> <p>Test Environment The Contractor must maintain a test environment, separate from the processing environment, which is configured to allow enhancements in a controlled environment.</p>	
<p>E (M) Automated Systems Design, Development, Maintenance and Enhancement</p>	<p>The Contractor must adhere to generally accepted information technology standards for development, documentation, maintenance and enhancement of the proposed applications solution. This</p>	<p>E. Affirm understanding with and agreement to meet the Guiding Principle, and provide details addressing the Guiding Principle, including, but not limited to: A. an identification of where the</p>

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	<p>includes the use of auditable procedures for quality and version control. The proposed development tools and procedures must support rapid application development for the initial implementation and for addressing future changes. The Contractor must ensure that all software components are maintainable over the life of the contract and that the software and associated documentation is transferable to DTF, or designee, in the event that the Contractor was no longer able to carry out its responsibilities or at the end of the contract to support transition to the subsequent service provider if that is not the incumbent.</p> <p>Back-up of Data and Software. The Contractor must maintain and retain both on-site and off-site processible electronic copies of all tax data and image files that are transmitted to DTF. The Contractor must back-up all data transmission/image tapes or data/image files which are sent to the Department and retain them in a secure, environmentally controlled, off-site location for no less than twelve (12) months.</p> <p>The Contractor must back-up source and object code each week, at a minimum, and retain in a secure and environmentally controlled off-site location for the duration of the contract, to assist in the restoration of files.</p> <p>The Contractor must be able to provide DTF, upon request, with an exact duplicate of any data transmission/image tapes or data/image files which had been sent to DTF within the following timeframes:</p> <ul style="list-style-type: none"> • if the original transmission or transmittal of the data/images occurred within the past seven days, then the duplicate file must be available to DTF within 24 hours of the request; or • if the original transmission or transmittal of the data/images occurred more than seven days previous, then the duplicate file must be available to DTF within five business days of the request. 	<p>development will take place and a description of the experience of the developer(s). If development will be subcontracted, describe the Contractor's previous development experience with that subcontractor.</p> <p>B. the length of time data and image output files are retained on-site and off-site; and</p> <p>C. a description of a recently developed, automated, high-volume transaction system, including:</p> <ol style="list-style-type: none"> 1. the development methodology which was utilized; 2. the procedures used to ensure quality and version control; 3. the utilization of modularized programming (i.e., reusable code); 4. ad hoc reporting tools which were utilized and whether these tools would be used for the system(s) developed for this RFP; and, 5. the method used to control errors found during testing, and whether this method would be used for system(s) developed for this RFP. <p>In addition, the following must be included:</p> <ol style="list-style-type: none"> 1. the proposed conceptual systems design; 2. the proposed workload estimates for the systems development; 3. proposed staffing plan for systems development; and 4. proposed development project schedule (from conceptual systems design through implementation). <p>Three related deliverables are to be provided during implementation (see Section VIII – Implementation Requirements:</p> <p>Deliverable 1: Detailed Systems Requirement Documentation (including, but not limited to requirement documents, system design specifications, general and detailed workflows, data entry requirements, custom system requirements, image requirements, and custom reporting) – to be delivered during program development and again, prior to implementation;</p>

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	<p>The Contractor must ensure the efficient creation and maintenance of business rules (e.g., table based rules, forms definition format, etc.) and forms processing templates, if applicable.</p>	<p>Deliverable 2: Test Result Documentation, prior to DTF's UAT (including, but not limited to the Contractor's UAT plan, business cases tested and UAT results prior to DTF's UAT test);</p> <p>Deliverable 3: System Architecture Documentation (including, but not limited to system architecture diagrams) – to be delivered during program development and again, prior to implementation;</p> <p>For back-up of data and software requirements, the Contractor must provide the following information:</p> <ul style="list-style-type: none"> A. Proposed back-up processes for electronic and other data and images; B. Proposed period of retention for all backed-up data transmissions; C. Proposed period of retention for backed-up source and object code; D. Proposed retention site; E. Proposed LTO2 cartridge and data transmission delivery schedule; F. Description of resources committed to cartridge/transmission delivery; and, G. Proposed security plan for the delivery process and retention site(s). <p>Describe how a standardized business rule structure will be adhered to by the developers and how table based business rules will result in efficient updates/modifications (e.g., updates by table maintenance staff versus systems development staff), and the method and length of time to develop/modify a template and the level of staff to accomplish such.</p>
<p>F (M) Systems Maintenance, Testing and User Acceptance Testing</p>	<p>The Contractor must prepare and execute, during implementation, a comprehensive System Test of all processing components (e.g., hardware, software, work-flow procedures, integration of third part data and payment information, etc) developed, modified and/or acquired for all programs/modules as part of this RFP.</p> <p>The Contractor must, as part of its System Test or as a separate test (prior to execution of DTF User Test cases), participate fully in a jointly-managed test of all file transfers required pursuant to this RFP (as specified in Section VI and VII). This test will include, at a minimum, testing all file formats for adherence to</p>	<p>F. Affirm understanding with and agreement to meet the Guiding Principle, and provide details addressing the Guiding Principle, including, but not limited to:</p> <ul style="list-style-type: none"> A. Prior to final implementation, participate in a performance test (scaled down volume) using scaled down staffing with a mix of permanent and temporary staff which will mirror actual peak processing, including pre-data capture functions. B. Participate in testing process each peak necessary and provide services, including, but not limited to: <ol style="list-style-type: none"> 1. conduct program and system impact analysis; 2. develop, test and implement all

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	<p>specifications, transmission procedures and encryption solutions, as applicable; and must include testing appropriate volumes of data for the following file transfers:</p> <p>From DTF and/or taxpayer:</p> <ul style="list-style-type: none"> A. ACH Debit files; B. Taxpayer identification information extract files; C. Data files. <p>To the Department and/or taxpayer:</p> <ul style="list-style-type: none"> A. Acknowledgment files; B. ACH rejection code files; C. Data, payment and image output files; D. ACH transit and routing number verification table; E. On-line balance reports; F. Accounting, cash management and financial reports; G. Generation of all output files and LTO2 tapes for scan/index images. <p>The Contractor must follow the agreed upon Change Control Procedure for identifying, communicating to the Department and correcting any production problems with the system(s) developed and/or modified pursuant to this RFP.</p> <p>The Contractor must agree to implement data fixes as necessary to correct production programs, pursuant to approval from a Department-authorized representative, including but not limited to utilization of the following methods:</p> <ul style="list-style-type: none"> - complete file restoration; - rerunning programs; and direct fixes to the database(s), as applicable. 	<p>program and system changes to support peak changes;</p> <ul style="list-style-type: none"> 3. participate in the peak cycle testing process, as necessary, for certification of the Contractor's data capture and processing system. This process includes a series of data mapping and edit tests, including; <ul style="list-style-type: none"> - data entry of DTF, or its designee, prepared test documents, - verification by DTF personnel or its designee, of the Contractor's systems edits, and, - production of test output (files/reports). C. Provide a detailed response to the following: <ul style="list-style-type: none"> 1. automated tools to develop the test cases and support the process, such as reviewing data output for expected volumes, etc; 2. Throughout development, reports will be required which account for test conditions developed, executed, defects, defects corrected, defects identified during component testing, system testing, integration testing and user acceptance testing; 3. staff qualifications/experience of those conducting the user testing, and their role in the design and development of the implementation deliverables, such as conceptual design, detail design, etc; 4. explanation of the methodology to develop the scenarios that will be tested, including the expected role of the Department; 5. a description of the projects where this methodology/ approach has been used before; and, 6. timeframes allowed for the complete testing cycle, including development of test cases/scenarios, and turnaround time to complete the tests.

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<p>G (M) Organizational Structure and Staffing for Operations</p>	<p>The Contractor must demonstrate the ability to provide and maintain an organizational structure and level of staffing to adequately operate the program(s)/module(s) as required by the requirements of this RFP to achieve the Performance Standards (see Section II of this RFP).</p>	<p>G. Affirm understanding with and agreement to meet the Guiding Principle, and provide details addressing the Guiding Principle, including, but not limited to:</p> <ul style="list-style-type: none"> A. the Contractor's organizational structure within the overall corporate structure (if applicable) and the organizational structure as it pertains to the program(s)/module(s); B. for the development component of this engagement, provide the project/engagement manager responsible for development and implementation of each program/module, and the project manager's immediate direct reporting subordinates for lockbox operations planning and analysis, for systems development, for user acceptance testing, and for contract negotiations. For each of these positions, provide the percentage of time for each individual program/module to be devoted to each program/module. For each of these managers, describe their managerial role in two previous business engagements of similar complexity to the services in this RFP, and provide a minimum of two client references for each manager (i.e., one for each of the two previous business engagements of similar complexity); C. for the operations component of this engagement, identify the key executives and managers, by title; their experience in managing customized lockbox operations and the amount of time that each manager will be allocated to the program(s)/module(s) during operations. If not dedicated 100% for Department program(s)/module(s), identify the allocation of time that will be spent on the Department program(s)/module(s). D. the supervisory structure for the lockbox operations, including the identification of the supervisor to staff ratios, key supervisors by function and their allocation of time to supervision tasks versus line tasks, and the process which will be utilized to maintain adequate levels of staff at all times; E. the staffing levels, by function, that

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		<p>would be utilized for the program(s)/module(s), including the variations between permanent and temporary staff, during both peak and non-peak periods;</p> <p>F. the supervisor to staff ratio, by function, during peak and non-peak periods;</p> <p>G. the recruitment methods that would be utilized to maintain adequate levels of staff at all times; and,</p> <p>H. the methods utilized to encourage trained temporary employees to return for future peak periods.</p> <p>Note: During program development and again, prior to implementation, Deliverable 5 – Operational Procedures Documentation must be provided. As described in Section VIII – Implementation Requirements the Operational Procedures Documentation includes, among other things, a description of staffing plans, .</p>
<p>H (M) Performance Monitoring, Audits and Reviews</p>	<p>The Contractor must cooperate fully with the Department, or designees, in all performance reviews. Cooperation includes, but is not limited to, provision of all necessary documents in a timely manner and provision of adequate working space to conduct such reviews.</p> <p>In addition to reviews by the Department, the Contractor must cooperate fully with the Office of the State Comptroller (OSC), or its designee(s), for all aspects of audits, reviews, etc.</p>	<p>H. Affirm understanding with and agreement to meet the Guiding Principle, and provide details addressing the Guiding Principle, including, but not limited to: the provision of adequate working space, including, but not limited to: private office or conference room, work stations, access to phone and data lines, photocopier, file cabinet with locks, etc.</p>
<p>I (M) Cooperation with Department/State Investigations</p>	<p>The Contractor must agree to cooperate fully with any lawful investigation conducted by the Department or its designee acting on its behalf including the Inspector General's Office, the NY State Police or any municipal law enforcement agency within New York State.</p> <p>In the case of Department criminal investigations, an out of state commercial bank which performs depository bank services must accept a subpoena served on one of its New York State branches/offices.</p>	<p>I. Affirm understanding with and agreement to meet the Guiding Principle, and provide details addressing the Guiding Principle.</p>
<p>J (M) Integration with External Third-Party Service Providers/Open Architecture</p>	<p>The Contractor must propose a solution which facilitates the implementation of secure automated exchanges of data with the Department and with other third party service providers and implement changes needed to process data from such exchanges (for example, acceptance of</p>	<p>J. Affirm understanding with and agreement to meet the Guiding Principle, and provide details addressing the Guiding Principle, including, but not limited to:</p> <p>A. identification of project(s), including hardware and software, scope and nature of the relationship, where the</p>

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	<p>electronic filed returns and payments from preparers or other entities). Data interfaces will be expected to utilize XML and commonly available B2B software components in a way which minimizes development, testing and operational costs involved in implementing new changes.</p> <p>The processing system must be able to accommodate electronic intake of files from third party processors and bulk filers.</p>	<p>Contractor has been an intermediary between a third-party service provider(s) and the Contractor's client; and,</p> <p>B. identification of the interfaces which have been supported between the Contractor and both third parties and the Contractor's client, including identification of hardware and software; and,</p> <p>C. identification of the file processing controls which would be implemented to ensure that all files received from other third party service providers are processed and that those files are only processed one time.</p>
<p>K (M) Adaptability to Program Changes</p>	<p>The Contractor must demonstrate its ability to respond rapidly or by a fixed deadline to functionality changes due to legislative or administrative requirements (often in constrained time frames). Common examples of program changes include, but are not limited to:</p> <ul style="list-style-type: none"> A. Addition or modification of business rules; B. Addition of lines or data elements (both computed and non-computed) on a tax return, attachment, document, schedule or form; C. Addition of a new tax return, attachment, document, schedule or form; D. Acceptance of a new payment method; E. Acceptance of a new bulk filing method; and F. Modification of a Tax Rate within a filing period. 	<p>K. Affirm understanding with and agreement to meet the Guiding Principle, and provide details addressing the Guiding Principle, including, but not limited to:</p> <ul style="list-style-type: none"> A. a description of the capabilities and limitations with regard to the ability to respond rapidly to change requests. At a minimum, the following topics should be discussed: <ul style="list-style-type: none"> 1. the methodology to be used to analyze Program changes and the identification of the resource commitment to implement those changes; 2. the levels of flexibility (tolerance for change) built into the proposed conceptual design; 3. the tools, processes and procedures which enable rapid application development; 4. the capability to perform rapid cost analysis to evaluate potential changes (i.e., use of predictive cost methodologies); and, 5. a description of the scalability of the physical site and automated environment to accommodate functionality changes and/or workload expansion. <p>For items A through E within this Guiding Principle K, provide an estimate of the number of development and testing hours to implement these changes within the Contractor's Conceptual Systems Design provided in response to Guiding Principle D, E, & F in this Section.</p>

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<p>L (M) Disaster Recovery/Fail Safe Operations</p>	<p>The Contractor must provide a sufficient level of fail safe and disaster recovery operations to ensure that disruptions to services are transparent to taxpayers. Refer to Section II of this RFP for performance standards and specific disaster recovery timeframes.</p> <p>The Contractor must provide an approach to and provisions for continued processing in the event of conditions short of disaster. Including but not limited to: short term power failure, inclement weather conditions, high rate of absenteeism, etc., including but not limited to having a required back-up power source/generator for the processing site.</p> <p>As part of the initial implementation and certification, the Contractor shall develop and deliver a Disaster Recovery Plan for the Program(s)/Module(s), including the Disaster Recovery Plan for a commercial bank acting as a subcontractor for depository bank services, if applicable.</p> <p>The Contractor must maintain, test (at least once annually on a date as jointly determined with the Department). The Contractor must inform the Department on an annual basis as to the status of Disaster Recovery/Fail Safe Operations. The Contractor shall provide the Department with any updates to the Disaster Recovery Plan, and/or any plans to implement recommendations resulting from routine testing/Contractor review of the Disaster Recovery Plan.</p> <p>The Contractor must maintain, in a secure, off-site location, complete and up-to-date copies of Disaster Recovery/Fail Safe plans and processing center procedures and required forms, etc. applicable to the Program(s)/Module(s) and all forms and procedures developed and used for Program(s)/Module(s) to assist in the restoration of operations at an alternate disaster recovery site.</p> <p>The Contractor shall provide DTF with any reports or findings from any regulatory agency (unless it is prohibited from making</p>	<p>L. Affirm understanding with and agreement to meet the Guiding Principle, and provide details addressing the Guiding Principle, including, but not limited to:</p> <ul style="list-style-type: none"> A. identify and describe the existing or proposed fail-safe and disaster recovery plan(s) and the extent to which the plan(s) will be able to accommodate the Program(s)/Module(s) in this RFP. The Contractor must provide its basic plan, the conditions it covers, how it will address the conditions and any impacts to processing throughput. For the Program(s)/Module(s), state the recovery window to a full restoration and throughput in a disaster situation. The description of the fail safe and disaster recovery plans should include, at a minimum, whether or not this is an automatic fail over to systems at a separate site, shared workload at multiple sites, hot site disaster recovery, and cold site disaster recovery. In addition, the priority that the Department's Program(s)/Module(s) would have within these plans. If existing plans will be utilized, identify any enhancements which will be made in order to accommodate the Programs/Module(s); B. describe whether or not the Department would have access to the fail-safe and disaster recovery plan(s) for review purposes as they relate to the Program(s)/Module(s); C. provide a diagram which identifies the level of redundancy at the network, operating, and application level, including any interest processing delays during a fail-safe (e.g. check routing strategy between the main processing site and back-up site); D. describe any service agreements with vendors providing identification and remediation of foreign substances in the workplace and the corresponding response timeframes; E. identify how program documentation and supporting equipment (e.g., procedures, processing forms, bates stamps, etc.) will be stored off-site and available to ensure disaster recovery/fail safe operations;

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	<p>such disclosures by law or by such agency), independent auditors, etc., relating to disaster recovery capabilities as they pertain to the services under the contract.</p>	<p>F. identify how the deposit disaster recovery timeframe meets or exceeds the Department's/State's desire to minimize cash flow losses in the event of a disaster; and</p> <p>G. address business continuity/disaster recovery as it pertains to the services of the RFP for functional requirements specified for electronic services and ensures that the Contractor can meet the recovery time frames as follows:</p> <ol style="list-style-type: none"> 1. Transmission; <ul style="list-style-type: none"> • To and from ACH and NYACH • To and from Department 2. Deposit; and, 3. On-line Balance Reporting. <p>Note: Any costs associated with the disaster recovery and fail safe services should be built into the fully loaded transaction costs reflected in the Section XI financial tables.</p>
<p>M (M) Document Destruction</p>	<p>The Department requires that when records maintained by the Contractor, on behalf of the Department, in connection with these programs, become obsolete (as determined by the Department), such records shall be destroyed. The Contractor shall, if such records are easily transported, require timely return such records to the Department for destruction. If such records are not easily transported, the Contractor shall erase or overwrite such records in accordance with directions from the Department. In the latter case, an officer or principal of the Contractor shall certify to the Department, in writing and under penalty of perjury, that such erasure or overwriting has been completed to the Department's satisfaction.</p>	<p>M. Affirm understanding with and agreement to meet the Guiding Principle, and provide details addressing the Guiding Principle.</p>
<p>N (M) Sales Tax Forms Design and Form Modification Review</p>	<p>The Department will consider forms changes to facilitate returns processing, and will cooperatively work with the Contractor regarding such forms change requests; however, the Department will be the final determinant regarding final forms design.</p> <p>The Department will commit to:</p> <ul style="list-style-type: none"> • Printing forms on white paper with black ink; • Printing forms on either 8.5x11 or 11x17, with center perforation (unless a one page form); • Printing forms on offset paper with 	<p>N. Affirm understanding with and agreement to meet the Guiding Principle, and provide details addressing the Guiding Principle, including, but not limited to any proposed forms changes to facilitate returns processing, along with the reason for these changes.</p>

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PROGRAM DEVELOPMENT AND SUPPORT REQUIREMENTS**

Topic	Guiding Principles	Required Response
	<p>weight of between 40 lb. and 80 lb. (which equates to a bond paper weight of between 16 and 32 lb.); with an opacity of between 90 to 96; and a brightness scale of between 84 to 92;</p> <ul style="list-style-type: none"> • Expanding, wherever possible, white space on forms (i.e., doing away with current bulleted symbols); • Ensuring that all DTF printed forms have a form ID (simple font); • Ensuring that all DTF printed forms have (a) registration mark(s); or form elements that may be used for registration; and • Moving towards increasing the availability of fill-in forms and adding 2D barcoding on DTF web-enabled forms. <p>The Contractor must participate in a review of forms developed and modified by Department approved software developers. Within a ten day period, the Contractor would be expected to review for form IDs, field length, and field placement and report comments or problems to the Department. The Contractor must also timely review the drafts of DTF forms and note any issues that may make the forms unprocessable.</p>	

SECTION VIII IMPLEMENTATION REQUIREMENTS

Requirements	Response
A. Implementation Plan	Affirm understanding of and agreement with requirements. Provide a description of how each requirement will be met, including, but not limited to the specific details identified below.
<p>A. 1.0 (M) The bidder must develop, for each Module, a comprehensive Implementation Plan which supports the bidder's complete proposal for all development activities and any relevant post-implementation operational activities.</p> <p>The bidder must identify, by Module, the key milestones, dependencies, associated timeframes, responsible parties, and points of DTF approval required for the completion of all development activities in order to conform to the Department's required certification and implementation dates (see Section III – Administrative Conditions and Response Requirements).</p>	<p>A. 1.0 Provide a comprehensive Implementation Plan for each Program/Module which integrates each of the required elements, identifying the key milestones, dependencies, associated time frames, responsible parties, and points of DTF approval. At a minimum, the key milestones must include, as applicable:</p> <ul style="list-style-type: none"> A. Integration/Development of each required system, including: <ul style="list-style-type: none"> 1. Conceptual Design; 2. Preliminary and Final Logical and Physical Database Design; and, 3. Detailed System Design Review/Approval points for: <ul style="list-style-type: none"> a. Return/Remittance Processing b. Online Balance Reporting c. Data/Image/Report Output B. Systems Testing, including: <ul style="list-style-type: none"> 1. Component Testing; 2. System Testing; 3. User Acceptance Testing with the Department – <ul style="list-style-type: none"> a. System Testing – end to end b. Operations Unit Testing <ul style="list-style-type: none"> 1) Review and Revise Edit Validation Test Matrix 2) Unit Test all Data Entry Forms c. End to End Testing <ul style="list-style-type: none"> 1) Review and Revise Check List 2) Review and Revise Test Cases 3) Prepare DTF UAT Environment 4) Batch Preparation 5) Batch Creation 6) Scan and Verify Documents 7) Scan and Verify Checks 8) Item to Item Balancing 9) Data Capture 10) Deposit Cutoff and Data Cutoff 11) Tape/Transmission Creation and Verification 12) Review Internal Reports d. State Certification – Re-run DTF Test Transmission for Edit and Validation <ul style="list-style-type: none"> 1) Re-Run DTF Test Transmission 2) Create and Review Data Transmission 3) Create and Review Images and Data Control Tapes 4) Delivery Transmission and Tapes

SECTION VIII IMPLEMENTATION REQUIREMENTS

Requirements	Response
	<ul style="list-style-type: none"> to DTF 5) DTF Review and Certification 6) Migrate DTF Programs to Production 7) Go-Live Date 4. Integrated Performance Testing; and, 5. DTF Certification C. System Implementation D. End-User, Processing and Computer Site Preparation, including: <ul style="list-style-type: none"> 1. Processing Site Selection (if applicable); 2. Procurement Completion (if applicable); 3. Site Preparation (if applicable); and, 4. Equipment Installation and Testing E. Equipment, including: <ul style="list-style-type: none"> 1. Procurement, Installation and Testing of End User Processing Equipment; and, 2. Procurement, Installation and Testing of Document Processing Computer Equipment. F. Procedure(s) Development, including: <ul style="list-style-type: none"> 1. Function Level Procedures, by Program; 2. Internal Forms; 3. Security and Confidentiality; and, 4. Fail-Safe and Disaster Recovery. G. Training Development and Execution, including: <ul style="list-style-type: none"> 1. Training by function; 2. Supervisory Training; 3. Staff Training; 4. Pre-Implementation Training of DTF Staff (regarding new processes, including on-site DTF presentations and a CD production (fifty copies) of the lockbox process). H. Recruitment of Supervisors and Staff I. Sub-Contractor Procurement of Services (if applicable). J. Implementation Documentation Deliverables: <ul style="list-style-type: none"> 1. Detailed Systems Requirement Documentation 2. Test Result Documentation 3. System Architecture Documentation 4. Processing Site Documentation 5. Operation Procedures Documentation
<p>A. 1.1 (M) On a weekly basis, from project award through implementation and initial operations, the Contractor must produce a Weekly Project Implementation Dashboard Report. The Report must present, in both summary and detail slide basis, a progress report, with a meaningful color coded scheme and</p>	<p>A. 1.1 Provide a sample of its proposed dashboard report and the institutionalized tracking mechanisms which will be in place to quantify project progress. Also, provide examples of projects where such a tool has been used and client references for those projects.</p>

SECTION VIII IMPLEMENTATION REQUIREMENTS

Requirements	Response
<p>with reliable quantitative measures of progress, as follows:</p> <ul style="list-style-type: none"> • Contract negotiation • Requirements definition • Change orders • Platform development • Forms modification • Internal systems testing • Processing site development (facility acquisition and development, staffing and training) • DTF user acceptance training <p>Summary report for contract, requirements definition, change orders, platform development, forms, internal systems testing, facility, staffing, training, and user acceptance testing.</p> <p>Detailed report slides, including:</p> <ol style="list-style-type: none"> 1. Form processing readiness components, by module, from requirements definition, coding, development, internal testing, user acceptance testing, and production. 2. Platform component readiness, by module, including document management, remittance processing, ICR/OCR template development, data capture, business rules, reporting (internal and external), repair queue, and data/image transmission. 3. Processing operations readiness, including facilities, equipment installation, human resources, internal controls, procedures and training. <p>The core readiness report should be progressive in its view throughout the systems development and implementation lifecycle.</p> <ol style="list-style-type: none"> 4. Progressive testing readiness, related from critical path, high, medium, low, closed, at both a summary to a detailed level. The detailed level must be isolated to those conditions in analysis, coding, testing, executed, defects (failed), retested, closed (passed). In addition, a separate readiness dashboard must be created which correlates to the Forms Processing readiness. <p>The report must be prepared and submitted to the Department 24 hours prior to the weekly implementation status meeting.</p>	

SECTION VIII IMPLEMENTATION REQUIREMENTS

Requirements	Response
<p>A. 1.2. (M) The Contractor must agree to provide the following implementation deliverables during Implementation, and must include them in the Implementation Plan:</p> <p><u>Deliverable 1: Detailed Systems Requirement Documentation</u> (including, but not limited to requirement documents, system design specifications, general and detailed workflows, data entry requirements, custom system requirements, image requirements, and custom reporting) – to be delivered during program development and again, prior to implementation;</p> <p><u>Deliverable 2: Test Result Documentation</u> (including, but not limited to the Contractor’s UAT plan, business cases tested and UAT results prior to DTF’s UAT test);</p> <p><u>Deliverable 3: System Architecture Documentation</u> (including, but not limited to system architecture diagrams) – to be delivered during program development and again, prior to implementation;</p> <p><u>Deliverable 4: Processing Site Documentation</u> (including, but not limited to facility floor plan diagrams, security procedures and plans, internal control procedures and plans; organization and management plans, and disaster recovery/fail safe plans) – to be delivered during program development and again, prior to implementation;</p> <p><u>Deliverable 5: Operational Procedures Documentation</u> (including, but not limited to processing procedures, workflow descriptions and diagrams, staffing plans, training tools, courier and postal pick-up schedules, sample transmission notices and logs, transmission schedules, and report descriptions, schedules and samples) – to be delivered to DTF during program development, prior to implementation, and updated annually, or upon DTF request.</p>	<p>A. 1.2 Affirm understanding of and agreement with the requirement.</p>

**SECTION IX
CASH MANAGEMENT REQUIREMENTS**

REQUIREMENT	RESPONSE
	Respond to Section IX by affirming understanding of, and agreement with, each requirement. In addition, provide the individual requirement detail requested below:
Cash Management	
1.0 Reporting	
1.1 (M) The Contractor, and the commercial bank acting as a subcontractor (commercial bank subcontractor), if applicable, must agree and sign (subsequent to award and prior to implementation) the Undertaking for Bank Deposits and Assignment of Securities agreement (see Appendix H of this RFP).	
2.0 Funds Processing and Availability	
2.1 (M) The Contractor must guarantee that, at a minimum: <ul style="list-style-type: none"> A. Funds availability provided to DTF is equivalent to the funds availability provided to the commercial bank, as prime contractor or subcontractor, by the Federal Reserve for checks processed through the Federal Reserve; and B. Funds availability provided to DTF is equivalent to the funds availability provided to the commercial bank, as prime contractor or subcontractor, by financial institutions for checks processed through direct send programs. 	2.1 Describe how the funds availability, which is passed on to the Department, will be computed. The description must include, but not be limited to, answers to the following questions: <ul style="list-style-type: none"> A. Availability for check deposits B. Actual float calculated on each check C. Float including fractional availability D. Float factor assigned to each account and if based on a sample or a periodic experience with each customer deposit E. Float factor used and how often it is re-evaluated F. Float factor assigned to all of the commercial bank, as prime contractor, subcontractor, or customers based on a bank average
2.2 (M) The Contractor must ensure the prevention of unauthorized debits, both paper remittance and EFT, presented against a DTF tax receipt account, and must report any such unauthorized debits to DTF.	2.2 Describe how unauthorized debits, including paper remittance and EFT, presented against a DTF tax receipt account will be prevented and reported.
2.3 (M) The bidder must provide any standard banking agreement(s) which it (or commercial bank subcontractor) will seek to have DTF or OSC agree to. Submission of such agreement(s) is for informational purposes, and DTF and OSC may not be bound by the terms of such agreement(s) in any subsequent contract for the services in this RFP.	2.3 Provide any standard banking agreement(s) with the proposal response.
2.4 (M) The Contractor must inform OSC and DTF of any changes that affect individual check end-point and availability schedules. Any changes and/or revised availability schedules must be transmitted OSC and DTF in a timely manner.	2.4 Affirm agreement to inform OSC and DTF of any changes that affect individual check end-points and availability schedules. In addition, address other issues affecting availability, including, but not limited to the following issues/questions: <ul style="list-style-type: none"> A. If availability is determined by individual check endpoint, provide latest availability schedule that will apply to OSC and DTF (include a separate weekend schedule, if applicable). If this schedule does not pertain to checks of all dollar sizes, explain. Specify any charge for this service. B. Is availability assignment made continuously as the Department's checks are released for collection, or is assignment made at specific times during the day? If at specific times, state these times. C. List the transit deadlines for availability assignment to the DTF accounts. Include both weekday and

SECTION IX CASH MANAGEMENT REQUIREMENTS

REQUIREMENT	RESPONSE
	<p>weekend deadlines.</p> <p>D. Is availability assigned in the lockbox area or in the transit area? If in the lockbox area, describe how the assignment is done and how adjustments are made to availability for delays between lockbox and transit.</p> <p>E. State the willingness and capacity to provide Saturday availability.</p> <p>F. State the level of willingness to negotiate funds availability.</p> <p>G. Identify how many drawee banks are offered for immediate availability to the lockbox during the normal weekday (count only immediate end points between 12:01 AM and ledger deadline).</p> <p>H. Quantify the direct send program for a normal weekday, as follows:</p> <ol style="list-style-type: none"> 1. Direct sends to Correspondents; 2. Direct sends to Federal Reserve Bank; 3. Direct sends to Regional Check Processing Centers; and 4. Direct sends to High Dollar Group Sorts. <p>I. State how frequently updated availability schedules are published and confirm willingness to provide revised availability schedules to OSC and DTF in a timely manner.</p>
3.0 Collateral	
3.1 (M) The Contractor must agree to pledge collateral or to obtain a surety bond to secure DTF's interest in any depository account and any "pass through" accounts to the extent deemed appropriate by OSC. The Contractor must be able to meet the pledging requirements in New York State Finance Law Section 105. OSC shall establish and periodically review and adjust, as necessary, the amounts held as collateral. Collateral must be held at a NYS fiscal agent. DTF reserves the right to periodically verify the amount of collateral held.	
4.0 Wire Transfers	
4.1 (M) The Contractor must agree (subsequent to award and prior to implementation) with an OSC Funds Transfer Agreement (see Appendix D of this RFP). The Contractor must also agree to wire transfer funds from any accounts associated with the Program/Module to a OSC designated account.	4.1 Affirm agreement and willingness to comply with the requirement and/or provide comments regarding the OSC Funds Transfer Agreement, along with changes the commercial bank would request.
5.0 Automated Clearing House (ACH) Network Rules and Regulations	
5.1 (M) The commercial bank, as prime contractor or subcontractor, must be a member of the National Automated Clearinghouse Association (NACHA) and agree to conform to the all ACH Rules and Regulations.	
5.2 (M) The commercial bank, as prime contractor or subcontractor, must be able to act as both an Originating Depository Financial Institution (ODFI) and a Receiving Depository Financial Institution (RDFI) – able to both initiate and receive ACH entries.	

**SECTION IX
CASH MANAGEMENT REQUIREMENTS**

REQUIREMENT	RESPONSE
5.3 (M) The Contractor must notify DTF and OSC of rule changes that impact the processing of DTF's transactions through the ACH network prior to the change becoming effective.	

SECTION X FINANCIAL REQUIREMENTS

Requirements	Response
<p>ALL COSTS ASSOCIATED WITH THE REQUIREMENTS OF THIS RFP MUST BE INCORPORATED INTO THE BIDDER'S FINANCIAL PROPOSAL RESPONSE - NO OTHER ADD ON COSTS ARE PERMITTED.</p> <p>Payments will be made in accordance with Article 11 of the New York State Finance Law.</p>	<p>Respond to Section XI by affirming understanding of, and agreement with, each requirement. In addition, provide the individual requirement detail requested.</p>
<p>1.0 Operations Fees</p>	
<p>1.1 (M) A commercial bank bidding as a prime contractor must prepare two costs proposals, one assuming payment by direct fee, and another assuming payment by compensating balances. A document processor bidding as a prime contractor must prepare a cost proposal assuming direct fee.</p> <p>The State reserves the right to reimburse the commercial bank Contractor via direct payments or compensating balance payments, or a combination of both, at the State's direction. The method of payment selected by the State will be the one that provides the least cost to the State, based on estimates of volumes (as shown in Exhibit 10 of this RFP).</p> <p>The volumes, in Exhibit 10 of this RFP, are shown only to give a sense of what the volumes have been for each of the Programs/Modules. Such volumes, or any other, do not represent a volume guarantee. Payments by the State will be based on actual monthly volumes. The Contractor will be reimbursed monthly, based on items processed the previous month.</p> <p>Payment by Direct Fee If the State elects to pay by direct fee, the State may chose to either offset the fee payment with Earnings Credits (as hereinafter defined) or request direct reimbursement from the Contractor. Earnings Credits are to be calculated using the following formula:</p> <p>Earnings Credits = (average available account balance) x (1-RR) x (ECR) x Time</p> <p>Where: -RR = Federal Reserve Bank Reserve Requirement percentage (currently 10%) -ECR = Earnings Credit Rate (the determination of which is described below); and -Time = Number of days in period/365.</p> <p>The Earnings Credit Rate is the monthly average</p>	<p>1.1 Complete Financial Tables 1, 2, 3 and 4 of this Section.</p>

SECTION X FINANCIAL REQUIREMENTS

Requirements	Response
<p>investment yield on the three-month Treasury Bill, as determined at the weekly auction and published in the <u>New York Times</u>. The Earnings Credit Rate shall be determined by the New York State Office of the State Comptroller and confirmed with the Contractor.</p> <p>Payment by Compensating Balance If the State elects to pay by compensating balance, the value of the compensating balance shall be calculated using the same formula as shown above under "Payment by Direct Fee", provided, however, that the Earnings Credit Rate shall be 50 basis points higher than the monthly average investment rate on the three-month Treasury Bill as determined at the weekly auction and published in the <u>New York Times</u>. The Earnings Credit Rate shall be determined by the Office of the State Comptroller and confirmed with the Contractor. If payment is made via compensating balance, the Bank must provide a monthly bank account analysis to DTF and OSC. This analysis must include the monthly volume and total costs associated with the Account.</p> <p>If a Commercial Bank is the prime contractor and if payment is by compensating balances, the Contractor must provide a monthly Account Analysis to the Office of the State Comptroller (OSC) and to DTF for each account associated with the DTF Modules. If payment is by direct fee, the Contractor must provide a monthly Account Analysis, along with an invoice to DTF for each Module. No costs should be assessed against the bank accounts without the prior written approval of OSC and DTF.</p> <p>Payment for services shall be billed by the Contractor to DTF and will be paid in accordance with the voucher and audit procedures established by OSC. The Contractor shall provide DTF with an invoice or voucher within 30 days of the end of the month in which services are rendered, in appropriate detail to permit DTF to identify all fees and charges imposed by the Contract for such invoice/voucher. In addition, the Contractor shall provide DTF with an invoice or voucher within 30 days of the end of New York State's fiscal year and within 30 days of the end of the Federal fiscal year (October 1 to September 30) for all required payments for change control enhancements and for development and operation fee payments approved by the DTF in such fiscal year and in accordance with the Change Procedure. Contractor must include the appropriate detail to permit DTF to justify payment of such invoice or voucher.</p>	<p>Provide a copy/sample of a monthly Account Analysis, or a monthly Account Analysis and invoice, and affirm agreement that no costs will be assessed against the bank accounts without the prior written approval of OSC and DTF. Describe also the ability to customize these documents.</p>
1.2 (M)	1.2

SECTION X FINANCIAL REQUIREMENTS

Requirements	Response
<p>All proposed fees must be guaranteed for the first three years of the base term for each Module (see Section I – Introduction) and adjustable thereafter on an annual basis, using the CPI-U methodology stated in CPI-U Attachment of this Section. However, if the Department initiates change controls which result in efficiencies, DTF expects to reduce operations fees through the fee change control procedure.</p>	<p>Affirm understanding of and agreement with the requirement and the CPI-U methodology stated in CPI-U Attachment on this Section.</p>
<p>1.3 (M) A) The bidder must propose a fully loaded operations fee (including, but not limited to <u>all</u> costs related to bank services required in this RFP, staffing, facilities, equipment, systems maintenance, management, program support activities, training, and any indirect costs for the functions of tax filing intake through data, image and report delivery) at the tracking number level for returns transmitted to DTF for each program, unless specified below, in Module 1 and Module 2.</p> <p>For Module 1: Estate Tax returns Sales and Use Tax returns Non-2D 2-D</p> <p>For Module 2: IFTA returns (IFTA 100/101) IFTA 100-V (and Unassociated Payment Documents) IFTA ACH origination fee IFTA Monthly Transmittals – with summary data IFTA Monthly Transmittals – with detail data capture – price per character</p> <p>Note: Voided and unprocessable items are not considered returns transmitted to DTF (as defined above), and as such, should not be billed at the tracking number level. Any cost associated with voided items must be included in the fully loaded transaction fee stated above.</p>	<p>1.3 Complete Financial Tables 1, 2, 3 and 4 of this Section.</p>
<p>2.0 Development Fees</p>	
<p>2.1 (M) For each Module, the bidder must complete a development cost table, if applicable, for services prior to the operational date (including, but not limited to, systems development, testing and all program support requirements). The Department may elect to pay development fees either as a one-time payment or as monthly payments over a two year period after certification is achieved. Development fees should be presented for both options.</p>	<p>2.1 Complete Financial Tables 1, 2, 3 and 4 of this Section, as applicable, for services prior to the operational date.</p>
<p>2.2 (M)</p>	<p>2.2</p>

SECTION X FINANCIAL REQUIREMENTS

Requirements	Response
The bidder must identify the hourly programming rates for systems enhancement services.	Complete Financial Tables 1, 2, 3 and 4 of this Section, as applicable.
2.3 (M) The bidder must identify the hourly User Acceptance Testing (UAT) rates for systems enhancement services. The rates provided shall be applicable to both testing performed in connection with the bidder's development of an enhancement, and bidder resources used to support the Department's testing of an enhancement.	2.3 Complete Financial Tables 1, 2, 3 and 4 of this Section, as applicable.
2.4 (M) DTF will pay for systems development only after the total certification of all services associated with the Certification Date for each Module.	
3.0 Other Fees	
Note: Systems maintenance costs must be priced as a part of the fully loaded operations fee, not billed as a separate cost.	
3.1 (M/D) The Contractor must propose the cost for provision of images for at least six months (see Section VI, D.3.4 – for Sales Tax, Estate and Module 2 - IFTA). The item must be priced as an increment to the fully loaded operations fee.	A 3.1 Complete Financial Tables 1, 2, 3 and 4 of this Section, as applicable.
3.2 (M/D) FDIC fees must be stated separately, and should not be included within the Operational Fees. FDIC fees must be a pass-through cost only and no additional fees may be added. 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 Contractor or commercial bank sub-contractor and pay for them by compensating balance.	A 3.2 Provide the proposed FDIC fees.

SECTION X
FINANCIAL REQUIREMENTS ATTACHMENT
CONSUMER PRICE INDEX – URBAN (CPI-U) COMPUTATION METHODOLOGY

Consumer Price Index - Urban (CPI-U) adjustments shall not exceed the annual change for the prior one-year contract year. For example, if the contract term is five years and begins on April 1, 1993 and the operations fees are fixed for the initial three-year contract period (Year 1 is April 1, 1993 to March 31, 1994; Year 2 is April 1, 1994 to March 31, 1995; and Year 3 is April 1, 1995 to March 31, 1996), then the CPI-U adjustment for Year 4 (April 1, 1996 to March 31, 1997) shall use the average annual change for the twelve (12) month period ending three (3) months prior to the period the change is to take effect (January 1, 1995 to December 31, 1995) in deriving the CPI-U adjustment.

The authoritative document in computing the CPI-U shall be the U.S. Department of Labor, Bureau of Labor Statistics, *Summary Data from the Consumer Price Index, Table 2. Consumer Price Index for All Urban Consumers (CPI-U) and Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): Selected areas.* All items indexed (1982-1984 = 100) unless noted within the Summary Data.

The index used shall be the selected local area, if the service provided is among the local areas listed (e.g., N.Y. - Northern N.J.-Long Island) with the 1982-1984 base rate. If the local area is not among those listed, then the appropriate regional urban and size classification should be used (e.g., Northeast urban, Size C - 50,000 to 500,000) should be utilized.

Example:

Selected Local Area:	=	N.Y. - Northern N.J. - Long Island
Contract Year	=	April 1, 1996 to March 31, 1997
Computation Methodology	=	(December 1995 - January 1995) / (January 1995)
CPI-U	=	(163.7 - 159.9) / (159.9)
CPI-U	=	2.38

YEAR	MONTH	INDEX
1995	JANUARY	159.9
1995	FEBRUARY	160.3
1995	MARCH	160.9
1995	APRIL	161.4
1995	MAY	161.8
1995	JUNE	162.2
1995	JULY	162.3
1995	AUGUST	162.8
1995	SEPTEMBER	163.2
1995	OCTOBER	163.6
1995	NOVEMBER	163.8
1995	DECEMBER	163.7

Bold (April 1995 and March 1996) are the months to use in the CPI-U computation.

**SECTION X – FINANCIAL REQUIREMENTS
FINANCIAL TABLE 1
MODULE 1 – SALES AND USE TAX AND ESTATE TAX**

DIRECT FEES

	Program Years *			
	Years 1-3	Year 4	Year 5	Year 6
Operations Fees (Requirement 1.0):				
Sales and Use Tax, Fully Loaded Transaction Fee (1.3) – Non-2D		CPI-U	CPI-U	CPI-U
Sales and Use Tax, Fully Loaded Transaction Fee (1.3) – 2D		CPI-U	CPI-U	CPI-U
Estate Tax, Fully Loaded Transaction Fee (1.3)		CPI-U	CPI-U	CPI-U
Development Fees (Requirement 2.1):				
Module 1 (2.1)				
Enhancement Fees (Requirement 2.2):				
Module 1 Programming, Hourly Rate (2.2)		CPI-U	CPI-U	CPI-U
Module 1 UAT, Hourly Rate (2.3)		CPI-U	CPI-U	CPI-U
Other Fees (Requirement 3.0):				
Module 1 Image Archiving (3.1)		CPI-U	CPI-U	CPI-U
Module 1 FDIC Fees (3.3)		CPI-U	CPI-U	CPI-U

* Program Years correspond with each Program's staged implementation date.
All proposed fees must be guaranteed for the first three years of the base term for each Program based on the Program's implementation date.

**SECTION X – FINANCIAL REQUIREMENTS
 FINANCIAL TABLE 2
 MODULE 1 – SALES AND USE TAX AND ESTATE TAX
 COMPENSATING BALANCES**

	Program Years *			
	Years 1-3	Year 4	Year 5	Year 6
Operations Fees (Requirement 1.0):				
Sales and Use Tax, Fully Loaded Transaction Fee (1.3) – Non-2D		CPI-U	CPI-U	CPI-U
Sales and Use Tax, Fully Loaded Transaction Fee (1.3) – 2D		CPI-U	CPI-U	CPI-U
Estate Tax, Fully Loaded Transaction Fee (1.3)		CPI-U	CPI-U	CPI-U
Development Fees (Requirement 2.1):				
Module 1 (2.1)				
Enhancement Fees (Requirement 2.2):				
Module 1 Programming, Hourly Rate (2.2)		CPI-U	CPI-U	CPI-U
Module 1 UAT, Hourly Rate (2.3)		CPI-U	CPI-U	CPI-U
Other Fees (Requirement 3.0):				
Module 1 Image Archiving (3.1)		CPI-U	CPI-U	CPI-U
Module 1 FDIC Fees (3.3)		CPI-U	CPI-U	CPI-U

* Program Years correspond with each Program's staged implementation date.
 All proposed fees must be guaranteed for the first three years of the base term for each Program based on the Program's implementation date.

**SECTION X – FINANCIAL REQUIREMENTS
FINANCIAL TABLE 3
MODULE 2 –INTERNATIONAL FUEL TAX AGREEMENT (IFTA)**

DIRECT FEES

	Program Years *			
	Years 1-3	Year 4	Year 5	Year 6
Operations Fees (Requirement 1.0):				
IFTA 100/101, Fully Loaded Transaction Fee (1.4)		CPI-U	CPI-U	CPI-U
IFTA 100-V (and Unassociated Payment Documents), Fully Loaded Transaction Fee (1.4)		CPI-U	CPI-U	CPI-U
IFTA ACH Origination Fee, Fully Loaded Transaction Fee (1.4)		CPI-U	CPI-U	CPI-U
Monthly Transmittals – with summary data, Fully Loaded Transaction Fee (1.4)		CPI-U	CPI-U	CPI-U
Monthly Transmittals – with detailed data, Fully Loaded Transaction Fee (1.4)		CPI-U	CPI-U	CPI-U
Development Fees (Requirement 2.1):				
Module 2 (2.1)				
Enhancement Fees (Requirement 2.2):				
Module 2 Programming, Hourly Rate (2.2)		CPI-U	CPI-U	CPI-U
Module 2 UAT, Hourly Rate (2.3)		CPI-U	CPI-U	CPI-U
Other Fees (Requirement 3.0):				
Module 2 Image Archiving (3.1)		CPI-U	CPI-U	CPI-U
Module 2 FDIC Fees (3.3)		CPI-U	CPI-U	CPI-U

* Program Years correspond with each Program's staged implementation date.
All proposed fees must be guaranteed for the first three years of the base term for each Program based on the Program's implementation date.

**SECTION X – FINANCIAL REQUIREMENTS
FINANCIAL TABLE 4
MODULE 2 –INTERNATIONAL FUEL TAX AGREEMENT (IFTA)**

COMPENSATING BALANCES

	Program Years *			
	Years 1-3	Year 4	Year 5	Year 6
Operations Fees (Requirement 1.0):				
IFTA 100/101, Fully Loaded Transaction Fee (1.4)		CPI-U	CPI-U	CPI-U
IFTA 100-V (and Unassociated Payment Documents), Fully Loaded Transaction Fee (1.4)		CPI-U	CPI-U	CPI-U
IFTA ACH Origination Fee, Fully Loaded Transaction Fee (1.4)		CPI-U	CPI-U	CPI-U
Monthly Transmittals – with summary data, Fully Loaded Transaction Fee (1.4)		CPI-U	CPI-U	CPI-U
Monthly Transmittals – with detailed data, Fully Loaded Transaction Fee (1.4)		CPI-U	CPI-U	CPI-U
Development Fees (Requirement 2.1):				
Module 2 (2.1)				
Enhancement Fees (Requirement 2.2):				
Module 2 Programming, Hourly Rate (2.2)		CPI-U	CPI-U	CPI-U
Module 2 UAT, Hourly Rate (2.3)		CPI-U	CPI-U	CPI-U
Other Fees (Requirement 3.0):				
Module 2 Image Archiving (3.1)		CPI-U	CPI-U	CPI-U
Module 2 FDIC Fees (3.3)		CPI-U	CPI-U	CPI-U

* Program Years correspond with each Program's staged implementation date.
All proposed fees must be guaranteed for the first three years of the base term for each Program based on the Program's implementation date.

SECTION XI INVARIABLE CONTRACT CONDITIONS AND MANDATORY TOPICS

A. CONTRACT CONDITIONS AND PROGRAM PERFORMANCE STANDARDS

REQUIREMENT	RESPONSE
1.1 (M) The Bidder must accept each standard contract clause as stated in Appendix A of this RFP. Appendix A contains important information related to the contract and will be incorporated, without change or amendment, in the contract entered into between DTF and the successful bidder. By submitting a proposal to this RFP, the Bidder agrees to comply with all the provisions of Appendix A.	1.1 Affirm understanding and agreement with the provisions of Appendix A.
1.2 (M) The Bidder must be willing to, and capable of, entering into a contract with DTF with respect to the RFP award for Module 1, with DTF and each individual RPC Lockbox Jurisdiction with respect to the RFP award for Module 2, subject to the terms and conditions specified in Section II – Performance Standards, Liquidated Damages and Reimbursements, and in Section XI – Invariable Contract Conditions and Mandatory Topics.	1.2 Provide the following: A. A statement of the capability and willingness to enter into a contract in accordance with the terms and conditions specified in Section II – Performance Standards, Liquidated Damages and Reimbursements, and Section XI – Invariable Contract Conditions and Mandatory Topics; and, B. Respond in the affirmative to each clause in the referenced “Performance Standards”, and “Invariable Contract Conditions and Mandatory Topics” or by proposing specific alternative language, where permitted. Note 1: Appendix A – Standard Contract Clauses and Section XI – Invariable Contract Conditions are non-negotiable). Note 2: DTF reserves the right to propose additional contract conditions or modifications to the mandatory topics contained in this Section, based on its review of the Bidder’s proposal.
1.3 (M) The Bidder must be willing to, and be capable of, entering into a contract within 60 calendar days after award is granted. Note: If the Bidder fails to agree to this requirement, or if the bidder fails to enter into a contract within 60 calendar days after award is granted, DTF reserves the right to begin negotiations with the second rated bidder for each module.	
1.4 (M) The Contractor must ensure that any contract with its material subcontractors (e.g. commercial bank for depository services, consulting, systems development, etc., who are involved with providing services which support the services required in this RFP) conform to the provisions of the contract between DTF and the Contractor.	

SECTION XI INVARIABLE CONTRACT CONDITIONS AND MANDATORY TOPICS

B. INVARIABLE CONTRACT CONDITIONS

The following conditions will not be subject to negotiation.

1. Appendix A: Standard Contract Clauses for New York State Contracts will be incorporated as part of the contract without revision. A copy of Appendix A is set forth in Appendix A of this RFP.
2. Outstanding Tax Liabilities

All outstanding tax liabilities, if any, due to the State of New York from the Contractor, or from Contractor's partners, officers, employees, agents or subcontractors engaged in providing services under the contract, must be satisfied prior to contract execution or a payment schedule arranged for their speedy satisfaction.

3. Confidentiality of Tax Information

(a) The Contractor will comply with all secrecy provisions of the New York State Tax Law governing the confidentiality of State tax information, and with all DTF rules, policies and procedures implementing such provisions (see e.g., Tax Law Sections 202, 211.8, 295, 314, 437, 487, 514, 528, 697(e), 994, 1023[b], 1146, 1165, 1250, 1312[a], 1332[a], 1342, 1418, 1467, 1518, 1555, 1825, 3038).

(b) The Contractor will comply with the secrecy provisions of the Internal Revenue Code (26 USC Sections 6103, 7213, 7213A and 7431) governing the confidentiality of Federal tax information, and with all IRS rules, policies and procedures implementing such provisions (see Appendix G in this RFP).

(c) All information about DTF's operations, or RPC Lockbox Jurisdictions for Module 2, not covered by the State and Federal tax secrecy rules described above must be kept confidential as if such information was so covered.

(d) The Contractor shall cause all officers, employees, agents, partners and subcontractors engaged in providing services under the contract to sign the "Agreement to Adhere to the Secrecy Provisions of the Tax Law and the Internal Revenue Code (EN-202)" and "Acknowledgement of Confidentiality of Internal Revenue Service Tax Return Information" in Appendix F and Appendix G, respectively, of this RFP.

4. Ethics Provisions

The Contractor shall comply with the requirements of Public Officers Law, §§ 73 and 74, Chapter 1 of the Laws of 2005, the Procurement Lobbying Reform Act of 2005, and other State codes, rules and regulations establishing ethical standards for the conduct of business with New York State. Failure to comply with those provisions may result in termination of the contract, and/or other civil or criminal proceedings as required by law.

5. Contract Approval

The contract will not be effective until it is approved by the New York State Attorney General and the Office of the New York State Comptroller.

6. Contract Term

The contract shall become effective following approval by the New York State Attorney General and the Office of the New York State Comptroller and shall continue for the term of contract, thereafter. The contract may be extended upon mutual agreement of the parties, for two (2) one-year terms.

SECTION XI INVARIABLE CONTRACT CONDITIONS AND MANDATORY TOPICS

The contract will also include an extension of up to twelve (12) months at the end of the initial term of the contract or either of the two (2) one-year extension periods, as applicable, to provide for an orderly transition of services to a subsequent service provider, at the sole discretion of DTF.

7. The Contractor must maintain adequate records as prescribed by DTF to substantiate all claims for payment and must make those records available to DTF for examination and copying upon request.
8. The Contractor's processing and operations sites must be in compliance with applicable building codes and the Americans with Disabilities Act.
9. All changes to the services and fees set forth in the RFP, must be initiated through the Change Procedure as set forth in Appendix E of this RFP.
10. All proposed fees are guaranteed for the first three (3) years of the base term for each module described in this RFP.
11. A mutually agreed upon Implementation Plan as described in Section VIII of this RFP will be included as part of the contract.
12. DTF in its sole discretion may declare a material breach of the contract in the event that Contractor fails to materially meet a certification or implementation date as set forth in the Implementation Plan.
13. Sections 105 and 106 of the State Finance Law require financial institutions holding deposits of State monies to pledge collateral with the Office of the New York State Comptroller to the extent deemed appropriate by the Comptroller.
14. A financial institution providing depository bank services must be insured by the FDIC through the term of the contract.
15. The method of compensation for a commercial bank, acting as the prime bidder, shall be by means of direct payment and/or compensating balances or a combination of the two, at the State's discretion. The method of compensation for a document processor, acting as the prime bidder with a commercial bank as subcontractor, shall be by means of direct payment. The State reserves the right to change the compensation method. The State agrees not to change the method of compensation at a frequency greater than once annually, except in extraordinary situations, as determined by the State. The State shall provide the Contractor with at least ninety (90) days advance notice of such change.
16. If the State elects to pay by direct payment, the State may choose to either offset the fee payment with Earnings Credits or request direct reimbursement from the Contractor (as described in Section XI of this RFP).
17. The contract for services shall consist of the documents listed below. In the event of a conflict between or among the documents, the following order of precedence shall control:
 - (a) "Appendix A" of the RFP, "Standard Clauses for New York State Contracts", attached hereto as Appendix A;
 - (b) Written amendments and changes to the contract by the parties and approved, where necessary, by the New York State Attorney General and the Office of the New York State Comptroller;
 - (c) The main body of the contract, and the appendices and exhibits (except Appendix A, the RFP, the bidder's proposal and pre-bid question and answers);

**SECTION XI
INVARIABLE CONTRACT CONDITIONS AND MANDATORY TOPICS**

(d) The RFP (excluding Appendix A), including any amendments and clarifications, including those addressed by the question and answers process; and

(e) The Bidder's proposal, including any amendments and clarifications thereto.

18. Categories of Performance Standards shall be those set forth in Section II of this RFP. The Performance Standards establish minimum levels at which the services are to be performed by the Contractor. Performance audits will be conducted by DTF to determine the Contractor's level of compliance with the Performance Standards. The Contractor's performance will be evaluated by applying a variety of generally accepted audit methodologies. Liquidated damages and/or reimbursements may be imposed by DTF for the Contractor's failure to perform in accordance with a Performance Standard.

19. Disaster Recovery/Fail Safe Operations

(a) The Contractor shall develop and deliver to DTF for its review and approval, on or before a date as reasonably determined by DTF, and at no additional cost, a Disaster Recovery Plan for the program services provided under the contract. DTF's approval of the Disaster Recovery Plan shall not be unreasonably withheld.

(b) The Contractor agrees to provide DTF with reasonable access to that portion of its disaster recovery plan relevant to the services provided under the contract. The Contractor shall provide DTF with any reports or findings of any regulatory agency dealing with the Contractor's disaster recovery capabilities, unless it is prohibited from making such disclosure by law or by any such agency. The Contractor shall also make available any reports of its independent auditors relating to such plans. The Contractor shall provide DTF with reasonable access to any results of any tests of the Contractor's disaster recovery facilities conducted by the Contractor or any third party. The Contractor shall provide an annual briefing to DTF related to its disaster recovery strategy.

20. Liability for Personal Injury or Property Damage

The Contractor shall fully indemnify and defend the State from all claims, suits, actions, judgments, liabilities, damages and costs (including legal fees and expenses) relating to personal injury or property damage to real or personal property caused by the intentional wrongful act, omission, or negligence of the Contractor, its officers, employees, agents or subcontractors, without limitation.

21. The Contractor shall not enter into any material subcontracts without DTF's prior written approval. Contracts which DTF considers material shall include, but not be limited to, the following: those with a commercial bank, if the contractor is a document processor; and those with systems developers, software vendors and hardware vendors.

22. Financial Stability

To ensure uninterrupted services, the Contractor's continued financial stability shall be a material condition of the contract. DTF shall determine when Contractor's lack of financial stability constitutes reason to terminate the contract.

23. Procurement Lobbying Act

DTF reserves the right to terminate the contract in the event it is found that the certification filed by the bidder in accordance with New York State Finance Law §139-k was intentionally false or intentionally incomplete. Upon such finding, DTF may exercise its termination right by providing written notification to the bidder in accordance with the written notification terms of the contract.

SECTION XI INVARIABLE CONTRACT CONDITIONS AND MANDATORY TOPICS

C. MANDATORY TOPICS

The following Mandatory Topics are subject to negotiation, but specific alternative language must be provided with the bidder's proposal (see Section V – Evaluation Process and Criteria, of this RFP, and requirement A. 1.2, above).

1. Licensed Software, Custom Software, and Documentation by DTF

(a) Licensed Software and Licensed Documentation

If the Contractor is the licensee or sub-licensee of third-party licensed software that DTF will use in connection with the Services performed under the contract, then the Contractor warrants that:

- (1) such license or sub-license has not expired; and,
- (2) such license or sub-license allows DTF to use, execute, copy, display and distribute such software and documentation, for at least as long as the Contractor performs the services under the contract.

The Contractor grants DTF (including an agent, contractor or outsourcer of DTF), without compensation, a perpetual, non-exclusive license to use, execute, copy, display and distribute for DTF's tax administration purposes, object code to pre-existing software created by the Contractor which is deemed necessary for the performance of the services of the contract.

(b) Custom Software

Upon final payment therefore, DTF shall own and possess all rights, title and interest in and to custom software created by the Contractor specifically for DTF under the contract, including, without limitation, all ownership and intellectual property rights.

2. Liquidated Damages

The service levels associated with the performance standards and the amount of liquidated damages and reimbursements, as well as the procedure to impose liquidated damages shall be addressed in the contract. In the event that the Contractor fails to meet any performance standard, and as a result thereof DTF's normal business operations are materially interrupted, then, DTF shall be entitled to immediately obtain substitute services from a third party or perform the services in-house on an interim basis until that failure has been cured. The Contractor shall not be paid for the services affected by the failure to meet the performance standard if substitute services must be performed by a third party or DTF and shall be liable for any additional costs to the State for substitute services. If Liquidated Damages are assessed for any failure to meet the Performance Standards, the Contractor shall make payment prior to initiating any challenge through the dispute resolution process.

3. Dispute Resolution

The parties will endeavor in good faith to resolve any disagreement between them. The Contractor and DTF agree to use the following procedure to review their performance or to resolve disputes:

- (a) Problems which cannot be solved by supervisory staff will be set down in writing and submitted to the designated DTF and Contractor representatives for resolution.
- (b) Disputes which cannot be resolved by the designated DTF and Contractor representatives will be resolved by the Commissioner of Taxation and Finance, or his designee.

SECTION XI INVARIABLE CONTRACT CONDITIONS AND MANDATORY TOPICS

- (c) If the Contractor does not agree with the findings of the Commissioner of Taxation and Finance, or his designee, the Contractor may pursue any legal or equitable remedies it may have.
- (d) During the course of any disagreement, or if the Contractor pursues any legal or equitable remedy outside DTF, it will continue to provide services according to the contract until such proceedings are concluded, provided the State continues to make the required payments under the contract.

4. Required Financial Statements and Records

- (a) The Contractor shall provide to DTF, as and when it is provided to shareholders of the Contractor, an audited financial statement of the Contractor.
- (b) The Contractor shall provide annually, as it becomes available, the Contractor's Form 10-K, Annual Report pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934 and any subsequent Form 8, Amendment to Application or Report filed pursuant to the Form 10-K.
- (c) The Contractor shall provide those portions of its Call Reports and quarterly operating results for each calendar quarter, as they become available, which may by law be disclosed to the public.
- (d) The Contractor shall provide Form 10-Q, Quarterly Report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for each calendar quarter, as it becomes available.
- (e) The Contractor shall provide, on a monthly basis, an account analysis for each account maintained by the Contractor on behalf of DTF. Such report shall specify, at a minimum, the average ledger balance, average uncollected funds, reserve requirements, itemization of the number of and fee per transaction, the application earnings rate and the basis for such rate. The account analysis shall be transmitted within thirty (30) business days following the end of a month in which services are rendered to DTF and the Office of New York State Comptroller.
- (f) The Contractor shall provide DTF with an invoice or voucher within 30 calendar days after the end of the month in which services are rendered, in appropriate detail to permit DTF to identify all fees and charges imposed by the Contractor pursuant to the contract. In addition, the Contractor shall provide DTF with an invoice or voucher within 30 days of the end of the New York State fiscal year for all required payments for change control enhancements for development and operation fee payments approved by DTF in such fiscal year in accordance with the Change Procedure. The Contractor must include the appropriate record detail as prescribed by DTF to substantiate such claim for payment.

5. Termination or Expiration of the Contract and Transition Plan

- (a) DTF reserves the right at any time during the term of the contract to terminate the contract for convenience with six (6) months prior written notice to the Contractor.
- (b) DTF or the Contractor reserves the right at any time during the term of the contract to terminate the contract for cause due to material breach of the contract as defined therein.
- (c) At any time during the term of the contract, the Contractor and DTF may mutually agree to terminate the contract. At such time as termination is mutually agreed upon, the two parties shall negotiate satisfactory terms of termination.
- (d) Upon termination or expiration of the contract, the Contractor and DTF shall cooperate to develop and execute a transition plan that contains reasonable procedures for transition and time schedules for scaling down operations of the Contractor in order to allow program services to continue without interruption.

SECTION XI INVARIABLE CONTRACT CONDITIONS AND MANDATORY TOPICS

6. Subcontractors

- (a) In addition to the subcontracts described in Invariable Contract Conditions section 21 above, DTF reserves the right to review and approve subcontracts directly related to the proposed services and/or products for the performance of contractual obligations. All agreements between the prime contractor and subcontractor shall be by written contract. All such contracts shall contain provisions specifying that:
- (1) The work being performed by the subcontractor must be in accordance with the terms of the contract between the Contractor and DTF;
 - (2) Nothing contained in such agreement shall impair the rights of DTF; and,
 - (3) Nothing contained under the contract between DTF and the Contractor shall create any contractual relationship between any contractor and DTF.
- (b) All subcontracts must contain provisions similar to those in the contract between DTF and the Contractor so that the provisions of any subcontract entered into by the Contractor are similar to, and not inconsistent with, the contract awarded as a result of this RFP.

7. Force Majeure

Neither party (DTF or the Contractor) shall be liable for any failure or omission to carry out, perform, or observe any of the terms or conditions of the contract to the extent such is due to war, fires, lightning, floods or emergency conditions, acts of God, or any similar or dissimilar causes beyond the reasonable control of the party affected thereby, unless such act is solely due to the negligence of such party. Prompt written notice shall be given by the affected party to the other party of the existence of any such cause.

8. Program Enhancements

- (a) DTF may request that the Contractor provide enhancement services (through the Change Control process) which are beyond the scope of services identified in the RFP. However, DTF is under no obligation to ask the Contractor to provide enhancement services and reserves the right to develop and implement such program enhancements internally at DTF or to obtain such enhancement services from a third party. The Contractor agrees to work in good faith with DTF and any other involved party to develop such enhancements.
- (b) The Contractor will not be paid for such enhancement services performed internally at DTF or through a third party.

9. Most Favorable Terms

The Contractor agrees that all fees, terms, warranties and benefits provided and offered by the Contractor are substantially similar to the best equivalent terms being offered by the Contractor to any present governmental agency for services of similar size, scope and complexity. If during the term of the contract, the Contractor enters into an arrangement with any other similar government customer, including New York State Department of Taxation and Finance, providing greater benefits or more favorable terms for services of similar size, scope and complexity as the services provided DTF pursuant to the contract, then the contract shall thereupon be deemed amended to provide the same to DTF.

SECTION XI INVARIABLE CONTRACT CONDITIONS AND MANDATORY TOPICS

10. Staff Management

DTF shall have the right to request the removal of any Contractor manager or staff person assigned to the provision of services under the contract, for work related cause, provided that such cause is not one which is prohibited by law as a basis for terminating an employee.

11. Assignment of Rights and Duties

DTF may assign its rights or duties under the contract to another New York State agency without the prior express written consent of Contractor. Except as provided for in Appendix A – Standard Contract Clauses for All New York State Contracts (as found in Appendix A of this RFP), the Contractor shall not assign or subcontract to any other person or entity, any of its obligations under the contract, without the prior written consent of DTF.

12. Personnel Changes by Contractor

- (a) The Contractor shall notify DTF of any and all planned personnel changes (including but not limited to terminations, reassignments and organizational restructuring) of managers responsible for the provision of services. Such notification must be received by DTF at least fourteen (14) days prior to the effective date of the change when feasible, or else as soon as possible after the change.
- (b) If the personnel change for a manager(s) is in the control of the Contractor, and DTF believes the result of such change will cause degradation of the services performed by Contractor, then DTF may pursue the dispute resolution process (as described in subsection 3 above) regarding such change.

13. Investigation Support

- (a) In the event of a suspected crime, or a breach of confidentiality or security, the Contractor and its subcontractors shall cooperate fully with DTF to the extent permitted by law to investigate and identify the responsible individuals. Consistent with applicable law, the Contractor and its subcontractors shall make their employees and all relevant records, whether historical or current, including personnel records, employee photographs and original documents, available to DTF investigators upon request.
- (b) Investigators may interview Contractor employees without the presence of other Contractor employees, during normal business hours, either before or after any Contractor or subcontractor internal investigation, in support of an investigation being conducted by DTF, at DTF discretion, to the extent permitted by law.

14. Implementation

The testing and acceptance criteria and performance measurements included in the Implementation Plan will be reasonably determined by DTF.

15. Intellectual Property Rights Indemnity

- (a) The Contractor shall fully indemnify, defend and save harmless DTF, its officers, employees, and agents, from and against any and all losses, liabilities, judgments, damages, awards and costs (including legal fees and expenses), arising out of or related to any claim of, or action for, infringement of a patent, or of any copyright, trademark, trade secret or other third party intellectual property rights in each case to the extent caused by intellectual property provided by or through the Contractor and used to perform the services, without limitation. The foregoing provisions of this paragraph shall not apply to DTF's misuse or modification of such intellectual property, DTF's failure to use corrections or enhancements made available by the Contractor, or DTF's use of the intellectual property in combination with any product or information not provided by the Contractor, where such

SECTION XI INVARIABLE CONTRACT CONDITIONS AND MANDATORY TOPICS

misuse, modification or combination gives rise to the infringement. The State shall give the Contractor:

- (1) Prompt written notice of any action, claim or threat of infringement suit, or other suit;
 - (2) The opportunity to take over, settle or defend such action, claim, or suit at the Contractor's sole expense; and
 - (3) Assistance in the defense of any such action at the expense of the Contractor.
- (b) In the event that an action at law or in equity is commenced against DTF arising out of the performance of the contract by the Contractor, its officers, partners, employees, subcontractors, or agents and if the Contractor is of the opinion that the allegations in such action, in whole or in part, are not covered by the indemnification and defense provisions set forth herein, the Contractor, after receiving notice of such action, shall immediately notify DTF, in writing, specifying to what extent the Contractor believes it is obligated to defend and indemnify under the terms and conditions of the contract.

16. Limitation on Liability

Except where the contract provides that the Contractor's liability is without limitation, limits on Contractor liability shall be addressed in the contract.

17. Information Security Breach and Notification Law

Contractor expressly agrees to comply with the provisions of Chapter 442 of the Laws of 2005, as amended by Chapter 491 of the Laws of 2005, commonly known as the Information Security Breach and Notification Act (the "ISBNA" or "Act"), and any future amendments thereto. Contractor shall comply with all obligations imposed by the notice provisions of the ISBNA with respect to any computerized "private information" (as defined in the Act) received, handled, processed, uploaded, or maintained by Contractor on behalf of DTF under this Contract (hereinafter, the "DTF Information"). In the event of a "breach of the security of the system" (as defined by the Act), Contractor shall immediately notify DTF upon discovery or notification of such breach. Such notice to DTF shall be made in one of the following ways: by contacting the Contractor's DTF liaison for the contract by e-mail to bfs_contacts@tax.state.ny.us, or by telephone, 518-457-0954. Contractor shall immediately commence an investigation, in cooperation with DTF, to determine the scope of the breach and to restore the security of the system. To the extent DTF determines that further notifications are required to be sent out pursuant to the Act, Contractor shall be responsible for providing such notifications to all required recipients including, in accordance with New York State policy, non-New York State residents whose private information is reasonably believed to have been exposed as a result of the breach, and all costs associated with providing such notices shall be borne by the Contractor. It is expressly agreed that Contractor shall be obligated to receive authorization from DTF *prior* to making any notifications to any individuals, the State Office of Cyber Security and Critical Infrastructure Coordination, the State Consumer Protection Board, the Attorney General's Office or any consumer reporting agencies of a breach of the security of the system, or concerning making any determination to delay notifications due to law enforcement investigations. Contractor agrees that DTF shall have final approval over the form, content, mode of transmission, and timing of any notice to be provided concerning a breach of the security of the DTF Information. Nothing contained herein shall be interpreted as reducing or altering Contractor's obligations under section 899-aa of the General Business Law.

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Estate Tax	Sales Tax	IFTA
ADVICE OF DEPOSIT		
<ul style="list-style-type: none"> • Advice number • Deposit date • Report date • Transmission date <p>Delivered daily to DTF and OSC.</p>	<ul style="list-style-type: none"> • Advice number • Deposit date • Report date • Transmission date <p>Delivered daily to DTF and OSC.</p>	<ul style="list-style-type: none"> • Advice number • Deposit date • Report date • Transmission date <p>Delivered daily to DTF, OSC and RPC Lockbox Jurisdictions.</p>
DEBIT MEMOS AND CREDIT ADVICES		
<ul style="list-style-type: none"> • Account number • Memo type (debit or credit) • Explanation • Taxpayer ID • Tracking Number • Original Tracking Number • Debit or credit amount • Prepared by/Signature of bank officer • Date <p>Delivered to DTF and OSC upon occurrence.</p>	<ul style="list-style-type: none"> • Account number • Memo type (debit or credit) • Explanation • Taxpayer ID • Original Tracking Number • Debit or credit amount • Prepared by/Signature of bank officer • Date <p>Delivered to DTF and OSC upon occurrence.</p>	<ul style="list-style-type: none"> • Account number • Memo type (debit or credit) • Explanation • Taxpayer ID • Tracking Number • Debit or credit amount • Prepared by/Signature of bank officer • Date <p>Delivered to DTF, OSC and RPC Lockbox Jurisdictions, upon occurrence.</p>
DISHONORED CHECK / DEBIT MEMOS		
<ul style="list-style-type: none"> • Account number • Date of debit memo • Debit memo amount (must equal original check encoded amount) • Tracking Number • Original deposit date <p>Note: the reason for dishonorment and tracking number must be recorded either on the Debit Memo (if individual item) or on the remittance itself. Delivered to DTF upon occurrence, with photocopies (or originals) of associated checks. OSC receives copy of the memo, without a copy of the check(s).</p>	<ul style="list-style-type: none"> • Account number • Date of debit memo • Debit memo amount (must equal original check encoded amount) • Tracking Number • Original deposit date <p>Note: the reason for dishonorment and tracking number must be recorded either on the Debit Memo (if individual item) or on the remittance itself. Delivered to DTF upon occurrence, with photocopies (or originals) of associated checks. OSC receives copy of the memo, without a copy of the check(s).</p>	<ul style="list-style-type: none"> • Account number • Date of debit memo • Debit memo amount (must equal original check encoded amount) • Tracking Number • Original deposit date <p>Note: the reason for dishonorment and tracking number must be recorded either on the Debit Memo (if individual item) or on the remittance itself. Delivered to DTF and RPC Lockbox Jurisdictions, upon occurrence, with photocopies (or originals) of associated checks. OSC receives a copy of the memo, without a copy of the check(s).</p>
BANK STATEMENT OF ACCOUNTS		
<ul style="list-style-type: none"> • DTF Account Number • Beginning Balance • Total deposits and other credits • Total checks, withdrawals and 	<ul style="list-style-type: none"> • DTF Account Number • Beginning Balance • Total deposits and other credits • Total checks, withdrawals and other 	<ul style="list-style-type: none"> • DTF Account Number • Beginning Balance • Total deposits and other credits • Total checks, withdrawals and other

**EXHIBIT 1-A
BANKING DOCUMENTS**

<p>other debits</p> <ul style="list-style-type: none"> • Checks paid • Detail by date for credits, debits and related descriptions • Ending balance <p>Delivered daily to OSC and DTF.</p>	<p>debits</p> <ul style="list-style-type: none"> • Checks paid • Detail by date for credits, debits and related descriptions • Ending balance <p>Delivered daily to OSC and DTF.</p>	<p>debits</p> <ul style="list-style-type: none"> • Checks paid • Detail by date for credits, debits and related descriptions • Ending balance <p>Delivered weekly and at month-end to DTF, OSC and RPC Lockbox Jurisdictions.</p>
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EXHIBIT 1-B ACCOUNTING REPORTS

Estate Tax	Sales Tax	IFTA
DEPOSIT LISTING (detailed list of remittances, by tracking number)		
<ul style="list-style-type: none"> • Transmission date • Tracking number, by document type (ET-30, ET-85, ET-130, ET-133, ET-706, ET-500 and ET-501) • Taxpayer ID, associated with each tracking number • Deposit date, associated with each tracking number • Deposit amount, associated with each tracking number <p>Delivered daily to DTF.</p>	Not Applicable	<ul style="list-style-type: none"> • Transmission date • Tracking number • Taxpayer ID, associated with each tracking number • Deposit date, associated with each tracking number • Deposit amount, associated with each tracking number <p>Delivered weekly to DTF and RPC Lockbox Jurisdictions, and at month end, if other than a Friday.</p>
SUMMARY DEPOSIT LISTING (summarizes periodic deposit listings)		
<ul style="list-style-type: none"> • Transmission date • Deposit date • Beginning & Ending Tracking Numbers • Document Types (ET-30, ET-85, ET-130, ET-133, ET-706, ET-500 and ET-501) and associated deposits, numbers of items and numbers of voids • Total deposit within each document type • Total Items within each document type • Total Deposit for deposit date • Total items <p>Delivered daily to DTF.</p>	Not Applicable	<ul style="list-style-type: none"> • Transmission date • Deposit date • Beginning & Ending Tracking Numbers • Total deposit within each document type • Total items within each document type • Total deposit for deposit date • Total items <p>Delivered weekly to DTF and RPC Lockbox Jurisdictions, and at month end, if other than a Friday.</p>

**EXHIBIT 1-B
ACCOUNTING REPORTS**

DISHONORED CHECK DETAIL LISTING		
<ul style="list-style-type: none"> • Original Deposit Date • Adjustment date • Form Type • Tracking Number • Taxpayer ID and associated check digit • Remittance Amount • Total for each Column • Grand total amount • Grand total items 	<ul style="list-style-type: none"> • Original Deposit Date • Adjustment date • Form Type • Tracking Number • Taxpayer ID and associated check digit • Remittance Amount • Total for each Column • Grand total amount • Grand total items 	<ul style="list-style-type: none"> • Transmission date • Adjustment date • Form type • Tracking number • Sequence number • TPID/Check Digit • Check amount • Total for each column • Grand total amount • Grand total items
<p>Delivered to DTF upon occurrence – accompanies the individual dishonored check debit memos and must equal the individual dishonored check debit.</p>	<p>Delivered to DTF upon occurrence – accompanies the individual dishonored check debit memos and must equal the individual dishonored check debit.</p>	<p>Delivered to DTF and RPC Lockbox Jurisdictions, upon occurrence – Transmission date and adjustment date must be the same.</p>

**EXHIBIT 1-C
PROCESSING AND MANAGEMENT REPORTS**

PROCESSING REPORTS		
Report	Required Data	Recipient/Frequency
Processing Report	<ul style="list-style-type: none"> • Dates • Volume Received (by tax type and tax document) • Volume Processed (by tax type and tax document) • Amount Deposited 	Delivered daily, during peak processing periods, and Monthly during non-peak processing periods, to NY DTF and RPC Lockbox Jurisdictions.

MANAGEMENT REPORTS		
Report	Required Data	Recipient/Frequency
Computer Generated Account Analysis	<ul style="list-style-type: none"> • Average ledger balance • Average uncollected funds • Reserve requirement • FDIC insurance fees • Itemization of the number of and fee per transaction • Applicable earnings rate and basis for such rate 	Director of the Revenue Services Bureau and OSC, for NY DTF, and RPC Lockbox Jurisdictions (contacts to be provided during implementation) monthly (no later than thirty days following the end of the reporting period).
Invoice Reconciliation Report	Daily Breakdown <ul style="list-style-type: none"> • Type of charge • Item count • Cost per charge & total charge by item • Grand Total 	Director of the Revenue Services Bureau for NY DTF, and RPC Lockbox Jurisdictions (contacts to be provided during implementation) monthly (no later than thirty days following the end of the reporting period).
Audited Financial Statements	Annual Reports	Director of the Revenue Services Bureau for NYS DTF and RPC Lockbox Jurisdictions (contacts to be provided during implementation) whenever provided to shareholders.
Form 10-K	Annual Report	Director of the Revenue Services Bureau for NYS DTF and RPC Lockbox Jurisdictions (contacts to be provided during implementation) whenever made publicly available.
Form 10-Q	Quarterly Report	Director of the Revenue Services Bureau for NYS DTF and RPC Lockbox Jurisdictions (contacts to be provided during implementation) whenever made publicly available.

**EXHIBIT 1-D
MISCELLANEOUS REPORTS**

Estate Tax	Sales and Use Tax	IFTA
VOIDED TRACKING NUMBER CROSS REFERENCE LISTING		
<ul style="list-style-type: none"> • Original process date • Adjustment date (the date of the "new" tracking number assignment?) • Initial Tracking Number and associated TPID • New Tracking Number and associated TPID • Associated deposit amount <p>Delivered to DTF upon occurrence.</p>	<ul style="list-style-type: none"> • Original process date • Adjustment date (the date of the "new" tracking number assignment?) • Initial Tracking Number and associated TPID • New Tracking Number and associated TPID • Associated deposit amount <p>Delivered to DTF upon occurrence.</p>	<ul style="list-style-type: none"> • Original process date • Adjustment date • Initial Tracking Number and associated TPID • New Tracking Number and associated TPID • Associated deposited amount <p>Delivered to DTF and RPC Lockbox Jurisdictions, upon occurrence.</p>
MULTI-STATE CROSS REFERENCE / SPLIT DISTRIBUTION REPORT		
Not Applicable	<ul style="list-style-type: none"> • Batch Number(s) • NY Tracking Number • CT Tracking Number • NJ Tracking Number • NY Federal ID • CT ID • NJ ID • NY Dollar Amount • CT Dollar Amount • NJ Dollar Amount • Remittance Total <p>Delivered daily to DTF, CT and NJ.</p>	Not Applicable
ZIP CODE REPORT		
Not Applicable	<p>For taxpayers with tax due:</p> <ul style="list-style-type: none"> • Taxpayer ID • Zip Code • DSN • Period Designator • Amount of Tax Due 	Not Applicable