



**Solicitation Information
December 18, 2012**

Addendum #3

RFP # 7458282

TITLE: INTEGRATED TAX SYSTEM

Submission Deadline: January 15, 2013 @ 2:00 pm (EST)

PLEASE BE ADVISED THAT THE SUBMISSION DEADLINE IS JANUARY 15, 2013, NOT JANUARY 15, 2012.

- **Below are the responses to the first group of questions, followed by the official responses to the questions received at the pre-bid conference.**
- **Additional responses to vendor questions submitted via email will be posted as soon as possible. Please continue to monitor the website.**

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ASSISTANT DIRECTOR, SPECIAL PROJECTS**

**Addendum #3 to RFP # 7458282,
Integrated Tax Software**

First Batch Responses:

1. The Attachment templates provided by DOT do not contain page numbers. Is it acceptable to add page numbers to the footers of the Attachments?

Yes. It is acceptable for the Offeror to add page numbers to the Attachments.

2. Is it acceptable to include company identifying information, such as company name and logo, in the headers or footers of the Attachments so the document can be identified as belonging to our organization and which could also be used as a reference by evaluators when reading through the proposal?

Yes. It is acceptable for the Offeror to have identifying information to the headers and/or footers of the Attachments.

3. The Attachment templates as provided by DOT require that the narrative response be included in text boxes that are essentially very large table cells. Is it acceptable to maintain the structure and presentation as defined by the Attachment templates (i.e., same margins, fonts, etc.) but provide the narrative response on standard pages instead of inside the text boxes?

Yes. It is acceptable for the Offeror to provide the narrative response on standard pages in the Attachments instead of inside the text boxes.

4. Will you respond to questions as they are submitted rather than answer them all at once in a single response?

Questions received by the State will be answered as they are received.

5. The RIVIP GENERATED BIDDER CERTIFICATION COVER FORM specifies that a “public copy” of the proposal is required. Is this “public

copy” part of, or in addition to, the 10 copies of the proposal specified in Section 1.3. Instructions and Notifications to Offerors?

This procurement is through a Request for Proposals and is a competitive negotiation process in accordance with R.I. Gen. Laws § 37-2-19. This is not a competitive bidding process for a public works project (based on cost alone) under R.I. Gen. Laws § 37-2-18. Therefore, the “public copy” requirement under R.I. Gen. Laws § 37-2-18 does not apply to this procurement process. Proposals will be evaluated based on technical factors, in addition to cost. Pre-mature disclosure may place the State at a competitive disadvantage. Therefore, pursuant to State Procurement Regulation 6.3.1.3, the only item that will be made public at the time of the bid opening is the name(s) of any entities submitting a proposal. However, at the time of contract award, all proposals submitted and the evaluation of the review team may be subject to public disclosure in accordance with the Rhode Island Access to Public Records Act, R.I. Gen. Laws 38-2-1 *et seq.*

6. Will the contents of the “public copy” of the proposal marked as Confidential and Proprietary be released prior to award?

See answer to #5 above.

7. The RFP Section 3.2 - Page 20 states "The Division of Taxation will only consider a COTS ITS demonstrated to have been successfully implemented (on time, within budget, and meeting client expectations) and currently in use in at least one U.S. state tax agency running multiple tax types....."

Our solution is implemented in multiple cities in one particular State. In combination the population served exceeds the population of Rhode Island. Will our solution be considered to meet the requirement stated above requiring the vendor to have its system in use in at least one U.S. state tax agency? Will the Department please reconsider rewording this requirement?

The Division of Taxation will consider vendors who have successfully implemented a COTS ITS in multiple cities only if the system is integrated and running multiple tax types similar to the taxes/fees administered by the Division of Taxation.

8. Question: If the primary Systems Integrator bids with a proposed sub-contractor that meets the qualifications required in the RFP, will this also qualify the primary Systems Integrator?

The term "Offeror" means the primary bidder and any proposed sub-contractor(s). Therefore, if the primary bidder and proposed sub-contractor(s) collectively met the qualifications required in the RFP then Offeror will be deemed to have met the requirements.

Official Responses to Questions Received At Pre-Bid Conference:

1. Is the Division of Taxation open to a review of the number of tax forms and would they consider collapsing them?

Yes.

2. MBE Requirements?

After the selection the Vendor will be required to submit a plan to meet the State's Minority Business Enterprise (MBE) requirements (ten percent (10%) participation by MBE's in all State procurements). For further information, contact the MBE Administrator at (401) 574-8253 or visit the website at: www.mbe.ri.gov or contact charles.newton@doa.ri.gov.

3. What are the retention periods for documents (tax returns)?

Retention requirements vary by tax type and some maybe found in Rhode Island General Law. Most taxes and fees administered by the Division of Taxation currently have a five or six year retention requirement. The Secretary of State's Office published a regulation addressing "Making and Management of Imaged Public Records" (<http://sos.ri.gov/documents/archives/regdocs/released/pdf/SOS/5762.pdf>)

As part of the modernization project the Division of Taxation plans to review all tax return retention requirements and propose modifications.

4. Is the plan to image prior year returns or proceed on a going forward basis?

The Division of Taxation does not plan to image prior year returns, and plan to image returns on a going forward basis only.

5. Tax returns are listed in Attachment I; do the "Number of Returns Received" include both paper and electronic returns? Can the number of returns received electronically verses paper be included?

Attachment I includes both paper and electronic returns.

Please see worksheet below for total number of returns received by the Division of Taxation during a year. Returns received are categorized as follows:

“Paper” – Paper returns received by the Division of Taxation without a 2D bar code

“2D Return” – Returns received by the Division of Taxation with a 2D bar code

“EFT” – Returns/payments received via ACH debit or ACH credit

“MeF” – Returns received via the Fed/State Modernized E-File Program

“Lockbox” – Returns received and processed by the Division of Taxation’s Lockbox operation

“Optins” – Returns received by third party insurance tax return processor

“IFTA” – Returns received by third party motor fuel tax return processor

(See Next Page)

Tax Type	Number of Returns Received	Paper	2D Bar Code	EFT	MeF	Lockbox	Optins	IFTA
Personal Income Tax Returns	604,665	121,887	46,490		436,288			
Personal Income Tax Vouchers	245,950			10,784		235,166		
Withholding Tax	883,062	30,034		773,187		79,841		
Sales and Use Tax	247,232	32,144		143,746		71,342		
Sales Permit	31,544	6,989		7,415		17,140		
Corporate Tax Returns	51,615	31,549	5,829	4,212	10,025			
Corporate Tax Vouchers	58,028		-		-	58,028		
Partnership Returns	5,000	2,600	2,400	-				
Employment Taxes - UI	131,004	131,004						
Employment Taxes - TDI	128,028	128,028						
Employment Taxes - JDF	131,800	131,800						
Tax on Gross Earnings of Public Utilities	380	211		169				
Banking Institutions Excise Tax	200	187		13				
Health Care Provider Assessment	66	66		-				
Nursing Facilities Provider Tax	92	13		79				
Hotel Tax	1,592	681		719		192		
Motor Fuel Tax	959	409		550				
Uniform Oil Tax	113	26		87				
Outpatient Facility Surcharge	203	38		165				
HealthCare Surcharges - Imaging Services Surcharge	546	280		266				
Cigarette Tax	470	450		20				
Rental Vehicle Surcharge	255	226		29				
Reg Fee - Underground Storage/RIPTA	144	53		91				
Estate Tax	4,874	4,874		-				
Beverage Container Tax	372	283		89				
Litter Control Participation Permit Fee	6,237	1,499		219		4,519		
Hard to Dispose Material	1,474	523		186		765		
Insurance Tax	6,200	3,325		918			1,957	

6. What is the volume of checks received by the Division of Taxation? What is the volume for other payment methods?

For Fiscal Year 2012 the Division of Taxation received approximately 458,000 checks (422,000 were processed through the Division of Taxation's Lockbox and 36,000 were processed by the Division of Taxation's Cashier's Section)

7. What bank does the Division of Taxation use for deposits?

Webster Bank

8. Attachment C (Item 625): Is the State looking to replace its current bank?

No.

9. What are the State's requirements for remote deposit capability?

The Division of Taxation requires that the remote deposit capabilities be available in the new system.

10. 207 FTEs; Who will have access and the capability to review information? What type of information/images? Will taxpayers be able to view their information or images? Data/information only or images?

The Division of Taxation's users can be categorized as follows:

- Level 1: Primary User (More than 75% of time spent on System)
- Level 2: Moderate User (Between 25% and 75% of time spent on System)
- Level 3: Occasional User (Less than 25% of time spent on System)

Section	FTEs	Integrated Tax System	Front-end and Imaging System
Tax Administrator's Office	5.0	Level 3	Level 3
Forms/Outreach	3.0	Level 2	Level 2
Field Audit	44.0	Level 2	Level 2
Corporation/Business Taxes	6.0	Level 1	Level 1
Excise Tax	15.0	Level 1	Level 1
Estate	3.0	Level 1	Level 1
Office Audit	16.0	Level 1	Level 1
Personal Income Tax	17.0	Level 1	Level 1
Employer Tax	28.0	Level 1	Level 1
Collections/Compliance	36.0	Level 1	Level 1
Tax Processing/E-Gov	34.0	Level 2	Level 1

11. Is it required that the Cashier/Teller system be integrated or stand alone?

It is not required that the Cashier/Teller system be integrated with the COTS ITS; however the data from the Cashier/Teller system must be loaded into COTS ITS on a daily basis to ensure that all deposits balance on a daily basis.

12. Will the Vendor attendance list be made public?

Yes.