

State Disbursement Unit Services for Division of Child Support and Office of Recoveries and Fraud Investigation

Questions and Responses

PROPOSALS ARE DUE NO LATER THAN November 21, 2024 BY 5:00 PM CDT

RFP #11615

BUYER: State of South Dakota

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Q1: 1.14 & 3.2.12

Will the State please confirm the Start Date for the implementation project? RFP Section 1.14 states March 1, 2025, and RFP Section 3.2.12 states December 1, 2024. Based on the required completion date of May 16, 2025, we recommend a January 1, 2025 Start Date. If the State elects Option 2, March is too late to begin a full-service implementation that must be completed in mid-May

A1: Project start-up timeframes will be negotiated with the successful offeror. Proposals should include timelines reflective of the time the offeror needs to take all required actions to achieve full implementation by June 1, 2025.

Q2: 3.2.3

The requirement in 3.2.3 states that we should provide the reports as identified in Section 3.6. However, Section 3.6 of the RFP is the Single Sign-On Requirements. Please advise what section we should cross reference for reports.

A2: Please refer to Appendix F.

Q3: 3.4.3

Are ORFI payments electronic, paper, or both?

A3: Paper.

Q4: 3.9.1 & 3.9.2

RFP Section 5.1 indicates that only a PDF copy of our response shall be submitted via the SFTP folder. RFP Sections 3.9.1 and 3.9.2 instruct Offerors to provide the required diagrams as "a separate attachment or document." Should Offerors submit the diagrams as separate documents at the end of the single PDF or as separate PDFs from the proposal?

A4: 5.1 refers to thQ1aze format in which the procurement is to be received. 3.9.1 and 3.9.2 identify the preferred method is to be separate. However, "If the offeror elects to make the diagram part of the proposal, then the location of the diagram must be clearly indicated in the Table of Contents." How this information is provided is up to the offeror.

Q5: 3.9.9

Given that our solution would still need to be stood up and configured for the State of South Dakota should we be awarded the contract, would it be acceptable to provide responsive documents from another State's solution?

A5: 3.9.9 States... "offeror will be subjected to security scans by BIT or preapproved detailed security scan report provided by the offeror. The scan report sent in with the proposal can be redacted by the offeror."

Q6 4.4 Given the length of our audited financial statements (more than 200 pages), instead of attaching a report may we provide a URL for you to access?

A6: The state would request to receive the financial statements to be included directly with the RFP.

Q7: 5.1

Are there any restrictions on the file size that can be submitted?

A7: It would be recommended to keep the file size to 4GB or less.

Q8: 5.1.1

The instructions state that all proposals must be organized and tabbed with labels for the following headings. Please confirm if the requested tab is excluded from the page count in the executive summary.

A8: The State agrees the tab is excluded from the page count.

Q9: 5.2.2

The executive summary is limited to one-to-two pages. Please confirm if the proprietary information can be excluded from the page count.

A9: The executive summary should contain a minimal amount of proprietary information with more detailed information provided in the detailed responses. The proprietary information should be clearly marked and included within the page count. (See 1.13)

Q10: 5.2.3.2

Since the awarded Vendor will be expected to execute Appendix A with the State, please confirm that Bidder's do not need to provide a point-by-point response to RFP Section 2, Standard Contract Terms and Conditions, which are the same terms contained in Appendix A.

A10: The State confirms the offeror does not need to provide point-by-point response to RFP Section 2.

Q11: 7.0

The instructions on p. 25 in Section 5.1 state that only a PDF copy of our response shall be submitted via the SFTP folder. In Section 7.0, the instructions state that "all proposals will be submitted utilizing the Excel spreadsheet included with the proposal as Attachment B."

- In addition to the PDF of the proposal, should Offerors submit the Excel spreadsheet via SFTP?
A. May Offerors include a cost narrative in addition to the excel spreadsheet that is requested

A11: A – The standard format for SFTP proposals are using the PDF format. However, the state agrees in section 7.0 the excel spreadsheet is requested. It is also agreed the spreadsheet under Attachment B will be accepted through the SFTP Site.

A11: B- The offeror may include a short narrative in addition to the spreadsheet being provided **only if** the narrative will provide clarity of the information within the spreadsheet. The narrative will be included in the proposal under section 7.0 Cost Proposal.

Q12: 7.0

Is the holdback applicable only for the implementation deliverables (the non-recurring line items), or throughout the contract?

A12: Holdback applies to the implementation deliverables.

Q13: 7.0

Is the holdback DCS's typical business practice, or will the holdback be used as a potential remedy for performance issues?

A13: Holdback is a typical business practice to ensure full and complete implementation and performance of the contracted resource.

Q14: Appendix A – ¶ 3(C)(2)

Will the State please consider rendering payment to the Contractor within 30 days following receipt of a properly submitted invoice?

A14: The State endeavors to render payment as quickly as possible upon receipt of an invoice in keeping with SDCL5-26-2.

Q15: Section 2.16: In offering its own-hosted software under Option #1 or offering hosted and managed SOU services under Option #2, offerer will be using its own pre-existing software. "Software System programs and documentation", and "source code(s) and documentation, including those necessary to upgrade and maintain the software program", constitute offerer's proprietary intellectual property.

Will the State agree to provide the Offerer an exception to this requirement to allow that offerer retains all right, title and interest to its' proprietary software and supporting documentation, and will not become property of the State, even if used in the delivery of services under the contract? Offerer agrees that any reports, plans, specifications, technical data or miscellaneous drawings developed, prepared, completed or acquired by Contractor specifically for the State relating to the services to be performed will be the property of the State.

A15: The State expects the offer to comply with CFR 95.617 to ensure FFP and retention requirements are met. Any proprietary software provided within the procurement should be clearly identified both in the proposal and cost estimate.

Q16: Appendix A – ¶ 12 Will the State please confirm that any pre-existing intellectual property developed and/or owned by the Contractor shall continue to be owned by the Contractor at the conclusion of the contract? It is our understanding that the State shall own any Work Product and/or customizations to the software used for the project, but the Contractor shall retain ownership rights to its underlying, pre-existing tools, materials, software, and the like that are used to deliver the services under the contract.

A15: See above response.

Q17: Appendix A – ¶ 13

Will the State please consider providing the Contractor with a reasonable notice and cure period to remedy any deficiency prior to terminating the contract for breach/default?

A17: The State expects to work with the Contractor regarding a remedy for deficiencies to the greatest extent possible. However, the State retains the right to terminate the contract for breach/default.

Q18: Appendix A – ¶ 13

Will the State please consider adding additional language into the existing Termination clause that provides the Contractor with the ability to recover reasonable unamortized and/or wind-down costs incurred due to the State opting to terminate the contract for its convenience and not due to the fault of the Contractor?

A18: The State will negotiate contract terms and conditions with the successful offeror.

Q19: Appendix A-1 ¶ XV

Is it the State's expectation that Bidder's propose the Service Level Agreement (SLA) metrics related to the deliverables? The procurement documents refer to SLAs and require Bidder's to warrant compliance with the SLAs, but there are no SLAs listed.

A19: Yes the SLA would be proposed by the vendor with approval by the state.

Q20: Appendix A – ¶ 24 Will the State please consider limiting the Contractor’s indemnification obligations to claims directly caused by Contractor’s own breach of contract, negligent acts or omissions, willful misconduct, or failure to perform?

A20: The State will negotiate contract terms and conditions with the successful offeror. Offeror should specify in its response the specific concerns it has for indemnification obligations as stated.

Q21: Appendix A.1 – ¶ XXV

Please clarify whether the State intends to take possession of the source code at the on-set of the contract, or whether the Contractor will put the source code in escrow for the State’s benefit until the contract concludes. It is typical practice in the industry for the Contractor to turn over source code at the conclusion of the contract and not at the on-set of the contract. If the State intends to take possession of the source code at the on-set of the contract, then the Contractor must ensure that the State agrees to various confidentiality provisions that provide protection of the software during the life of the contract.

A21: The state prefers to obtain a copy of the initial code at the beginning of the successful contract and a copy of the code if any coding changes are made at implementation or go live. Then to obtain a copy of the code as changes are made for the duration of the contract.

Q22: Appendix A –New Language Consideration

Will the State please consider including language in the final contract that adds a reasonable cap on Contractor’s liability for actual direct damages and includes a mutually beneficial exclusion of indirect, incidental, special, consequential, and punitive damages provision applicable to both parties?

A22: The State will negotiate contract terms and conditions with the successful offeror. Offeror should specify in its response the specific concerns it has for contractor liability as stated.

Q23: We would like to request the response due date be extended for at least 3 weeks from the date the question and answers are published to allow proposers an opportunity to adjust their responses to align with updated information provided by the State.

A23: DCS acknowledges this request, and the proposal schedule is being adjusted as follows.

RFP Publication	10/03/2024
Letter of Intent to Respond Due	10/17/2024
Offeror Questions Due	10/24/2024
Responses to Offeror Questions	11/07/2024
Request for SFTP folder	11/20/2024
Proposal Submission	11/27/2024
BIT Technical Review (TBD)	12/09/2024 to 12/18/2024
Oral Presentations/discussions (TBD)	12/09/2024 to 12/18/2024
Deadline for Completion of Site Visits (TBD)	12/09/2024 to 12/18/2024
Anticipated Award Decision/Contract Negotiation	12/31/2024

Q26: Please provide specifications, including model name, number and quantity of the current scanners being used by DCS. Also, are these scanners available for use in the future by the awarded vendor if the State selects Option 2 of the RFP?

A26: Current scanners are IBML ImageTracDS 1085. The State will negotiate contract terms and conditions with the successful offeror.

Q27: Could the State provide a copy of the current payment processing software contract, including all amendments and corresponding pricing?

A27: All state contracts can be found online at <https://open.sd.gov/>

Q28: Please provide the number of payments processed by the SDU (separated by payment type, paper/hard copy and electronic, if applicable) for the prior five SFYs (2019, 2020, 2021, 2022, 2023).

A28: This information is not readily available. SFY 2024 is the most accurate payment statistics available for this procurement.

<p>Q29: Please provide the number of payments that were electronically deposited for the Office of Fraud and Investigation for the prior five SFYs (2019, 2020, 2021, 2022, 2023).</p> <p>A29: This information is not readily available. The information provided in 3.0 is the most accurate information available for this procurement.</p>
<p>Q30: What is the current Bank for the SDU?</p> <p>A30: First Premier Bank.</p>
<p>Q31: Is ACCESS able to provide enforcement action information on case-by-case basis to our solution to assist with automated processing (e.g. DL Suspension, Passport Denial etc.)?</p> <p>A31: Enforcement activities are not a part of this procurement for either proposal option.</p>
<p>Q32: Does ACCESS post payments to a case or to a participant?</p> <p>A32: The ACCESS system posts payments to specific cases.</p>
<p>Q33: Based on the large number of potential questions/requests for clarifications being received, would it be possible to share the answers to questions as they are known versus waiting to provide one question and answer response document?</p> <p>A33: See 1.12</p>
<p>Q34: Section 1.13, Proprietary Information: Does the State have a preferred process for an offerer to mark proprietary information in the body of the proposal?</p> <p>A34: The State has no preference in how proprietary information is marked as long as it can be clearly and easily understood whether or not it is proprietary.</p>
<p>Q35: Section 1.5, Section 5.1 and Section 7.0/Attachment B Section 1.5 states "Proposals must be submitted as PDFs via Secured File Transfer Protocol (SFTP)" and Section 5.1 states "Only a PDF copy shall be submitted via SFTP folder" and Section 7 states "All proposals will be submitted utilizing the Excel spreadsheet included with the proposal as Attachment B. One cost proposal per option submitted will be accepted." a. Should Attachment B (Cost Proposal), currently provided in Excel format be converted to PDF format and only submitted in PDF format, or should both an Excel and PDF version be submitted for each cost option? b. If Attachment B (Cost Proposal) should be converted to PDF, should the Cost Proposal be combined with the Technical Proposal into a single PDF, or be provided as a separate PDF file? c. If Attachment B (Cost Proposal) is to be provided separately, should it also be signed in ink or digitally by an officer of the Offerer?</p> <p>A35: Attachment B (Cost Proposal) does not need to be converted to PDF and may be submitted in the current Excel format.</p>
<p>Q36: Section 2.0, Standard Contract Terms and Conditions Is there a process for an offerer to take exceptions to any term or condition in the RFP, the State's Standard Contract Terms and Conditions (Appendix A), or the additional terms and conditions in the Required IT Contract Terms (Appendix A.1)?</p> <p>A36: The State will negotiate contract terms and conditions with the successful offeror.</p>
<p>Q37: Section 2.3 Would the State consider providing space for Contractor-managed SDU operations within existing State facility, allowing Contractor staff to work within State Facility?</p>

A37: The State will negotiate location considerations with the successful offeror.

Q38: Section 3.0, Scope of Work

The RFP says that the State will allow up to two (2) proposals per offerer who is able to support the following services ...

a. For offerers responding to both service(s) options, is the State expecting 2 separate proposal documents to be submitted, or may the offerer submit 1 proposal, addressing the requirements for each of the options' requirements as specified in Section 3.3 for Option 1 and Section 3.4 for Option 2 within one (1) proposal.

b. Does the State expect the same cost proposal/format for both Software only and Full Services? This would be difficult as full-service contracts are typically "all in" flat rate per month or transactional rate based on volumes?

c. Will the State please confirm that under Option 2, the Offerer will be responsible for processing EFT payments?

A38: a. Due to the significant overlap in requirements for both options, 1 proposal is sufficient as long as the options are clearly delineated in the responses and the offeror's ability to perform and cost of each option can be easily understood by the State.

b. Cost proposals for full-service contracts need not utilize the Cost Proposal document provided that costs contributing to the total flat rate or transactional rate are delineated in the proposal.

c. EFT payments will not be processed by the offeror under Option #2.

Q39: Section 3.2.12

This section states "the offerer will provide an implementation plan, including a System Testing Plan (develop scenarios, schedule, and identify requirements), having a December 1, 2024 project start date for this procurement". Section 1.14 states the Contract Period may begin as early as March 1, 2025. With 100% service capacity available for June 1, 2025. Please confirm the Contract Period start date and anticipated start-up/implementation period.

A39: Project start-up timeframes will be negotiated with the successful offeror. Proposals should include timelines reflective of the time the offeror needs to take all required actions to achieve full implementation by June 1, 2025.

Q40: Section 3.2.13

In the event of termination of the contract, we cannot provide access to or use of our software that is not subject to a license agreement.

Will the State agree to provide the Offerer an exception to this requirement?

A40: The State will negotiate contract terms and conditions with the successful offeror.

Q41: Section 3.2.14

In the event offerer chooses to end services before all contract extensions have been exhausted, offerer agrees to provide 6-month prior notice to the State, however, we cannot continue to provide services after the contract termination, as we cannot provide access to or use of our software that is not subject to a license agreement.

Will the State agree to provide the Offerer an exception to this requirement?

A41: The State is not seeking to use the software past the date of contract termination. The State would, however, require continued service including utilization of software during the period when offeror notifies State of its intent not to renew the contract and the normal contract expiration.

Q42: Section 3.2.22

Could the State provide the current number of staff and corresponding percent Full Time Equivalent (FTE) by function/task or position dedicated to the existing SDU?

<p>A42: The current SDU consists of 7 FTE – 3 payment processors, 3 accounting assistants and 1 accounting supervisor.</p>
<p>Q43: Section 3.2.26 Does the notification requirement apply to Key Personnel only? Would the State consider a 36-hour notification period, to allow time for negotiation with staff?</p> <p>A43: The State will negotiate contract terms and conditions with the successful offeror.</p>
<p>Q44: Section 3.2.2.1 With regards to the same day processing of payments, please provide the daily volume of checks received processed by day of the week.</p> <p>A44:</p> <ul style="list-style-type: none"> • Monday 1,000 • Tuesday 120 • Wednesday 125 • Thursday 125 • Friday 150
<p>Q44: Section 3.2.2.4 Can ACCESS accept multiple payment/collections files per day?</p> <p>A44: Yes</p>
<p>Q45: Section 3.2.2.4 Does DCS and ORFI request/require assistance with Bank Reconciliation for both the software only contract and full-services contract?</p> <p>A45: Yes</p>
<p>Q46: Section 3.2.2.5 For each unique row in appendix D can you please provide:</p> <ol style="list-style-type: none"> a. The annual volume of checks and transactions processed by ORFI? b. For DCS the annual volume of transactions in terms of actual count and amount and percentages of transactions and dollars? c. Description of the scenario for which the payment is being received? d. Explanation of what "voluntary/w order" means? e. Clarification why there are no codes for EFT other state/cost recovery? <p>A46: a. ORFI payments are not assigned payment codes listed in Appendix D. b. That information is not readily available. c. Payment codes indicate payment method, collection method, and source. The three pieces of information identify the payment being received.</p> <p>Example BAD – Paid by Check, personal payment, made directly by PS (See Appendix D)</p> <ol style="list-style-type: none"> 1. Payment Method <ul style="list-style-type: none"> A Warrant from a government agency B Payment instrument drawn on a checking account (Personal or business firm) C Cash payment D Money order or traveler's check E Certified check (bank draft) or cashier's check F EFT collection G Replacement payment for dishonored payment (NSF) H Replacement payment for an advance payment I Transfer of funds between agencies J Credit card payment K Web check payment L Auto-withholding from the PS's bank account (AWI) P Prepay payment 2. Collection Method <ul style="list-style-type: none"> A PS payment made on a court order

- B Payment resulting from IWO
- C Garnishment, 1 time only payment
- D Payment resulting from sale of assets due to a lien
- E Payment from an attachment or seizure of asset
- F Payment resulting from another judgment remedy
- G Payment received from intercept of unemployment, IRS, or state revenue return
- H Payment received from an intergovernmental action
- I Payment made by the RS or others for fees for IV-D services
- J Payment received from collection of a posted bond

3. Source Code

- A Direct from South Dakota Clerk of Court
- C Direct from employer on income withholding
- D Direct from PS**
- E Direct from RS
- F Federal conviction
- G Direct from another state
- H Interception of Unemployment Compensation (UI)
- I Interception of IRS return
- J Interception of a US Treasury FMS payment
- K Rosebud Tribal payment
- L International collection

d. "Voluntary w/ order" indicates a payment made on a court order.

e. There are no cost recovery codes for any category of payor included in Appendix D.

Q47: Section 3.2.2.7

Assuming Efallia is your enterprise document management system. Would DCS want the images of envelopes, and their contents stored in both the vendor system and Efallia? Is Efallia just for non-payment related documents?

A47: The vendor system would need to be capable of retaining the appropriate images of the payment and supporting documentation for the required 3 years per 3.2.4.

Q48: Section 3.2.2.9

Our solution handles all EFT transactions and can identify and process cost recovery transactions posting only the amount received, along with either a fee post or a report of the fees. Does ACCESS require an adjustment to be made simultaneously with the payment be posted? Or can the fee information be added later?

A48: It should be available the same day the payment is received.

Q49: Section 3.2.2.10: We would expect a file of all valid cases with payments expected to be posted to be provided to us weekly. We then index this data so that it can be accessed at high rate of speed and used by our system for processing. Can you provide this weekly file?

A49: Current SDU software does not create an extract file and adds those newly identified payors when first payment is received. If a file is required, this should be noted in the proposal and can be discussed with the winning proposal.

Q50: Section 3.2.18

Does the State have a minimum number of data elements required to post a payment? Is prior history allowed to be used as a data element?

A50: The Child Support Certification Guide requires the system and SDU system to accept and uniquely identify all payments. Those payments identified in 3.2.18 have differing circumstances. Any payment with missing information should continue to store all other data elements identified in 3.2.10 to be included in the file.

If there are questions or concerns whether the payment is able to be processed, the offeror should contact the DCS POC.

Q51: Section 3.2.19

What is the current bank's deposit cutoff time for the state to receive same day deposit credit? What is the current cutoff for ACCESS to receive a payment collection file?

A51: The bank deposit cutoff time is 5 p.m. The ACCESS cutoff time is 7 p.m.

Q52: Section 3.2.20

We currently provide all customers a Test/Staging environment along with Production. Dev Environment is not provided to the customer as this is not a custom solution, it is COTS that is deployed in multiple sites - is this acceptable?

A52: With the availability of a Test/Staging environment for implementation along with any potential changes/enhancements, a dev environment would not be necessary.

Q53: Section 3.4.20

Are there any business rules that DCS has that would require the offerer to refuse to process a payment and return it to sender assuming there is a return address on the envelope (e.g. Money Order with No Information and a return address that is not in the system)?

A53: Return unidentifiable payments to the sender. Any payments returned should have documentation reflecting the receipt and subsequent return of payment. This information should be sent to the DCS Point of Contact.

Q54: Section 3.4.20.2

What is the current turnaround time for paper foreign currency exchange settlement with your bank? Are there any special processing requirements (e.g. overnight to banks central clearing operation)?

A54: Same day. Foreign currency payments are taken to the local Wells Fargo bank location and converted to US dollars.

Q55: Section 3.4.7

Is this requirement in reference to how mail is retrieved from the post office, i.e ... Courier vs SDU staff?

A55: Correct, The state will work with the offeror at the time of contract negotiation to determine the appropriate process for the retrieval of the mail.

Q56: Section 3.4.8

a. For the SDU, could the State provide the current approximate volumes/number of envelopes received each day, Monday through Friday?

b. What is the largest number of envelopes received and processed in a single day in last 2 years?

c. Is the mail currently being picked up at a local post office?

i. If yes, could you please provide the post office address and current pickup schedule, including days of week and times of day?

ii. If the State currently uses a third-party courier service for mail delivery, could you please provide the Vendor name?

d. If the SDU is transitioned to the Offerer, does the State expect the mail to be routed to a PO Box at a local USPS office?

i. If yes:

1. If there is a preferred USPS office, please provide the facility address, and

2. If there is a preferred pick-up schedule, please provide including days of week and time of days.

e. If the SDU is transitioned to the Offerer, does the State require daily pick-up of mail from the central State office and/or any of the regional State offices?

f. If the SDU is transitioned to the Offerer, does the State require daily bank deposits

(Cash/Foreign/Manual Deposit) to a specific bank/branch location? If so, please provide the bank name and location address.

g. If the SDU is transitioned to the Offerer, is there a preferred method for the SDU to forward non-SDU related correspondence to the State?

A:

- a. Approximately 1,250 per week.
- b. 1,300
- c. No. All mail received for SDU processing is first sorted by the Bureau of Administration, Central Mail Services. Sorted mail is delivered to the building currently housing the SDU.
- d. Please see 3.4.7.
- e. No. Please see 3.3.2 & 3.4.28
- f. Please see 3.2.2.1. South Dakota state bank is First Premier Bank.
- g. The method of transmission will be determined upon award. However, the state would welcome options the offeror may have utilized in other 'like' procurements.

Q57: Section 3.5.1

The State references a onetime file from their existing SDU software containing all NCPs, employers and data pertaining to other states. Our software is reliant on up-to-date information from your ACCESS system with weekly files that provide all valid participant data and necessary matching information, so that we can index it into a google like process so that payments can be systemically processed automatically. Can DCS provide a weekly participant data file for our use?

A57: This may have to be developed from the state side. Depending on the data elements needed and the file layout for the software would provide the scope of work needed and may be negotiated at the time of contract award.

Q58: Section 4.3

Is it required that we provide information related to at least three previous AND current service/contracts, performed by the offeror's organization, or is it acceptable to provide information for only current service/contracts if there is at least Three?

A58: Information is requested for at least three whether previous or current.

Q58: Section 4.4

As a privately held company, we consider our audited financial statements confidential and proprietary, both externally and to internal employees involved in the procurement process. May we provide our audited financial statements as a separate .PDF file to be transmitted via SFTP? If they are permitted to be signed separately, do they need to be signed in ink or digitally by an officer of the Offerer?

A58: The financial statement could be included as a separate document from the main RFP submission. It could be an actual document or an external link to a document. It would need to be submitted the same day as the RFP proposal being submitted to be considered.

Q59: Section 5.2.2

Please confirm whether or not proprietary information requests identified and included as part of the Offerer's Executive Summary count towards the one-to-two page executive summary limit.

A59: The executive summary should contain a minimal amount of proprietary information with more detailed information provided in the detailed responses.

Q60: Section 6.1.7 and 6.1.8

Can the State elaborate on what "familiarity with the project locale" and "availability to the project locale" means and how it will be evaluated?

A60: The project locale is the state of South Dakota with the DCS State Office located in Pierre, SD. Familiarity and availability criteria seek to understand offeror's knowledge of and proximity to the state including offeror's willingness to locate offices and facilities within the state.

Q61: Appendix A, Standard Contract Terms and Conditions, Section 12 Work Products
We do not consider our proprietary software and source code(s) that we are proposing to use in connection with services offered to the State to be Work Product under an agreement resulting from this procurement. Any source code is for our Saas generally and is not client specific.

Will the State agree that the offerer's pre-existing proprietary software and source code(s) will not constitute Work Product under the terms of the agreement, that these items remain the property of offerer?

Will the State agree to provide the Offerer an exception to this requirement by adding the following additional language at the end of the of this section. as follows - "Consultant's pre-existing software and source code(s) does not constitute Work Product and remains the property of the Consultant". (This language was previously accepted by South Dakota DSS, division of Child Support in the FIDM Alliance Contract between Informatix and DSS) Additionally, Offerer requests the word "provide" in the first sentence be changed to "develop" for clarification of the intent of this provision.

A61: According to CFR 95.617, proprietary packages provided at established catalog or market prices and sold or leased to the general public are not subject to the ownership provisions.

Q62: Appendix A.1, Required IT Contract Terms, Section XXV. Source Code
Vendor's preexisting source code is patented intellectual property. Our proprietary software is offered as off-the-shelf Saas, not written for or maintained for any one client. Will the State agree to an exception to this requirement?

A62: According to CFR 95.617, proprietary packages provided at established catalog or market prices and sold or leased to the general public are not subject to the ownership provisions.

Q63: Appendix A.1, Section XIV Independent Audit

a. In order to fully comply with this requirement, would the State accept a SOC 1, Type I audit from the Vendor/Offerer hosting the scanning facility and a SOC 2, Type II audit from the cloud services provider of the Vendor/Offerer? The cloud services provider is where the storing, accessing and processing of State Data will occur.

b. If a SOC 2, Type II audit is required of the Vendor/Offerer, would the State accept a SOC 2, Type I examination for the first year then a SOC 2, Type II examination for the subsequent years? Informatix requests this because a SOC 2 Type I establishes the examination criteria and a SOC 2 Type II audits the compliance of the criteria over the examination period established in the SOC 2 Type I. This is a common practice that our auditors recommend ensuring a smooth transition onto a SOC 2 Type II. Transition directly to a SOC 2 Type 11, can be challenging and can create additional unexpected expense.

A63: Answer to be posted at a later date.

Q64: Appendix A.1, Section XXIX Background Investigations

Please confirm if the State will cover the cost of the background investigations and fingerprint cards described in this section. If not, could the State please provide the cost per person so that the Offerer can budget accordingly?

A64: Information concerning background investigations including cost may be found at <https://atq.sd.gov/LawEnforcement/Identification/backgroundcheckrequirements.aspx#gsc.tab=0>.

Q65: Appendix A.1, Required IT Contract Terms, Section XXXI Acceptable Programming Languages

Because Saas offerings often use a variety of technologies, please clarify whether this requirement applies strictly to on-premises custom software or if exceptions can be made for cloud-based Saas platforms using different programming languages and frameworks.

A65: As long as the vendor is using current industry standards in terms of coding, that would be adequate for a SAAS model. The State expects that the coding language will not prohibit the platform from being updated with routine security patches, etc.

Q66: Appendix A.1, Required IT Contract Terms, Section XXXIV Security Scanning
Our Saas solution has built-in security practices, such as regular patching and updates and vulnerability scans. Please clarify how security scanning and updates will work in a cloud environment where the infrastructure is not directly managed by the state, and how regular security checks and audits will be handled in a cloud environment.

A66: - With a SAAS solution, if a vendor is adequately able to provide results demonstrating routine scanning and patching on a periodic basis, if applicable mitigation plans, that would satisfy this need. Details can be sorted out with the selected vendor.

Q67: Attachment B, row 6

a. Please clarify the meaning of "Non-Recurring Costs" as there is a data input/cost field for each year of the 15 years of pricing?

b. If we charge an annual fee for our Software License, would we input those costs under the Section labeled "Recurring Costs" as an "Other Cost", or input them in rows 7-8, despite the fact they are annual costs?

A67:

- a. Non-recurring costs would be one time cost incurred for implementation of the contracted services. We would not expect data to be populated all 15 years of the spreadsheet for these types of costs.
- b. If licensing fees are included with software maintenance costs it should be included on that line. If not, it should be split out and identified in the Other Costs line and specifically identified.

Q68: Attachment B, rows 7, 8 and 9:

a. Please clarify if the Offerer should provide additional description in column A and separate between the different Licensing cost types, if applicable?

b. If only one License type applies, should the Offerer just complete row 7 "Licensing" and leave rows 8 and 9 blank (no cost)?

c. If more than three License types apply, may the Offerer add additional rows, as Applicable?

A68:

- a. The different licensing types could be identified in column A.
- b. If only 1 license applies to the software only Line 7 should be populated. If multiple licenses would apply Lines 8 & 9 could be utilized.
- c. If additional licenses need to be included additional rows may be added to the spreadsheet.

Q69: Attachment B, row 10

If there are multiple Software providers, including both the Offerer and Third-Party Vendors, should the aggregate software cost be input in row 10 "Software Purchase"?

A69: If there are multiple software providers additional rows should be added to identify each unique provider of the software.

Q70: Attachment B, row 19

Please clarify/explain what type of Equipment Purchase cost would be input in row 19 and how it differs from rows 20-21 or 22-23?

A70: If all equipment would be purchased through the offeror the total amount could be included in row 19. If there would need to be equipment purchased separately from the offer but required for the proposed solution.

Q71: Attachment B, rows 20-21

Please clarify if the Offerer should provide additional description in column A and separate between the different Equipment Purchase (required to purchase through Offerer) cost types, if applicable?

A71: Additional information could be provided for these rows to assist with the description of the equipment and options.

Q72: Attachment B, rows 22-23

a. Please clarify if the Offerer should provide additional description in column A and separate between the different Equipment Purchase (Purchased separately) cost types, if applicable?

b. Please confirm the definition of "Purchased separately." Does this mean that the State would purchase the equipment directly from the Vendor?

A72:

- a. Yes additional information can be added to the Column A
- b. Purchased separately reflects a piece of hardware that is required but may be purchased by the State using State agreed upon prices.

Q73: Attachment B, rows 32 and 34

Please clarify the difference between these two separate price line items which are labeled "Travel" and "Staff Travel".

A73: Row 32 is intended to be used by the Offeror should there be travel expenses required for development and implementation. Whereas row 34 would be specific to any staff who may require travel to complete state training prior to go live.

Q74: Section 2.16 indicates that the Contractor acknowledges that source code to the vendor's proprietary software is owned by the State.

As a vendor, we do not offer source code for our proprietary intellectual property to be owned by other entities. Can the State please amend this section to remove the words source code; or provide confirmation that delivering source code is not applicable?

A74: According to CFR 95.617, proprietary packages provided at established catalog or market prices and sold or leased to the general public are not subject to the ownership provisions.

Q75: Section 3.0, Scope of Work

The current solution that DCS utilizes today is an on-premise solution implementation, operated by DCS staff.

For this RFP, does DCS prefer a hosted solution?

A75: The State is open to either a state- or vendor-hosted solution. Costs and benefits of solutions will be considered in selecting the winning proposal.

Q76: Section 3.0, Scope of Work states

The DCS is willing to consider changing the current EFT payments sent into ACCESS system to be routed through the SDU software. Potential payments include those not associated with the federal tax offset program.

Can DCS please elaborate on this requirement with more detail about the functionality that is required?

A76: DCS currently loads all EFT payments directly into the ACCESS mainframe system where they are distributed and disbursed.

Being in the planning stages of modernization (3.2.11), DCS is reviewing existing processes and feel it is worth considering the change in processing the EFT files from the ACCESS system, to the SDU Software.

Similar to 3.1.1, DCS would be interested in any risks or benefits the offeror may see should this movement be completed. The activities that an SDU software can complete on an EFT file is unknown. DCS anticipates the offeror would provide this information should they feel this would be a beneficial movement.

Q77: Section 3.0, Scope of Work states

DCS is responsible for administering the child support program in South Dakota providing services to customers including collection and disbursement of child support payments. In SFY 2024 the DCS SDU processed 190,647 payments totaling \$112.7 million. Approximately 56.4% of payments were in hard copy form from all payor types.

Can South Dakota DCS define/clarify what you mean by “hard copy”?

A77: Hard copy payments are the physical payments received within the SDU for processing as well as the supporting documentation that may be included. Paper Check, money order, cash, and payment allocation information from employers are examples.

Q78: Can South Dakota DCS please confirm the annual check volume for DCS and ORFI?

A78: As stated in the RFP, total check volume in SFY 2024 was 194,383, ORFI provides 3,736 payments (physical payments).

Q79: Section 3.2.2.1 The DCS requires all child support funds received and processed, be sent for depositing, and uploaded into the ACCESS system the same business day.

What type of interface is available for the ACCESS system? Is the output a flat file and what format will the output be?

A79: Information provided from the existing SDU Software to the mainframe is through a flat file.

Q80: Section 3.2.2.2 Processing of physical payments including at a minimum cash, money order and check for all Title IV-D and non-IV-D cases, including the ability to accept payments into the software received in any DCS Office throughout the state.

How are cash transactions processed today? Are cash transactions processed in the current SDU software?

A80: Cash transactions are not processed through the current SDU software.

Q81: Section 3.2.3 states; Provide, at a minimum, the reports identified in Section 3.6 of the RFP.

We assume that the reference to reports should be Appendix F and not Section 3.6. Can the DCS please confirm this? If there are other reports beyond what is in Appendix F that should be included with the solution, can DCS provide those reports samples?

A81: Correct the primary reports are identified in Appendix F the DCS Data Entry Workflow Report and Operator Statistics Report.

Q82: Section 3.2.14 points to Section 1.16 within the RFP, however we assume it should be Section 1.14; is that correct?

A82: Correct the correct reference should be 1.14.

Q83: Section 3.2.27 and Section 3.2.31 mentions a Guide, Area F – Financial Management.

Can DCS point to the location of where this Guide, Area F – Financial Management is located, or provide a copy?

A83: The Automated Systems for Child Support Enforcement: A Guide for States may be found on the OCSS website. The link is available in Appendix E, and provided here for your convenience <https://www.acf.hhs.gov/css/training-technical-assistance/automated-systems-child-support-enforcement-guide-states>.

Q84: Section 3.2.32 states; The offeror is expected to provide sufficient information to each item below to demonstrate their approach and/or methodology unless otherwise identified. Criteria in Section 3.3 and 3.4 are requirements in addition to the details identified in Section 3.2.

If the vendor is proposing only one option (Section 3.3 or Section 3.4), do they still need to respond to both options

A84: No. If only proposing one option, provide information for Section 3.3 or Section 3.4 as appropriate.

Q85: Section 3.3.4 - Is DCS looking to replace the existing scanner hardware as part of the initial implementation; or should the vendor make recommendations on future replacement within the contract term?

A85: The State seeks to use existing hardware for as long as it remains functional and efficient. Offeror should make recommendations on future replacement as necessary. If there was any compatibility issues the state may look to purchase new hardware.

Q86: Section 3.3.6 DCS employees shall be strictly prohibited from accessing the system to check the status of any case or payment information to which they have a personal relationship. No employee shall process transactions or documents related to a child support case to which they have a personal relationship.

Will DCS provide a list of DCS cases with possible relationship to a DCS employee in order to restrict access?

A86: The State will provide any known conflicts that may need to be enforced upon award.

Q87: Section 3.9.9.5 - All State security policies can be found in the Information Technology Security Policy (ITSP) attached to this RFP. The offeror should review the State's security policies regarding authorization, authentication

The ITSP was not included in the RFP. Could you please supply us with the ITSP information?

A87: The State agrees the ITSP was not included in the original publication. The ITSP will be uploaded to the procurement pages, and can also be found at the following location.

[BIT - Bureau of Information and Telecommunications - Information Technology Security Policy \(ITSP\) - Contractor](#)

Q88: Attachment A Questions - Does the vendor have to respond to "Section B. Hosting" if proposing an on-premise solution?

A88: The state would not expect a response in that section if the proposed solution did not entail the vendor hosting it.