

## ADDENDUM TWO QUESTIONS and ANSWERS

Date: July 31, 2020

To: All Bidders

From: Julie Schiltz, Annette Walton Buyers  
AS Materiel State Purchasing Bureau

RE: Addendum for Request for Proposal 6304 Z1 to be opened on August 18, 2020, at 2:00 P.M. Central Time

### Questions and Answers

Following are the questions submitted and answers provided for the above mentioned Request for Proposal. The questions and answers are to be considered as part of the Request for Proposal. It is the Bidder's responsibility to check the State Purchasing Bureau website for all addenda or amendments.

<u>Question Number</u>	<u>RFP Section Reference</u>	<u>RFP Page Number</u>	<u>Question</u>	<u>State Response</u>
1.	General		Does State of NE offer online gambling (via lottery ticket sales – only)? If “Yes”, then please answer question #2 below.	No.
2.	General		Does State of NE have procedures in place to meet requirements of regulations implementing the Unlawful Internet Gambling Enforcement Act of 2006?	N/A
3.	O & S	11	Please describe the purpose for the Trap file from a State perspective.	The Department of Revenue (DOR) uses the TRAP file contents as an input to our processing systems. Ultimately, these transactions are used to update the taxpayer accounts within these Revenue processing systems. The file must contain a copy of all ACH Credit transactions that go into the bank accounts designated for the DOR.

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4.	O & S	11	<p>Please describe the desired contents within the Trap file(s) from an ACH Origination perspective, if any.</p> <p>For instance, are the Trap files to mirror the ACH Origination files the State initiates (aka: file level)?</p> <p>Are the Trap files to mirror the originated items within the ACH Origination files (aka: transaction level)?</p>	<p>The Trap file contains all credits, both those originated and received. Note, there is one offsetting credit for each originated debit from the taxpayers account in the origination files. This is in contrast to the possibility of a single offsetting credit transaction for the originated debits.</p> <p>No, the file must contain both originated and received transactions. See above.</p> <p>The trap file must contain all transactions so that the taxpayer accounts can be correctly updated showing the receipt of funds.</p>
5.	O & S	11	<p>Please describe the desired contents within the Trap file(s) from an ACH Receiver perspective, if any.</p> <p>For instance, are the Trap files to mirror the incoming ACH credit transactions received by the State from its Vendors?</p> <p>Are the Trap files to mirror the received debit transactions by the State from its Vendors?</p>	<p>The trap file doesn't relate to the ACH Receiver.</p>
6.	Liquidated Damages	15	<p>Given the importance noted by the State for quick resolution of connectivity issues between chosen contractor and yourself for exchanging various ACH files and Daily Account Activity Reporting, is it your desire that multiple channels be implemented for business resiliency and continuity purposes? This is recommended because the root cause may not always be within the Contractor's control.</p>	<p>The bidder should provide a response that best meets the requirements in the RFP.</p>

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7.	ACH Trap File	15	Regarding your existing ACH Trap File service. We understand this to be reporting of prior-day incoming ACH credit payments made to the State agencies. These transactions are provided to the State in the original NACHA file format via direct transmission for Accounts Receivable processing. They are not converted to an EDI 820 format. Can you confirm that is correct?	Yes, that is correct the files are not converted to an EDI 820 format.
8.	Project Overview	29	<p>Please describe the State's process for the enrollment and collection of bank account information for payment to new vendors or employees.</p> <p>Is Bank Account Ownership verification and authentication an area the State would like to enhance?</p>	<p>State agencies instruct vendors to complete the Nebraska W-9 &amp; ACH Enrollment Form (<a href="http://das.nebraska.gov/accounting/forms/ACH_W9_Fillable.pdf">http://das.nebraska.gov/accounting/forms/ACH_W9_Fillable.pdf</a>) with one of the listed attachments. For ACH changes, the vendor must fill in the prior routing and account number information. The agency uploads the form and attachments into the state accounting system. State Accounting monitors the address book queue for final review and creation of the vendor record. The State currently uses the pre-note process to confirm banking information for vendor payments.</p> <p>The bidder should provide a response that best meets the requirements of the RFP including optional enhancements.</p>

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9.	Project Overview	29	Does the State wish to continue collecting and storing sensitive bank account information and managing the needed controls within your internal environment for all processes? Or, is there an interest in outsourcing any of the collection or storage functions to the chosen contractor?	<p>The bidder should provide a response that best meets the requirements of the RFP.</p> <p>The bidder may provide options including storing sensitive bank account information for State Accounting and the payment scheduling system for DOR.</p>
10.	Bank Account	30	Your Treasury staff initiates wires via a secure online portal solution. Has the State investigated the usage of Real Time Payments in the past, to replace some of your wire payment activity? If so, were there any challenges discovered in doing so?	We have investigated Real Time Payments, however, some small banks where the wires are sent, will not accept Real Time Payments and the transaction limit is an issue.
11.	Nebraska Lottery	30	The State currently follows a web-based ACH file verification procedure, manually confirming Lottery payment files and totals. In addition, you utilize balanced ACH files with control totals. Is there a desire to seek a more automated ACH file confirmation and reporting process requiring less manual intervention?	Nebraska Lottery would prefer to use the current procedures so they can reconcile the unique activity for Lottery operations.
12.	Nebraska DOR	31	<p>It was noted that the NOR creates debit ACH files to the contractor, by providing a "one for one" offsetting ACH credit entry for every single ACH debit entry in the file. Can you describe why this practice is currently being done, rather than creating one offsetting ACH credit entry for all the items in the batch?</p> <p>Would it be a benefit to have the bank create all the individual ACH offset entries instead?</p>	<p>The offsetting entries are used to update individual taxpayer accounts. If a single offsetting credit is used, the debit information would need to be provided to DOR and DOR would need to change its processing methodology.</p> <p>No, deviating from the existing process would create additional programming effort on the part of DOR.</p>

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13.	R	31	For Operator Assisted payments, is the Operator State labor or Contractor provided labor? If Contractor provided, please provide the annualized # of payments.	Contractor provided labor for DOR. The three year average for Operator Assisted calls in calendar years 2017, 2018, and 2019 is 1,511 annual payments.
14.	D	31	Is the State interested in the acceptance of credit and debit cards as a method of payment by Web, IVR, or Operator Assisted Channels as part of this Request for Proposal?	NE Child Support uses EPayment services for Echecks (IVR initiated transactions that use a routing and account number  Acceptance of credit and debit cards are a separate contract and is not in the scope of this RFP.
15.	D	31	If the acceptance of credit and debit cards as a method of payment are in scope for this Request for Proposal, please provide annualized # of payments and \$ value of payments by card type (credit/debit) and by payment channel (Web, IVR, Operator Assisted) for each unique departmental application.	Refer to response to question 14.
16.	D	31	If the acceptance of credit and debit cards as a method of payment are in scope for this Request for Proposal, please provide the desired funding model (A, B, or C) for each unique departmental application.  Funding Model options: <ul style="list-style-type: none"> <li>a. State/"Biller" Funded Model - No Convenience Fee</li> <li>b. State/"Biller" Funded Model - State Collected Service/Convenience Fee</li> <li>c. "No Cost" Service / Convenience Fee - Funded Managed Model</li> </ul>	Refer to response to question 14.

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17.	Nebraska Child Support	33	<p>Please describe why some Child Support payments are currently being made to a VISA branded stored value card. Is this because the custodial parent does not have a bank account, or other reasons?</p> <p>Is the State open to newer digital technology solutions?</p>	<p>This is out of scope of the RFP.</p> <p>The bidder should provide a response that best meets the requirements of the RFP.</p>

This addendum will become part of the RFP and should be acknowledged with the Request for Proposal response.