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BIDDER'S CONFERENCE  
SUPERVISION FEES COLLECTION  
AND ACCOUNTING SYSTEMS

RFP 2014-09

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LOCATION: 97 Central Avenue, Albany, New York

DATE: July 17, 2014

PRESENT: Jeff Nesich  
Kathy Kiley  
Lucretia Bailey  
Carol Turo  
Velma Berry  
Tim O'Brien  
Diane Scott  
Tim Zuelsdorf  
Rick Knuth  
Brian Maclutsk  
Jayshree Nichair  
  
Elena Gallo - Wells Fargo  
Monique Lopez - Wells Fargo  
David Jonas - Klik Technologies  
Doug McGriff - Jpay  
Marshall Boon - Cashless Systems

HEARING REPORTER: AnnMarie Testa

1 MR. NESICH: I want to welcome everyone on behalf of Governor Cuomo  
2 and Commissioner Annucci. This is the Department of Correctional Services and  
3 Community Supervision. We are not only the largest agency in the State of New York,  
4 we are one of the largest agencies probably in the United States. We are a \$3 billion  
5 agency. We have over ninety locations of inmates and parolees. We have 30,000  
6 employees, a very complex agency, and we have a lot of multiple moving parts in this  
7 agency.

8 This RFP deals with the community supervision side of the house and it has  
9 to do with the supervision fees that parolees are assessed in paying.

10 Before we get started, if we could do a round of introductions, what  
11 company you are from and who you are, and we'll do staff here as well. We have various  
12 people here from the Department of Corrections, the programming side, from the  
13 Contract Management Unit, legal service. There is also two individuals here from the  
14 Internal Audit Unit, part of my staff, to see how this goes and probably will score me at  
15 the end. If we can start at the end.

16 MS. TURO: Carol Turo, Contract Procurement Unit.

17 MR. JONAS: David Jonas with Klik Technologies.

18 MS. GALLO: Elena Gallo, Wells Fargo Bank.

19 MS. LOPEZ: Monique Lopez, Wells Fargo.

20 MR. BOON: Marshall Boon from Cashless Systems.

21 MR. KNUTH: Rick Knuth from Community Supervision.

22 MR. O'BRIEN: Tim O'Brien, Community Supervision.

23 MR. NESICH: I am Jeff Nesich. I am actually wearing three hats today. I  
24 am Director of Internal Audit, I used to be very involved in contracts and things, and  
25 today I have been asked to facilitate with this contract. I will also be assisting Diane with

1 questions relative to the budget.

2 MS. KILEY: I am Kathleen Kiley from Counsel's Office.

3 MS. BAILEY: Lucretia Bailey, Contract Procurement.

4 MS. SCOTT: Diane Scott, Senior Budget Analysis.

5 MS. BERRY: Velma Berry, Contract Management.

6 MR. ZUELSDORF: Tim Zuelsdorf from Contract.

7 MR. McGRIFF: I am Doug McGriff from Jpay.

8 MR. MACLUTSKY: I am Brian Maclutsky, Internal Auditing Unit.

9 MS. NICHAI: I am Jayshree Nichair, Internal Auditing Unit.

10 MR. NESICH: What we like to do in a Bidder's Conference is, this is a  
11 request for Proposal 2014-09 Supervision Fees Collection and Accounting System.  
12 New York State Law, going back to 1992, requires certain individuals released from State  
13 prison to pay a fee monthly. Determination of how much they should pay is determined  
14 by their particular situations, indigency and employment and that sort of thing. Money  
15 goes into a general fund and revenue for the State and the requirements to pay that fee is  
16 part of the Department's efforts to create a system of responsibility with the parolees so  
17 they contribute to the cost of their supervision, hopefully a successful supervision that  
18 will keep them out from coming back into the system.

19 There are a couple of things that I am going to point out that are really  
20 important to this process. I am sure I am going to forget one or two of them, my  
21 colleagues to my left and far right will let me know if I do, because there is a number of  
22 things that are important to hit head on.

23 First thing, let me explain the purpose of this Bidder's Conference, it is to  
24 make sure that you understand what we are asking for so that you can give us the solution  
25 that we need to meet our needs. We won't get bogged down in discussion on why did you

1 ask to do it that way and not that way. We spent a lot of time on how we want to do it.  
2 We did a request for information a number of years ago, those conversations have been  
3 going on for a couple of years and long closed.

4 The solution that we are looking for, clearly if anybody can read, take a  
5 program that has been rooted in the 1990s technology, seems funny to say that, and move  
6 it to 2014. We are looking at using technology to increase the numbers of fees paid and  
7 increase the program and to do that easily and efficiently. We are looking for an  
8 accounting system that will enable us to better track the money that is coming in and  
9 enable us to make sure that we are not depositing checks that are bouncing and bad  
10 returns and all of those kinds of problems that we had over the years. We are trying to  
11 sort it out and get out of coupon books. Coupon books are not a process of this anymore.  
12 I don't know who gets coupon books today, but parolees are still handed a coupon book.

13 Couple of things that are very important is that the proposals are due  
14 September 10th at noon. What that means is if it comes in at 12:01, they have to be  
15 rejected. If we accept someone's proposal at 12:01, then every vendor in the State,  
16 including those who didn't bid, have an opportunity to be a minute late. We have had  
17 vendors in the past drive proposals up from New York City. We have had proposals that  
18 were beautifully done, in binders and everything was perfect, but it was five minutes late.  
19 We have had people Fed Ex it to us, and that is great, but it was late and we could not  
20 accept it. What we say to everybody is do not be late.

21 Second thing --

22 MS. TURO: What did you say, 9/2?

23 MR. NESICH: 9/10.

24 MS. TURO: I am sorry, I thought 9/2, the reason is Labor Day is the 1st.

25 MR. NESICH: Second thing most important, besides getting here on time, I

1 cannot emphasize enough -- I have been doing these a long time, RFPs. This is my last  
2 RFP forever, twenty-three years of doing RFPs. Little history, I get teary eyed. We have  
3 seen it, what we have seen time after time after time is outside proposals that are  
4 wonderful in every way, they did not proofread enough. Not ten copies, seven copies.  
5 They forget to sign the documents. Some things that you forget, we can ask for it; and  
6 some things you forget, it gets literally thrown out.

7 We had a proposal for drug treatment submitted ten years ago, a large  
8 organization in New York City. Tim might remember this, at least remember the fallout.  
9 Two-hundred parolees, outpatient basis, they were funded seventy-five percent Medicaid,  
10 cost us very little. They submitted a proposal to continue the program, that thick  
11 (indicating), fantastic, it had all the little colored pages and binders that makes it look  
12 better -- it matters what it looks like -- everything was perfect, they forgot to sign it. At  
13 that point, because of lack of authorized signature, we had to throw it out and we lost a  
14 terrific program. So, you can't proof yours enough.

15 Everything that we ask for, we try to be very thorough in terms of checklist  
16 and those things. We structured it enough that you can go through and make sure you  
17 have everything. If you have any questions at all about procurement, we want you to  
18 contact the two people to my left. Cre, she will track people down and she will get the  
19 answer. If you have questions about anything, ask. We ask that the questions are in  
20 writing. We do that because many years ago I was told, that is not what you told me.  
21 Yes, it is, and fortunately I had the transcript to prove it. But, we ask the questions to be  
22 in writing and we will answer them. It is very important that you've got all the I's dotted  
23 and T's crossed, get the proposal in on time.

24 The next day after this, that is a critical one, is the 31st of July. Are we  
25 putting questions and answers on the website?

1 MS. BAILEY: Yes, that is the deadline for them to send it in.

2 MR. NESICH: A week later they will be on the website, so everyone who  
3 is interested in bidding on this, whether they were here today or not, can go to that  
4 website.

5 Do we still notify them? We don't send another letter?

6 MS. BAILEY: No. It is in the RFP.

7 MR. NESICH: Of course after August 7th, that is the end of the questions,  
8 they are up on the website and there is really a black-out period of a month to get your  
9 proposal in. If you have a concern during that month period about something and you  
10 don't know what to do, you can still reach out through Cre's office. Answer might be  
11 sorry, nothing we can do, but that is the point of contact, we are in a black-out period.

12 I am going to turn it over to Kathy.

13 MS. KILEY: Let me hit on a few other things that are very important. The  
14 budget has a requirement, it is a budget requirement, New York State M/WBE,  
15 Minority-Owned, Women-Owned Business, subcontracting requirements. There are  
16 reports in there, there is a whole structure that is required. It is less cumbersome than it  
17 looks. In the case of your organization, even if you are a Minority/Women-Owned  
18 Business, you still have to participate in subcontracting proficiencies and that is  
19 something that over the years some M/WBEs have a hard time with, you are still filling  
20 out that report and such.

21 Any questions with that? We can certainly help you with that if we need to.  
22 We can go to Diversion Management people and get answers from them.

23 The budget, we believe, is very straightforward. It is something that we  
24 worked on a very long time. The budget goes in a philosophical direction, that is  
25 different than most RFPs. It is not the cost to us but to the cost of the parolees, because

1 that is a key component. Parolees are not going to be comfortably able to pay fees, so it's  
2 a service that the parolees can access to reduce cost. That is a lot of the financial. That is  
3 sixty percent of your financial cost. But what we did was make it a fair catchall, ten point  
4 administrative cost. What that says is we expect you to make available technology for  
5 parolees to pay the fee. We expect you to give us reports on how that is done. We also  
6 expect you to process payments through the mail, through the lockbox. You cannot  
7 charge the parolee for the lockbox, that is a cost to the vendors.

8 The second section, ten points, that allows you to put every and all the costs  
9 that it cost you to run the program. We are not going to pay you for reminder notices, but  
10 the cost for reminder notices should be in Section B, not in the top. We are not going to  
11 pay you for Section 1. You are not going to get paid from the parolee if he mails it to  
12 you, you capture that in B, ten-point administrative costs. So if you have costs for  
13 anything, you separate what is the cost for the parolee to use the computer, his phone,  
14 walk in to some store, what is the cost for that, or to mail it. For you to process the  
15 lockbox, what is your cost, the lockbox cost. You cannot charge them to put a stamp on  
16 it and put it in the mail. You recoup those costs in the Section 2. We must have changed  
17 that section forty times, a word here or there.

18 MS. GALLO: Elena Gallo. The Attachment B that you are referring to,  
19 Section 1, so there again you are clarifying that that is the cost to the parolees?

20 MR. NESICH: That is correct.

21 MS. GALLO: Whatever the administrative costs throughout the RFP or one  
22 of the required sections, I think Number 3, where you talk about the web hosting solution,  
23 obviously administrative cost upon that, those fees would go into Section B as the lump  
24 sum, that is part of the lump sum maintenance fee that you are talking about?

25 MR. NESICH: That's correct. In terms of how to structure it, I am going to

1 bill all of my cost into Section A, the fee that the parolee pays. If you do that, that fee  
2 might end up being really high. You lose points there, you pick them up at the bottom  
3 ten. So this is designed for each vendor to capture all of their costs, but for us to be  
4 dealing with essentially two elements. One cost is a bill that is going to come into us  
5 monthly, administrative month based on the RFP and proposal that we accept. That is the  
6 only cost that we are going to see. The second cost is to the parolees. But the reason we  
7 score it, is we don't want to award a contract greater for us, administrative cost. You pay,  
8 say, \$10 a month, that is great, but if you are charging the parolees \$15 a month, that is  
9 great, we are not getting any fees.

10 But we are looking for solutions, that is why we did it one fee everything.  
11 We thought, that is not fair, costs go up too much. We are looking for a solution where  
12 you can bid a cost that will help us achieve revenue, which means that you have the  
13 choice of making the cost for number one low but you can make yourself whole in  
14 Section B. So think of that as opportunities, how you want to design your cost. We  
15 cannot help you with that strategy, but we can certainly clarify, as we are attempting to do  
16 now.

17 MS. GALLO: The sixty percent that you talked about is based on A?

18 MR. NESICH: That is correct, five points for A, ten points for B.

19 MS. GALLO: Thank you for clarifying that.

20 MR. NESICH: Absolutely, no problem. That is why we are here. A few  
21 notes that I have got, people asked me to reference. Tim, jump in. We want software  
22 solutions to be fully hosted. There are two components in the RFP that we are going to  
23 be finalizing our position on tomorrow and we may clarify the RFP. These two  
24 provisions I am going to reference might be amended, might be removed, or might stay as  
25 is.

1 We received a question in writing from a vendor which prompted this. We  
2 are going to address this question with an answer, that answer and question will be on the  
3 website. But also in the RFP Bidder's Conference today, I wanted to reference those two  
4 sections, that which are under consideration to make a change, because you might have  
5 picked those out. They are rather complicated.

6 The first one was Page 7, Item Number E, it talks about the escrow and the  
7 software and software routines; and in Attachment B, Scope of Services, there is a  
8 reference to IA4. That Attachment B Page 1 Item IA4, all software specifications shall  
9 be furnished to DOCCS and become the exclusive property of DOCCS, that reads now  
10 that we want you to develop the solution for us and we own the solution, that might  
11 change within the next two days. The way that we operate, any clarification that comes  
12 out of this bid and questions of the RFP that we answer and that require change, we'll  
13 speak to that within forty-eight hours, that will be done on the website.

14 We don't send letters out or do we still send letters out to the bidder's list  
15 what we clarify in the RFP?

16 MS. BAILEY: If it is amended, it will go to everybody who was on the list.

17 MR. NESICH: We have to do that to make sure that everybody who got the  
18 original RFP gets the clarity.

19 MS. BAILEY: And will also be posted on the website, along with the  
20 transcript.

21 MR. NESICH: We'll put that out if it changes, saying we clarified the  
22 following components. We'll clarify that one way or the other by Monday.

23 MS. GALLO: Related to that, if I could just ask, considering that in the  
24 Scope of Services, IA4 relates to Letter E on Page 7, but would also Letter D in the  
25 requirements on Page 7, D and E? In our original estimation, it sort of all read towards

1 the same type of language, would you look at that also? You only identified E.

2 MR. NESICH: It is the whole concept, owning it.

3 MS. GALLO: License rights, proprietary information?

4 MR. NESICH: That certainly would change the pricing, we would suspect.

5 MS. BAILEY: Along with it will be posted, it will be on the New York  
6 State Contract Reporters, if that is where they got their RFP, it will be there also.

7 MR. NESICH: Excellent. Thank you, Cre. I don't like to spend a lot of  
8 time reiterating what is in here, we want to make available most of the time for the  
9 questions. That is what is most important. Kathy is going to talk about legal  
10 requirements and also turn it over to Tim, who is Director for Daily Operations for  
11 Community Supervision, and he is going to reference a few things and get to the  
12 questions.

13 Did you want to say anything?

14 MR. ZUELSDORF: No.

15 MS. KILEY: What I want to quickly cover with everybody as per Financial  
16 Law 139 Sections J and K from New York State, that we have the first written  
17 notification of this RFP to the actual date that the Office of State Comptroller actually  
18 approves the contract. We are subject to that law, which basically means we are in the  
19 restricted period. That means that the only people that anybody can speak to regarding  
20 this particular RFP would be Lucretia Bailey, Velma Berry, or Carol Turo. And if you  
21 reference Page 22 of the RFP, you will see there is actually the e-mail address. It doesn't  
22 actually specify Ms. Bailey, Ms. Berry, or Ms. Turo, but if you send an e-mail to them or  
23 questions to them, those are the people that answer your question and vent through the  
24 rest of us if we have any additional comments. Those are the ones that you need to speak  
25 to. If you speak to anyone within this organization, within DOCCS, you could be

1 disqualified. It could be an ethics issue. We would have to do an investigation and real  
2 pain in the neck.

3 MR. NESICH: You could get bad information and go with that  
4 information. That has happened in the past, as well.

5 MS. KILEY: But chances are, you probably will get disqualified. Just  
6 make sure you contact Ms. Bailey and she will certainly answer your question and  
7 respond back.

8 All right. Everything else, basically as you know, in the RFP there are  
9 certain forms that you need to fill out. Please make sure that you do go over the forms.  
10 Specifically, if you look at actually Attachment C, that is really where you want to start.  
11 Make sure you fill out all of those forms and make sure you sign everything, as Jeff  
12 mentioned. Then, make sure that you go to Attachment E, M/WBE forms. After those  
13 are Attachment F, we have got legal forms. Make sure you fill everything out, make sure  
14 you sign everything. You don't want to be disqualified on that count as well. Okay.

15 MR. NESICH: Tim, he is basically one of the people in charge of the  
16 program and the programatic.

17 MR. O'BRIEN: Tim O'Brien. You have been through the documents, of  
18 course, and know the challenges that we face. The operation side, pretty much from an  
19 executive team push for us is improve, improve, improve in what we do in terms of  
20 collection and collection receipts. There is a response to the most significant change for  
21 us in recent years, that the parole officer not being directly involved in the physical  
22 collection. With that in mind, when we brought our agency staff in and specialists, how  
23 do we improve what we do, how do we get better in collections and improve efficiencies  
24 to take that pressure off parole officers and staff in the office. We studied that at length.  
25 The method of payment is something for us in the operational level. We really want this

1 in because we know this is the secret for us so we don't have such time invested, whether  
2 it is parole officer in the office setting or support staff or other professional staff in the  
3 office.

4 With that in mind, that is really the end that we push, to make sure there is  
5 various ways to make payments. Folks can do it away from the office. As we continue to  
6 evolve in our supervision model, we don't want to have heavy reliance in office activities,  
7 having that officer spend as much time as they presently spend in the office. We want  
8 them in the field. They are a heck of a lot more valuable in the field. With that in mind,  
9 we want to take some of that pressure off them. The goal is to collect, but at the same  
10 time we have to maneuver that statutory collection and get the physical collection away  
11 from the officer and also free them up for many, many other duties during the course of a  
12 workday. That is really important to us.

13 The most important piece on the operation level, as Jeff communicated, we  
14 really need something that stands there fully operational and staff certainly working in  
15 compliance. And, yes, they are physically collecting in our office locations where they  
16 must, but in the other areas, it is going by the other methods, whether it is telephone,  
17 internet, et cetera. So that, for us, is the biggest, biggest fees. That is certainly the drive  
18 behind our operation level.

19 MR. NESICH: Okay. With that, we would like to turn it over for any  
20 questions that anybody has and you have as much time as you need to make sure that you  
21 understand what we are asking for. We are looking for proposals to help us achieve a  
22 collection. We want to increase payments so they can make such payments and better  
23 accounting system of such payments.

24 With that, any questions, and please state your name and company?

25 MR. BOON: Marshall Boon, Cashless Systems, we are based in North

1 Carolina. We currently don't have any clients in New York State. Could you outline if  
2 there are any unique or special business licenses that would be required when out-of-state  
3 vendors go into this account and deliver these services?

4 MR. NESICH: What we are aware of, the language in the RFP, you have to  
5 be either, A, affiliated with a New York State or Federally charting banking institution  
6 that is a chain.

7 MR. BOON: I understand that.

8 MR. NESICH: That is the only requirement that we are aware of in terms  
9 of this RFP, that requirement being able to accept money on behalf of New York State,  
10 you have to have that bank requirement.

11 MR. BOON: Other than that bank requirement, like Bank of America or  
12 Wells Fargo?

13 MR. NESICH: That is the only requirement here, that you have to have a  
14 bank, you don't require any licensing.

15 MR. BOON: There is no unique licensing requirement?

16 MR. NESICH: No.

17 MS. KILEY: Let me add, depending upon what your solution is, you have  
18 to exercise due diligence and research perhaps whatever licensing.

19 MR. BOON: I understand that, but you define four kinds of facility options  
20 that you require, but you don't have any that can be offered, you don't know of any unique  
21 licensing?

22 MR. NESICH: There are not, we already verified. Take advantage of the  
23 walk-in option pay, whether it is 7-Eleven or wherever. It is the license that is required in  
24 the banking area, it is in the banking world, not outside of that.

25 MS. KILEY: Just to add to that, too. If you want to also look at the

1 Department of Financial Services website, that is New York State Financial Services  
2 website, they may have other individual information if you want to look at something  
3 else.

4 MR. NESICH: For all interested vendors.

5 MS. TURO: I may be wrong on this relating to out-of-state vendors, if you  
6 are not from New York State, you are considered foreign and you have to register with  
7 New York State.

8 MR. BOON: That is normally true, but I don't consider that a license, that  
9 is a registration.

10 MR. NESICH: It is a requirement but not a license.

11 MS. TURO: Okay.

12 MS. BERRY: They have to be certified.

13 MR. NESICH: There is actually documentation in here regarding the State  
14 Sales Tax, any successful vendor would have to register with the New York State  
15 Comptroller to be paid. When your proposal is submitted, it's the vendor's responsibility.  
16 Analysis did history of vendors and those kinds of things, those are not licensing  
17 requirements but it is a requirement for that vendor, past vendor responsibility.

18 MR. BOON: The collection of these fees, that is not subject to your State  
19 Sales and Use Taxes?

20 MR. NESICH: No, it is exempt.

21 MR. BOON: Would have to register or have a sales and use tax account?

22 MR. NESICH: Yes.

23 MR. BOON: Regardless of whether we have tax liability?

24 MR. NESICH: Yes. There is no sales tax or anything, there is no purchase  
25 going on, just remitting revenue. And basically, the vendor would be our client and

1 receiving that revenue and reporting on it and doing the things required.

2 With that, one of the things in here, of course, that holding account. The  
3 reason we did that, sometimes the parolee will walk in and maybe they received a lot of  
4 money from their aunt or whatever and they don't want to get in trouble, they want to get  
5 off in a year. Here is \$100, they send in \$100. We like to take the \$100. But they send  
6 in \$100, the vendors record the \$100. Anything in arrears is paid and applying the rest to  
7 the future. That was a problem. Now the \$100, you take care of the arrears but there is  
8 no applying to the future, it is held in the account. It is not the State's money. It is the  
9 parolee's money that he gave. \$100, \$75 was arrears and still have \$25. You don't pay  
10 forward, you hold it there. The reason that we did that, that guy comes off parole and he  
11 says, you owe me \$40, and now we have to cut a check from the State Holding Account,  
12 which is DOCCS. They have been doing that. But this way, you refund the money to the  
13 parolee. It is his money sitting there for the next month's fees to kick in.

14 The other benefit of that, many parolees will, without realizing it, have  
15 some bank account and some banking history. And part of this, too, is understanding the  
16 world is different from the way when they first went in. There is this technology and you  
17 can pay this way and pay that way. I have a bank account, oh, I didn't realize that. I paid  
18 \$100 and owe \$40 that was not applied, it affects their credit and everything.

19 We are looking for it to be part of the recidivism because it is an  
20 introduction into the world as the world really exists now. It is a good way to understand  
21 this is how people pay things. Then again, you could walk into a place and pay your  
22 electric bill. You could still do it here, you can walk in and pay your fee to certain  
23 places. You have the option of using all the technology that is available now.

24 MR. BOON: You are saying one of the components of the software you are  
25 looking for, in the prison you call trust account, money on deposit?

1 MR. NESICH: That is correct.

2 MR. BOON: That is the personal funds of parolee to be used to pay future  
3 fees?

4 MR. NESICH: That was one of the biggest changes from prior practice.  
5 Our vendors, as well as parolees -- I am sorry -- and parole officers, and also some of Tim  
6 and Rick's stuff, just dealing with these bounced checks that fly all over the place. The  
7 guy who we owe money to or mother paid who didn't have to and then they say I have a  
8 waiver, what are you talking about. We dealt with that and now it is easy to give money  
9 back to the person. There is no personal checks anymore, so there is none of that floating  
10 around.

11 MS. KILEY: Any other questions?

12 MR. NESICH: Any other questions? I hate to beat a dead horse, but this is  
13 probably a good time to kick the horse one more time. Kathy pointed out Pages 19 and  
14 20, they deal specifically with proposal submissions. There is a pass/fail checklist. If you  
15 could look at that and make sure you have no questions about that while we are here,  
16 because that is what could end up disqualifying a wonderful proposal. Look at that and  
17 ask if there is anything in regard to that.

18 MR. BOON: The statement about proof of bonding at minimum two  
19 million dollar level, does that mean that you have to have a bond?

20 MR. NESICH: Yes.

21 MR. BOON: That is not what you say, but that is what it means?

22 MR. NESICH: Proof of bonding.

23 MR. BOON: Proof of bonding doesn't mean you have to have bonding.

24 MR. NESICH: The proof is a bond.

25 MR. BOON: This is not a performance bond?

1 MR. NESICH: It is not a performance bond. It is a bond because, since the  
2 vendor will be holding State money, the bond protects us. Say in the middle of the night  
3 you decide to go to Tahiti with the money, we take the bond.

4 MR. BOON: There is a huge difference between performance bonds.

5 MR. NESICH: That is right.

6 MR. McGRIFF: Doug McGriff. About the twenty-page maximum, I don't  
7 see any restrictions on, like, font size and line spacing and things like that, if it is within  
8 reason?

9 MS. TURO: It is there, Page 19, pass/fail checklist.

10 MR. NESICH: Single spaced, yes. Good question, because that is critical.

11 MR. McGRIFF: I was looking for it down there.

12 MR. NESICH: You learn from mistakes. We didn't put single space and  
13 double space in the past and we made sure that we specified it. There were times in the  
14 past where we had double space and twenty pages and single spaced had been done in the  
15 past. It seems to be fair because there is a point where it is elaborate and becomes just  
16 begging or something. We want you to make your case, but you don't have to overdue it.

17 MR. BOON: One other question about the bank account requirements.  
18 Since you are having -- the vendor has to maintain, may have to maintain trust accounts  
19 for these fees if they overpay the money on the deposit in trust accounts, I know it is  
20 going to be a New York State licensed commerce bank, but will they be in a bank  
21 account owned by the State or would the vendor be required to own the bank account?

22 MR. NESICH: Vendor bank account. Basically, how it works --

23 MR. BOON: That is the primary reason for this RFP?

24 MR. NESICH: Yes. I send you \$100. What do you do with the \$100?  
25 You apply it and have money left over. This parolee, whether he knows it or not, he has

1 \$30 with an account number and he is in the banking business and never had a banking  
2 account in his life.

3 MR. BOON: You are not suggesting that each and every parolee have an  
4 account, you have one account where it is all deposited and not each and every parolee?

5 MR. NESICH: The language is very specific within the language, vendors  
6 can take any route that they like, but let me find that reference. Every parolee will have  
7 their own account. I know what you are saying.

8 MR. BOON: All the accounts in my software and all that money on deposit  
9 can be in one account, just like a prison?

10 MR. NESICH: My account at Citizen's Bank, I don't think Jeff Nesich has  
11 his own safe there, but I have an account which states how much money is mine. Follow  
12 me? Banking gets complicated. They don't have to have one-hundred percent of the  
13 transactions, could be five percent, ten percent.

14 MR. BOON: Just to be clear, the software world you have backup  
15 assistance that maintains accounting for the prison system. I have 50,000 academics, they  
16 all have trust accounts at the bank, there is one checking account.

17 MR. NESICH: We understand that, yes.

18 MR. BOON: Doesn't mean that I have 50,000 bank accounts.

19 MR. NESICH: No, no. Each parolee would have their own account  
20 number. So, how is everybody doing? Do you have anymore questions?

21 MS. GALLO: You addressed them right up front. Biggest was with regards  
22 to Wells Fargo licensing, reselling, proprietary bank information.

23 MR. NESICH: I suggest when this is over maybe we can, all the DOCCS'  
24 team, huddle for five minutes before we break up.

25 MS. KILEY: Sure.

1                   MR. NESICH: I can play the jeopardy tune and sing. Going once, going  
2 twice? We really hope that everyone here, as well as people not here, will bid on this.  
3 We can't be successful in the program without help and without solution. I think  
4 everyone who looks at this program now and looks at the RFP thinks, about time you  
5 guys got with the future. That is what we want to do. If you can send us a proposal to  
6 help us do that, that will be great for us.

7                   Thank you. I appreciate you coming out of your way to come up here and I  
8 hope you all get home safely, particularly North Carolina.

9                   MR. BOON: Yes.

10                  (Whereupon the conference concluded.)

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CERTIFICATION

I, ANN MARIE TESTA, Court Reporter and Notary Public in and for the State of New York, do hereby certify that I attended the foregoing proceedings, took stenographic notes of the same, that the foregoing, consisting of 20 pages, is a true and correct copy of same and whole the thereof.

Dated: July 17, 2014

*AnnMarie Testa*

AnnMarie Testa