

OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE BANKING SERVICES IN SUPPORT OF CENTRALIZED SUPPORT COLLECTION AND ENFORCEMENT JANUARY 2015 INVITATION FOR BID FIRM FOLLOW-UP QUESTIONS AND ANSWERS

NOTE: **preceding an **Answer** denotes where an IFB page replacement(s) or additional information will be provided.

Original Question #	IFB Section	Question and Response:
N/A	3.7 Debit Cards	<p>Question: Many questions were posed regarding card program volumes. Some of the most critical data to the bidder community provided by OTDA does not align with other similar state child support programs. Clarifying the following information is a must to level the playing field with the incumbent who likely has access to the information all bidders seek. Without this information we project that OTDA likely will not receive conforming bids.</p> <p>OTDA indicates there are 329,165 cards with an average load per card of \$137.04. The average load of only \$137.04 is much lower than the industry norm for child support programs. We surmise that the issue relates to inactive cards being included in the total number of cards, inactive meaning, those cards which may not actively be receiving regular payments.</p> <p>Can OTDA ask its current contractor to provide the following:</p> <ol style="list-style-type: none"> 1. Average # of cards per year actively receiving loads (active defined as receiving more than 1 load in 2014) 2. Average \$ amount per load on active cards 3. Average # of loads per active card per year 4. Typical frequency of payments: % of cards receiving weekly loads, % receiving bi-weekly loads, % receiving monthly loads, etc. 5. % of dollars spent by transaction type <p>Response: 1. For the year 2014, there were 167,001 debit cards that received more than one load. 2. The average dollar amount per load for the year 2014 was \$137.12. 3. The average number of loads per card for the year 2014 was twenty-six (26). 4. This information is not currently tracked. 5. Dollars spent by transaction type have been provided in the table in the next question.</p>

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46	3.7 Debit Cards	<p>Question: OTDA wishes to eliminate \$1.5 million in charges for the card program while at the same time further decreasing the fees the card provider can charge consumers from what is offered today. The fee caps proposed are well-below industry norms and market sustainability. In fact, the price caps currently included are significantly below what consumers experience with traditional checking/debit accounts.</p> <p>It absolutely is possible for OTDA to have a card program that does not contemplate OTDA paying any program support charges. However, to achieve a no-cost structure, OTDA must allow for a normal/market consumer fee structure. Therefore we strongly recommend that one of two approaches be adopted by OTDA:</p> <ul style="list-style-type: none"> • OTDA removes the fee caps to allow for a competitive bid process so that issuers can provide offers that are sustainable and relevant to today's standards. If OTDA does this, we anticipate that OTDA will receive the no-cost bids it seeks. • OTDA keeps the below market fee caps in place and subsidizes this approach by allowing bidders to charge OTDA an annual support fee for the program. <p>Without the adoption of one of these recommended approaches we project that OTDA likely will not receive conforming bids.</p> <p>Response: OTDA will maintain the fee caps outlined in the IFB and no other debit card costs are included on form BR-12.</p> <p>The next question follows an extraction of the relevant section from the Q&A for the ease of OTDA:</p> <p>It appears that OTDA has only provided transaction counts but has not provided the related dollar amounts for each transaction type. Understanding the % of total dollars spent is more important to issuers than raw transaction counts. Your current provider should be able to provide this information.</p>

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		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; vertical-align: top;">375.</td> <td style="width: 15%; vertical-align: top;">Form CS-1E(b)</td> <td style="vertical-align: top;"> <p>Question: Are fees for declined Point of Sale (POS) transactions allowed?</p> <p>Response: Details regarding transaction fees are provided in Section 4.2.1.3 of the RFP.</p> <p>Question: Non-incumbent vendors need to know the current volume of transactions in order to make projections for the New York Debit Card. Please have your current Debit Card vendor provide the number and dollar amounts for each of the last 12 months for each of the following transaction types so that all vendors have the same information: ATM Withdrawals, ATM Withdrawals that were assessed a fee, ATM Balance Inquiries, ATM Balance Inquiries that were assessed a fee, Signature Point of Sale, PIN Point of Sale, Bank Teller Withdrawals, Overdraft fees assessed.</p> <p>Response: The table below reflects the total volumes of various Debit Card transactions for the year 2014.</p> <p>The OTDA cannot guarantee that volumes will remain constant or be representative of the volumes an Offeror might experience in any one of the five years covered by the RFP.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>ATM Withdrawals</td><td style="text-align: right;">2,460,684</td></tr> <tr><td>ATM Withdrawals with assessed fee</td><td style="text-align: right;">2,068,667</td></tr> <tr><td>ATM Balance Inquiry</td><td style="text-align: right;">843,473</td></tr> <tr><td>ATM Balance Inquiry with assessed fee</td><td style="text-align: right;">627,660</td></tr> <tr><td>Signature Point of Sale</td><td style="text-align: right;">8,520,179</td></tr> <tr><td>PIN Point of Sale</td><td style="text-align: right;">4,563,242</td></tr> <tr><td>Bank Teller Withdrawals</td><td style="text-align: right;">103,478</td></tr> <tr><td>Overdraft fees assessed</td><td style="text-align: right;">0</td></tr> </table> </td> </tr> </table> <p>Response: The dollar values have been added to the table of volumes for Debit Card transactions. Please note that ATM withdrawals and ATM Balance Inquiries are subsets of</p>	375.	Form CS-1E(b)	<p>Question: Are fees for declined Point of Sale (POS) transactions allowed?</p> <p>Response: Details regarding transaction fees are provided in Section 4.2.1.3 of the RFP.</p> <p>Question: Non-incumbent vendors need to know the current volume of transactions in order to make projections for the New York Debit Card. Please have your current Debit Card vendor provide the number and dollar amounts for each of the last 12 months for each of the following transaction types so that all vendors have the same information: ATM Withdrawals, ATM Withdrawals that were assessed a fee, ATM Balance Inquiries, ATM Balance Inquiries that were assessed a fee, Signature Point of Sale, PIN Point of Sale, Bank Teller Withdrawals, Overdraft fees assessed.</p> <p>Response: The table below reflects the total volumes of various Debit Card transactions for the year 2014.</p> <p>The OTDA cannot guarantee that volumes will remain constant or be representative of the volumes an Offeror might experience in any one of the five years covered by the RFP.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>ATM Withdrawals</td><td style="text-align: right;">2,460,684</td></tr> <tr><td>ATM Withdrawals with assessed fee</td><td style="text-align: right;">2,068,667</td></tr> <tr><td>ATM Balance Inquiry</td><td style="text-align: right;">843,473</td></tr> <tr><td>ATM Balance Inquiry with assessed fee</td><td style="text-align: right;">627,660</td></tr> <tr><td>Signature Point of Sale</td><td style="text-align: right;">8,520,179</td></tr> <tr><td>PIN Point of Sale</td><td style="text-align: right;">4,563,242</td></tr> <tr><td>Bank Teller Withdrawals</td><td style="text-align: right;">103,478</td></tr> <tr><td>Overdraft fees assessed</td><td style="text-align: right;">0</td></tr> </table>	ATM Withdrawals	2,460,684	ATM Withdrawals with assessed fee	2,068,667	ATM Balance Inquiry	843,473	ATM Balance Inquiry with assessed fee	627,660	Signature Point of Sale	8,520,179	PIN Point of Sale	4,563,242	Bank Teller Withdrawals	103,478	Overdraft fees assessed	0
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N/A	3.7 Debit Cards	<p>Question: Given the importance of the above three questions to all non-incumbent card bidders, would OTDA consider extending the proposal due date by one week? That would provide time for OTDA to consider these questions and perhaps gather the data requested and then for bidders to receive the refined information and in turn create thoughtful models and proposals.</p> <p>Response: The Closing Date for Receipt of Bids has been extended by one week. The Closing Date for Receipt of Bids is now April 3, 2015 (By 3:00 PM). A page replacement will be provided.</p>																											