
BIDDER'S CONFERENCE
SUPERVISION FEES COLLECTION
AND ACCOUNTING SYSTEMS

RFP 2014-11

LOCATION: 97 Central Avenue, Albany, New York

DATE: December 18, 2014

PRESENT: Kathy Kiley
Lucretia Bailey
Velma Berry
Diane Scott
Tim Zuelsdorf
Rick Knuth
Melissa McLaughlin
Debbie Jackson
Nandu Vembar

Elena Gallo - Wells Fargo
Monique Lopez - Wells Fargo
David Jonas - Klik Technologies
Tracy Feeman, Klik Technologies
John Lynch, Fieldware LLC
Doug McGriff - Jpay, Inc.
Eddie Valeriano - Touchpay
Laura Palmisanl- Access Corrections

HEARING REPORTER: AnnMarie Testa

1 MS. BERRY: Welcome everybody. This is a Bidder's Conference for the
2 supervision fee collection and the related accounting system, the requested proposal
3 2014-11.

4 Everything that goes on in the room is going to be recorded by a verbatim
5 reporter, so please speak one at a time when you do speak. And if the Reporter needs
6 anything repeated, she will let us know. The resulting transcript is a good tool and it will
7 be posted on both the Contract Reporter and Community Supervision website by --

8 What date?

9 MS. KILEY: December 30th.

10 MS. BERRY: -- by December 30th, and that can help you with preparation
11 for your questions and perhaps proposal. DOCCS has initiated the restricted period for
12 this solicitation with the release of the RFP document to the public, so please keep in
13 mind that you have certain parameters to follow, such as communicating only with the
14 designated contact, and that is Lucretia Bailey.

15 Some of you don't know much about DOCCS, so I will just go over a little
16 bit about it. It is the largest agency and we have fifty-four correctional facilities and
17 approximately 54,700 inmates, and that is on the correction side. On the community
18 supervision side, we oversee over 36,000 parolees.

19 Right up front I want to say that you should keep in mind what DOCCS is
20 looking for. We are looking for a solution, we are not looking for ideas on how to rewrite
21 the RFP. Much effort has gone into the research and we know what we want, we just
22 want the best solution for what we are asking for.

23 During the conference we are going to provide an overview, but before we
24 do that, I would like to get started by having everybody introduce themselves and have
25 them mention the company that they are affiliated with. Maybe we can start right next to

1 the Reporter.

2 MS. PALMISANL: Laura Palmisanl, Access Corrections.

3 MS. LOPEZ: Monique Lopez, Wells Fargo.

4 MS. GALLO: Elena Gallo, Wells Fargo.

5 MR. JONAS: David Jonas, Klik Technologies Klik.

6 MS. FEEMAN: Tracy Feeman, Klik Technologies.

7 MR. LYNCH: John Lynch from Fieldware.

8 MR. VALERIANO: Eddie Valeriano, Touchpay.

9 MR. McGRIFF: Doug McGriff, Jpay.

10 MR. KNUTH: Rick Knuth, I work here at Community Supervision.

11 MS. KILEY: I am Kathy Kiley from Counsel's Office for DOCCS.

12 MS. BAILEY: Lucretia Bailey, Community Supervision Contract

13 Procurement Unit.

14 MS. BERRY: I am Velma Berry from the Contract Procurement Unit.

15 MS. JACKSON: Debbie Jackson from the Contract Procurement Unit.

16 MS. SCOTT: Diane Scott from the DOCCS Budget and Finance.

17 MS. McLAUGHLIN: Melissa McLaughlin from the DOCCS Budget and
18 Finance.

19 MS. BERRY: So, the collection of supervision fees is based on a very old
20 law from the early '90s. You can read about the background right in the request for
21 proposal, so I will not dwell on that. The amount that parolees pay is determined by the
22 individual releasee's circumstances, such as employment or their potential for being
23 employed. The funds go into a general fund.

24 The significance of requiring the parolees to pay is to help them to become
25 more responsible and also to contribute towards the cost of their supervision. So we are

1 expecting that this request for proposal will result in one five-year contract that will
2 provide both the collection and the accounting system.

3 I would like to introduce the Chief Budget Analysis, Melissa
4 Perrotty-McLaughlin, I think she has to leave early.

5 MS. McLAUGHLIN: I can stay for the duration. Good afternoon. This
6 should be pretty straightforward and simple as far as the budget component of the RFP.
7 Essentially what we are looking for is two sections or two pieces.

8 The first one is your cost to the releasee for paying the fee. Essentially what
9 we would like you to do in the Attachment D of the RFP, which you will submit that with
10 your proposal, is basically outline what it will cost you for a single transaction essentially
11 for all of the required payment methods that we have outlined in the RFP. What does it
12 cost you to process a payment associated with walk-ins, pay-by-phone, and computer
13 internet payments. Then we have the mail and lockbox, which we actually indicate there
14 is no cost to DOCCS for that component. So basically we can get an average cost per
15 single transaction and we can score your proposals for that section.

16 The other piece that we are looking to get information from you on is
17 essentially your administrative cost, basically everything that is not included in the
18 monthly fees -- or the fee per transaction, excuse me. What it costs essentially to run the
19 program behind the scenes, what does it cost for reporting, the lockbox piece of that, any
20 promotional materials, reminders to the releasees, et cetera, we want you to include in
21 that one cost for the monthly administrative fee.

22 And then, as you can see, both sections are a total of twenty-five points,
23 with the cost to releasee being a total of fifteen points and then the cost for administrative
24 fees is basically ten points of your proposal.

25 If you have any questions, we can go through them, but we tried to make

1 this so simple to make it easier for you to submit basically. That is my piece.

2 MS. BERRY: Does anybody have any questions for Melissa right now?

3 MR. LYNCH: John Lynch from Fieldware. Along the lines of questions
4 that were submitted in the previous proposal, the lockbox component would be a
5 significant cost to the vendor and is completely based upon volume per check?

6 MS. McLAUGHLIN: Right.

7 MR. LYNCH: Some vendors might have eighty percent of their volume
8 through lockbox and twenty through credit cards and others might be the other way
9 around, would you consider making that component of it, even though the State will be
10 paying, a volume base?

11 MS. McLAUGHLIN: No, not at this time.

12 MS. BERRY: Thank you, Melissa. The information that -- most of the
13 information you need for your preparation of the technical proposal can be found in the
14 Scope of Services, which is the Attachment B, but Rick Knuth is here and he is going to
15 give us an overview, basically, of the technical requirements.

16 MR. KNUTH: Thanks. We have been doing this for a while, the thing for
17 us now is not to have the parole officer involved in being the collection agent. They still
18 supervise the parolee, they still are responsible to make sure that the parolee knows that
19 he owes, what it is that he owes, and they have a mechanism to try to do this so they can
20 find out how much he paid and is he in arrears, so they can keep tabs of that. We are
21 better served if they are in the street doing their job than collecting.

22 We also want to improve the amount of collections. We are not great at it,
23 okay, it is not our primary function. So we want to be able to bring more money in so the
24 legislature needs pays for itself and other money goes to the general fund of the State, and
25 they would like to have that.

1 We also need a better way of a back end or back room accounting of it, so
2 we ourselves, as administrators, don't need to spend as much time or staff in this back
3 room activity. So we ask, whether it be reporting mechanism for the parole officers or
4 managers, to have access to go in and see, whether it be a particular account or overall,
5 make it more efficient for us.

6 So, that is the thrust of what we are trying to do in the Scope. I would say
7 that in your responses to the Scope, address every section, even if it is a simple response.
8 But if you read enough of these things over the years and you read, we will comply, we
9 will comply, it would be nice to know how you will comply. It can be a simple two
10 sentence paragraph. Just simply saying you will comply, it does not give me, or anyone
11 else on the evaluation committee, information to determine what makes your proposal
12 unique, better than the next one coming in. So you don't have to write volumes, and there
13 is some restrictions, but please respond to everything it says.

14 MS. GALLO: Elena Gallo, Wells Fargo. Twenty page response?

15 MR. KNUTH: Right. We have our technical representative here, if there is
16 any particular questions about follow up. Any information that you get, I think it is
17 probably good. I am sure most of you know this from your experiences, we have to tell
18 you who owes, who gets out this month, who gets deleted, who might have owed last
19 month that has a waiver, who gets continued on, how much they owe.

20 In the past, there has been varying amounts, but now basically a parolee is
21 going to owe \$30 or \$15. That could change down the line. Also, as you probably have
22 experienced, guys walk in, they only have twenty bucks, they owe us thirty. We are
23 going to take the \$20. So now their account may go into arrears, but we are not going to
24 refuse money. I think that is stated in there, in the Scope, I just wanted to point that out.
25 So then you see the need to have the accounting, that is why we need that help.

1 That is really all that I had to say. We are trying to do, I guess the biggest
2 thrust is, one, that is by mandate we have to do this; and two, we need to find a way to
3 minimize, if not eliminate, our parole officer's involvement in collecting fees. That is the
4 whole thing.

5 MS. BERRY: Tim, want to introduce yourself, state your name?

6 MR. ZUELSDORF: Tim Zuelsdorf, and this is Nandu Vembar, we are from
7 ITS Computer Shop.

8 I just wanted to emphasize that we are looking for a wholly-owned system,
9 we would be browser based.

10 MR. VALERIANO: Eddie Valeriano from Touchpay. For the IT guy, your
11 case management system, is that in-house or you use a separate vendor, who do you use?

12 MR. ZUELSDORF: We use an in-house system. We have a data exchange
13 to identify eligibility and also what the amount is that is due.

14 MR. VALERIANO: Thank you.

15 MS. BERRY: Our counsel, Kathy Kiley, has a long history with
16 supervision fees, I will give her an opportunity now to chime in.

17 MS. KILEY: I just wanted to reiterate, as Velma had previously mentioned
18 at the beginning of the conference, we are under what is known as a restricted period
19 pursuant to State Finance Law Sections 139 J and K.

20 What that means is from the date that notice is given of the RFP until the
21 actual contract is awarded and approved by the Office of the Attorney General and the
22 Office of the State Comptroller, we are in what is known as a restricted period, which
23 means you can only speak to Ms. Bailey or Ms. Berry. So if you have any questions,
24 anything that you have any concerns about, you have to contact them. You cannot speak
25 to anybody else in the agency, because otherwise we run into a lot of ethic issues, and

1 investigations have sometimes happened in the past where we have had that violation. So
2 if you do need to speak to somebody, have questions, et cetera, they are the key people to
3 speak to.

4 The other thing that I would like to point out too is that you are going to
5 have to fill out several forms, as you do with any RFP, and I want to make sure that you
6 read everything very, very carefully, because we have had people even be disqualified for
7 things like failing to have an organizational chart. If it is mandatory, please make sure
8 that you comply with it. Make sure that you address it, as Rick said. So make sure that
9 you read everything very carefully. Have somebody else take a look at your proposal.
10 Make sure that you are not missing anything.

11 Okay. I think that is pretty much it. I just wanted to point out too on
12 Page 22 of the RFP is the list of dates, the key dates. And also starting on Page 19, talks
13 about the Proposal Submissions, which is where it says twenty pages, single-spaced, is
14 the max. Talks about the Pass/Fail Checklist, the points that will be awarded; and on
15 Page 22 are the dates that you have to pay attention to. Because if it comes late, we have
16 to disqualify it.

17 Okay. Any questions for me?

18 MS. BERRY: Okay. Also want to mention that there are
19 Women/Minority-Owned Business Enterprises in this RFP, it is like a twenty percent
20 goal, usually divided equally. Everyone who bids is expected to be in compliance and
21 compliance means maybe you can't make the twenty percent, but if you can make some
22 part of the goal, then you can do a partial waiver, or if you have a valid reason, you can
23 apply for a total waiver.

24 Is there something that you want to go over?

25 MS. BAILEY: Just to reiterate what Kathy said and what Velma has been

1 saying, that if you look on Page 2 of the RFP, it is like Notice to Bidder's Section and one
2 through eight gives you just like some key areas of what to look out for, you know,
3 different things like that as far as submitting your proposal.

4 On Page 4 it gives you our five-year period that we want to run from, which
5 is July 1st, 2015, to June 30th, 2020.

6 If you go to Page 7, which Kathy spoke about already, just your key
7 requirements and things like that that are expected with the M/WBE, the goals and things
8 like that; and the MacBride Principles and Iran Divestment Act of 2012. If you have any
9 questions about any of that stuff, you can also ask Kathy, she will be able to answer those,
10 Executive Order and Vendor Responsibility and your Encouraging Use of New York
11 State Subcontractors and Suppliers.

12 MS. KILEY: Again, you would actually, unless you have questions today
13 about any of that, you would actually go through Lucretia or Ms. Berry about those
14 questions first and then she will get them to the appropriate department, whether it be me
15 or Melissa, if there is something financial in nature, or to Rick about the scope.

16 MS. BERRY: And the date the transcript will be posted is, again,
17 December 30th, but you have until January 13th by 3 p.m. to submit your written
18 questions that we'll respond to by the 21st of January. So, you have time to think about it
19 and come up with other questions, but feel free now to ask anyone any questions while
20 you are here.

21 MS. BAILEY: Also, on Pages 13 through 15 talks about your Legal Forms
22 and it just gives you a brief description on what is expected. If you go to Attachment F,
23 all of the forms that need to be filled out and everything are in that attachment area.

24 Again, Kathy already spoke about the Proposal Submission, which is on
25 Page 19, and the Pass/Fail Checklist, Cost of Services. Pay attention to the number of

1 copies that are needed, which is one original plus ten copies. We need all of that, so it
2 will be a total of eleven, but one has to be original and we need all ten of those copies.
3 Also, they all have to be signed, they all have to be dated. The Application Cover Sheet,
4 we need that also. It is a twenty page minimum, like what has already been mentioned.
5 We need the Cost Sheet.

6 Definitely the one through five are the mandatories. If you don't have that
7 or missing a copy or missing something, you do have the possibility of being disqualified
8 for not having what is asked of in here.

9 Then the rest, D and E, are things that if the vendor is awarded, things that
10 we can come back and ask for after we are all set.

11 We talked about the Evaluation, it will be Phase I, Phase II, and Phase III.
12 Phase I again is Pass/Fail Checklist, and so you have to have all of those things and have
13 to pass that phase to even make it to Phase II in order for the committee to score your
14 proposals. Once you make it to Phase II and you pass over the certain amount of points
15 that are allowed, then you make it to Phase III, which will be evaluated by the budget
16 team.

17 On Page 22, again are just the specific dates that we ask that you please pay
18 attention to. That is about it. The proposals have to be in the office by twelve noon on
19 Wednesday, February 11th. If they come five or ten minutes later or anything like that,
20 we would stamp them in but we would have to return them to you unopened and we can't
21 evaluate them because they were late.

22 The transcript, like Velma said, will be posted on the Community
23 Supervision website and will be on the Contractor Reporter, and you will have time after
24 the transcript is there to submit your questions that you may have and any questions and
25 answers that we have will be posted on the website and Contractor Reporter by

1 January 21st. I believe that is it.

2 MS. BERRY: Does anybody have any questions?

3 MR. JONAS: David Jonas, Klik Technologies. Question about how the
4 parolees know how much they owe and also with the change that you are looking to make
5 not having the parole officer be part of the collection process and receiving the payments
6 from the parolees, how will they know how to identify lockbox payments, for example,
7 their account number and how much they owe?

8 MR. KNUTH: Well, the parole officer is responsible to tell the parolee,
9 obviously, how much they owe. For instance, they come in and they owe full amount or
10 they have a waiver, the parolee has to work with the parole officer, they will be
11 responsible for that.

12 The way we do it now with the lockbox, they just drop in a money order and
13 the bureau chief or the area supervisor makes an accounting of the money that gets
14 submitted, not the parole officer. So the parole officers don't have their hands in on any
15 of the collecting of it, making sure it is the right amount, essentially they don't touch it.
16 There is some reconciliation done by the management in each office prior to that money
17 getting shipped out.

18 Are you asking how it is going to get wrote up into your reporting?

19 MR. JONAS: No. It is my understanding right now that the parole officer
20 assures that a coupon is included with the money order and in that case the parolee ID is
21 indicated. So in this scenario, in the proposed scenario where the parolee is no longer
22 going to have the opportunity to give that money order to the parole officer, I just want to
23 understand your thoughts on how, what measures will be taken to ensure that the parolee
24 identifies their ID number or if they are given a coupon or statement to understand whose
25 it is?

1 MR. KNUTH: We have run into problems with that. Good question. I
2 mean, right now I don't believe they are doing it. If they are using mailers, we thought
3 the mailers could be identified so you know where the mailers come from. We get a lot
4 now where the coupons are the wrong coupons, we can't read it, they don't enter the
5 information, we get money orders rejected. How are we going to better ensure this, that
6 is a good question.

7 The parole officers are not going to be doing any type of reconciliation.
8 There is not going to be coupons handed out to them. They will know how much they
9 owe. I guess we are looking for a solution for that, basically. If you have a suggestion or
10 a better way of doing it than we have in the past, for two reasons, one, we have had issues
11 in the past of just getting things rejected when they had coupons. Parole officers would
12 make copies of coupons when they were not supposed to, they would not enter
13 information, parolee would not enter a NYSID number, something would not be eligible
14 or signed, that is when they were responsible to look at it.

15 So I don't know that we necessarily have a better idea, we are looking for
16 you to help with that, basically.

17 MS. KILEY: We are looking for you to propose a solution for us. So
18 whatever suggestions you have, put that in the proposal.

19 MR. JONAS: Okay.

20 MR. KNUTH: One thing, they could mail it in. I know there was talk
21 about a parolee, if he wants to, he can drop it in, make it easier on the parolee so they
22 don't necessarily have to be in the office to make that payment. We have been
23 encouraged from the get-go introducing a variety of options for them to pay, make it easy
24 for them to pay so they don't necessarily have to come into the office. I guess there is
25 probably the same issues if you are going to make a payment over the internet or over the

1 phone.

2 MS. McLAUGHLIN: You would think in those instances they would have
3 their account number or DIN number they would use on the phone or on the computer
4 and they would enter that account, you would expect -- I would expect that they would
5 have the same exact account number that they would use and apply to the mail or lockbox
6 situation.

7 MR. KNUTH: Like if somebody uses their mother's debit card.

8 MS. McLAUGHLIN: Whether it is the DIN or the account that you have
9 set up for them, that is what we would expect that they would know, that they would have
10 an understanding of what their account number was, and then they would be able to
11 indicate that on the mailer or on the money order or whatever it is that they are sending to
12 you, and you would be able to apply it to their account.

13 MR. JONAS: I agree with that with respect to other than lockbox payment
14 channels, however, because if you try to hit submit on a particular website, it will not let
15 you go through, but if you seal an envelope, it is going to go through.

16 It is my understanding that in the present scenario there are printed coupon
17 books that are given to the parolees, they don't necessarily always use them, or the parole
18 officer has the ability to fill out a replacement coupon to at least try to mitigate the
19 situations where you can't discern whose payment it is. So without them in the mix, I just
20 want to know if there are any thoughts on that thing or if that is the role of the bidder to
21 come to?

22 MS. McLAUGHLIN: Maybe mailers with their account number already on
23 it, not a coupon but something simple that they can mail in if they need to. I don't know,
24 something along those lines, something where if they don't know their account
25 information themselves. Understand if they don't put their account on there, most of

1 them do, but they are not going to get -- that fee is not going to get applied to their
2 balance. That is the human element of it. You want them to, but you can't guarantee that
3 they will do it.

4 MR. JONAS: Right.

5 MR. LYNCH: John Lynch from Fieldware. Can somebody itemize the
6 differences between the 2014-09 RFP and 2014-11 RFP?

7 MS. BAILEY: On the previous RFP 2014-09, once we had put it out there
8 and we got the responses back, when we were going over the responses it had been noted
9 that some of the requirements that they were looking for could not -- that we were
10 looking for could not possibly be met by our vendors, in which could have hindered them
11 from bidding on the proposal also. So once we took a look at that, and as an agency got
12 together and found that the best decision was to rescind that RFP, look at what the
13 problem was, which was the debit card method, after doing research and calling, trying to
14 find out why, you know, other vendors did not bid, that was a major issue, as far as them
15 being able to pay with a debit card at a walk-in location.

16 So with that being said and with direction from the controlling agency and
17 things like that, it was decided that we should rescind that particular RFP and put out this
18 new one and give possible vendors an opportunity to bid without that particular
19 requirement being in there. So being that we had to do that, we had to take the steps from
20 start to finish to give everybody the same opportunity that others had in the previous RFP.

21 MR. VALERIANO: So, it was limited to that single edit or additional
22 edits?

23 MS. BERRY: The addendum that was with the 2014-09 was incorporated
24 into the RFP.

25 MS. BAILEY: Yes. In the 2014-09 there was some other issues, I believe,

1 with the software and a couple of other things that was in that, so we had an addendum
2 out there. But being that we had to redo this all over, those questions that were presented
3 that caused the addendum were taken out of this new RFP, and any replacements that we
4 needed to be made were also included in this RFP, so then everything has come together
5 as one, including the addendum and including the removal of the debit card issue at the
6 walk-in locations.

7 MR. VALERIANO: Eddie Valeriano from Touchpay again. Does every
8 regional office have lockbox solutions, all the offices through the State have lockboxes?

9 MR. KNUTH: That is how they are doing it, yes, or mail it. Regional
10 office could be an administrative office, but I should say all the field offices.

11 MR. VALERIANO: Field offices have them?

12 MR. KNUTH: Yes.

13 MS. BERRY: Any other questions?

14 MR. LYNCH: John Lynch from Fieldware. So Section E2 and 3, when it
15 talks about the payment through phone and through the internet, it uses a word there or a
16 phrase, bank transfers, please identify those as something specific, federal wire or ACH?

17 MS. McLAUGHLIN: I believe it is just transfer from one bank account to
18 another. So you have a bank account and you are able to transfer it into another.

19 MR. LYNCH: So a typical ACH, something like that, if you are paying
20 your credit card bill, that money clears in three days, but the requirement is get the funds
21 to the agency within two days, so in effect that is non-guaranteed funds, just like you
22 don't accept personal checks, in effect making the vendor do that is akin to asking them to
23 accept personal checks, would you consider striking that?

24 MS. McLAUGHLIN: Not at this point. I think just list out your concerns in
25 your response.

1 MR. LYNCH: It is listed as a must, you could make it a shall or a should
2 and then you could grade people on it.

3 MS. McLAUGHLIN: We have it as a must right now, so it stands as a must
4 at this point.

5 MR. LYNCH: I guess you went through a lot of effort to reissue this
6 because somebody said that we cannot do it the way you have written it hoping that you
7 might consider that, that was one of many issues.

8 MS. KILEY: I think after all the time that has been spent on drafting the
9 previous RFP and then this one, of course, we also did RFI. I think in knowing that we
10 have done all of that research, I think we are just going to keep it as is at this point and
11 see what questions, you know, may be submitted, et cetera. But I think based on what we
12 have seen, we wrote it specifically in that manner for a reason.

13 MR. LYNCH: Okay.

14 MR. VALERIANO: I have a couple more questions. Other than
15 supervision fees, what other payment types are the parolees required to pay?

16 MR. KNUTH: None that we collect. There could be restitutions, there
17 could be fines to the courts, but we don't collect them. I think in terms of the priority of
18 things, if they have something, restitution that they have to pay back, like childcare or
19 support, I believe the agency would place a priority on that. But we collect fees, we
20 don't -- we collect fees. They may have other obligations imposed by the court, but not
21 by us.

22 MR. VALERIANO: Okay.

23 MS. BERRY: Any other questions?

24 MR. VALERIANO: I have another one, I am sorry.

25 MS. BERRY: Go ahead.

1 MR. VALERIANO: Would DOC consider using this RFP to accept other
2 kinds of payment down the line in the future? For example, additional payments like you
3 were just saying, if they were required to pay for those, or ankle bracelet payments, phone
4 payments, inmate commissary, all that kind of stuff, or just this?

5 MS. KILEY: It is just this.

6 MR. VALERIANO: Okay.

7 MS. BERRY: Okay. Any other questions? They were all good questions.
8 If you think of anything, of course e-mail questions to the address provided for the
9 designated contact and then by the question and answer posting due date, we'll post all
10 the questions received with the responses.

11 Anything else to add?

12 MS. KILEY: No.

13 MS. BERRY: Thank you all for coming.

14 (Whereupon the hearing concluded.)
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