

**Collections Services, Financial Debt: Deficiency Tax Collection  
2006-X-37591**

**Addendum 1**

**Question #1. Regarding 3.2.15 Guaranteed Minimum Revenue: Please clarify, are the minimum collections specified cumulative over the three periods - \$67 million net revenue TOTAL is to be produced over 36 months - or is it separate, resulting in a minimum TOTAL net revenue of \$162 million?**

Answer: No, the minimum collections specified are not cumulative. At the conclusion of the **first** 15 months of the term of this contract, assuming a 12 month period of operation by the contractor, the contractor shall produce revenue in an amount not less than \$38 million. During the **second** 12 months of operation, the contractor shall produce revenue in the amount of \$57 million and for the **third** 12 month period of operation, the contractor shall produce \$67 million. The **total** guaranteed revenue over 3 years is \$162 million.

The guaranteed minimum revenue requirement is based on the Taxation's expense for this contract for Fiscal Years 2002 (\$7,689,149), 2003 (\$8,237,487) and 2004 (\$7,486,899). Taxation will accept a minimum return of 5:1 based on FY 2002 expenses, a minimum return of 7:1 based on FY 2003 expenses, and a minimum return of 9:1 based on FY 2004 expenses.

The current contractor operated at much higher ratios of 11.58:1 ratio for FY 2005 and is currently operating at a of 13.25:1 revenue collected to expense ratio.

**Question #2. What recovery rates (\$ placed/\$ collected) has the current contractor returned to the Department of the Treasury? What amount of net revenue has been produced, annually if available, by the current contractor?**

Answer: Using FY 2005 as an example, the contractor collected total revenue in the amount of \$93,922,230 at a cost of \$8,109,274. The value of case inventory available to the contractor as of July 2004 was \$178 million.

**Question #3. Where can I get forms 4.4.1.9 - 4.4.3.8. I can not seem to download them from the website.**

Answer: Section 4.4.1.9 refers to the Business Registration Certification from the Division of Revenue. The bidder may go to [www.nj.gov/njbgs](http://www.nj.gov/njbgs) to register with the Division of Revenue or to obtain a copy of an existing Business Registration Certificate.

Refer to [Section 1.1. of the NJ Standard Terms and Conditions](#) and Section 5.4 of the RFP Text for additional information concerning this requirement.

Section 4.4.3.8 refers to the Subcontract(s). The forms required under this

section can be found by going on the Advertised Solicitation, Current Bid Opportunities webpage  
(<http://www.state.nj.us/treasury/purchase/bid/summary/06x37591.shtml>)  
and clicking on the Standard RFP Forms link.

**Question #4. Sec. 1.2 Do you have an approximate idea of what you have in uncollected taxes?**

Answer: Yes, however, Taxation's total receivable is not relevant to this contract. The contractor will receive deficient cases for collection about 115 days after the cases are billed. See answer to question 7.

**Question #5. On page 18, Section 4.3, - Number of Bid Proposal Copies, the third sentence reads, "Each bidder must submit two (1) complete, and exact electronic copy of the original proposal on compact disk (CD)." Question: Does the State require one or two CD's?**

Answer: The State requires two (2) exact electronic copies of the original proposal on compact disk.

**Question #6. Sec 3.2.15--Is actually stating that the collection agency will assume the debt and have to pay the difference of \$38 \$57, & \$67 million to the State. How do you even come up with these figures when in the previous RFP you could not give an amount? Other than the State mandatory \$5,000.00 collection Bond, are there any other bonds or insurances needed?**

Answer: The contractor will not assume the debt. See answer to question 1 and answer to question 9. Other than the State mandatory \$5,000.00 collection Bond, no other bonds or insurances are needed.

**Question #7. What was the size of the debt pool referred to the current contractor and what was the total of the collections generated by the current contractor for each of the last three years?**

Answer:

Total collections for 2003 - \$85,099,320.

Revenue / Expense ratio – 10.33:1

Value of cases available at the beginning the of the fiscal year- \$196,472,279.

Total collections for 2004 - \$66,994,102.

Revenue / Expense ratio – 8.95:1

Value of cases available at the beginning the of the fiscal year - \$385,614,785.

Total collections for 2005 - \$93,922,230.

Revenue / Expense ratio – 11.58:1

Value of cases available at the beginning the of the fiscal year - \$178 million

\* Number and dollar value of cases available to the contractor changes over the course of a fiscal year.

**Question #8. What fees were paid to the prior contractor on an annual basis for the past 3 years?**

Answer: See answer to question 1 & 7.

**Question #9. How does the State intend to secure the required guaranties of collection by the contractor? (Bond, Letter of Credit, Audited Financial Statement, other)**

Answer: The State will analyze the certified financial statements submitted pursuant to Section 4.4.3.7 and evaluate whether the certified financial statements demonstrate a level of financial depth necessary to support the bidders' obligation under this contract. The State will administer the contract diligently and exercise any and all available remedies for non-performance by the contractor.

**Question #10. Are the guaranties of \$37M-First Year, \$47M-Second Year, and \$57M-Third Year incremental or cumulative?**

Answer: See answer to question 1.

**Question #11. With regard to the net ratio referred to in the RFP of First Year 5:1, Second Year 7:1, and Third Year 9:1, is it correct to assume the State is anticipating the following project expenses? First Year \$37M divided by 5 equaling an expense of \$7.4M Second Year \$47M divided by 7 equaling an expense of \$6.7M Third Year \$57M divided by 9 equaling an expense of \$6.3M Total project contractor expenses of approximately \$20M**

Answer: See answer to question 1.

**Question #12. How many of the referred accounts will be 2nd paper?**

Answer: None

**Question #13. How many of the accounts that the current contract is working will be charged off or written off?**

Answer: None. The contractor is attempting to collect tax debt at the earliest stage of the collection process. Taxation would only consider write off after all available collection and enforcement options are exhausted.

**Question #14. What is the State's level of commitment to ensure the cooperation necessary to make the project successful and to meet minimum collections goals?**

Answer: Taxation's level of commitment is identified throughout Section 3. Taxation's Contract Liaison Group and Contract Managers are available and committed to success. In addition, there are eight full-time staff dedicated to the success of the contract. It is, however, the contractor's obligation to meet all terms and conditions of the contract as detailed in the RFP.

**Question #15. How will the current debt pool be handled?**

Answer: Taxation will ensure that any open deficiency cases that exist at the conclusion of the current contract are made available to the successful bidder on the current RFP.

**Question #16. What collections system functionality is the TaxNet System capable of?**

Answer: The TAXNET Systems are Taxations' primary operating systems for taxpayer information such as taxpayer profile, case tracking, monetary account maintenance, and filing and payment history. The contractor is required to use these systems as they currently exist. Collector activity will result in real time adjustments and updates to these systems.

If the question is whether the TAXNET system performs any billing/collection functions, the answer is yes. The system generates initial billings. If payment is not received as a result of the billing, after about 115 days, the case is sent to the contractor. The State system tracks the case, allows the contractor to monitor case status, and records collection efforts and results.

**Question #17. Did the prior contractor enhance the TaxNet System with an external collections system?**

Answer: No

**Question #18. Section 1.2 and Section 3.2.15: NJ provides projected placements and requires minimum revenue guarantees. How can a minimum revenue be guaranteed when referrals are only a projected number? What is the process/policy when actual referrals are below projections?**

Answer: Historical data indicates that there will be a sufficient number of cases for the contractor to meet and/or exceed Taxation's revenue requirements. However, in the unlikely event that actual referrals fall below projections the State would investigate and take actions as appropriate.

**Question #19. Will all questions and answers submitted by all potential bidders be shared and posted on the NJ website?**

Answer: Yes.

**Question #20. Section 3.2.2: Please provide current examples of the four (4) notices referenced in this section, which the contractor is required to mail. Are the notices sent in the name of the contractor or in the name of the State?**

See Addendum one - Attachment One on the Advertised Solicitation, Current Bid Opportunities webpage (<http://www.state.nj.us/treasury/purchase/bid/summary/06x37591.shtml>).

Notices will be sent in the name of the contractor in behalf of the State of New Jersey, Division of Taxation.

**Question #21.** **Section 3.2.6: What is the average number of payments and the total dollar value (on a monthly basis) processed by the current contractor? What is the average number of credit card payments and the respective dollar value (on a monthly basis) processed by the current contractor?**

For 2004, the average monthly calendar year collections were \$6,200,878 with an average number of payments equaling 4,179. The number of credit card payments have been minimal but with enhancements to the processing, that State expects that the number of credit card payments will increase.

**Question #22.** **Section 3.2.7: Are payments received on accounts in a Deferred Payment Plan status credited to the minimum revenue guarantee?**

Answer: The contractor will administer all deferred payment plans 90 days or less in duration. All collections received for the contractor's assigned case during that time will be credited to the contractor as received.

**Question #23.** **Section 3.2.9: Would NJ please provide a copy of the most recent monthly narrative and statistical progress report that was provided to the State Contract Manager?**

Answer: See Addendum one - Attachment five and Addendum one – Attachment six on the Advertised Solicitation, Current Bid Opportunities webpage (<http://www.state.nj.us/treasury/purchase/bid/summary/06x37591.shtml>).

**Question #24.** **Section 4.4.1.6 and Section 4.4.3.8: How much weight or emphasis will be placed on whether a potential bidder intends or does not intend to engage subcontractors? Will subcontractors providing goods and services other than core business be considered? (ie. custodial services, pest control, vending services, office supplies, etc.)**

Answer: The Evaluation Committee does not give a specific weight to the bidder's intention to subcontract however, it is considered in the evaluation process. Subcontractors providing goods or services other than core business will be considered. Bidders should provide a good faith effort in meeting the set aside subcontracting goals for Small Business as set forth within the RFP.

**Question #25.** **Section 4.4.3: Please provide the number of staff, by position, provided by the current contractor for the most current month available.**

The number of staff positions filled for the month of July, 2005 is as follows:

Manager

2

Supervisor	17
Collector	177
Clerical	12

**Question #26.** **Section 4.4.4: Please provide the total revenue collected for each of the past 3 years and the fees paid to the current contractor for the base collection services for each year. Please provide the fees paid to the current contractor for Tax Administration Support Services for each of the past 3 years.**

Answer: Revenue Collections: See answers to questions 1 & 7.

Tax Administration Support Services Fees Paid:  
 FY 2003 - \$600,000  
 FY 2004 - \$140,000  
 FY 2005 - \$1.3 million

**Question #27.** **Section 1.2 Background: Please define at what point in the collection process the accounts will be referred to the contractor? In other words, what work, if any, does Taxation perform on the accounts before they are referred to the contractor?**

Answer: Deficient accounts are referred to the contractor for collection about 115 days after a computer generated bill is sent to the taxpayer. The contractor generally makes the first attempt to collect after system billing.

**Question #28.** **Section 2.1 Definitions-There is no definition provided for "Net Revenue" as used in 3.2.15. Can you define this term?**

Answer: The total of all revenue collected by the contractor minus any and all expenses paid during the fiscal year reporting period as calculated by the Division of Taxation's TAXNET Systems.

**Question #29.** **Section 3.2.4 Post Judgment: In this paragraph cases may eventually be referred to the Attorney General Referral Section. If this occurs, and money is eventually received by Taxation, does the contractor get credit for these collections toward the Guaranteed Minimum Revenue requirements in 3.2.15?**

Answer: No. The contractor is only credited for collections received while the case is in an assigned status with the contractor.

**Question #30.** **Section 3.2.7 Deferred Payment Plans: In this paragraph, payment plans over 90 days are referred to Taxation's Deferred Payment Section. Are proceeds recovered after this referral credited toward the contractor's Guaranteed Minimum Recovery Requirement under 3.2.15?**

Answer: No. See answer to question 29.

**Question #31.** **Section 3.12.13 Contractor Estimated Case Workload: In the event the placement figures are significantly less than those estimates described in 1.2, will the Department adjust the Guaranteed Minimum Revenue Requirements detailed in 3.2.15?**

Answer: See question #18 and question #53.

**Question #32.** **Section 3.2.15 Guaranteed Minimum Revenue: Please detail the following for each of the last five years-Accounts placed yearly with the contractor, net revenue recovered by the contractor, fixed price charged by the contractor, and guaranteed minimum revenue charged to the contractor.**

Answer: See answers to questions 1 & 7. There have been no guaranteed minimum charges to a contractor.

**Question #33.** **Section 3.2.15 Guaranteed Minimum Revenue: Did the current contractor ever fail to meet the Guaranteed Minimum Requirement? If so, when did it occur and how much did they have to remit back to the state as a penalty?**

Answer: No. The guaranteed minimum revenue requirement first appeared in Taxation's Delinquent Tax Debt Collection Services contract that was awarded last year. In order to continue to protect the fiscal interests of the State, similar guaranteed minimum revenue language is also part of this contract.

**Question #34.** **Section 3.2.15 Guaranteed Minimum Revenue: In this section the State discusses net revenue in the first year that "reflects a gross revenue collected/expenses paid ratio of 5 to 1". How can the State determine this if the bids have not yet been submitted with pricing information? Or is there a goal or mandate that the bid meets this ratio?**

Answer: See answers to questions 1 & 7.

**Question #35.** **Section 3.2.15 Guaranteed Minimum Revenue: The requirement here states that the contractor must reimburse the State for any shortfall under the amounts listed in this section. How does this compare with the terms of the current contractor's contract, which seems to only require a bond or payment of 10% of the amount required each year?**

Answer: Over the last three years, the current contractor has operated at 10.33 to 1, 8.95 to 1 and a 11.58 to 1 revenue / expense ratio. The requirements of the RFP represent a modification of the prior contract.

**Question #36.** **Section 4.43 Organizational Support: What "historical data" exists to help you determine the number of hours required for each of the skill classifications included in this section?**

Answer: The current contractor submits information on a monthly basis detailing hours worked for the four title categories.

**Question #37. What are the current hourly rates by position being charged by the current contractor? Would the state be willing to share how many employees (by labor category) the current contractor employs for this contract?**

See answer to question 63.

**Question #38. Is the current contractor utilizing other labor categories not anticipated for this contract?**

Answer: No.

**Question #39. Section 1.2 - When was the last amnesty program administered, what was the nature of the amnesty offerings, and which types of cases could participate?**

Answer: On April 4, 2002, legislation authorizing a period of Tax Amnesty was signed into law by Governor James E. McGreevey.

The law allowed for the Director, Division of Taxation, to set a period not to exceed 56 days during which a taxpayer, with a delinquency or deficiency incurred for a return due date between January 1, 1996 and January 1, 2002, could pay the tax amount due. During this period, any accumulated penalties, interest, and cost of collection would be waived.

All taxes collected and administered by the New Jersey Division of Taxation --including the Gross Income Tax, Sales and Use Taxes, business taxes and approximately 30 other taxes -- were included in the Amnesty program, and almost all taxpayers were eligible.

**Question #40. Section 1.2 - For each of the past 3 contract years what was the dollar amount and number of each of Employer Withholding, Individual Tax Returns, Sales and Use Tax and Corporation Business Tax, and any other tax or non-tax cases received by your current Contractor?**

Answer: See answer to question 7.

The total value of cases available to the contractor includes business and personal income tax deficiencies. Inventory available are tax deficiencies; there are no non-tax items.

**Question #41. Section 1.2 - Will all deficiency cases be placed with the selected Bidder for collections or will some cases be maintained and collected by Taxation?**

Answer: See answer to question 15.

**Question Section 3.1 - What information is required to be maintained in the**



**#42. physical case folder for each case? For example, will all information that is passed to the Contractor electronically by Taxation or maintained in Taxations systems that the Contractor may access be required to be printed and included in the folder?**

Answer: The contractor must maintain certain documentation in every case folder. For example, a case history sheet, copies of letters sent, return receipts for certified mail, any incoming correspondence, and copies of checks and tax returns. Other documents may be required depending on the nature of the case. Information readily available in Taxation's TAXNET System is not essential.

**Question #43. Section 3.1: 1) What are the minimum system requirements for the PCs to be used for this function? 2) How many printers does the current contractor use for this purpose? 3) How many modem lines are required? 4) How many, what type and what specifications are required for the data lines?**

Answer: 1) Windows XP SP2 with firewall enabled Antivirus/spyware software (Symantec, MacAfee) Host Intrusion Prevention System (Cisco, MacAfee, Symantec, etc). All PC's should be managed clients so updated virus definitions and operating system patches can be applied. Secured access for telecommuting (Vendor VPN). For mainframe access the Division of Taxation uses Attachmate myExtra! Enterprise 7.1a

2) The current contractor uses a total of 23 printers. Two (2) high speed duplex laser printers are dedicated to batch print jobs directly from the TaxNet system. In addition, the contractor utilizes six (6) other larger laser printers for printing of certified mail green cards, specialized correspondence or screen prints. The remainder of the printers are stand alone or networked printers.

3) The contractor currently uses four (4) 56k modems.

4) The contractor currently has two (2) T1 lines connected to OIT Extranet at Hub or SAC. The contractor must provide routers for extranet and for each contractor site. The contractor must provide perimeter firewall at each contractor site. The contractor will contact Treasury Network Services supervisor to coordinate firewall rule requirements with OIT WAN. 3270 compatible IBM controller(s) with a 19.2 K circuit. (Monthly charge for circuit is approximately \$1,400).

**Question #44. When making or receiving telephone calls, how is the phone to be answered? As "contractor's name" working on behalf of the State? Or as the State?**

Answer: All phone calls are answered in the contractors' name working on behalf of the State of New Jersey, Division of Taxation.

**Question #45. How many notices have been sent on a monthly basis for each of the past 4 years by the contractor?**

Answer: Using the figures from July 2005, which is about average for the number of notices produced, the following are the major categories of notice with the quantities produced:

Initial Contact Letter	3,965
Verification of Officers Letter	766
Officer Determination Letter	989
Notice and Demand Letter	2,246
Certificate of Debt (Facsimile)	1,489
Notification of Judgment Letter	1,489
Deferred Payment Proposal/Agreement	260
Warrants of Satisfaction	304

**Question #46. Please provide the number of certified mail receipt requests for each of the past four years by the contractor.**

Answer: The number of Notice and Demand letters mailed to taxpayers, appears to have remained consistent during the past 4 years, with approximately 27,000 certified mailings per year.

**Question #47. Section 3.2.2. - Is your current Contractor sending notices in addition to the Schedule of Liability, Notice and Demand for Payment, and Notification of Judgment letter? If so, on average how many additional mailings are sent per case?**

In addition to the four basic notifications noted in section 3.2.2, additional notices may be used. All notices used in addition to standard Taxation notices must be approved by the Division of Taxation. Additional notices are used on a case by case basis and created at the contractor's location. Taxations does not maintain a statistic for these notices.

**Question #48. Section 3.2.2. - With respect to the 26,986 Certified Mail Notices sent during calendar 2004, does this include all certified mail sent by the current Contractor for all notices/correspondence required to be sent by certified mail? What was the number of Case referrals during the same period that corresponds to the number of items sent by certified mail?**

Answer: The 26,986 Certified Mail Notices are the total number of notices that are required by the Taxpayer Bill of Rights to be sent by certified mail. All other notices will be sent by first class mail. As of July 31, 2005 there are 62,488 cases being worked or available.

**Question #49. Section 3.2.3. - 1) Generally, how many days after the mailing of the Schedule of Liability is the Certificate of Debt required to be mailed, assuming that the taxpayer has failed to contact the Contractor or reach acceptable terms for settlement of their liability? 2) On average how long does the Contractor continue to work the case before referring the case to the Taxation Field Investigation Office for in-state cases or Attorney General for out-of-state cases?**

Answer: For business deficiency cases, the standard timeline for a case is:

Initial contact letter	..... After 45 days
Notice and Demand letter	..... After 110 days
COD is requested and notification mailed	..... After 15 days
Transfer to Field Investigations or AG Referral	

For Individual Income Tax Deficiency cases, the standard timeline for a case is:

Initial contact letter	..... After 45 days
Notice and Demand letter	..... After 45 days
COD is requested and notification mailed	..... After 15 days
Transfer to Field Investigations or SOIL	

**Question #50. Section 3.2.3 - For 2004, how many Certificates of Debt were mailed?**

Answer: See question #45.

**Question #51. Section 3.2.6. - What dollar amount or percentage of dollars collected of payments made to your current Contractor are through the use of a credit card?**

Answer: See question #21.

**Question #52. 1) With respect to the guaranteed minimum revenues, what were your current Contractor's net revenues (and ratios of net revenues to cost) in each of its first three years as well as the last 3 years of operations? 2) Considering case load volumes, would your current contractor's performance exceeded these minimum guaranteed levels and if so by what percentage?**

Answer: **First** three years of operation:

FYE 1999 – Collections - \$53,344,815. Cost - \$7,480,733. Revenue/expense ratio – 7.13:1.  
FYE - 2000 – Collections - \$32,031,458. Cost- \$7,419,557. Revenue/expense ratio – 4.32:1.  
FYE 2001 – Collections - \$35,028,965. Cost - \$7,473,344. Revenue/expense ratio – 4.69:1.

**Last** three years of operation: See answer to question 1 & 7.

Note: FYE 2000 and 2001 affected by Tax Amnesty.

**Question #53. Section 3.2.15 – 1) As many factors including the actual case loads, institution of amnesty programs, and other actions that Taxation could choose to take can impact the actual net revenues generated by the Contractor, will the minimum guaranteed net revenues be based on certain assumed occurrences so that the Contractor is**

**not materially financially impacted if actual occurrences differ from those assumptions? 2) What are the assumed number and dollar amount of deficiency cases that were assumed in defining the minimum guaranteed net revenue amounts in each of the first three years of the contract?**

Answer: 1) Yes. 2) See answers to questions 1 & 7.

**Question #54. Section 3.2.15 - Are both the dollar value and ratios to be guaranteed or just the dollar amounts of net revenues? For example, assume that in year 1 that \$40 million of net revenue is realized, but the ratio is 4.8 to 1, will the Contractor be liable for a payment required to achieve a ratio of 5 to 1?**

Answer: Both dollar value and ratios must be guaranteed.

**Question #55. Section 3.2.15 - What sources of revenues will be considered in calculating the minimum net revenue amounts (e.g. will SOIL payments, deferred payment plans exceeding 90 days, payments received after forwarding the cases to a Taxation Field Investigation Office or the Attorney General payments be considered)?**

Answer: See answer to question 29.

**Question #56. Section 3.2.15 - What is the number of other New Jersey State contracts that include guaranteed minimum revenue provisions? With respect to other contracts that include these provisions have there been any instances in the last 5 years where the minimum requirements were not met and if so, has the contractor been required to remit a payment and if so, how much?**

Answer: Taxation maintains two first placement contracts. Guaranteed minimum revenue requirements exist in the Delinquent Tax Services contract that was awarded last year and similar language exists in this RFP. There have been no instances in the past where the minimum requirements were not met.

**Question #57. Section 3.3 – 1) What is the average training period for each service including collections, customer service overflow and clerical, as the Contractor will be required to provide overflow staffing on two weeks notice? 2) Can the staff utilized for the overflow services work on other Contractor client programs since they may only be required to perform services for Taxation for up to 3 months during the year and the number may range from 10 to 80? 3) Does Taxation have a preference as to whether such personnel are redirected from the performance of other services for Taxation under the contract or work on other Contractor client programs as long as other revenue generating services for Taxation are not negatively impacted?**

Answer: The Division of Taxation is committed to training at the outset for a new contractor and supplying ongoing training as necessary throughout the term of the contract. The contractor is responsible for providing staff that is capable of learning and performing all tasks associated with each specific title classification as detailed in the RFP. A reasonable timeline for training is expected. See Section 3.2.14 and Section 4.42 of the RFP. Training for Customer Service projects averages 3 to 5 days. Reassignment of the contractor's existing staff to provide Customer Service overflow support is within the contractor's prerogative, as long as NJ tax revenue is not adversely affected. Reassigned staff must successfully complete the mandatory training and capably perform Customer Service assignment. See Section 4.42 of the RFP.

**Question #58.**

**Section 4.4.3.1. - This requires that the location where the employees will actually perform the work be within a 40 mile radius of Taxation's main office in Trenton. Are all contract operations required to be performed at the contractor's New Jersey office? For example, can notice printing and mailing be performed by the contractor's consolidated mail processing center outside of New Jersey? Certain of our IT infrastructure including our collection system, dialers and IVRs are housed in a central secured location outside of New Jersey with secure access by our various offices, including our proposed office in New Jersey, is this approach acceptable?**

Answer: 1) The contractor shall have an office location where staff perform the work required by this contract within a 40 mile radius of Taxation's main office in Trenton. All contractor employees who require training by the State will be physically located within the 40 mile radius. All training will be conducted on site at the contractor's office location(s). **The contractor's office location does not have to be in New Jersey but must be within a 40 mile radius of Taxation's main office in Trenton.** Printing and mailing may be performed at some other contractor location within the continental United States (See Executive Order 129 Source Disclosure Certification Form).

2) Call Center personnel must also be stationed within a 40 mile radius of Taxation's main office in Trenton. Call Center infrastructure may be located in a central secured location outside this radius but within the continental United States. The location must have a DSL line with the ability to transfer data at a speed of 1.544 mbps.

**Question #59.**

**Section 5.27.1 - Please confirm that the Contractor would only be indemnifying Taxation for patent and copyright infringement on any items brought by the Contractor and not with respect to any of Taxation's systems or provided items as they would be "used" by contractor to provide the services.**

Answer: Confirmed.

**Question**

**Section 6.3.2. - With respect to the ranking based on price, will the**

**#60. ranking be based on a score that is calculated on a percentage of best or lowest price?**

Answer: No. Bids will be ranked according to the total bid price (contract years one through three). A contract award will be made to that bidder whose bid conforms to the RFP and whose bid is most advantageous to the State, price and other factors considered.

**Question #61. Price Schedules - Do the Estimated Quantity of hours for each year correspond to Taxation's expectations as to the level of services that will be required to generate the guaranteed minimum levels of net revenue?**

Answer: The estimated number of hours represents Taxation's experience with the current contractor. See also Section 3.2.10 Taxpayer Account Maintenance.

**Question #62. Price Schedules - Please confirm that the Unit Price may change for a particular bid item from year to year. For example the Manager rates may be different in each of year 1, 2, and 3.**

Answer: Bidders may bid different unit prices from year to year, however, the unit price shall be all inclusive and firm fixed once awarded the contract.

**Question #63. Price Schedules - Please confirm that the current contractor rates are \$35.00 per hour for manager, \$32.00 per hour for Supervisor, \$28.50 for Collectors, \$19.00 per hour for Clerical Support and \$28.50 per hour for Customer Service Representatives. Were these the same rates that have been in effect over the last 3 years of the current contract? If not please provide the individual rates for each of the last 3 years.**

Answer: These prices have been in effect for the last 4 years.