

RFP Questions and Clarifications Memorandum

To: Vendors Responding to RFP Number 3738 for the Mississippi Department of Human Services (MDHS)
From: Craig P. Orgeron, Ph.D.
Date: December 2, 2013
Subject: Responses to Questions Submitted and Clarifications to Specifications
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RFP Number 3738 is hereby amended as follows:

1. **Section VII, Technical Specifications Item 6.10.1 is being modified to read:**

“Vendor must submit in a separately, sealed enveloped marked “Confidential” 1 one marked original and two copies of their must attach a copy of the last two (2) years audited financial statements complete with the notes and opinion letter from applicant’s auditor and/or other proof, acceptable to MDHS, of financial responsibility.”

2. **Section VII, Technical Specifications Item 8.1 is being modified to read:**

“Vendors must propose a firm fixed price for a full three (3) year term plus two (2) one-year ~~one 2-year~~ optional renewals in Section VIII, *Cost Information Submission* form.”

3. **Section VII, Technical Specifications Item 8.2.4 is being added:**

“Unit price per items mailed monthly.” Awarded Vendor will invoice MDHS on a quarterly basis the actual figure of items mailed based on the unit price per items mailed in that month.”

4. **Section VII, Technical Specifications Item 8.3 is hereby deleted.**

5. **Section VIII, *Cost Information Submission*, has been revised and is attached to this Memorandum. Vendors must submit the REVISED Cost Information Submission with their proposal response.**

6. Attachment A: Functional/Technical Requirements, Item 7.1.4.1 is being modified to add the following:

“This USPS post office box must be acquired within 7 business days after contract execution.”

7. Attachment A: Functional/Technical Requirements, Item 7.6.1 is being modified to read:

“At Contract initiation, and throughout the life of the Contract, the awarded Vendor shall ~~maintain software that is not more than two versions behind the most current manufacturer's release; and~~ ensure that all CRDU and scanning equipment software is patched and is on a version that the manufacturer is currently providing updates and support. Vendor must also ensure that at no point in time they will use an unsupported version and/or release. Vendor must state the frequency and process that will be used to ensure the software version is kept current. Vendor must also state their process for scheduled and unscheduled downtime.”

8. Attachment A: Functional/Technical Requirements Item 7.6.3.1.2 is being modified to read:

“Use of the license for government purposes includes the right (as necessary for government purposes) to change, modify, or adapt hardware and software and to combine the software with other computer software, with the exception of any COTS used in the implementation of the CRDU.”

9. Attachment A: Functional/Technical Requirements Item 7.6.6 is being modified to read:

“The CRDU Vendor shall cause all licenses for such software (referenced in Item 7.6.4 above) to include MDHS as a licensee; alternatively, MDHS may consent, at MDHS’s sole discretion, to such a license containing a provision that permits the transfer and assignment of the license from the CRDU Vendor to MDHS, such a license containing no provision for transfer or assignment at all.”

10. Attachment A: Functional/Technical Requirements Item 7.10.16 is being modified to read:

“The State’s payment processor will display any convenience fee as a must be a separate payment transaction and it will ~~must~~ appear on the payer’s bank or card Statement as a separate transaction readily identifiable as a convenience fee resulting from use of CRDU online payment services. If needed, the awarded Vendor must work with the State’s electronic payment processor to meet any data requirements needed for the separate transactions. Additional details can be found in Exhibits B and C in RFP No. 3738.”

11. Attachment A: Functional/Technical Requirements Item 7.10.20.1 is being added:

“The awarded Vendor can archive the payment history data in their system after 12 months.”

12. **Attachment A: Functional/Technical Requirements Item 7.12.4.1 is being modified to read:**

“The CRDU will meet federal time standards for MDHS to disburse payments ~~disbursement of payments~~ received by the CRDU.”
13. **Attachment A: Functional/Technical Requirements Item 7.12.4.1.3 is being modified to read:**

“The Vendor must notify the State of Mississippi IV-D Director or designee, immediately if receipting ~~disbursements~~ is delayed for any reason.”
14. **Attachment A: Functional/Technical Requirements Item 7.15.7.1 is being modified to read:**

“The Vendor must establish the Collections ~~an~~ IOLTA Account under the ownership of the State and provide a plan that will protect the balance from adverse action against the Vendor.”
15. **Attachment A: Functional/Technical Requirements Item 7.15.7.2 is being modified to read:**

“The funds in all of the ~~IOLTA~~ Accounts do not belong to the Vendor and the Vendor should indicate how the banking arrangement would mitigate risk to the State and CRDU customers.”
16. **Attachment A: Functional/Technical Requirements, Items 7.16.14.5 and 7.16.14.6 are hereby deleted.**
17. **Attachment A: Functional/Technical Requirements, Items 7.17.5.5 is being modified to read:**

“A An SOC2 SSAE 16 annual ~~audit~~ must be performed annually and a report shall be provided to MDHS.”

Vendor must include in their proposal a response to each amended requirement as listed above. Vendor must respond using the same terminology as provided in the original requirements.

The following questions were submitted to ITS and are being presented as they were submitted, except to remove any reference to a specific vendor. This information should assist you in formulating your response.

Question 1: General (VII 4, p. 39) Given the limited time between when the State intends to answer questions and when proposal responses are due, would the State consider answering Vendor questions in several sets as the State has answers rather than holding all the responses to release at one time when all questions have been answered?

Response: Due to the quantity and nature of the questions received, the State will release only one Questions and Clarifications Memorandum for this RFP.

Question 2: RFP Section II 9.3, p. 7 We will be submitting some pre-existing documents (e.g., financial reports) that have existing page numbering and some pages may not be numbered. Because these are long and complex documents, may we leave them unaltered?

Response: Yes, Vendors may include those documents with existing page numbers unaltered. However, it is the Vendor's responsibility to ensure that they fully describe the purpose of those documents and reference the particular requirement number in the Vendor's proposal response.

Question 3: Section II - 9.11 Section VII - 1.7 Attachment A, RFR Page Number 7, 32, 120. The Vendor must fully respond to each requirement within the Technical Specifications by fully describing the manner and degree by which the proposal meets or exceeds said requirements. Is the Vendor to respond inside the Excel spreadsheet or attach documents to the spreadsheet?

Response: Vendor must provide their response regarding Attachment A in the column labeled, "Required Response". If Vendor's response requires additional documentation or diagrams, then Vendor should state the location of their response pertaining to that particular requirement.

Question 4: Page 8 RFP Section 14 May vendors contact or communicate with current State employees regarding positions in the CRDU?

Response: No, as per Section II Item 14 no communication can be made until after the Notice of Award. All communication must flow through the contact listed in Section II Item 14.1.

Question 5: RFP Section III 13, p. 11 Is this considered a Professional Services Contract? If so, are Vendors expected to provide the requested information in our proposal response or can this information be provided upon State request (e.g., direct telephone number at which the individual may be contacted for a telephone interview)?

Response: a) Yes, the awarded Vendor will contract to provide CRDU services to the State.

b) Vendors are only required to provide individual's direct telephone number only if a specific requirement requests it.

Question 6: RFP Section IV 3, p. 14 & Exhibit A, Article 29.2, p.65 The list of items that constitutes the Contract and order of precedence seems to be different in RFP Section IV 3 and Exhibit A Article 29.2. Would the State please clarify that the Contract Documents of Section IV 3, identified as The Proposal Exception Summary Form as accepted by ITS (1.1), Official written correspondence from ITS to the Vendor (1.4), and Official written correspondence from the Vendor to

ITS when clarifying the Vendor's proposal (1.5), will be considered "Exhibits attached to the Agreement" under Article 29.2 of Exhibit A?

Response: **No, typically the Exhibit only deals with the Vendor's proposed costs from the Vendor's response. From Section IV, Items 3.1, 3.5 and 3.6 are the same as the Standard Contract's Article 29.2 D; Items 3.2 is the same as Article 29.2 A; Items 3.2 and 3.4 are the same as Article 29.2 C.**

Question 7: RFP Section IV 7.1, p. 15 RFP states "7.1 The State of Mississippi is self-insured; all requirements for the purchase of casualty or liability insurance are deleted."

Please confirm that this applies to any requirements that the State purchase insurance.

Response: **Yes, this section applies to any requirement that the State purchase insurance.**

Question 8: RFP Section IV 20, p. 19 The RFP states "All references in the RFP to 'Vendor' shall be construed to encompass both the Vendor and its subcontractors."

However, in some cases applying this rule appears to be questionable (e.g., in references to signature by Vendor on pp. 14 and 16) and in many cases applying this rule appears to be unnecessary since the RFP already explicitly calls out both entities (such as in the insurance requirements under Article 20).

Would the State please clarify what is intended by this statement, and specifically (a) confirm that RFP forms should only be completed by the Vendor not by subcontractors and (b) indicate whether the State is expecting the same information for all subcontractors that is asked of the Vendor in RFP Section VII, 6. Vendor Qualifications.

Response: **a) Refer to Section IV, Legal and Contractual Information Item 15, Prime Contractor and Item 16, Sole Point of Contact. All RFP forms should be completed by the Vendor.**

b) The statement is intended to convey that a subcontractor's response is not immediately expected from a requirement or request simply because subcontractor was not explicitly named. If a subcontractor is being proposed as part of the Vendor's solution, Vendors must adhere to the requirements listed in Section IX References regarding subcontractors.

Question 9: Section IV – 22, Equipment Condition, RFR Page Number 19. For all RFPs requiring equipment, the Vendor must furnish only new equipment in response to ITS specifications, unless an explicit requirement for used equipment is otherwise specified. Will vendor be required to assume existing State SDU equipment?

Response: **Vendor will not be required to assume existing State CRDU equipment.**

Question 10: RFP Section Pg. 19 (22.) For all RFPs requiring equipment, the Vendor must furnish only new equipment in response to ITS specifications, unless an explicit requirement for used equipment is otherwise specified.

- a) Will vendors have the option to purchase the State's equipment?
- b) Can used equipment be proposed (i.e. Opex)?
- c) How many Opex does the State have in service now?

Response: a) Vendors will not have the option to purchase the State's equipment.

b) The State is willing to consider allowing the awarded Vendor to use the State's current equipment. Vendor will be responsible for the continued maintenance and upgrades of the State's equipment no other used equipment may be proposed.

c) The State has two (2) Opex machines.

Question 11: Section IV – 37, RFR Page Number 21. The Performance Bond or the Irrevocable Letter of Credit shall be for the total amount of the contract or an amount mutually agreed upon by the State and the successful Vendor and shall be payable to Mississippi Department of Human Services, to be held by their contracting agent, the Mississippi Department of Information Technology Services. If applicable, and at the State's sole discretion, the State may, at any time during the warranty period, review Vendor's performance and performance of the products/services delivered and determine that the letter of credit/performance bond may be reduced or released prior to expiration of the full warranty period. Will the bond be the value of the contract on an annual basis or for the total amount of the contract?

Response: The performance bond will be for the total amount of the contract, which is for three years. There will not be an option for the bond to be renewed on an annual basis.

Question 12: Section IV – 41, RFR Page Number 25. Effective July 1, 2008, Vendor acknowledges that if awarded, it will ensure its compliance with the Mississippi Employment Protection Act, Section 71-11-1, et seq. of the Mississippi Code Annotated (Supp2008), and will register and participate in the status verification system for all newly hired employees. The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. Do current State CRDU employees who are offered positions with the Vendor have to meet this requirement (including criminal and financial background checks)?

Response: Yes, the current State CRDU employees will also have to meet this requirement.

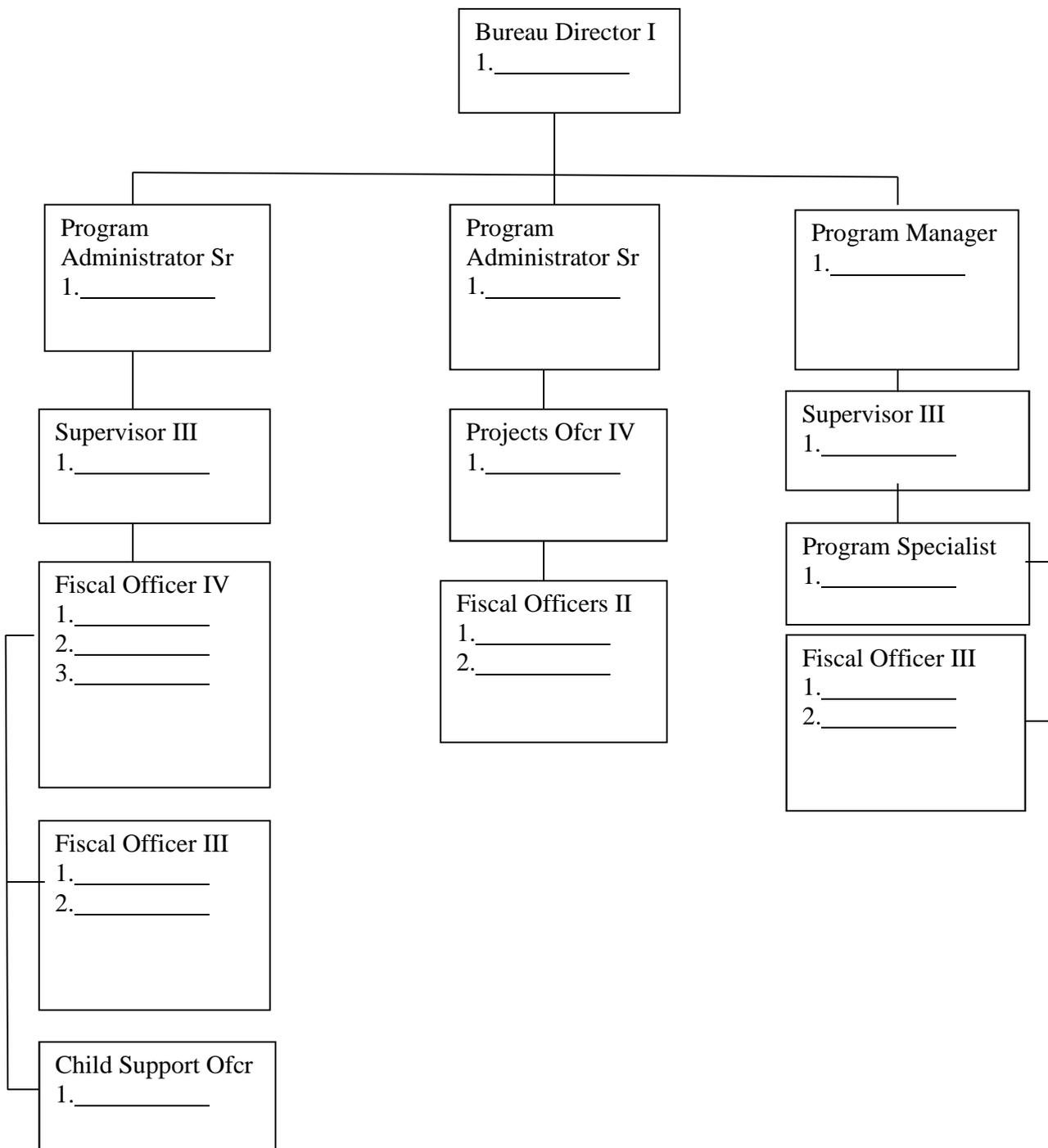
Question 13: Section VII - 2.4, RFR Page Number 33. The Vendor shall, in good faith offer all 12 CRDU staff employed by MDHS, a right of first refusal of employment, and the Contractor shall not offer employment under this Contract to any person prior to having complied with this obligation. The Contractor shall make an express offer of employment to each employee and shall state the time within which each employee must accept such offer, but in no case shall the period within which the employee must accept the offer of employment be less than 10 days. If the

vendor solution does not require the current number of staff, will there be a seniority/preference system provided by the State? Please provide an organization chart listing each CRDU staff and their titles that the Contractor is required to offer employment.

Response: a) No seniority/preference system will be provided by the State. Vendors must offer ALL 12 CRDU staff currently employed by MDHS.

b) Refer to the CRDU Org Chart on Page 7 in this Memorandum.

CRDU ORG CHART



Question 14: Page 33 RFP Section 2.4 Please provide the current organizational chart for the current CRDU with position titles and FTE(s) per position.

Response: Refer to the response to Question # 13.

Question 15: Page 33 RFP Section 2.4 Attachment A 7.2.1 and 7.2.2 RFP requirement 2.4 requires a good faith offer to all 12 CRDU staff. Does this requirement include the Project Manager? If this requirement includes the current Project Manager, how should the Vendor respond to Attachment A 7.2.1 which requires the names and titles of key positions?

Response: These requirements do not include the Project Manager.

Question 16: RFP Section Pg. 33 (2.2.4) 7.2.2 The Vendor shall, in good faith offer all 12 CRDU staff employed by MDHS, a right of first refusal of employment, and the Contractor shall not offer employment under this Contract to any person prior to having complied with this obligation.

a) Of the 12 employees that will be available from current CRDU operations – is there any management or supervisory level staff that should/could be considered **KEY PERSONNEL** for purposes of identifying in vendors proposal, only by **Position Type**.

b) Without providing any confidential information, can the state provide vendors a breakdown of the current job classifications; classification description; and the number of employees in each classification?

Response: a) There is no management or supervisory level staff that should/could be considered **KEY PERSONNEL** of the 12 employees available from the current CRDU operations.

b) Refer to the response to Question # 13. For job classifications and classification descriptions, refer to the attachment named, “CRDU Employee Position Description.”

Question 17: RFP Section VII 3.4, p. 34 RFP Section 3.4 says EFT payments are currently handled by METSS directly. RFP Attachment A Requirement 7.10.1 says vendor must be able to process files in NACHA format.

Will the State please confirm that the Vendor will be required to process and post incoming EFT payments under the CRDU contract?

Response: The awarded Vendor will not be required to process and post incoming EFT payments.

Question 18: RFP Section 3.5 Noncustodial parents may also submit child support payments to the CRDU via cash, check, money order or automatic withholding from his/her employer.

These payments are accepted by the CRDU through the U.S. Postal Service, county offices, or on-site through a payment window at the State office in Jackson. Federal regulations require that all child support payments must be Disbursed within two days of their receipt.

- a) Does the MDHS intend to continue to allow payments to be received at county offices and existing CRDU window?
- b) If yes, how will the vendor receive payments that are remitted from the county offices to the CRDU as well as payments received by individuals at the existing CRDU payment window?

Response: a) Once the awarded Vendor takes over, the CRDU payments will no longer be accepted or allowed to be received at the county offices or at the existing CRDU window.

b) Refer to the response to Question 18a.

Question 19: RFP Section VII 3.6, p. 34 Can the State please provide the number and dollar amount of paper payments received and posted in 2012?
Can the State please provide the number and dollar amount of EFT payments received and posted in 2012?

Response:

	Number of Paper Payments	Dollar Amount of Paper Payments	Number of Receipts
Total Paper Payments	682,672	\$189,299,128.00	1,394,546
Total EFT Payments	990,281	\$89,525,505.49	N/A

Question 20: Pg. 34 §3.6 Child support cases for FY 2012 totaled 392,009 and FY 2013 totaled 369,408. The CRDU **receipts, processes and disburses** in excess of 6 million child support payments annually. The total amount collected through the CRDU in FY 2012 was \$184,320,186.47 and for FY 2013 was \$184,312,424.91. The 6 Million payments referred to in this paragraph refer to both collections and disbursements and there may be multiple disbursements from a single payment transaction.

- e) Can you please provide vendors the **actual monthly check and transaction volumes** of Paper payments and EFT/ACH and credit card transactions (broken out), for at least the past 12 months?
- f) Please provide the receipt transaction volumes by payment type for the past five years.

Response: e) Refer to the PDF document, named “CRDU Payment Method & Payment Source Report” attached to this Memorandum. The State currently does not accept credit card payments, therefore there is no data to report.

f) Refer to the PDF document, named “CRDU Payment Method & Payment Source Report” attached to this Memorandum.

Question 21: Section VII - 5.3, RFR Page Number 40. MDHS anticipates the initial implementation to be January 21, 2014 with a phased approach for full implementations negotiated between MDHS and the awarded Vendor. What is the State's expectation for the initial implementation on January 14, 2014? In order to secure and build out the facility, purchase equipment, hire and train staff the awarded Contractor will need at least 90 days.

Response: Refer to Attachment A, Functional/Technical Requirements, Items 7.18 and 7.18.1. Vendor must submit their Project Work Plan with start and end dates. However, the State and the awarded Vendor will discuss during contract negotiations the initial implementation date, if necessary.

Question 22: Page 40 RFP Section 5.3 This RFP reference states "MDHS anticipates the initial implementation to be January 21, 2014..." Please define "initial" implementation. What is expected on 1/21/2014?

Response: See the response to Question # 21.

Question 23: RFP Section Pg. 40 §5.3 MDHS anticipates the initial implementation to be January 21, 2014 with a phased approach for full implementation as negotiated between MDHS and the awarded Vendor

a) Please define the term "initial implementation".

b) Please confirm that the full implementation date for the MS CRDU is flexible and open for suggestion by each vendor resulting in variable timelines being proposed.

c) If the full implementation date is not flexible, will the State provide a specified timeline each vendor must conform to (e.g. Kickoff January 2014 with go live May 2014)?

***Also note:** that in question #4 above, if all equipment must be new, there is a 90 day lead time for the procurement, assembly and delivery of Opex machines.*

Response: See the response to Question # 21.

Question 24: RFP Section pg. 41 (6.8); pg 51 (1.3.1, 1.6) 7.2.2.2 pg. 34 (3.6)
6.8 Vendor must provide names, addresses, and telephone numbers of three (3) agencies and/or business contacts including key individuals within those organizations who have utilized the applicant's services for **providing the same or similar services requested in this RFP.**

1. References

1.1 The Vendor must **provide at least three (3) references** consisting of Vendor accounts that the State may contact. Required information includes customer contact name, address, telephone number, email address, and engagement starting and ending dates. Forms for providing reference information are included later in this RFP section. The Vendor must make arrangements in advance with the account references so that they may be contacted at the Project team's convenience without further clearance or Vendor intercession.

1.2 Any of the following may subject the Vendor's proposal to being rated unfavorably relative to these criteria or removed from further consideration, at the State's sole discretion:

1.2.1 Failure to provide reference information in the manner described;

1.2.2 Inability of the State to substantiate minimum experience or other requirements from the references provided;

1.2.3 Non-responsiveness of references to the State's attempts to contact them;
or

1.2.4 **Unfavorable references that raise serious concerns** about material risks to the State in contracting with the Vendor for the proposed products or services.

1.3 References should be based on the following profiles and be able to substantiate the following information from both management and technical viewpoints:

1.3.1 The reference installation must be for a project similar in scope and size to the project for which this RFP is issued;

1.3.2 The reference installation must have been operational for at least six (6) months.

1.4 The State reserves the right to request information about the Vendor from any previous customer of the Vendor of whom the State is aware, including the procuring agency and/or other agencies or institutions of the State, even if that customer is not included in the Vendor's list of references, and to utilize such information in the evaluation of the Vendor's proposal.

1.6 State reserves the right to forego reference checking when, at the State's sole discretion, the evaluation team determines that the capabilities of the recommended Vendor are known to the State.

2. Subcontractors

The Vendor's proposal must identify any subcontractor that will be used and include the name of the company, telephone number, contact person, type of work subcontractor will perform, number of certified employees to perform said work, and three (3) references for whom the subcontractor has performed work that the State may contact.

Forms for providing subcontractor information and references are included at the end of this section.

Unless otherwise noted, the requirements found in the References section may be met through a **combination of Vendor and subcontractor references and experience**.

Vendor's proposal should **clearly indicate any mandatory experience requirements met by subcontractors**. NOTE: The State reserves the right to eliminate from further consideration proposals in which the prime Vendor does not, in the State's sole opinion, provide substantive value or investment in the total solution proposed.(i.e. the State does not typically accept proposals in which the prime Vendor is only a brokering agent.)

- a) Please confirm that **ALL** references provided must be related at a minimum to **SDU Payment Processing Operations** including paper and electronic collections and disbursements and financial management.
- b) Please confirm that all references will be checked in order to verify that Unfavorable references as described under § 1.2.4 that raise serious concerns about material risks to the State in contracting with the Vendor for the proposed products or services **can be identified**.
- c) Please Confirm that the state does not intend to invoke § 1.6, especially since this is the State's first SDU RFP and does not have an incumbent SDU service provider.
- d) Please confirm under § 2.0 Subcontractors, that although any mandatory experience requirements **may** be met by subcontractors and prime contractors **together** – that the referenced experience **MUST** be in **SDU payment processing operations**. For example, an invalid reference would be where the prime is operating a single SDU operation and its subcontractor(s) are not managing any SDU operations, only providing references for SDU software.

Response: a) Refer to Section IX, Item 1.3.1. Reference and Vendor experience must be for projects similar in scope and size as the requirements stated in this RFP.

b) and c)The State will not confirm that it will check references as this is solely the State's business decision. Refer to ITS Procurement Handbook section 018 – 010 Proposal Evaluation Process for more information.

d) Refer to the response to Question # 24 a).

Question 25: RFP Section VII 6.10.1, p. 41 Would the State permit Vendors to provide an internet URL/link to their audited financial statements or provided them only in electronic format on our CD/DVD or USB media rather than providing hard copies in our response?

Response: Yes, Vendors may provide an Internet URL/link for all hard copies and for the two electronic copies. However, Vendors must include hard copies in their original proposal response.

Question 26: P 41. Section 6.10 6.10.1 Vendor must attach a copy of the last two (2) years audited financial statements complete with the notes and opinion letter from applicant's auditor and/or other proof, acceptable to MDHS, of financial responsibility.

As a privately-held company, we consider our audited financial statements as confidential from public disclosure. May we provide these documents in a separately, sealed envelope marked "Confidential"? If so, please confirm the number of copies required.

Response: Refer to Clarification Number 1 of this Memorandum.

Question 27: RFP Section 7.1.2 Vendor must house all CRDU staff, processes and systems in Mississippi with the exception of hardware backup, which may be located outside of Mississippi.

RFP Section 7.9.2 The Vendor must develop, design, print, produce, fold, stuff, and mail monthly bills containing payment coupons to payors according to the billing cycle set by MDHS.

- a) Does this preclude the vendor's use of a remote datacenter for operational infrastructure if our staff would be located in Mississippi performing operations?
- b) Can the requirement for printing and mailing of the monthly billing coupons be done outside of Mississippi? With limited printing needed on monthly basis, this could be done at a lower cost to the State if done from outside of Mississippi.
- c) Is the Postage cost for mailing the monthly statements/coupons a pass through cost to the State?

Response: a) Yes.

b) No.

c) No.

Question 28: RFP Section VII 7.2, p. 42 & Attachment A Given the nature and complexity of the requirements provided in Attachment A, would the State please confirm that Vendors are permitted to include expanded responses to these requirements in a narrative format when requirements cannot fully be answered within the Excel matrix?

Microsoft Word allows Vendors to include critical graphics, diagrams, and tables in our responses that are not supported easily by Microsoft Excel. Microsoft Excel also has character limits per cell that limits Vendor's ability to thoroughly respond to each requirement. For example, Excel limits the number of characters that can be viewed when documents are printed. According to Microsoft's website, characters in a cell after approximately the 1,024th character are not printed and may not appear in print preview.

Response: Refer to the response to Question # 2 above. It is the Vendor's responsibility that all responses are viewable in printed form to include Attachment A. If the Vendor's response is not viewable, then Vendors are permitted to add rows to ensure their entire response is viewable in printed form.

Question 29: RFP Section P 42 Section 8.1 and Exhibit A Standard Contract Article 1.1 Section 8.1 asks for pricing for a full three year term plus one two year optional renewal, while Exhibit A, Article 1.1 notes a three year contract with additional two one-year terms.

Please confirm whether the two years following the initial three year term would be renewed each year or in a single renewal of two years.

Response: Refer to Clarification Numbers 2 and 5 of this Memorandum.

Question 30: RFP Section VII 8.1, p. 42 & Exhibit A, Article 1.1, p. 55 Will the option term for this Contract be one two-year extension or two one-year extensions?

Response: Refer to Clarification Numbers 2 and 5 of this Memorandum.

Question 31: RFP Section P 42 Section 8.3 Vendors must propose and include their program budget in Section VIII Cost Information Submission showing ability to perform the services requested within the limits of the funds available; including, but not limited to, salaries, benefits, operating and travel costs.

Please define the "limits of the funds available" so that may ensure our proposed program budget falls within those limits.

Response: Refer to Clarification Number 4 of this Memorandum.

Question 32: Page 43 RFP Section 9.7 Attachment A 7.9.3.11 There is a reference in the RFP (Section VII, 9.7) that states the deadline for payment data transfer is "5:00 P.M. (Central Time)". However, references elsewhere, such as that found in Attachment A 7.9.3.11, state that payments must be posted and reconciled and transmitted to METSS by 4:00 PM on the date received. Please clarify the daily deadline for transmission of payment data.

Response: The daily deadline for transmission of payment data is 4:00 PM on the date received.

Question 33: Section VII, RFR Page Number 50. Ongoing operation CRDU Costs. Will the State pay a flat rate for payment processing or a per transaction rate?

Response: The State will pay a flat rate for payment processing.

Question 34: RFP Section VII 9.7, p. 43 & Attachment A 7.9.3.11 Please confirm that the daily deadline for transmittal of payment information to METSS is 4:00 p.m.

Response: Refer to the response to Question # 32.

Question 35: Section VII, 12 And Section 1.6 1.6 The State reserves the right to forego reference checking when, at the State's sole discretion, the evaluation team determines that the capabilities of the recommended Vendor are known to the State. Please explain the State's evaluation process for scoring vendor qualification/experience (*possible points 20*) per Section VII, 12 "Scoring Methodology" if the state elects to forgo reference checking under Section 1.6?

Response: The 20 possible points will be assigned based on Vendor's response to Section VII Item 6 in its entirety. Information obtained in reference checks if performed, will be used to clarify information in Vendor's proposal but will not be scored separately.

Question 36: RFP Section VIII, p. 50 The Cost Information Submission form does not have a place for option year pricing as required in RFP Section VII, 8.1, page 42. Does the State want the option years priced? If so, where on the form should this price information be provided?

Response: Refer to Clarification Numbers 2 and 5 of this Memorandum.

Question 37: Exhibit A Standard Contract; Article 1 PERIOD OF PERFORMANCE

Section IV Legal and Contractual Information Section 37
Performance Bond/Irrevocable Bank Letter of Credit

Would the State consider making the Performance Bond requirement and annual performance bond requirement? The renewal of the annual bond would be mutually agreed to by all parties, the State of Mississippi, the Contractor and the Surety. Requiring an annual performance bond reduces the cost of the bond to the Contractor, this savings will be passed on to the State.

Would the State consider modifying the requirement that *“The issuing bank/bonding company is required to honor any demand for payment from the State within fifteen (15) days of notification”* from this RFP and subsequent contracts. This clause does not allow the surety company or the contractor any means of fulfilling the contract obligations in the instance of a dispute or default.

Response: a) Refer to the response to Question # 11.

b) No, the State will not consider modifying this requirement.

Question 38: Exhibit A, Article 20, 20.1 A Insurance 20.1.A Professional Liability insurance in an amount not less than five million dollars (\$5,000,000.00) per claim, including personal injury, bodily injury (including both disease or death), property damages, and blanket contractual liability
Could MDHS please confirm that this requirement is for professional liability, i.e. errors and omissions, insurance?

Is the requirement to include both Professional Liability insurance in the amount of \$5M and General Liability insurance in the amount of \$5M? If not please specify.

Response: a) Yes, the professional liability requirement is for errors and omissions insurance. The requirement is for five million dollars (\$5,000,000.00) of Professional Liability insurance.

b) The requirement is to include all types of insurance listed in Article 20.1 a – e in the amounts specified for each type.

Question 39: Page 62 RFP Section Exhibit A 20.1 A and 20.1 B Exhibit A Article 20 Insurance; 20.1 A., states that our Professional liability insurance must cover “personal injury, bodily injury (including both disease and death), property damage and blanket contractual liability”. However, Professional liability insurance typically

excludes “personal injury, bodily injury (including both disease and death), property damage and blanket contractual liability”. If the above stated items are specifically covered in our General Liability Insurance policy, as required under Exhibit A Article 20.1 B., would this General Liability coverage also satisfy the Professional Liability coverage requirements? If not, how should we proceed?

Response: Refer to the response to Question # 38 above.

Question 40: Page 62 RFP Section Exhibit A 20.1 D Exhibit A Article 20 Insurance; 20.1 D., refers to Employee Fidelity Bond insurance in an amount not less than three hundred thousand dollars. Is Employee Fidelity Bond Insurance the same as Crime Insurance and what specific part does the three hundred thousand dollar minimum apply?

Response: Employee Fidelity Bond Insurance is the same as Crime Insurance. The three hundred thousand dollar (\$300,000.00) requirement applies to first-party and third-party fidelity bond insurance.

Question 41: Page 62 RFP Section Exhibit A 20.2 Exhibit A Article 20 Insurance; 20.2 Duration states, “The Contractor/Subcontractor shall name ITS, the Customer and the State of Mississippi as additional insured on all insurance policies and coverages, excepting only the professional liability coverage.” Please confirm that Employee Fidelity Bond (Crime Insurance) and Workers Comp are included in the additional insured requirement.

Response: Yes.

Question 42: Page 62 RFP Section Exhibit A 20.2 Exhibit A Article 20 Insurance; 20.2 Duration states, “All insurance policies required shall be written on an occurrence basis.” For the professional liability policy, would “claims made” certification with an optional extended reporting period up to 3 years suffice in lieu of “occurrence form” certification?

Response: Yes, as long as all of the requirements are met.

Question 43: Page 107 Exhibit E and Attachment A 7.2.9 According to Exhibit E, MDHS-MIS Confidential Information Agreement, each employee must acknowledge and keep all data obtained through the contract confidential. Attachment A 7.2.9 states “[v]endor must ensure that all proposed staff are current with all child support obligations throughout the life of the contract.” Since the vendor cannot use METSS or any other information obtained through this contract for a purpose other than directly related to the contract, how does the State suggest the vendor provide this information?

Response: The Vendor will need to communicate with MDHS in order to ensure that all Vendor staff remain current with all child support obligations.

Question 44: Attachment A 7.1.4 Will the State be responsible for handing the redirection of all CRDU mail to the new P.O. Boxes?

Response: Yes.

Question 45 Attachment A, RFR Page Number 1. At no additional cost to the State, the Vendor must acquire, use, and maintain to include the pick up of CRDU mail, a post office box at the United States Postal Service (SUSPS) branch located at 401 East South Street Jackson, MS 39201 for all CRDU purposes. Will the State consider allowing the Contractor to transfer the PO Boxes currently in use? If not will the State be responsible for the redirection of the mail from the current location to the new PO Boxes?

Response: a) No.

b) Refer to the response to Question # 44 above.

Question 46: Attachment A 7.1.4.1 This requirement states "This USPS post office box must be acquired within 7 business after contract execution." Should this read "...within 7 business days after...?"

Response: Refer to Clarification Number 6 in this Memorandum.

Question 47: Attachment A 7.1.6 This RFP reference states "CRDU must process and disburse support payments Monday through Friday." Is the CRDU responsible for disbursement of support payments or only the management of the disbursement exceptions?

Response: The CRDU will not be responsible for the disbursement of support payments. The CRDU will be responsible only for the management of disbursement exceptions.

Question 48: RFP Section Attachment A, Spec 7.1.15 Sufficient storage for both electronic and hard copy documentation must be provided by the Vendor until destruction is authorized by MDHS.

In order to ensure adequate space is acquired, could the State provide the required length of time hard copy documentation must be stored prior to destruction?

Please specify based on document type (e.g. checks, remittance).

Response: The State's estimated required length of time for storage of hard copy documentation is approximately one (1) week, however the State reserves the right to increase or decrease the required length of hard copy storage time.

Question 49: Attachment A 7.2.17, RFR Page Number 5. The Vendor must have both a recent criminal and a recent financial background check performed on all staff prior to hiring and provide that information to State of Mississippi IV-D Director and/or designated representative within two weeks of Vendor receiving the results. Does this apply to current CRDU staff the vendor is required to hire?

Response: Yes, this does apply to the current CRDU staff the Vendor is required to hire.

Question 50: Attachment A 7.2.2 If the Vendor does not name someone for a key position, can the Vendor provide a position description for the key position which includes position responsibilities along with education and experience requirements?

Response: No.

Question 51: Attachment A 7.2.22 Is it necessary to state the maximum number of staff to ensure the CRDU is efficient?

Response: Yes.

Question 52: 7.22.4.1 Vendor must transfer all necessary property, including hardware (along with specifications and configurations necessary to run the software), software and equipment, **purchased for use in performance of this Contract**, with title, leasing, or license rights thereto, to the extent the Vendor possesses the same, to MDHS or subsequent Vendor as directed by MDHS.

Please confirm that the MDHS is procuring a CRDU Services Provider and that the hardware and software purchased for use by the vendor in performance of this contract, is owned by the vendor and not the MDHS.

Response: The hardware and software purchased for use by the Vendor in performance of this contract will be owned by the Vendor, however all requirements as stated in the RFP must be met.

Question 53: Attachment A 7.3.1, RFR Page Number 7. Vendor shall supply secure, lockable on-site office space for up to 5 permanent MDHS staff. Will the state allow MDHS staff to occupy cubicles with locking desks and file cabinets?

Response: Yes.

Question 54: Attachment A 7.3.1 This RFP reference states, "Vendor shall supply secure, lockable on-site office space for up to 5 permanent MDHS staff." Would the State consider offices for only 2 MDHS Staff? Our experience is that after start-up, one office is adequate. However, during start-up, 2 offices may be useful. As a result, unused offices inflate the cost of the contract.

Response: No, refer to Question # 53 above.

Question 55: RFP Section 7.3.1 7.3.2 "Vendor shall supply secure, lockable on-site office space for up to 5 permanent MDHS staff

Vendor must provide adequate PCs, desks, chairs, bookcases, filing cabinets, telephones, basic office supplies; and access to a printer, copier, fax machine; and access to the MDHS system/network, including, but not limited to, METSS, Internet access and free parking spaces.

Will the vendor be required to provide 5 separate state offices for MDHS staff, or can all state equipment and desks for MDHS staff be located within a single work space with cubicles?

Response: Refer to the response to Question # 53 above.

Question 56: Attachment A, Spec 7.4.1 MDHS will train up to 10 core Vendor employees on the METSS system and relevant procedures.

Could the State provide an estimated duration the typical training on the METSS system and relevant procedures?

Response: The estimated duration for typical METSS training is one (1) week.

Question 57: Attachment A 7.5.2 This RFP reference states “Vendor will be responsible for the proper custody and care of any State-owned property furnished for Vendor’s use in connection with the performance of this agreement.” What State-owned property is available for Vendor’s use in connection with this agreement?

Response: Currently the State does not anticipate the Vendor having State-owned equipment. However, as the State makes available its equipment for the Vendor’s use then this requirement would apply.

Question 58: Attachment A 7.6.1 This RFP reference states, “At Contract initiation, and throughout the life of the Contract, the awarded Vendor shall maintain software that is not more than two versions behind the most current manufacturer’s release; and at no point in time will use an unsupported release. Vendor must state the frequency and process that will be used to ensure the software is current. Vendor must also state their process for scheduled and unscheduled downtime.” What is intended by this requirement? Using Microsoft as the model, what is the most current version? Windows 8 has been superseded by Windows 8.1, so at this point, is Windows 7 an acceptable version?

Response: Refer to Clarification Number 7 in this Memorandum.

Question 59: Attachment A 7.6.3.1.1 Would the State please define the length of time that is represented by “as long as needed or desired by the State”?

Response: The State cannot provide a definition of “as long as needed or desired by the State” other than an estimate such as, for instance, as long as needed or desired by the State in order to transition from one Vendor to another or re-establish a State maintained CRDU.

Question 60: Attachment A 7.6.3.1.1 and 7.6.3.1.2 In installations where the Vendor’s intellectual property is modified and custom-tailored to meet the needs of the State, the Vendor must offer the State an application license entitling the State to use, and/or alter the software without restriction. These requirements apply to source code, object code, and documentation. In an instance where the CRDU vendor is leasing the payment processing software from another vendor we do not see how this can be applied. COTS type software is usually not modifiable by the user without payment of lease and licensing fees and then it is the proprietary software of the vendor that can make modifications for a fee. Normally what the State owns is the interfaces between the state system and the Proprietary Software and any other esoteric features that the State has required the vendor

to build outside of what the vendor already offers in their package. Please explain this discrepancy in this RFP requirement and industry standard.

Response: Refer to Clarification Number 8 in this Memorandum.

Question 61: Attachment A 7.6.4 This RFP reference states, "Computer software programs used by the CRDU Vendor necessary for the performance of the requirements of this Contract, which the CRDU Vendor does not have the right to grant a license to shall only be acquired with the advice, and upon the written consent, of MDHS." How does this apply to Proprietary Payment Processing Software?

Response: Refer to Clarification Number 9 of this Memorandum.

Question 62: Attachment A 7.6.6 This RFP reference states, "The CRDU Vendor shall cause all licenses for such software (referenced in Item 7.6.4 above) to include MDHS as a licensee; alternatively, MDHS may consent, at MDHS's sole discretion, to such a license containing a provision that permits the transfer and assignment of the license from the CRDU Vendor to MDHS." Does this apply to proprietary Payment Processing Software? It is difficult to understand how this RFP reference can apply to proprietary Payment Processing Software as this type of software is non-transferable without the payment of fees for its maintenance and use.

Response: Refer to Clarification Number 9 of this Memorandum.

Question 63: Attachment A 7.9.1.4 Please provide historical volumes for the correspondence received at the CRDU that requires forwarding to another agency or returning to the sender.

Response: Approximately 5-10% of the monthly mail received.

Question 64: Attachment A 7.9.2 If it would minimize cost, would the State allow the Vendor to print and mail monthly bills from an established print center outside Mississippi if the mailing of bills is not delayed?

Response: Refer to the response to Question # 27b.

Question 65: Attachment A 7.9.2 Please confirm that the Vendor is only required to send bills to obligors and not to employers as well.
If bills are sent only to obligors, will the Vendor send them to all obligors or only those not paying under an income withholding order through their employer?

Response: The Vendor will be required to send monthly bills to obligors who are not paying under an income withholding order through their employer.

Question 66: Attachment A 7.9.2 Please provide volumes for the number of bills that the Vendor will be expected to print and mail each month.

Response: Approximately 71,000.

Question 67: Attachment A 7.9.2 Would the State please provide a copy of the current billing statement?

Response: See the attached PDF document named, "CRDU Monthly Billing".

Question 68: Attachment A 7.9.2.1, RFR Page Number 15. The Vendor must develop, design, print, produce, fold, stuff, and mail monthly bills containing payment coupons to payors according to the billing cycle set by MDHS. Will the state pay postage for monthly bills and payment coupons as a pass through? Will the bills be printed monthly? Please provide an example of the current bill.

Response: a) No.

b) Yes.

c) Refer to the response to Question # 67.

Question 69: Attachment A, Spec 7.9.2.1 "The Vendor must develop, design, print, produce, fold, stuff, and mail monthly bills containing payment coupons to payors according to the billing cycle set by MDHS."

a) Could the State provide an estimated monthly volume of the billing coupons?

b) Also, could the State provide a sample of the current coupons being generated and mailed annually?

c) Does the State have a specific schedule for the monthly billings? In other words, do the billings need to be generated and sent at the beginning, middle or end of the month?

Response: a) Refer to the response to Question # 66.

b) Refer to the response to Question # 67.

c) At the end of the month for payments due for the previous month's balance.

Question 70: Attachment A 7.9.2.1 Who will be responsible for the cost of paper and postage related to billing statements/coupons?

Response: The Vendor. Also refer to the response to Question # 68.

Question 71: Attachment A 7.9.2.1 Does the State consider the data elements printed on the monthly bill/coupon as personal identifiable information? If so, is the vendor required to print the bills in an 'in-line solution' that requires printing, folding, stuffing, and sealing all to occur in one secured facility?

Response: a) Yes, the data elements are personal identifiable information.

b) An in-line solution is not required.

Question 72: Attachment A 7.9.2.1 If an 'in-line' printing solution is not required, but an off-line solution is acceptable, can the State provide all detailed expectations of the off-line solution that must be delivered?

Response: The State requires that the information remain confidential and protected throughout the process.

Question 73: Attachment A 7.9.2.1 We would ask that the State reconsider the requirements in Attachment A 7.9.2.1 related to the monthly mailing of bills for various reasons including:

- a) The price for accomplishing this is so large (maybe as much as running the CRDU itself) and capable of so much change and/or variance over time, that combining the cost of the monthly mailing with the price of operating the CRDU may result in an overall combined price for the RFP that is subject to so much guess and chance, that the State may receive unintentionally high bids from vendors;
- b) With the advent of more sophisticated IVRs, websites, and text messages, many states have stopped or have reduced sending any printed billing statements and it is possible that the State of Mississippi will want to go in that direction later and, if so, it would make more sense to price the monthly mailing services on a per item cost so that the State may change its mailing requirements over time; and
- c) Because the cost of the mailing is combined with the cost of operating the CRDU into one price, the State will not know how expensive this one requirement is so that it may reconsider, renegotiate, or dispense with this requirement in the award or later.

Therefore, we suggest that the State ask for a separate price for the mailings in either a fixed price for all mailings or a fixed price for each item mailed. We suggest the price per item in order to give the State the most flexibility and possibly lowest price for the CRDU.

Response: Refer to Clarification Numbers 3 and 5 of this Memorandum.

Question 74: Attachment A 7.9.2.1 For the monthly mailing in Attachment A 7.9.2.1, please answer the following:

- a) Will monthly mailings be made to all NCP's with current support obligations due in the month or only those that made a payment in the previous month;
- b) Will monthly mailings be made to NCP's who have only arrears owed;
- c) Will monthly mailings be made to NCP's who have had a previous mailing returned due to a bad address;
- d) Who will be responsible for researching new addresses once a mailing is returned;
- e) Will the State expect the vendor to notify the State of returned mail and if so, how;
- f) How many monthly billing statements does the State anticipate being mailed each month; and
- g) Who will the monthly billing statements be sent to (NCP's, CP's, employers, others)?

Response: a) All NCP's with a current obligation and/or balance.

b) Yes.

c) No.

d) The State will; however, if the CRDU is aware of an address change through the receipt of a payment on a check or returned envelope, then the State expects the CRDU to enter the updated address in METSS.

e) Yes. The process will be determined by the State at a later date.

f) Refer to the response to Question # 66 above.

g) NCPs.

Question 75: Attachment A 7.9.2.6 Will the monthly file containing the information to print the bills be print ready and pre-sorted?

Response: No.

Question 76: Attachment A 7.9.2.6 Please provide a file layout that contains the data elements and definitions for this monthly bill file.

Response: The data on the requested monthly bill differs from the current monthly bill; therefore the layout will be finalized after contract award.

Question 77: Attachment A 7.9.2.10.17 Would the State permit the use of envelopes with pre-printed return addresses for the mailing of monthly bills, instead of double window envelopes?

Response: Yes.

Question 78: Attachment A 7.9.2.10.18 Is it the State's expectation that CRDU staff will process bills that return undeliverable? If so, please explain the processing requirements?

Response: See the response to Question # 74d above.

Question 79: Attachment A 7.9.3.6 How many State users will need access to the Vendor's system for research or viewing purposes?

Response: The State will determine the amount of users after contract award.

Question 80: Attachment A 7.9.3.9 and 7.9.3.13 Attachment A 7.9.3.9: Payments that can be identified to a payor/obligor and to a court order must be posted to the appropriate court order on the same business day they are received.

Attachment A 7.9.3.13: Payments received by the CRDU must be identified to a participant/case in METSS.

These two RFP references seem to contradict. Please clarify, is it a requirement that payments be posted at a Participant (Payor)-level, Case-level, or Court Order-level? If the answer is Case-level or Court Order-level, please clarify how this determination must be made as payors can have more than one case and more than one court order.

Response: Payments from NCP's are posted at the case level number with a specific court order indicated depending on the type of payment. Payments from employers are posted by the social security number.

Question 81: Attachment A 7.9.3.19 Please provide statistics related to the number of payments that are received at the CRDU and require posting to non-support payment Pay Code.

Response: SFY 2012 Non-support payments-9,804, totaling \$339,044.42
SFY 2013 Non-support payments-5,169, totaling \$216,639.45

Question 82: Attachment A 7.9.3.20 Please provide historical figures related to the number of Bank Return Items for which funds must be covered by the Vendor.

Response: Approximately 45-60 Bank Return Items per month.

Question 83: Attachment A, Spec 7.9.3.20 7.9.3.20 "The Vendor is responsible for pursuing collection of funds, only from the maker, to cover any insufficient (NSF) checks, and other bank returned items (BRI) along with the allowed service fee/charge."

7.9.3.21 "The Vendor is also responsible for pursuing collection of funds paid out due to payee participant malfeasance, such as payee cashing a reissued check in addition to the original payment instrument which had a 'stop payment' placed on it

Please confirm that the Vendor is not financially liable to reimburse the State for unrecovered first time NSFs, bank returns, or losses caused by participant malfeasance?

Response: The Vendor is financially liable; the State will not pay up front or reimburse the Vendor.

Question 84: Attachment A 7.9.3.20.1 and 7.9.3.23, RFR Page Number 19. These items cannot be charged against the Collection Account and must be charged against a separate Vendor account. Can the State provide additional explanation about how this process is done?

Response: Refer to Attachment A, Item 7.15.3.2. The Administrative Account will be used for any funds other than support payments or liquidated damages.

Question 85: Attachment A 7.9.3.21, RFR Page Number 19. The Vendor is also responsible for pursuing collection of funds paid out due to payee participant malfeasance, such as payee cashing a reissued check in addition to the original payment instrument which had a 'stop payment' placed on it. How will Vendor receive notice of payee participant malfeasance? How many payee participant malfeasance occurred during each of the last 2 years and what was the dollar value?

Response: a) The Vendor will receive correspondence from the bank.

b) The State is unable to provide the number of payee participant malfeasance.

Question 86: Attachment A 7.10.4 What is the current rate of electronic remittance? Would the State consider making the first year 5% increase based on the fact that it is a startup year and compliance with these provisions usually takes some time? Also, does the State have any laws enforcing the requirement for employers to submit electronically? If so do they have any penalties for non-compliance?

Response: a) **The current EFT rate is 48%.**
b) **No, the 10% first year requirement will remain as is.**
c) **Employers are not required by law to submit electronically.**

Question 87: RFP Section 7.10.4 The Vendor must increase the number and amount of employers that remit electronically by, at a minimum, 10% for the first year of the Contract, 5% for the second year of the Contract, and 2% per year for the remaining life of the Contract, including renewal option years.

a) What is the current EFT percentage?

Response: **Refer to the response to Question # 86a.**

Question 88: RFP Section Pg. 81 7.10.6 – 7.10.9 MANDATORY - The proposed CRDU solution must ensure that the payment information collected meets all industry standards for security of electronic transactions, including PCI.

a) If the MSI Common Checkout option is required and used for payment card and e-check processing the vendor will not be capturing any Credit Card information since they will pass the credit card users to the MSI using tokenization and therefore PCI does not apply. Please confirm that if Credit Card data is not entered on a vendor provided SDU web site then PCI rules do not apply?

Response: **Refer to Exhibit B, Mississippi Payment Processing on page 85 of RFP No. 3738; Recurring Payments via Customer Database (CDB) eWallet section which states recurring payments, the calling application (Vendor's application) is responsible for some of the processing.**

Question 89: Attachment A 7.10.6 & Exhibit B For the e-commerce payments, the RFP Attachment A requirements appear to only indicate the need for a Web solution; however, RFP Exhibit B (Mississippi Payment Processing) indicates others like over the counter, IVR, and Kiosk services.

Response: **Over the counter, IVR, and Kiosk services are not in the scope of this RFP.**

Question 90: Attachment A 7.10.6 Please confirm that the API is capable of storing credit card and ACH information and allows for the triggering of payments in the future and on a recurring basis.

Response: **Refer to the response to Question # 88.**

Question 91: Attachment A 7.10.7 Please provide the payment gateway API documentation. Alternatively, please describe each function available in the API to the Vendor.

Response: API documentation can be found in Exhibit B, Mississippi Payment Processing beginning on Page 80 of RFP No. 3738.

Question 92: Attachment A 7.10.7 Please provide the number of online transactions processed annually.

Response: MDHS does not currently process online transactions.

Question 93: Attachment A 7.10.7 Please provide the total number of transactions processed annually (offline as well as online).

Response: Refer to the response to Questions 19 and 20 above. Also, refer to the response to Question # 92.

Question 94: Attachment A 7.10.7 Would the State consider the use of a different payment gateway if significant cost savings can be shown to the citizen, the State, or both?

Response: It is the State's intent that all online payments flow through the State's Payment Processing Solution per Exhibit C, Final Rule.

Question 95: Attachment A 7.10.7.1 Is it the State's preference to use the CCP or the available API to provide a more seamless experience for the payer?

Response: It is the State's preference to use CCP for one time payments and API for recurring payments.

Question 96: Attachment A 7.10.7.1 and 7.10.7.2 Attachment A 7.10.1: If the one-time payment option is chosen, then the Vendor must follow the requirements regarding Common Checkout Page (CCP)...

Attachment A 7.10.2: If the recurring payment option is chosen, then the Vendor's system must redirect the Payer's credit card information to the State's electronic payment processor...

Please clarify, are the "options" above the payment options that the Vendor is required to offer to the customers, or are they two separate solutions that the Vendor may choose for providing CRDU services? For example, is the Vendor's system permitted to only offer a one-time payment and not offer recurring payment option?

Response: Refer to Attachment A, Item 7.10.6, both one time and recurring payments are required.

Question 97: Attachment A 7.10.7.2 Please describe the following:

- The methodology used by the payment gateway to receive credit card and ACH data for recurring payments
- The methodology for modifying stored payment information via the payment gateway API

- The methodology for deleting or inactivating stored payment information via the payment gateway API
- The methodology used by the payment gateway to trigger future recurring payments via the gateway API

Response: Refer to the response to Question # 88.

Question 98: Attachment A 7.10.7.3 Please provide the typical lead time in which the changes must be made. Please describe how the payment processor announces changes or new features to its API. Does the payment processor provide a test environment in which we can test changes?

Response: a) The Payment Processor provides a 30 day notice.

b) The Payment Processor notifies via email to the point of contacts listed.

c) Yes.

Question 99: Attachment A 7.10.11 Please provide the fee amounts for each method of payment.

Response: The fee amounts for each method of payment will be provided to the awarded Vendor upon implementation.

Question 100: Attachment A 7.10.13.1 In reading this requirement in context with other requirements, this requirement seems to mean that the system should ensure successful authorization of (1) the amount of child support to be paid; AND (2) the amount of the convenience to be charged. If either of those authorizations fails, then the transaction should not be completed. Please confirm that this understanding is accurate.

Response: Yes. Vendor's understanding is accurate however, MSI will authorize all online payments.

Question 101: Attachment A 7.10.13.1 Please clarify this RFP reference, "Awarded Vendor shall guarantee fees before receiving funds from payee."

Response: Awarded Vendor must have funds available to cover the payee's payment until it is deposited. The deposit time frames can be found on Page 84 in Exhibit B, Mississippi Payment Processing.

Question 102: Attachment A 7.10.13.1 RFR Page Number 23. Awarded Vendor shall guarantee fees before receiving funds from payee. Can the State explain the process of "guaranteeing funds"?

Response: Refer to the response to Question # 101.

Question 103: Attachment A 7.10.14 Will the payer be charged the \$1.25 for each echeck payment? Does the API allow functionality for looking up the amount or should the amount be calculated by the Vendor's system?

Response: For one time payments the State's electronic payment process will assess the fee. For recurring payments, refer to Exhibit B Page 85 and the response to Question # 99.

Question 104: Attachment A 7.10.15 Will the payer be charged the fee for each transaction? What is the amount of the fee? Is the fee a flat rate, a tiered rate, or a percentage rate? Does the API allow functionality for looking up the amount or should the amount be calculated by the Vendor's system?

Response: Refer to the responses to Question # 99 and 103.

Question 105: Attachment A 7.10.15 7.10.16
7.10.15 The awarded Vendor is **prohibited from charging any fee on credit card transactions.** The State's electronic payment processor will assess an echeck egov fee that follows the State's approved guidelines for payment processing. Additional details can be found in Exhibits B and C in RFP No. 3738.

7.10.16 **Any convenience fee must be a separate payment transaction and must appear on the payer's bank or card Statement as a separate transaction readily identifiable as a convenience fee resulting from use of CRDU online payment services.** If needed, the awarded Vendor must work with the State's electronic payment processor to meet any data requirements needed for the separate transactions. Additional details can be found in Exhibits B and C in RFP No. 3738.

Sections 7.10.15 & 7.10.16 appear to be in conflict with regards to convenience fees for any electronic payments.

Can vendor charge **any convenience fee** when using the States' prescribed payment gateway/portal for processing the transaction?

Response: No. Also, refer to Clarification Number 10 of this Memorandum.

Question 106: Attachment A 7.10.16 If the Vendor is prohibited from charging a fee for electronic payments, as stated in Attachments A 7.10.14 & A 7.10.15, then what is the "convenience fee" charge stated in Attachment A 7.10.16?

Response: This convenience fee only applies to MSI. Also, refer to Clarification Number 10 of this Memorandum

Question 107: Attachment A 7.10.18 Would the State like the Vendor's system to keep a list of denied payers or will this be provided by the payment processor?

Response: This information will be kept by the State's payment processor.

Question 108: Attachment A 7.10.20 How long would the State like the payment history data available to be viewed by the payer? In other words, can the data be archived after 12, 24, or some other number of months?

Response: **Refer to Clarification Number 11 of this Memorandum.**

Question 109: Attachment A 7.11 Our understanding is that the CRDU vendor will submit a daily file to METSS with posting information that has been obtained for unidentified payments. Is this correct? If not, how will METSS be updated when payments are identified?

Response: **The unidentified payments will be included on the daily payments file interfaced to METSS. Once the unidentified receipt has been researched, an adjustment will be made by the Vendor to the appropriate METSS case or SSN. Research timeframe requirements as indicated in the RFP must be met.**

Question 110: Attachment A 7.11.6 Attachment A 7.11.6 states, "Unidentified payments (where it is not possible to immediately contact a payer to rectify a specific problem with the payment or to identify the payment) will be posted to METSS as unidentified and held in this status for no more than 3 business days beyond the date of receipt." Please confirm our assumption that unidentified payments will be deposited on the date received, transmitted to METSS as unidentified on the date received, and then worked by CRDU staff out of the METSS system and that unidentified payments will not be held in the receipting system beyond the day of receipt.

Response: **Yes, that is correct.**

Question 111: Attachment A 7.12.1 Requirement 7.12.1 under "Disbursements" states the following: "Vendor will be responsible for managing all child support payments including checks, web-based and employer EFT's, and direct deposits after their disbursement." Could the State please clarify what kinds of disbursements are currently made via "web-based" or as "employer EFTs"?

Response: **Currently there are no disbursements via the web or as employer EFTs. The Vendor will be managing all web-based payments and only employer EFT exceptions for incoming payments.**

Question 112: RFP Section 7.12.1 Vendor will be responsible for managing all child support payments including checks, web-based and employer EFT's, and direct deposits after their disbursement. Please provide more clarification on what managing disbursements specifically entails (e.g. processing returned disbursements by voiding and reissuing using METSS)?

Response: **Handling returned checks and direct deposits.**

Question 113: Attachment A 7.12.1, RFR Page Number 26. Vendor will be responsible for managing all child support payments including checks, web-based and employer EFT's, and direct deposits after their disbursement. Please clarify the Vendor's responsibility, is it related to the payments the CRDU processed or the disbursements or both?

Response: Refer to the responses in Questions # 111 and 112 above.

Question 114: Attachment A 7.12.2 and 7.12.3.7 Attachment A 7.12.3.7 states that "Checks will continue to be printed and mailed by MDHS." Will MDHS also continue to initiate debit card and direct deposit disbursements, like those stated in Attachment A 7.12.2, to custodial parents outside of this contract?

Response: Yes.

Question 115: Attachment A 7.12.3 Will all adjustments – returned checks (voids), stops, misapplied adjustments, etc. – be completed in METSS?

Response: Yes.

Question 116: Attachment A, Spec 7.12.3.1 Checks will be issued with the CRDU's return address

Please confirm that the State will be performing the function of physically disbursing the checks, including printing and mailing.

Response: Yes, the State will be physically disbursing the checks, including printing and mailing.

Question 117: Attachment A 7.12.3.2 and 7.12.3.8 7.12.3.2: "The awarded Vendor will research returned checks to determine if they should be re-mailed, voided, or reissued."

7.12.3.8: "Returned checks must be voided and then researched by CRDU staff for a more correct address."

Requirement 7.12.3.8 indicates that returned checks must first be voided and then researched. Requirement 7.12.3.2 suggests that a returned check can be re-mailed (and presumably not voided).

Are all returned checks voided?

Or can a returned check that presents a new address be re-mailed when all appropriate procedures have been followed?

Response: a) No.

b) Yes.

Question 118: Attachment A 7.12.3.3 and 7.12.3.4 Is it correct that all activities related to handling disbursement exceptions (e.g., stale-dated and lost/stolen/destroyed checks, etc.) will be completed in the METSS system and MDHS will provide the procedures for these tasks?

Response: Yes.

Question 119: Attachment A 7.12.3.7, RFR Page Number 27. Checks will continue to be printed and mailed by MDHS. The checks will be drawn on the appropriate bank as designated by MDHS. Will the checks be drawn on the CRDU account established by the Contractor or a bank account established by the State? Confirm that MDHS is responsible for the printing and mailing cost of the checks.

Response: a) Depending on the situation the check(s) be drawn on the CRDU account established by the awarded Vendor or from the State's account.

b) Yes.

Question 120: 7.12.4.1; 7.12.4.1.1; 7.12.4.1.3 7.12.4.1 The CRDU will meet federal time standards for disbursement of payments received by the CRDU.

7.12.4.1.1 "The federal time standard provides that any disbursement required to be made to an obligee must be initiated (i.e., the check mailed or the electronic funds transfer initiated) on or before the end of the second business day following receipt of the payment by the CRDU."

7.12.4.1.3 "The Vendor must notify the State of Mississippi IV-D Director or designee, immediately if disbursements are delayed for any reason

Since all of these requirements refer to the original disbursements which are NOT in the scope of work, should these requirements be removed?

Response: Refer to Clarification Numbers 12 and 13 of this Memorandum.

Question 121: Attachment A 7.13.4.2 & 7.13.7 It appears that the requirement numbers in Attachment A skip from 7.13.4.2 to 7.13.7.

Would the State please confirm that no requirements are missing from the matrix?

Response: There are no requirements for 7.13.4.3 through 7.13.6.

Question 122: Attachment A 7.13.7.1 Will the payment adjustments required be completed in the METSS system? If so, does this mean that vendor CRDU staff will have access to METSS with the proper security profile to allow for payment adjustments?

Response: a) Yes.

b) Yes.

Question 123: Attachment A 7.13.7.6 Is the Vendor or MDHS responsible for the initial disbursement?

Response: If the misapplied payment is the fault of the Vendor, the Vendor will be responsible for making the recipient and/or the State whole.

Question 124: Attachment A 7.13.7.6 This RFP requirement states that “The Vendor should strive to ensure that no misapplied payments occur; if misapplied payments are not avoided, the Vendor is liable for the second disbursement which corrects the misapplied payment.” Does this mean that the State will fund the initial misapplied payment?

Response: **No, refer to the response to Question # 123 above.**

Question 125: Attachment A 7.13.7.8 Would the State please clarify whether the Vendor is responsible for refunding the Collection Account for misapplied payments that are categorized as “MDHS errors”? This section seems in conflict with requirement 7.13.7.12.

Response: **Vendor will not be responsible for MDHS errors.**

Question 126: RFP Section 7.15.1 The awarded Vendor must select a financial institution that is insured by the Federal Deposit Insurance Corporation, maintains a facility that takes deposits in the State of Mississippi and appears on the State of Mississippi Treasury Department's approved depository list. The financial institution must also be registered with the Mississippi Secretary of State and in good standing with the governing regulatory commissions in order to take deposit of support funds received by the CRDU.

MDHS is asking vendors to open and manage an Interest Only Lawyer Trust Account, where the vendor will be responsible for all fees, and any interest/earnings must be returned to the State to be accounted for as revenue.

- a) Can we assume that if a bank appears on the State of Mississippi Treasury Department's approved depository list, that they are also registered with the Mississippi Secretary of State and in good standing with the governing regulatory commissions in order to take deposit of support funds received by the CRDU – or do we have to determine if they meet those requirements as well?
- b) Does the current bank accept Image Cash letter deposits?
- c) Would the State consider changing this requirement to have the State provide the Bank and designated accounts for the vendor to manage and reconcile, allowing the State Treasurers Office the ability to get the best rates from banking partner and lowering the costs to MDHS?
- d) If MDHS does not want to change this requirement noted in “d” above, please provide the past six months of bank account activity analysis and billing statements.

Response: **a) No. It is the Vendor’s responsibility to ensure that the bank chosen meets all requirements.**

b) Yes.

c) No.

d) The State will not provide this information at this time.

Question 127: Attachment A 7.15.3 Is the State or the Vendor responsible for the outreach associated with redirecting existing bank-to-bank EFT remitters to the new collections account?

Response: **The State will be responsible for redirecting existing bank-to-bank EFT remitters to the new collections account.**

Question 128: Attachment A 7.15.3 Will disbursements issued by the State be funded through a Vendor-managed bank account?

Response: **No.**

Question 129: Attachment A 7.15.3 Would the State please provide additional information on the use of the each of the three required accounts (collections, administrative, damages) within the required banking structure?

Will the State please confirm that these accounts will be State-owned and Vendor-managed?

What funding activities will flow through Vendor established bank accounts?

Response: **a) Collections Account - depositing all of the support payments received. Administrative Account - any funds other than support payments or liquidated damages. Damages Account - solely for liquidated damages.**

b) The State will discuss this during contract negotiations with the awarded Vendor.

c) All received child support payment fund, returned items, and online payments will flow through Vendor's established bank accounts.

Question 130: Attachment A 7.15.3, RFR Page Number 32. The CRDU Vendor must have at least 3 separate accounts at this bank which are listed below: Collections Account; Administrative Account and Damages Account. Is the Contractor required to have depository accounts for payment processing? Is the Contractor required to have disbursement accounts for checks, direct deposit and debit cards? In order to determine the cost of providing banking services, please provide your monthly bank statement analysis for each of the last 24 months.

Response: **a) Refer to the response to Question # 129a.**

b) No.

c) The State will not provide this information.

Question 131: Attachment A 7.15.4, RFR Page Number 33. The State of Mississippi has the right to reject the choice of bank. Vendor must state their choice of bank in their proposal response. In order to reduce risk and costs to the State, would the State consider using the current State's bank?

Response: Vendors may propose the same bank that the State currently uses. However, the State will not transfer their current accounts to the awarded Vendor.

Question 132: Attachment A 7.15.7.1, RFR Page Number 33. The Vendor must establish an IOLTA Account under the ownership of the State and provide a plan that will protect the balance from adverse action against the Vendor. Will the daily CRDU deposits be placed in the IOLTA Account? In 7.15.3 the RFR references a Collections Account, Administrative Account and Damages Account. Is the IOLTA separate from each of these accounts?

Response: Refer to Clarification Number 14 and 15 in this Memorandum.

Question 133: Attachment A 7.15.7.1 Could the State please clarify the purpose of the IOLTA account? Is this the same as one of the three required accounts (collections, administrative, damages)? If this is a separate account, what money is deposited into this account?

Response: Refer to Clarification Numbers 14 and 15 in this Memorandum.

Question 134: Attachment A 7.15.7.1 Please explain the requirements surrounding the State's requirement of establishing an IOLTA account in the State's name for CRDU operations.

Response: Refer to Clarification Numbers 14 and 15 in this Memorandum.

Question 135: Attachment A 7.15.8.1, RFR Page Number 34. Depending on the banking arrangements positive pay must be used at the bank. The Vendor shall supply the bank with a file of all checks written or voided. In 7.12.3.7 the RFR states the MDHS will be responsible for printing checks. Will the MDHS provide the CRDU the file of all checks written for submission to the bank?

Response: The State will provide the bank the file of all checks written.

Question 136: Attachment A 7.15.8.1 Please clarify this RFP reference, "Depending on the banking arrangements positive pay must be used at the bank. The Vendor shall supply the bank with a file of all checks written or voided." If MDHS will continue to print and mail check, would MDHS not be responsible for supplying the positive pay file to the bank?

Response: Refer to the response to Question # 135 above.

Question 137: Attachment A 7.16.7.5 Are Non IV-D payments transmitted to METSS in the daily collections file? If not, where are these payments housed? Please clarify the processing and transmission requirements for Non IV-D payments.

Response: a) Yes.

d) Refer to the response to Question # 137a.

c) The Non-IV-D payments will be processed in the same manner as the IV-D payments.

Question 138: Attachment A 7.16.7.5 What mechanism will the Vendor use to identify a Non IV-D payment?

Response: **The case status will be available to the Vendor in METSS.**

Question 139: Attachment A 7.16.7.10 Please clarify this RFP reference, "Depending on banking arrangement automated check clearance control report; must include all items of discrepancy between the positive pay file provided to the bank and the actual checks presented to the bank." If MDHS will continue to print and mail checks, won't MDHS be responsible for processing the cleared check files from the bank and related reporting?

Response: **Yes, the State will be responsible.**

Question 140: Attachment A 7.16.14.4 Please clarify what type of payment history requests will be received at the CRDU and what data is the vendor required to provide for such a request. Is this a history of all payments made by the payor from the start date of this contract or are there additional requirements?

Response: **a) This type of request would most likely only come from the IV-D Director or other State designee. The Vendor must provide the information requested by the IV-D Director regarding payment history.**

b) The history of payments would be from the start date of this contract.

Question 141: Attachment A 7.16.14.5 This requirement appears to be incomplete: "Monthly statistical report which shows the detail and averages for the following items for the past six months." Please provide details.

Response: **Refer to Clarification Number 16 in this Memorandum.**

Question 142: Attachment A 7.16.15.5 Please clarify the requirements for family violence indicators specific to the CRDU. Will existing family violence indicators be provided on interface files from METSS? Are CRDU staff members responsible for family violence indicator determinations and updates to any systems?

Response: **a) No. The State will not send family violence indicators to the CRDU.**

b) The CRDU will not be responsible for any actions pertaining to family violence indicators.

Question 143: Attachment A 7.16.15.5 Please clarify how the CRDU will be made aware of cases that have Family Violence Indicators attached?
How does this indicator pertain to processing CRDU collections?

Response: a) Refer to the responses in Question # 142a and b.

b) Refer to the responses in Question # 142a and b.

Question 144: 7.17.3.1 If disaster recovery is necessary, the Vendor must ensure that there is the absolute minimum interruption of service, (including payment processing, deposit, etc.) not to exceed 48 hours, with no loss of data and must utilize their most current versions of software during the recovery process.
Please define “no loss of data” in relation to disaster recovery?

Response: “No loss of data” in relation to disaster recovery is defined such that in the event there is a disaster recovery process taking place, no data pertaining to the functioning of the CRDU is lost.

Question 145: 7.17.3.3 This site must be accessible to the State. The preferred storage medium is SAN disk. Please clarify its preference for SAN disk given the hardware and software is owned by vendor.

Response: SAN is currently the storage platform of choice for server environments for ITS.

Question 146: Attachment A 7.17.5.1 Please clarify whether this requirement is a requirement for audited financial statements for the vendor’s corporation or a financial audit specific to the operations of the CRDU.

Response: This requirement is specific to the operations of the CRDU.

Question 147: Attachment A 7.17.5.1 & 7.17.5.1.2 It appears that the requirement numbers in Attachment A skip from 7.17.5.1 to 7.17.5.1.2.
Would the State please confirm that no requirements are missing from the matrix (i.e., 7.17.5.1.1)?

Response: There are no requirements missing in between 7.17.5.1 and 7.17.5.1.2.

Question 148: Attachment A 7.17.5.5 Is the State requiring a SOC1 or SOC2 SSAE 16 audit?

Response: Refer to Clarification Number 17 of this Memorandum.

Question 149: Attachment A 7.19, 7.20, 7.21 Would the State please confirm whether draft Implementation, Testing, and Transition Plans are required with the Proposal or whether these will be delivered upon Contract Award following coordination with MDHS?

Response: Draft Implementation, Testing, and Transition Plans are required to be submitted with the Vendor’s proposed Project Work Plan, as per Attachment A, Items 7.18.1, 7.19.1, 7.20.1 and 7.21.1.

Question 150: Attachment A 7.21.1 Would the State please provide additional detail on what data must be converted? How many years of data must be converted to the Vendor's system? Does this conversion include payment images? Could this State please provide an estimate of how many GB of data/images must be converted?

Response: **The State is not able to provide answers to any of these questions at this time.**

Question 151: General - Please provide the number of payments by type per month processed by the CRDU for the past 2 years.

Response: **Refer to the responses in Question # 19 and 20 above.**

Question 152: General - Does Mississippi have in its short term or long term plans any significant technology upgrades that may affect the CRDU?

Response: **No.**

Question 153: General - Please provide 2012 figures for the number and percentages of receipts received (paper checks versus EFT).

Response: **Refer to the responses in Question # 19 and 20 above.**

RFP responses are due December 10, 2013, at 3:00 p.m. (Central Time).

If you have any questions concerning the information above or if we can be of further assistance, please contact Tangela Harrion at 601-432-8112 or via email at Tangela.Harrion@its.ms.gov.

Enclosure: Section VIII, Revised Cost Information Submission

Attachments: CRDU Payment Method & Payment Source Report
CRDU Employee Position Description
CRDU Monthly Billing

cc: ITS Project File Number 40839

SECTION VIII
REVISED COST INFORMATION SUBMISSION

Vendors must propose a summary of all applicable project costs in the matrix that follows. The matrix must be supplemented by a cost itemization fully detailing the basis of each cost category. The level of detail must address the following elements as applicable: item, description, quantity, retail, discount, extension, and deliverable. Any cost not listed in this section may result in the Vendor providing those products or services at no charge to the State or face disqualification. Vendors may add rows, if needed.

YEAR 1 FIXED COSTS	
DESCRIPTION	COST
Implementation of hardware and software required for startup	
Ongoing operational CRDU Costs (do not include mailing)	
System maintenance/programming /testing	
Other - specify	
TOTAL YEAR 1 FIXED COSTS:	
Fixed Unit Price for each Item Mailed:	

YEAR 2 FIXED COSTS	
DESCRIPTION	COST
Ongoing operational CRDU Costs (do not include mailing)	
Upgrading hardware and software for ongoing operations	
System maintenance/programming /testing	
Other - specify	
TOTAL YEAR 2 FIXED COSTS:	
Fixed Unit Price for each Item Mailed:	

YEAR 3 FIXED COSTS	
DESCRIPTION	COST
Ongoing operational CRDU Costs (do not include mailing)	
Upgrading hardware and software for ongoing operations	
System maintenance/programming /testing	
Other - specify	
TOTAL YEAR 3 FIXED COSTS:	
Fixed Unit Price for each Item Mailed:	

Cost of Performance Bond for 3-years (Per Section VI, Item 37)	\$
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YEAR 4 FIXED COSTS	
DESCRIPTION	COST
Ongoing operational CRDU Costs (do not include mailing)	
System maintenance/programming /testing	
Mailing of CRDU Items	
Other - specify	
Total YEAR 4 FIXED COSTS:	
Fixed Unit Price for each Item Mailed:	

YEAR 5 FIXED COSTS	
DESCRIPTION	COST
Ongoing operational CRDU Costs (do not include mailing)	
System maintenance/programming /testing	
Other - specify	
TOTAL YEAR 5 FIXED COSTS:	
Fixed Unit Price for each Item Mailed:	