

STATE OF SOUTH DAKOTA
DEPARTMENT OF SOCIAL SERVICES
700 GOVERNORS DRIVE
PIERRE, SOUTH DAKOTA 57501-3182

REQUEST FOR INFORMATION

**SERVICES AND EXPANDED OPPORTUNITIES IN THE COLLECTION AND PROCESSING OF
CHILD SUPPORT PAYMENTS.**

PROPOSALS ARE DUE NO LATER THAN June 22, 2022, 5 p.m. CST

RFI 2796

BUYER: Division of Child Support

POC: Dawson Lewis
Dawson.Lewis@state.sd.us

READ CAREFULLY

FIRM NAME: _____ AUTHORIZED SIGNATURE: _____
(Digital Signature allowed)

ADDRESS: _____ TYPE OR PRINT NAME: _____

CITY/STATE: _____ TELEPHONE NO: _____

ZIP (9 DIGIT): _____ FAX NO: _____

FEDERAL TAX ID#: _____ E-MAIL: _____

PRIMARY CONTACT INFORMATION

CONTACT NAME: _____ TELEPHONE NO: _____

FAX NO: _____ E-MAIL: _____

1.0 **GENERAL INFORMATION**

1.1 **Purpose of Request for Information (RFI)**

The South Dakota Division of Child Support (DCS) is seeking information on available services, and the expanded opportunities these services may bring to the customers and the State regarding the collection and processing of payments. The goal of this request is to identify services that may help maximize the limited state resources currently available from a financial and operational standpoint. Services are identified in Section 2.0 and include, but are not limited to:

- Effectively and efficiently process payments,
- Provide enhanced abilities to support online payments, and
- Provide a portal or website to support paying customers and DCS.

1.2 **Schedule of Activities (subject to change)**

RFI publication	May 5, 2022
Deadline for submission of inquiries	May 23, 2022
Responses to Vendor questions	May 27, 2022
Request for SFTP folder	June 15, 2022
Proposal submission	June 22, 2022, 5 pm CST
Vendor demonstrations	TBD

1.3 **Submitting Your Proposal**

All responses submitted should be completed and received at the DCS by the date and time indicated in the Schedule of Activities. The proposal should be signed, in ink or electronically by an officer of the Vendor, legally authorized to bind the Vendor to the proposal, and sealed in the form described in this RFI.

The responses may be provided in hard copy or electronic copy in PDF electronic format through secured file transfer protocol (SFTP).

To submit electronically, Offerors must request an SFTP folder no later than June 15, 2022, by emailing Dawson Lewis at the email indicated on page one.

The subject line should be "**RFP 2796 SFTP Request**". The email should contain the name and the email of the person who will be responsible for uploading the document(s).

Responses provided in hard copy should be addressed and labeled as follows:

**REQUEST FOR INFORMATION 2796 DUE JUNE 22, 2022
SD DEPARTMENT OF SOCIAL SERVICES ATTN: DAWSON LEWIS
DIVISION OF CHILD SUPPORT
700 GOVERNORS DRIVE
PIERRE, SD 57501**

Information submitted in response to this RFI is considered confidential and will become the property of the State of South Dakota.

The State of South Dakota will not pay for any information herein required nor is it liable for any cost incurred by the vendor.

1.4 Nondiscrimination Statement

The State requires that all Contractors, Vendors and suppliers doing business with the State to provide a statement of nondiscrimination. By signing and submitting its response(s), the Vendor certifies it does not discriminate in its employment practices with regard to race, color, creed, religion, age, sex, ancestry, national origin or disability.

1.5 Modification or Withdrawal of Proposals

Responses may be modified or withdrawn by the Vendor prior to the established due date and time. No oral, telephonic or facsimile responses or modifications to informal bids, formal bids or RFIs will be considered.

1.6 Vendor Inquiries

Vendors and their agents (including subcontractors, employees, consultants, or anyone acting on their behalf) may email inquiries concerning this RFI to obtain clarification of requirements. No inquiries will be accepted after the date and time indicated in 1.2, Schedule of Activities. Email inquiries must be sent to Dawson.Lewis@state.sd.us with the subject line "RFI 2796 Questions".

The Department of Social Services (DSS) will respond to offerors' inquiries by posting offeror aggregated questions and Department responses on the DSS website at <http://dss.sd.gov/keyresources/rfp.aspx> no later than May 27, 2022. For expediency, DSS may combine similar questions. Offerors may not rely on any other statements, either of a written or oral nature, that alter any specification or other term or condition of this RFP. Offerors will be notified in the same manner as indicated above regarding any modifications to this RFP.

Vendors and their agents may not contact the DCS regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension or exclusion from specific procurements. Vendors and their agents who have questions regarding this matter should send an email to Dawson.Lewis@state.sd.us.

1.7 Discussions with Vendors (Oral Presentation/Negotiations)

An oral presentation by a Vendor to clarify a proposal may be required at the sole discretion of the DCS. If oral presentations are required, they will be scheduled after the submission of responses. Oral presentations will be made at the Vendor's expense.

1.8 This RFI Is Not a Final Agreement or Contract

This RFI should not be understood to be an Agreement or contract to purchase goods or services. It will not necessarily result in a future Agreement or contract.

2.0 PROJECT DESCRIPTION

The primary goals of the Division of Child Support (DCS) program are to locate noncustodial parents, establish paternity, establish and modify child support obligations, enforce child and medical support obligations, and collect and distribute child support payments. Services are required to be provided on Temporary Assistance for Needy Families (TANF), Title XIX Medicaid, Supplemental Nutrition Assistance Program (SNAP), and Title IV-E Foster Care cases, and to any other family upon application for services.

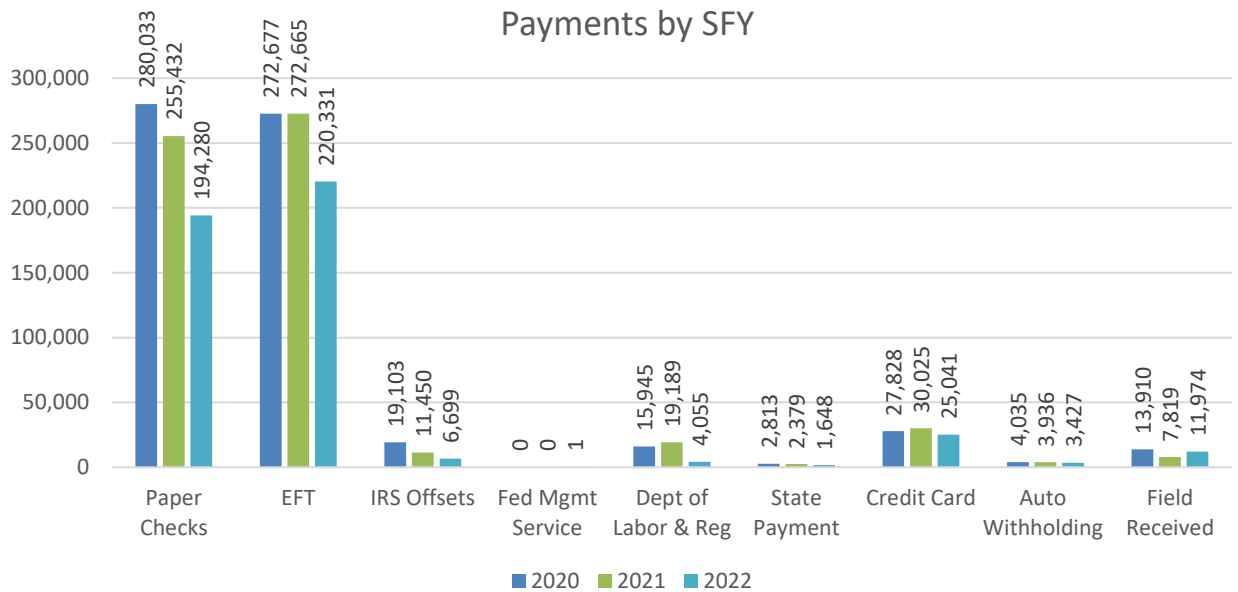
An important component of maintaining a successful child support program includes the operation of a State Disbursement Unit (SDU) that timely and accurately receives, processes, and disburses child support payments. The 1996 enactment of the Personal Responsibility and Work Opportunity

Reconciliation Act, Pub. L. 104-193, included a requirement that state Child Support Enforcement agencies operate centralized automated units for collection and disbursement of child support payments.

SDU requirements include, but are not limited to: giving employers a single location for submitting withheld income; operating the SDU in coordination with the state’s CSE automated system; using the SDU to collect and disburse support payments; keeping an accurate identification of payments; promptly disbursing money; make a record of the current status of support payments available to parents; using automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical; and disbursing to custodial parents all amounts payable within two (2) business days after receiving the money from the employer.

SD DCS currently provides SDU services internally utilizing a third-party software to image, post, and transmit information to our banking institution, our imaging software, and to our ACCESS Mainframe system for further distribution and disbursement. Other payments including EFT, Credit Card, and auto-withdrawal are imported directly into the Mainframe for processing, and all funds are paid out during a nightly payroll process by direct deposit, debit card, EFT, or warrant.

South Dakota Division of Child Support currently provides services to 52,000 enforcement cases, and 12,600 State Case Registry cases. Payments processed for these cases are identified in the table below broken down by State Fiscal Year (SFY) which runs from July 1st through June 30th. The table includes payments processed through April 2022.



The DCS is seeking available services and the expanded opportunities these services may bring to the customers and the State regarding the collection and processing of payments. Services include, but are not limited to effectively and efficiently processing incoming payments within one (1) business day, providing enhanced abilities to support online payments, and provide a platform to support these services to the customers and the State.

DCS encourages Vendors to provide any additional service(s) that may complement or support the services identified in this request. Additional service(s) submitted should include the requested information identified in 3.2.3.

2.1 Payment Processing

DCS processes payments in several formats including EFT, Credit Card, eCheck, cash, check, money order, and foreign currency.

EFT, Credit Card, eCheck, and cash payments are processed directly within the mainframe. All other payments are initially processed and allocated to a Non-Custodial Parent (NCP) through a third-party software, and further allocated among the parent's case(s) when imported into the mainframe.

Payments received at our local offices across the state are manually added to the mainframe and processed when the hard copy supporting documentation is received in the SDU located at the state office in Pierre, SD. The need to send supporting documentation to the SDU delays the ability for these payments to be further distributed and disbursed in an expedited manner. Although short term, it may provide a negative effect on those families who depend on those funds for daily living expenses.

DCS is interested in external resources that may be available for a centralized child support processing center allowing same business day processing of incoming payments and the transmission of processed payments to DCS at minimum of once daily for further distribution and disbursement.

Note: A same business day payment is defined as all daily payments delivered, received, or picked up from the Post Office before 3 p.m. and all unprocessed mail delivered the preceding day.

The Vendor will describe their approach including:

- Procedures for the collection, receipt, scanning, and processing of all mail and correspondence.
- All methods payments and correspondence may be submitted for processing.
- A description of the process to ensure payments received the same business day (described above) are processed and provided to South Dakota a minimum of daily. Files created by the current third-party software include:
 - A file imported into the Mainframe.
 - A file used for images of payments and correspondence (white paper) to be uploaded into our image repository software, FileDirector.
 - An electronic deposit file and supporting documentation that is reviewed, approved, and routed to our financial institution through current processing methods.
- The approach used to convert and process foreign currency payments and whether they can be converted and processed in the same business day.
- Current availability or limitations in allowing DCS staff online access to audit trails and processing information allowing for re-creation of all payment records through historical data if/when needed.

2.2 Payment option expansion

DCS currently provides Non-custodial Parents (NCPs) with the ability to pay by credit card, debit card, and eCheck through the US Bank ePayment system. The credit/debit card payments can be made using Visa, Discover, Master Card, and American Express.

An NCP may also qualify for automatic withholding from their bank account, also called AWI. Payments are pulled from bank accounts and transmitted back to DCS for further processing. The AWI process occurs in the first seven (7) days of the month and is a one-time per month withholding for those who qualify.

Employers currently have the option to pay by paper check or by establishing an EFT transaction with their bank. Those employers interested in this payment option are provided with

the appropriate routing information to ensure the funds reach DCS when submitted.

All electronic payments received are loaded directly to the mainframe for distribution and disbursement.

DCS is interested in expanding payment options for all customers who submit payments to South Dakota. Current known options DCS would be interested in considering include:

- Venmo, Apple Pay, Zelle, Etc.
- Text to Pay
- Voice Pay (Alexa, Google, etc.)
- Pay by Phone

The Vendor will identify what services are available and any limitations to the services that may apply. This information should also include any dependencies and/or expectations from the State which may be required to accommodate the payment options available.

2.3 Non-Custodial Parent and Employer web-portal

Online payments (credit card, debit card, eCheck) payments are currently only available to the NCP. The limitations significantly decrease DCS's ability to provide a minimal level of support for our Employer partners who provide a significant percentage of payments each day.

DCS would like to see online services available that could provide services to both the parent and other external parties for submitting payments. The portal would provide some or all the following:

- Support online payments in a variety of avenues.
- The ability to send and receive electronic communication back and forth through a secured channel including:
 - Address updates,
 - Phone numbers,
 - FEIN number updates,
 - Contact information for IWO's and NMSN's,
 - Termination notifications,
 - Freeform text communication to allow employer's, NCP's, and Child Support Staff to communicate when needed.
- Provide a mechanism and assistance where necessary to establish a process for small and large employers to send and receive IWO's and NMSN's electronically through an internal mechanism. The level of communication may vary, but the Vendor should provide information on all services possible. Include the level of effort needed for both employer and DCS, and any lessons learned from past experiences.

2.4 Digital Push Notifications

DCS is required to send correspondence to the parties of a case in certain situations. When a case qualifies, the notifications are sent to the address on the mainframe system via 1st class mail. Currently there are processes sent after an action has occurred such as sending notifications to the NCP after the month has passed with the obligation not being met. This method does not allow the NCP an opportunity to remedy the situation proactively.

DCS is interested in the use of push notifications for different case situations. What options are available, what is the most common notifications issued, and a general idea of what is required

from DCS for these notifications to work. DCS would also be interested in identifying the steps taken to ensure the communication is recognized as legitimate. And lastly, what information can be provided regarding the success or unexpected consequences other entities have experienced with this process.

2.5 Credit Card machines and/or Kiosk's

DCS currently utilizes secured drop boxes located just outside each of the 8 local office buildings. These boxes allow individuals to submit payments, applications, and other MISC information to DCS after hours. Being located on or just outside the building requires the individual to have the ability to travel to the respective office. Non-electronic payments are mailed to the State Disbursement Unit (SDU), hand delivered to the SDU, or dropped off at one of 8 local office locations.

As a result of the pandemic, and the need to expand payment options to the NCP, DCS is looking for information regarding the utilization of credit card machines and/or Kiosk's to provide individuals with the ability to pay their support away from office locations when convenient for them.

DCS would also be interested in knowing other services that may be provided to customers through a Kiosk and successful placement of Kiosk's by other child support agencies.

Any or all services provided are expected to meet or exceed the minimum state and federal security requirements. Those requirements include but are not limited to the IRS Publication 1075 - Tax Information Security Guidelines for Federal, State and Local Agencies; and the AUTOMATED SYSTEMS FOR CHILD SUPPORT ENFORCEMENT: A GUIDE FOR STATES.

The State requests the Vendor to provide any additional information they feel the state should be aware of regarding the identified services.

3.0 Proposal Response Format

3.1 Copies

3.1.1 The Vendor shall submit an original proposal by hard copy or an electronic copy through secured file transfer protocol (SFTP) as outlined in section 1.3 above by the due date of June 22, 2022 at 5:00pm CDT

3.1.2 Proposals should be prepared simply and economically, providing a straightforward, concise description of the Vendor's proposed services. The proposal, whether hard copy or digital should include all attachments, and the electronic submittal should be in Microsoft Word or PDF electronic format.

3.1.3 Number the proposal pages and include a table of contents.

3.2 Proposal Organization

All proposals must be organized and tabbed with labels with these headings. Digital proposals can substitute a page with the appropriate section title in lieu of tabs:

3.2.1 RFI form: The Request for Information form on p.1 of the RFI, completed and signed.

3.2.2 Executive summary: The one- or two-page executive summary will briefly describe the Vendor's proposal. A reader should be able to ascertain the essence of the response by reading the executive summary. Proprietary information requests should be stated here.

3.2.3 Detailed responses: This section should constitute the major portion of the proposal. For each service submitted, the Vendor should include:

3.2.3.1 Detail of the service available,

3.2.3.2 How the service could be utilized,

3.2.3.3 Potential cost including pricing structure,

3.2.3.4 Any potential cost savings such as volume discounts,

3.2.3.5 Benefits Customers and DCS may experience, and

3.2.3.6 Challenges and/or insights DCS should know when considering the service.