# Responses to Vendor Questions
## Payment Processing Software – SD Department of Social Services Division of Child Support
### Secretariat/Finance #1272

| # | Offeror Question | Answer |
|---|---|---|
| 1 | **Q:** What is the current vendor you use for your remittance processing? | **A:** The State currently uses WAUSAU Financial System KidCare/IntegraPay for payment processing. |
| 2 | **Q:** Is your current remittance processing system in-house? | **A:** Yes, the current software and processing is all completed in-house. |
| 3 | **Q:** Do you have any current scanners that you want us to consider using in the new system? | **A:** The current system utilizes the Canon CR-190i to scan the payments, and a Canon 5010C to scan any additional paperwork that is received with the payments.

If your system requires a specific piece of hardware it should be listed.

The state would consider retaining existing software. However, if the proposed system allows for different hardware options they should be provided.

The state also reminds Offerors to consider the RFP's high level of automation references. Any hardware recommendations should also be included in the cost proposal. |
| 4 | **Q:** You mention at the end of Section 3.0 that: "It is the intention of the Department to expand this process to all programs in the Departments".

Are these additional volumes we should consider in the sizing of the system? If we are to include these volumes do you have an estimate on the numbers? | **A:** The program currently being processed within the State Disbursement Unit represents the majority of payments.

The State anticipates a 10% increase in volume to incorporate the remainder of the Divisions into the process. |
| 5 | **Q:** Do you have any full page documents that you need to process? If so please explain with an example? | **A:** Any paperwork received with payments is considered supporting documentation. The documentation is scanned, linked to the check it came with, and is used for payment allocation. The information is also sent into the current electronic filing software FileDirector and attached to all applicable cases.

The size of supporting documentation can range from a small envelope or note up to |

| | | legal sized pages submitted with medical claims. |
|---|---|---|
| 6 | **Q:** In section 3.1.2: When you indicate having a" product that is housed in the state or through a site hosted by the offeror". Are you referencing the option for the offeror to host the servers and software at their location and the scanners and workstations needed at your location? | **A:** The State is willing to consider housing all software, server, and hardware within the state. The state would also consider the Offeror hosting the servers and software and the state housing the scanners and workstation.<br><br>As noted in 3.1.1 outsourcing the entire SDU is not an option at this time. |
| 7 | **Q:** Is it an option for you to use your existing infrastructure to support the servers and data bases required for the new system or are you looking for us to provide all hardware, servers and disk? If you do want to use your existing infrastructure how should we price the hardware since you will be partitioning your existing servers and disk and we would not have your internal costs to use in our pricing? | **A:** The State prefers to use State infrastructure to support the servers and databases for State hosted solutions. In all cases where the state will or may host the solution the vendor must define the resources required for their solution. This includes but is not limited to required software products, operating systems, CPU, memory, storage, and any other resources required by the solution. The vendor should not include pricing associated with the State infrastructure. However, if the vendor solution requires technologies outside those defined as state standards those technologies must be clearly listed. |
| 8 | **Q:** Can the international company participate in this tender? | **A:** Yes. |
| 9 | **Q:** We understand South Dakota is requiring 1 original, 10 copies, and a PDF on a USB flash drive, and vendors should submit the cost proposal as a separate document. Does the State want one copy of the cost proposal, or 1 original and 10 copies? Should we include the cost proposal on a USB flash drive? | **A:** The state would like 1 original and 10 copies of the cost proposal to be included.<br><br>It is not necessary to include the cost proposal on the USB flash drive. |
| 10 | **Q:** Do the 10 copies need to have an original ink signature, as well? Or can the copies include a scanned signature? | **A:** The 10 copies of the proposal can include a scanned signature and only requires an ink signature on the original submittal. |
| 11 | **Q:** When was current system installed? | **A:** The existing software was originally installed around 2002 and has gone through one upgrade in 2012. |
| 12 | **Q:** The Payment program is COBOL and Natural Languages. Do they own the source code? Does BIT and the State of SD support the system or does someone else? | **A:** The primary system for Child Support is a Mainframe system which uses COBOL and Natural Languages. |

| | | |
|---|---|---|
| | | The payment processing software we are currently looking to replace is a windows based program owned and maintained by WAUSAU Financial. |
| 13 | **Q:** Do they have annual hardware / software maintenance agreements on their current system? | **A:** Yes, a current software maintenance agreement is in place with our current Vendor. |
| 14 | **Q:** Currently the SDU process payments as outlined in Section 3.1.5 of the RFP. Does the state desire to process payments from other state departments and act as an internal payments service provider? If so, any projection on the number of departments and their associated payment volumes and types of associated documents? | **A:** The State is currently moving towards processing payments for all Divisions within DSS. At this time there is no discussion of processing payments for any other state Department.<br><br>The current volume of payments identified in section 3.1.5 represents approximately 90% of the anticipated payments for the entire department. |
| 15 | **Q:** (regarding 3.2.6 of the RFP) Please clarify the vision for this requirement:<br>3.2.6 The State wishes to have the ability to manipulate the information by an Administrator should the need arise. The Offeror will detail the system's ability to allow for manipulation by such an Administrator. | **A:** South Dakota would like the ability to:<br>• update file locations for both the image file and the deposit file,<br>• add/change/remove user accounts,<br>• Add additional bank ID's as more Divisions are incorporated into processing. |
| 16 | **Q:** (regarding Section 3.2.23 of the RFP) How many locations throughout the state would need remote scanning of payments? And what volume of payments are anticipated from each location. | **A:** South Dakota would designate a minimum of 9 different locations 1 primary location (Pierre, SD) and 8 remote locations across the state.<br><br>The payments received in each location would vary, however we anticipate 20-30 payments from each location on a daily basis. |
| 17 | **Q:** (regarding Section 3.2.23 of the RFP) Does the state already have a web portal for processing payments from, for example, employers? Is the state looking for the vendor to provide a web based payment portal? Or is the state just looking for the ability to receive electronic files which contain the payment posting information that was received through other external web payment portals? | **A:** The State currently does not have a method to allow employers to submit payments.<br><br>If the Offeror is able to provide the ability for both electronic payments from employers and the ability to automate the posting of those payments, this functionality should be noted within the proposal. |

Responses – Final

| 18 | **Q:** (regarding Section 3.2.23 of the RFP) Could the state provide more details about the current process used to process Credit Card and EFT payments as referred to in Section 3.2.23.3 of the RFP? | **A:** The current credit card process utilizes a portal through U. S. Bank that allows non-custodial parents to pay their support. Upon the direction of CSE staff validation of the daily totals using a secure on-line web portal, the State Treasurer's Office initiates an ACH draw from the vendor account to the state contracted bank.<br><br>A file is sent to Child Support on a daily basis, loaded into the primary Mainframe system, and allocated accordingly. |
|---|---|---|
| 19 | **Q:** (regarding Section 3.2.23 of the RFP) Please provide additional information regarding the volumes associated with this process and the various payment types / percentages:<br><br>The Department requests the Offeror provide any optional additional functionality that will enhance and/or increase the ability to streamline the daily processing of payments in addition to the software/services proposed. Examples could include but are not limited to:<br><br>The ability to receive and process web payments directly into the system and deposit those funds from an outside source. For example, the ability to allow employers to submit a payment directly into the system and automatically process the payment requiring minimal staff intervention. | **A:** Based on 3.1.5 the Division of Child Support processed a total of 616,576 payments through state fiscal year 2017.<br><br>The chart included in 3.1.5 identifies 3.5% or 21,580 payments were received by Credit card. The chart further states 38.1% or 234,916 payments were received by EFT.<br><br>The State does not currently provide employers the ability to submit web payments. Therefore, the State is not able to provide volumes or percentages. |
| 20 | **Q:** (regarding Section 3.2.23 of the RFP) Please provide information regarding how these are processed today. Will they be expected to be received in the mail room or through the web portal? Please provide types of payments, cards accepted and volumes.<br><br>Assuming that the State has card services and financial gateways in place for the processes today. Is the assumption that the new system will be able to leverage this functionality or will new connections be required?<br><br>Is there a convenience fee charged for credit cards or is this absorbed by the State?<br><br>If volumes are not available, will it be | **A:** The Credit card and EFT processes currently utilized would be reviewed to determine the level of benefit the State would gain if they were routed through the SDU software.<br><br>Currently there are no convenience fee's associated with our ePayment website.<br><br>Please see question 20 for an annual volume estimate. |

| | | |
|---|---|---|
| | satisfactory to provide this pricing as baseline with no volumes included?<br><br>3.2.23.4 Credit card and EFT payments currently run through a process independent from the payment processing system. DCS also recognizes it may be beneficial to send these payments through the software for processing. Each method allowed should be briefly addressed and a flow chart for each type should be provided describing the anticipated flow into and out of the system. | |
| 21 | **Q:** Please provide the scanning and mailing extraction equipment that is used for the 51.5% of the payments (assuming these are mail-ins), as stated in:<br><br>3.1.5 In state fiscal year 2017 (July 1 2016 through June 30 2017), the DCS processed 616,576 payments totaling approximately $116.5 million, the SDU processed 51.5% of those payments through the current system. | **A:**<br>All payments processed within the SDU are manually extracted by Child Support and the ORFI staff.<br><br>The payments are manually loaded into the system. Checks are imaged through a Canon 190i and all white papers are scanned through a Canon 5010C.<br><br>The current level of manual intervention and the limited staff is the reason the RFP requests any additional automation available to be provided. |
| 22 | **Q:** Is the implementation period prior to go live considered part of Year 1 (12 months) of the contract? | **A:** |
| 23 | **Q:** Attachment A, Section 9, "Work Product", we do not consider our off-the-shelf proprietary software that we are proposing to license to the State in response to the RFP, to be Work Product under an agreement resulting from this procurement.<br><br>Does the State agree that Vendor's proprietary software will not constitute Work Product under the terms of the agreement and that the State will not have the right to use the software after the term of the agreement? | **A:** If a vendor is proposing to license off-the-shelf proprietary software, the State would not consider this software Work Product. In this type of situation, the terms of Section 9 of the agreement may be modified. |
| 24 | **Q:** Attachment A, Section 9, "Work Product", we will be providing 3rd party off-the-shelf proprietary software. We do not consider providing 3rd party off-the-shelf proprietary software that we are proposing to license to the State in response to the RFP, to be Work Product under the agreement.<br><br>Does the State agree that 3rd party proprietary | **A:** If a vendor is proposing to provide 3rd party off-the-shelf proprietary software, the State would not consider this software Work Product. In this type of situation, the terms of Section 9 of the agreement may be modified. |

5

| | | |
|---|---|---|
| | software will not constitute Work Product under the terms of the agreement and that the State will not have the right to use the software after the term of the agreement? | |
| 25 | **Q:** Would the State be willing to include a term in Attachment A, Section 9, identifying Vendor's rights to its pre-existing materials, such as the following example?<br><br>"Rights in Pre-Existing Materials. Provider shall retain all rights, title and interest, including intellectual property rights, in and to software, documentation, manuals, and know-how, including any concepts, tools, methodologies, procedures or any trademarked or copyrighted products or materials that have been developed by Provider independently of this Agreement ("Pre-Existing Materials"), which may be adapted or used by Provider to perform Services, and any enhancements or revisions thereto. To the extent that Provider's Pre-Existing Materials are used in the creation of Work Product, Provider hereby grants the State a royalty-free, non-exclusive and irrevocable license to use such Pre-Existing Materials only as part of the Work Product." | **A:** Any changes to the terms of the contract verbiage will be negotiated upon contract award. |
| 26 | **Q:** Does South Dakota DCS plan on continuing to use DCS' Canon 190i scanner to image the checks and continuing to use DCS' Canon 5010C scanner to scan all supporting documentation?<br><br>    **a.**    If not, does DCS expect new mail opening/scanning equipment to be included as part of vendor's proposal? | **A:**<br>Please see answer to question 3. |
| 27 | **Q:** RFP Section 3.3.1: The State will designate Change Requests as low, medium, or high priority. It is expected that work on low priority changes shall begin within 180 calendar days of written approval by the States. Work on medium priority changes shall be initiated by the Offeror within 60 calendar days of written approval by the States and that work on high priority changes shall be initiated by the Offeror within 30 calendar days of written approval by the States. The Offeror shall provide agreed upon start and completion dates within 14 calendars days following the approval of the change request by | **A:**<br>South Dakota confirms section 3.3.1 is intended to read "State" singular and not "States" plural.<br><br>The State also acknowledges and confirms the same for sections 3.3.3 and 3.5. |

6

| | | |
|---|---|---|
| | the States. The Offeror shall provide a monthly status report of the enhancement and its progress against the timeline for the approved change request.<br><br>Please confirm that the use of the term "States" (in red font above) are typos and should read "State". This also occurs in RFP Sections 3.3.3 and 3.5. | |
| 28 | **Q:** RFP Section 3.2.22: The Department of Social Services, through the Secretariat/Finance, has incorporated payments from other programs into the SDU for the purposes of electronic deposit and payment imaging purposes. The incorporation of additional programs requires the software to have the ability to:<br><br>And RFP Section 3.2.22.4: Create supporting documentation in the various formats for processing.<br><br>Can DCS elaborate on what is being requested regarding the "creation of supporting documentation and in what various formats" are required for processing non-child support payments, e.g., processing manuals, creation of payment coupons, others? | **A:**<br>The State will have multiple Divisions submitting payments for electronic deposit and imaging through the SDU.<br><br>Each Division requires their own account (Bank ID) within the software for the creation of the deposit and imaging files.<br><br>Any additional documentation needed for deposit or statistical reports should be available at a minimum in Word, Excel, and PDF. If any other formats are available they should be included. (TIFF, GIF, .txt, .xml) |
| 29 | **Q:** RFP Section 3.2.6: The State wishes to have the ability to manipulate the information by an Administrator should the need arise. The Offeror will detail the systems' ability to allow for manipulation by such an Administrator.<br><br>Can DCS elaborate on what type of information you would want or need to manipulate? | **A:**<br>Please see question 15. |
| 30 | **Q:** RFP Section 4.4 and RFP Attachment D, A47:<br><br>RFP Section 4.4 notes the requirement of either a SOC 1, SOC 2 or SOC 3 audit on an annual basis, while Attachment D, A47 requests a SOC 2 upon request, if available.<br><br>For budgeting purposes, please clarify whether a SOC 1, 2 or 3 audit is required on an annual basis for the duration of the contract. | **A:** The State has reviewed all information and has determined the SOC 1 would be the appropriate version required at this time. |
| 31 | **Q:** RFP Requirement 4.6: The offeror must submit information that demonstrates their availability and familiarity with the locale in | **A:**<br>The requirements in section 4.6 are a direct correlation to SDCL 5-18D-18. |

| | | |
|---|---|---|
| | which the project (s) are to be implemented.<br><br>Proposal Evaluation and Award Process 6.1.7: Availability to the project locale.<br><br>Can the State elaborate on what is meant by "familiarity with the locale"?<br><br>Can the State elaborate on how availability will be evaluated?<br><br>Will the State be scoring based on whether the vendor is local or based on how many contracts a vendor has with the State? | Evaluation criteria to be stated in request for proposals. The request for proposals shall state the relative importance of evaluation criteria to be used in the ranking of prospective contractors. The agency shall include the following evaluation criteria in any request for proposals:<br> (1) Specialized expertise, capabilities, and technical competence as demonstrated by the proposed approach and methodology to meet the project requirements;<br> (2) Resources available to perform the work, including any specialized services, within the specified time limits for the project;<br> (3) Record of past performance, including price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration;<br> (4) Availability to the project locale;<br> (5) Familiarity with the project locale;<br> (6) Proposed project management techniques; and<br> (7) Ability and proven history in handling special project constraints.<br><br>It is the Offeror's responsibility to provide a detailed response of their knowledge of the state of South Dakota.<br><br>At a minimum, the State asks for the Offeror to describe not only their familiarity with South Dakota but the ability to provide necessary support services based on the rural nature of our state. |
| 32 | **Q:** Attachment A, Section 20 does not address the issue of the Provider's indemnity in circumstances where the State may be partially responsible for claims or damages.<br><br>In assessing the Provider's indemnification obligation, will the State consider the apportionment of liability between responsible | **A:** Any changes to the terms of the contract verbiage will be negotiated upon contract award. |

8

| | | |
|---|---|---|
| | parties, to reflect each one's relative contribution to the loss? | |
| 33 | **Q:** Attachment G and RFP Section 1.11: Attachment G reflects pricing for 4 years while RFP Section 1.11 notes the initial contract term is for three years with 4, one year optional renewals. If the contract is extended for years 5, 6 or 7, will the pricing be negotiated upon renewal? | **A:** The current term will be for the timeline identified in 1.11.<br><br>**1.11 LENGTH OF CONTRACT**<br><br>The contract length for this RFP will depend on the services provided by the Offeror's winning proposal.<br><br>If appropriate, contract will run for a length of three years with the option to renew for four additional one year periods totaling a seven year contract.<br><br>The cost proposal should identify any changes in cost for the additional years if appropriate. |
| 34 | **Q:** Attachment G Cost Proposal for Payment Processing System; Section labeled "Other Costs, Cost to add additional Programs after initial set up:<br><br>**a.** Could the State define "Programs"?<br>**b.** Are the Programs limited to Programs within the Department of Social Services; Division of Child Support Department?<br>**c.** Would the State clarify how a vendor should provide pricing for different "Programs" since each "Program" could differ in terms of implementation effort, volume, custom features, third party costs, etc.?<br>**d.** If the cost of adding a "Program" is determined based on the specifics of the "Program" (e.g., implementation effort, volume, custom features, third party costs), can vendor provide a narrative explanation on Attachment G, to better propose its pricing?<br>**e.** Will the State allow vendors to negotiate terms and pricing for additional "Programs" once specific "Program" requirements are agreed upon? | **A:**<br>a. The State defines "Programs" to be any other Division within the Department of Social Services.<br>b. See answer 'a'.<br>c. Any 'Program' added to the software would be for the purpose of electronic deposit and importing images into the existing electronic filing system. No other services would be anticipated at this time.<br>d. The State would allow a narrative explanation to better propose its pricing.<br>e. As mentioned in 'a', the only requirements for additional programs would be for electronic deposit and filing. |
| 35 | **Q:** Attachment G Cost Proposal for Payment Processing System<br><br>Could the State provide a MS Word version of | **A:**<br>The state has submitted a copy of the cost proposal in Word as requested. |

Responses – Final

| | | |
|---|---|---|
| | Attachment G to facilitate vendor filling out the form? | |
| 36 | **Q:** Security and Vendor Questionnaire, Question #29: Does your company perform background checks on members of the software development team? If so, are there any additional "vetting" checks done on people who work on critical application components, such as security? Explain.<br><br>Please clarify what additional "vetting" checks the State is referring to beyond the our standard background check processes. | **A:** If you do any additional "vetting" checks please explain what these checks are and who goes through the additional checks. |

Responses – Final