



Solicitation Addendum

Solicitation Number: 45-RQ20596671R

Solicitation Description: Collections Case Management System Software

Solicitation Opening Date and Time: November 19, 2018 @ 2:00 PM

Addendum Number: 3

Addendum Date: September 21, 2018

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- Return one properly executed copy of this addendum with bid response or prior to the Bid Opening Date/Time listed above.
- Following are questions received about the solicitation and the State’s answers to the questions.

Question	Citation	Vendor Question	State’s Response
1	I Introduction, page 6	<p>The RFP states that ITAS will be used to refresh case information in the vendor proposed system on a periodic basis via batch job.</p> <p>We have a two questions related to this:</p> <p>A) Will ITAS make updates to the case information and case-related details outside of the vendor’s proposed system?</p> <p>B) If yes, what does the State anticipate the nature of such updates to be?</p>	<p>A) Yes</p> <p>B) The State anticipate the nature of such updates to be the following:</p> <ol style="list-style-type: none"> Cases are updated when payments are applied or reversed – case balance amount ITAS will automatically close a case when the balance due reaches a threshold, typically \$10.00 (depends on new case flow) Manual updates to cases, such as closing the case Some case status updates will still have to occur in ITAS – ex: payment agreements, legal holds, others depending on how they re-engineer the new case flows Name changes, address changes, any demographic data Closing tax accounts (end dated) Assessments moved to final bill

			<p>8) Additional fees and penalties assessed or waived</p> <p>9) Delinquent returns or NC5Qs posted in ITAS update the case status</p> <p>10) Suppressions for bankruptcy, Active Military Combat Zone, etc.</p> <p>11) Other things may be needed depending on how the case flow will be designed.</p>
2	I Introduction, pages 6 and 7; and 5.2, page 56.	<p>The RFP notes that data must be encrypted at rest and that NCDOR must own the encryption keys (pp 6-7). The RFP further states that Key controls should be considered prior to proposing a SaaS solution including that all data in transit must be encrypted and all data at rest must be encrypted. Encryption keys should be maintained by the Agency so that the Vendor can never see data that is not encrypted (page 56).</p> <p>If a SaaS solution is provided, will the vendor be permitted to access production data to respond customer and NCDOR queries or concerns during the Warranty period when the system is live in production?</p>	No
3	I Introduction, page 7	<p>The RFP notes that The IRS requires the ability to audit the vendor data center with only a twenty-four (24) hour notice.</p> <p>For a SaaS solution, is NCDOR open to a Cloud provider, where the vendor has no influence on the provider for allowing such audits?</p>	In negotiations, we would submit the request to the IRS for approval. If the IRS denies the request, the vendor would not be selected. It is strongly recommended that the vendor provide an on premise solution if the SaaS solution cannot meet the exact requirements laid out in IRS Publication 1075 Exhibit 7 and supplemental guidance from the IRS on cloud based solutions.
4	2.3.b, page 78	Is the State open to reserving work performed at the State's premises to mutually defined high-level activities in order to maximize cost-savings and responsive service as well as the quality of the configurations?	DOR prefers face to face however, we are open to different modalities.
5	Page 17, Section III.1, Enterprise Licensing	Can the State confirm that the only Enterprise License Agreements available (https://it.nc.gov/services/license-and-agreements) are Environmental System	Yes, those two are the only ones currently available at this time.

		<p>Research Institute and SAS as these are the only products listed on the site. If this is incorrect can the State provide additional instructions on where to find a complete listing of Enterprise License Agreements.</p>	
6	Addendum 2, Question 36	<p>Your response to this question says, "Final Acceptance criteria will be settled during the Vendor Scope of Work discussions after contract award." Given the contractual significance of the Final Acceptance criteria, can the State confirm that the final acceptance criteria will be settled after the State has selected a vendor but before contract award so the criteria can become part of the contract?</p>	<p>Since design is completed after contract award and is the first significant deliverable that is where final acceptance criteria is determined. There are deliverables associated with milestones and they are specified during contract development.</p>
7	Addendum 2, Question 101	<p>Question 101 of the Q&A says, "Will the proposed CCM solution be responsible for generating and transmitting bank draft files for garnishment payments to be processed by a financial institution?". The answer was, "Yes".</p> <p>In other questions NCDOR made it clear that all correspondence is generated by ITAS. We interpreted other questions to mean that correspondence to the banks for bank garnishments would be issued by ITAS, not CCM.</p> <p>Please clarify if ITAS or the CCM is to generate these documents, and if the CCM is to generate it, are there other similar documents, like wage garnishments to be generated by the CCM.</p>	<p>For the purposes of this RFP correspondence is defined as correspondence to the taxpayer.</p> <p>CCM will generate the Bank Draft file. However, the garnishment will be processed outside of CCM.</p>
8	Addendum 2, Question 102	<p>Question 102 of the Q&A answered "No" to the question: "Will the proposed solution be responsible for generating bank draft files for IIA payments to be processed by a financial institution?" and "Will it be responsible for transmitting the file to the financial institution?" Question 48 of the Q&A answered "Yes" to "The offline case management has a requirement to initiate a payment plan with EFT/ACH.</p>	<p>Payment plans are established and processed primarily outside of CCM. However, it is anticipated that the CCM will offer a payment portal that the taxpayer can interact with. So in that regard CCM will need to record payment information that will then be stored in ITAS.</p>

		<p>However, there is no corresponding requirement for the primary CCM capabilities. Does the CCM need to allow Revenue Officers and Call Agents to record EFT information as part of a payment plan, and have the payments paid through Electronic Funds Transfer?"</p> <p>Based on Question 48 of Addendum 2, the CCM will need to record EFT information, and when each installment is due, the EFT information and amount to be taken will need to be transmitted somewhere so the payment can be captured from the taxpayer. Where will that information be transmitted?</p>	
9	Addendum 2, Question 105	<p>Could the state clarify the answer to Question 105. Based on other responses, we believe the answer is "CCM". Could the State confirm that the answer is the CCM.</p>	<p>ITAS monitors payments. Information regarding payments may be provided to CCM via ITAS batch updates which will be determined in design.</p>
10	Addendum 2, Question 106	<p>Please confirm that the Non-Core Functionality (Items 1-5 on Pages 34-38) are the only items that are out of scope, and that the Non-Technical Specifications (1-3) on Pages 38-39 are required.</p>	<p>Confirmed. While that is correct if a vendor has a solution to out of scope items DOR is receptive to seeing proposals on those items.</p>
11	Attachment B - Scope of Work - PROJECT MANAGEMENT AND EXECUTION (Page - 51)	<p>What is the level of availability of Collections SMEs during project execution to elaborate the requirements?</p>	<p>High availability.</p>
12	12. Non-technical specifications (Training) - Page - 39	<p>If the vendor proposes Train-the-Trainer approach for training, does it replace the need for providing in-person training to the 400 admins and users?</p>	<p>It is possible to reduce the number of admin and users trained by the user train the trainer approach.</p>

13	Addendum 1 - Q1 & Q3.	<p>RFP (Other Requirements and Special Terms): VENDOR UTILIZATION OF WORKERS OUTSIDE U.S.: In accordance with N.C.G.S. §143B-1361(b), the Vendor must detail the manner in which it intends to utilize resources or workers in the RFP response. The State of North Carolina will evaluate the additional risks, costs, and other factors associated with such utilization prior to making an award for any such Vendor's offer.</p> <p>It was clarified that "No" work can be performed from outside the US. Whereas it is stated in the RFP that "if performed from outside US, needs to be declared".</p> <p>If any services (e.g. software development & testing) is performed outside US, will it disqualify vendor's offer & response, even if that is declared in advance?</p>	<p>The IRS does not allow FTI to be accessed or stored outside of the United States. The CCM will contain FTI and therefore no use of workers outside of the US will be allowed if they access data. Some work may be performed if there is no access to data. The vendor will not be disqualified if they intend to use workers outside of the US, but a full explanation will be required so that it can be evaluated. Using workers outside of the US does increase the risk to the project given the nature of the system and the data it will contain.</p>
14	NA	<p>What is the document repository tool being used in current system? Can the same be leveraged with CCM?</p>	<p>There is not currently a document repository tool.</p>
15	I. Introduction (Page 6)	<p>Additional third party data will also be made available to the vendor proposed system including bankruptcy case information, employer wage information for legal actions, bank assets, and the Treasury Offset Program (TOPS) via a data warehouse.</p> <p>Who are the set of end users / groups for whom the data will be made available? Approximately, how many data elements are there for import & export (for sizing estimate). Please share available extracts (if any).</p>	<p>End Users are the Collections group. The data elements will be determined during design.</p>
16	NA	<p>Can you please explain the duration of warranty phase?</p> <p>Can you please explain the services (L1, L2, L3) which need to be provided during support phase?</p> <p>What will be the support timing?</p>	<p>Warranty phase begins at the completion of Early Life Support (ELS).</p> <p>Warranty duration, related services, and SLAs will be reviewed and agreed upon during finalist discussions, but it is expected it to be at least 3 years.</p>

17	1.e. (Page -19)	<p>Describe the support provided during and after implementation of the solution, including help desk/call center support availability.</p> <p>Is the State looking for help desk (L1) support post implementation?</p> <p>Is the expectation that this help desk for Collections Case Mgmt will be separate from NCDOR's help desk?</p>	<p>The case management team will respond to certain request. The scope of those request have yet to be determine. They would probably be considered 2/3 level support.</p> <p>Help desk support and its associated SLA will be reviewed and agreed upon during finalist discussions.</p>
18	Page 22 - Point 3) c) vi	<p>Please provide an example of debts transferred/shared by multiple taxpayers.</p>	<p>Any tax liability that has more than one responsible person (either a spouse, joint entity, officer to a business, etc.) would be liable for 100% of debt. It is important that the AR balance accounts for the debt 1 time even though the debt may be shared (100%) across more than 1 entity.</p> <p>Each responsible person in a business entity is personally and individually liable for the principal amount of taxes that are owed by the business entity and are listed in this subsection. If a business entity does not pay the amount it owes after the amount becomes collectible under G.S. §105-241.22, the Secretary may enforce the responsible person's liability for the amount by sending the responsible person a notice of proposed assessment in accordance with G.S. §105-241.9.</p>
19	Page 23 - Point 3) d) iii	<p>Please clarify how a manual action in ITAS can be triggered from CCM based on business rules. Should the system automatically request a manual action in ITAS?</p>	<p>No. An indicator in the CCM should update ITAS within the refresh of any manual changes to the collection assistance fee adjusted in CCM.</p>
20	Page 25 - Point 4) j	<p>Please clarify whether the access restrictions are applicable to supervisors of collection agents. Can a supervisor access all the cases from the work lists that his/her team handles?</p>	<p>Yes. Supervisors should be able to see all cases.</p>
21	Page 25 - Point 4) k	<p>Is load management done during case assignment to employees? Are there any business rules to that effect?</p>	<p>Yes. There will be business rules that detail how cases should be assigned.</p>

22	IV. Cost Proposal 2) Payment Plan Proposal	<p>Can NCDOR clarify 'Agency will not pay for Vendor provided software licenses or equipment (proprietary) until the Vendor proposed solution is in "Production."</p> <p>A). Does this apply only to the Software as a Service platform or all components? B). How should the vendor handle payment for other 3rd party software for non-production environments as well as developer licenses?</p>	<p>The Agency will not pay for Vendor provided software licenses or equipment (proprietary) until the Vendor proposed solution is in "Production."</p> <p>A) No – It applies to all B) Any and all other licenses to implement the system will be paid upon procurement of the licenses. An example of this is third party software, such as the database software needed during development and testing efforts.</p>
23	III Technical Proposal 1) Enterprise Licensing	<p>If it is economically beneficial, can we assume that NCDOR will procure all 3rd party licenses directly from product vendor?</p> <p>Or</p> <p>Would NCDOR prefer the vendor to procure and then transfer (more complex).</p> <p>If, NCDOR is able to procure such 3rd Party licenses, what will be the timeframe for initiating this? i.e. during contracting, upon kickoff etc. How long will this take?</p>	<p>If it is economically beneficial, and there is a contract vehicle, NCDOR will procure all 3rd party licenses directly from product vendor.</p> <p>Ideally, the selected Vendor will provide DOR with a list of the needed licenses as well as which phases they will be needed in. DOR will then schedule the license purchases to assure that they are ready and available 30 days prior to use.</p>
24	NA	<p>Do we need to recreate existing (completed and in-flight) cases as part of new Case Management System?</p> <p>If yes, can you please share the total volume of completed case and in-flight case?</p>	<p>All existing open cases (not completed) will be transmitted from ITAS to CCM via batch update.</p> <p>Case volume is dependent on liability type which will be determined in BAFO since it is expected the first phase of CCM implementation will not involve all tax types.</p>
25	NA	<p>Can we assume that predictive analytics or any analytical functionality will be limited to case handling and routing of CCM solution?</p>	<p>Yes</p>
26	Page 34 for Interface 5 & 6	<p>It has been mentioned that the data exchanges need to happen in between CCM & "External Analytics". Can you please explain the significance of the word "External"?</p> <p>We understand that we need to integrate CCM with Analytical Tools. Can you please explain if the scope of RFP</p>	<p>External refers to an Analytics toolset probably 3rd party that has not been chosen. The scope of this RFP does not include any analytical modeling. That being said if the vendor has expertise in this domain they may feel free to explain their solution and pricing.</p>

		includes establishing and developing Analytical Model for functionalities like Risk-Yield-Scoring, Tax Payer Behavior etc.?	
27	Page 29 - Point 11) a	Is it right to assume that this information should also be passed for Provisioning Accounting?	NCDOR cannot determine the question.
28	Page 30 - Point 12) d	Is there a need to upload the garnishment order to the case?	Yes. The order of garnishment is material to ITAS.
29	Page 33 - Point 12) r) iv	Should this case of default be identified real time or through a batch?	Batch.
30	Page 18, III.8, Literature	This section includes a request for " <i>Literature.</i> " Could the Agency please clarify what is required in response to this section and specify what constitutes, " <i>specifications and technical literature sufficient to allow the State to determine that the proposed solution substantially meets all specifications</i> "? Is the Agency requesting material beyond standard system documentation normally provided with a proposed solution?	No, no technical literature needs to be submitted.
31	Page 27, Requirement 8.a, Offline Case Management	Requirement 8.a refers to laptops being used for offline case management, but the RFP does not limit the solution to laptops. Could the Agency please confirm the target device types and operating systems expected to run the Offline Case Management component?	DOR confirms the target device type and operating systems expected are laptops running Windows 7 and Windows 10.
32	Page 27, Requirement 8.a, Offline Case Management	Will the Agency provide the devices used in the field, or is that to be included by the vendor in the proposal and in the hardware costs?	All devices are issued by DOR.
33	Page 27, Requirement 8.a Offline Case Management	If a technology solution can be made available to allow use of the application while in the field through a secure mobile network, would that meet the business requirement?	We want to be to work (even in a limited capacity) even if no network is available.
34	Page 27, Requirement 8.g, Offline	What financial data is expected to be available to the field staff working on the Offline Case Management system? Is it limited to the data available in the	The data that is available in the CCM.

	Case Management	central Collections Case Management (CCM) system?	
35	Page 28, Requirement 8.j, Offline Case Management	This requirement refers to a “ <i>manual assessment</i> ”. Could the Agency please clarify what it means by “ <i>manual assessment</i> ”? Is this referring to a manual penalty, such as a fraud fee; a manual posting of tax without tax form details; or a bill based on existing financials?	This is the creation of a bill.
36	Page 28, Requirement 8.k, Offline Case Management	This requirement refers to cases being checked-out. Does the Agency expect that a case can continue to be worked in the CCM when it is checked out to field staff, or is it locked for editing? In other words, is the checked-out indicator an information point, or something more than that?	Cases that are checked out should be locked with an indicator that states as such.
37	Page 29, Correspondence	Question 103 from Round 1 included several questions. The Agency provided one response. For clarification purposes, please confirm that the Agency expects to handle the configuration for any notices within ITAS to support the CCM implementation?	The Agency will handle the configuration for any notices within ITAS to support the CCM implementation.
38	Page 38, Requirement 5.i and Question 58	The Agency’s response to Round 1, Question 58 suggests that all notices will be printed out of ITAS, but that CCM may need to generate reports and other documents. Bankruptcy requirement 5.i asks for the generation of a proof of claim in .pdf format from CCM. Is it correct to say that this is to be delivered as a report out of CCM, and not a notice out of CCM or ITAS?	Yes it will be a report.
39	Page 20, Interface 4: Garnishee Portal and Online File and Pay and Question 101	The response to Round 1, Question 101 from the initial round of questions indicates that the CCM solution will be responsible for generating and transmitting bank draft files for garnishment payments to be processed by a financial institution. Based on the response to Question 101, is there another interface that is required? If yes, please define the interface.	No, there is no other interface DOR will transmit the garnishment file.

40	Installment Agreement (I), p.32 and Question 102	Based on the response to Round 1, Question 102, the CCM is not responsible for generating bank draft files for IIA payments to be processed by a financial institution and is not responsible for transmitting the file to the financial institution. Given that the CCM may have the capability to support installment agreement terms (e.g. varying installment amounts, skipping a payment, etc.) that ITAS does not support, please confirm how the installment amount for a given installment period will be derived for bank drafting purposes.	Given that the CCM may have the capability to support installment agreement terms (e.g. varying installment amounts, skipping a payment, etc.) that ITAS does not support, we will not implement such features. ITAS is the system of record for payments and payment plans.

Failure to acknowledge receipt of this addendum may result in rejection of the response.

Check ONE of the following options:

- Bid has not been mailed. Any changes resulting from this addendum are included in our bid response.
- Bid has been mailed. No changes resulted from this addendum.
- Bid has been mailed. Changes resulting from this addendum are as follows:

Execute Addendum:

Offeror: _____

Authorized Signature: _____

Name and Titled (Typed): _____

Date: _____