



Solicitation Information  
February 4, 2019

Addendum #1

RFI #7598558

TITLE: Division of Taxation – Taxation Analytics

Submission Deadline: February 13, 2019 at 2:00 PM (ET)

Attached are vendor questions with State responses. No further questions will be answered.

Gail Walsh  
Chief Buyer

Vendor A

1. Does the Division of Taxation have any contract currently in place for Data Analytics services that are currently used? If so, could I inquire the vendor name and contract number?

**A: The Division of Taxation does not currently have any external vendors contracted to provide Data Analytic services.**

2. Is this considered to be an urgent need for the Division? If there is to be an RFP that follows this RFI, are there any estimations as to when that might be released?

**A: The Division of Taxation believes there is a near term need for Data Analytics services and currently anticipates releasing an RFP for Analytics prior to the end of Calendar Year 2019.**

3. Has funding been secured at this point?

**A: The Division of Taxation has allocated money for Data Analytics to be spent on the RFI, development and review of responses to an RFP, and subsequent contract for services.**

4. Are there any examples of datasets and sources that the Division would be interested in using data from?

**A: The Division of Taxation has an extensive “wish list” but is seeking a vendor with sufficient subject matter expertise that they would be able to suggest data sources either from that list or outside of it which have proven useful in data analytics in the past, for the purposes of enhancing revenue and/or compliance. Data will be classified as “Pub 1075” in accordance with need.**

5. Does the Division have a platform or system in place for performing analytics? Or would a potential future contractor be required to provide its own platform or software?

**A: The Division of Taxation has in place a Microsoft PowerBI reporting platform which covers some elements of the analytics space and is in the process of standing up an Analytics environment and a pilot of third party software. The Division of Taxation is not seeking to limit the platforms and/or software suggested by the Vendor in a response to the RFI.**

Vendor B

1. Is there an incumbent vendor? If so who?

**A: The Division of Taxation does not currently have any external vendors contracted to provide Data Analytic services.**

2. Can the State outline the key data sources (at a high level) in consideration? Is all data being processed classified as 1075? Or are there additional components with different classifications?

**A: The Division of Taxation has an extensive “wish list” but is seeking a vendor with sufficient subject matter expertise that they would be able to suggest data sources either from that list or outside of it which have proven useful in data analytics in the past, for the purposes of enhancing revenue and/or compliance. Data will be classified as “Pub 1075” in accordance with need.**

3. Can the State outline existing capabilities in Section 2.A if any? Or are these all brand-new requirements and objectives with no prior capabilities?

**A: The Division of Taxation is in the early stages of developing the next generation of its analytics capabilities. While it has made use of FTI in the past, future projects may or may not use FTI alongside other data.**

4. Can the State outline existing data/analytics infrastructure and software tools?

**A: The Division has in place a Microsoft PowerBI reporting platform which covers some elements of the analytics space and is in the process of standing up an Analytics environment and a pilot of third-party software. The Division of Taxation is not seeking to limit the platforms and/or software suggested by the Vendor in a response to the RFI.**

5. Is the State open to a cloud-based approach in the future?

**A: Proposals utilizing a cloud-based approach must demonstrate expertise and success with proven government specific clouds for State Taxation.**

6. With RFI submission materials being mailed physically, is the due date of February 13<sup>th</sup>, 2019 at 2:00 PM ET the postmark date of the items sent? Or the received date of the items sent?

**A: Responses must be received, and time stamped in the Division of Purchases, as stated in the RFI, by the submission deadline.**

## Vendor C

### **Data Considerations:**

How many data sources does Rhode Island Division of Taxation have access to? What type of structure is the data stored in, Relational, NOSQL, Excel, etc.

**A: Most of the Division of Taxation's data is stored within a SQL Server environment (Relational). However, other data sources likely to be useful for these purposes exist externally and may be housed in various forms. Choosing among and prioritizing such data sources for ingestion is one of the purposes of this endeavor.**

Can we get examples of categories of data that may be lacking consistent unique identifiers?

**A: Many published data sets (for example, from other government agencies) eschews use of unique identifiers such as FEINs / SSNs and instead publishes by name and address only.**

### **Environment considerations:**

Will we have access to Rhode Island Division of Taxation databases directly, PROD copy of data?

**A: At current, the Division expects that it will provide access to its Reporting environment, which is a lightly normalized one-day-behind copy of its Production databases.**

Are there currently any data aggregation to store the various data sources in one location?

**A: The Division of Taxation currently utilizes a Reporting Environment for this purpose.**

Are there software that is currently being used for data science purposes (e.g. SPSS, Python, R, SAS, etc.)?

**A: The Division has in place a Microsoft PowerBI reporting platform which covers some elements of the analytics space and is in the process of standing up an Analytics environment and a pilot of third-party software. The Division of Taxation is not seeking to limit the platforms and/or software suggested by the Vendor in a response to the RFI.**

Are there business intelligence tool like PowerBI/Tableau available for analysis to do data exploratory analysis?

**A: Yes, see above.**

### **Personnel Considerations:**

Will Rhode Island Division of Taxation have tax process experts to be used as subject matter experts for model development in this project?

**A: Yes, subject matter experts will be available for validating models in business terms and reviewing some high-level data results.**

Will Rhode Island Division of Taxation have Data Experts who are knowledgeable about querying the databases accessible in this project?

**A: Yes.**

**Process Considerations:**

Does Rhode Island Division of Taxation have a process in place to make decisions based on the output of the analytical models?

**A: Yes, although one of the outcomes of this Data analytics project will be to further iterate and refine these models.**

Does Rhode Island Division of Taxation currently have technology that the model can be integrated in for minimal development work on the User Interface end?

**A: Yes; the Division of Taxation utilizes existing tools and systems to automate the results of models and create manual and automatic work items for review or processing.**

**Vendor D**

1. What are the existing data sets referenced in bullet 3?  
**A: The Division of Taxation has an extensive “wish list”, but is seeking a vendor with sufficient subject matter expertise that they would be able to suggest data sources either from that list or outside of it which have proven useful in data analytics in the past, for the purposes of enhancing revenue and/or compliance. Data will be classified as “Pub 1075” in accordance with need.**
2. What unique identifiers do you use?  
**A: The Division of Taxation currently utilizes unique internal keys (DB primary index), externalized unique IDs (State Tax ID) and provided external IDs(e.g. FEIN/SSN)**
3. What, if any, modeling do you use for “lifestyle audits” and “sales suppression”?  
**A: The Division of Taxation currently uses locally developed techniques for these models.**
4. What do you mean by “lifestyle audits”? Could you expand on this?  
**A: One example of a lifestyle audit could be an individual taxpayer who might have several cars registered at the DMV, but their taxation profile is incongruent with other profiles that have similar cars, indicating there might be missing information in the profile. Such entities would be “good candidates” for audit.**
5. Is there an expected minimum “likely return on investment”?  
**A: The Division of Taxation is seeking information on the ROI for comparable projects undertaken by vendor in other taxation localities to weigh the costs of analytics investments against the best available expectation of return.**
6. How do identify Companies that are not headquartered in RI but do have RI business locations and/or activity.  
**A: This technique currently is locally developed and a good candidate for iterative enhancement based on the Vendor’s best practice and previous success in other endeavors.**

7. Do you currently use third party data / indicators that assist collectors in taking the best actions to expeditiously resolve delinquent accounts?

**A: Yes, locally developed techniques to provide “scoring” are in place and this is a good candidate for iterative enhancement based on the Vendor’s best practice and previous success in other endeavors.**

8. Do you validate existing businesses both for activity, level of operations and location in an effort to prevent fraud?

**A: Yes, locally developed techniques to flag for review are in place and this is a good candidate for iterative enhancement based on the Vendor’s best practice and previous success in other endeavors.**