State of New Jersey

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STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
REQUEST FOR INFORMATION ON
FRONT END REMITTANCE AND DOCUMENT PROCESSING SERVICES

Purpose

The Department of the Treasury (Treasury), Division of Revenue (Revenue) is seeking information to assist it in assessing the feasibility of and developing requirements for procuring a contractor to provide front end remittance and document processing services for the State of New Jersey. This includes, mail receipt, extraction, screening (according to specific instructions from Revenue) and document preparation.

As a preliminary step in this process, this RFI seeks responses from entities that perform front end processing services for large-scale public agencies and/or other large-scale processing operations in the private sector, and from other interested, relevant parties, who may have information helpful to assessing the feasibility of contracting in this area and if applicable, to the procurement of front end processing services. This includes, but is not limited to, information on mail operations, document scanning/indexing, data and image capture, quality control, revenue deposit operations and security programs, including secure document destruction, pricing and/or payment methodologies. Respondents may be entities that provide some or all of the required services.

This RFI provides a brief background, a listing of the proposed types of services expected to be provided by the contractor and a list of questions to be answered by respondents. While the ideal response would include an answer to each question, with the exception of a few required answers, a respondent may choose which questions to answer. Those entities that provide front end services through emerging technology platforms – for example, platform as a service and infrastructure as a service, are urged to provide supplemental information on these emerging platforms and how they may be obtained and paid or provided and reimbursed.

Please email responses with the heading **FRONT END REMITTANCE AND DOCUMENT PROCESSING SERVICES** to:
pat.locane@treas.state.nj.us

Responses are requested by July 15, 2010.

Background

Revenue's front end processing operations encompass various types of tax returns, reports, applications and payments from New Jersey taxpayers – both individuals and businesses. This includes approximately 7.8 million transactions and nearly 6 million checks per year. Among these are 3.4 million income tax returns; 1.7 million business tax filings; 2.45 million Motor Vehicle Licenses, Registrations, and Violations; 200,000 Property Tax Reimbursements; 42,000 paper NJ Fair Rebate applications; and 152,000 Consumer Affairs and Department of Environmental Protection license renewals. Revenue also images personnel files and active cases from the Department of Personnel and Division of Criminal Justice, along with applications/correspondence from the Departments of Health and Senior Services and Banking and Insurance. Payment processing services are provided for the Departments of the Treasury and Human Services.

It is important to note that the work load associated with front end processing includes both remittance (check and stub) and page-size items. The work flows associated with remittance and page size processing are shown below.

CURRENT REMITTANCE PROCESSING SYSTEM FLOW

Receive mail > Manually cut/sort/batch > Transfer to extraction station >Extract > Screen/prepare>

Transfer to remittance processing system > Scan and capture data/images >

Verify >Deposit/reconcile > Export production data/images to customer agency

CURRENT PAGE SIZE PROCESSING SYSTEM FLOW

Receive mail > Manually cut/sort/batch > Transfer to extraction station > Extract > Screen/prepare>

Transfer checks to remittance processing system > Transfer returns to processing system >

Scan and capture data/images > Verify/complete

> Export production data/images to customer agency

Key Turnaround Metrics:
Generally, paper based returns and reports must be fully processed no later than two weeks following receipt and remittances no later than three days following receipt.

Peak Season:
The six month period, from January through June each year, is a vitally important timeframe for Revenue and State government as a whole. During this time, the Division processes over 70% of its paper-based filing work load and nearly 60% percent its revenue-related transaction work load (representing approximately $19.5 billion in revenue).

Revenue currently does all of the work above in-house in two separate facilities, with combined space of approximately 95,000 square feet housing roughly 278 full time and 411 seasonal employees.

Proposed Requirements

A baseline for future procurement of front-end processing services includes, but is not limited to, addressing all of the elements of the system flows above in general and specifically, the following task set:

- Mail receipt, extraction and document screening/preparation
- Remittance processing (scan, data/image capture and export to production systems, and revenue deposit/reconciliation)
- Document processing ((scan, data/image capture and export to production systems)
- Quality control
- Secure paper document destruction
- Security program administration
- Customer service desk
- Management control and work in progress reporting
- Backfile conversion (document preparation, scanning/indexing and export for existing accumulations of records)
- Contract management liaison and billing report reconciliation with Treasury Contract Manager.

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Respondent Questionnaire

Please Note: Questions 1-11 represent required information

1.   Firm Name:

2.   Firm Street Address:

3.   Firm City, State, Zip:

4.   Firm Primary Business:

5.   Contact Person Name:

6.   Contact Person Title:

7.   Contact Person Voice:

8.   Contact Person Fax:

9.   Contact Person Email:

10. Are you willing to make a presentation in Trenton, New Jersey at your company's expense, if requested?

11. If yes, what is the minimum notice you require in order to travel to Trenton, New Jersey to make a presentation?

12. Parent Company Name:

13. Parent Company Street Address:

14. Parent Company City, State, Zip:

15. Parent Company Primary Business:

16. Characterize respondent (Check one)

    A.   Full Service Information Processing Provider   _____
    B.   Financial Services Organization   _____
    C.   Other (Describe)

17. Types of service provided

18. Number of Clients (Please attach a list of major clients, geographic locations and dates of contracts)

19. How is the firm compensated (list all methods)

20. Provide typical pricing schedules for the firm's services (hourly rates, per page processing rates, verified keystroke rates, etc.)

21. Would your firm respond to the following challenges?

Conversion and Transition:

Revenue's remittance and page size processing platforms encompass unique combinations of custom application software, custom software interfaces (including data and image capture and complex validation rules) and hardware components that are tightly integrated within the custom software complex. All of these elements are linked to multiple, disparate user agency database platforms, as well as to a large-scale image storage subsystem. A contractor would need to design, develop, test and implement software/hardware platforms to the legacy processing complex, without disrupting current work and revenue flows. A contractor would also need a robust change control process to handle modifications needed to respond to new laws and user agencies functional requirements.

Work Site:

The State's two facilities described previously are located in and in close proximity to Trenton, New Jersey. One facility is owned and the other leased. A contractor would need to set up its own facility or propose leasing the State's facilities.

New Network:

New data/image network configurations between the contractor's facilities would have to be build.

Workflow Management:

Work turnaround is a critical performance factor – with payment transactions requiring same day turnaround and filing applications requiring turnaround from one to ten work days.

Quality Control and Disaster Recovery/Operational Continuity:

Revenue's customer agencies require complete and accurate data and image capture. Provisions for disaster recovery and operational continuity are also essential.

Security and Privacy:

Many of the documents and transactions processed b y the Division are confidential in nature. The contractor must operate within a robust security environment, which allows for third party audit and verification.

Flexible Pricing Strategy Tied to Scalable Service Architecture:

Due to the on-going adoption of electronic filing and payment service technologies, paper work volumes are likely to decline substantially as the years progress. The extent and pace of decline cannot be determined with precision at this point, and the periodic need for backfile conversions (conversion of existing accumulations of records to electronic format) may present new high volume service opportunities in the short term. However, the general migration to electronic service channels appears inevitable. The contractor will need to propose a pricing plan that allows for service continuity and the ability to scale operations up and down without disrupting services. In this connection, the development of a full service complex that effectively and efficiently addresses all filing and payment channels may be requ9ired.

Customer Support:

It will be necessary to provide responsive customer support through multiple channels – for example, telephone, email, chat, automated web-based solutions, FAQ, etc.   Service arrangements will need to address this requirement. Support will also be required for State agencies that use the centralized service complex.