



STATE OF WASHINGTON  
DEPARTMENT OF SOCIAL AND HEALTH SERVICES  
ECONOMIC SERVICES ADMINISTRATION  
DIVISION OF CHILD SUPPORT  
P.O. Box 9162, Olympia, WA 98507-9162

DATE: October 6, 2017

TO: All Bidders – RFP 1745-662 – Alternate Payment Options for the  
DSHS/Division of Child Support

FROM: Ann Polanco, Coordinator  
Washington State Department of Social and Health Services  
Economic Services / Division of Child Support

SUBJECT: Amendment N° 1 to DSHS/ESA RFP N°1745-662  
Bidders Questions and DSHS Answers

DSHS is hereby amending the original Request for Procurement (RFP) N°1745-662 by providing answers to questions received from potential bidders within the allotted time.

See document that follows:

**AMENDMENT - RFP N° 1745-662 – 01**

**QUESTIONS AND ANSWERS**

**Alternate Payment Options for the Division of Child Support**

1. What does the word **Alternate** mean or rather are you looking for a brick and mortar option or different payment channels?

Answer – The word “**Alternate**” in the title “**Alternate Payment Options**” means the Division of Child Support (DCS) is looking for other potential payment receipting options, which are in addition to those offered by the State of Washington or Division of Child Support.

DCS wishes to assist Non-Custodial Parents (NCP’s) e.g., “Payers,” to payment receipting services, to assist in the facilitation of NCP’s ability to make payments on their child support obligations in locations convenient to where they live, work, shop, etc.

You may have brick and mortar location(s), or different payment channel options, online, kiosks, etc., DCS is interested in hearing what you have to offer, as long as the proposed payment service option complies with the 1745-662 Solicitation requirements and Sample Contract.

2. Do the Counties offer walk-in payments for DCS? Or rather, do the Counties take payments similar to what DOL currently allows?

Answer – No, most Counties do not offer walk-in payments for Child Support Cases. A few Counties may on occasion accept payments for Child Support Cases related to Contempt Cases however, this is limited.

I am unclear what payment arrangement DOL has with the Counties, so cannot comment.

3. If DCS does not have arrangements set up with the Counties, would DCS be interested if we could set that up?

Answer – Yes, NCP’s need many different payment options in as many varied locations as possible. This is a convenience service for Non-Custodial parents.

Again, applicants must be able to abide by the terms of the Solicitation and Sample Agreement and “Services **must** be provided at no cost to Washington State or DCS” – per 1745-662 Section 1., c.

4. Currently, other than online web payments, what are the other types of payment channels the DSHS is currently using to accept electronic payments? (point of sale credit/debit, Interactive voice response, vendor call center)

Answer – DSHS/DCS receives automatic repetitive debits from Non-Custodial parents.

DSHS/DCS does not accept point of sale credit/debit, interactive voice response or vendor call center.

Prior Alternate Payment Vendors have accepted credit/debit payments on behalf of DSHS/DCS. DSHS/DCS is interested in hearing about these options as long as there is no cost to DSHS/DCS.

5. Does the DSHS currently have an in-bound call center which agency staff engage with payers and accept credit and debit cards?

Answer – No.

6. Where or in how many locations, can payers make child support payments in person using credit and debit cards?

Answer – Payers (NCP's) are not currently able to use credit and debit cards to make Child Support payments in person at any of the DCS Locations.

DCS accepts cash, check, money order, and Cashier's checks, at our nine (9) field offices.

This can be challenging for those Non-Custodial parents that do not live near a field office.

7. If the DSHS does accept credit/debit card payments in person at various locations, what would be the approximate quantity of transactions paid in person, per location, on average, per month?

Answer – N/A. DCS does not accept credit/debit cards in person.

In August 2017 – Alternate Payment Vendors receipted approximately 1000 transactions.

8. Is the DSHS/DCS payer account number serve as the primary unique identifier of a child support payer?

Answer – The payer's account number **may** serve as the primary identifier, but other numbers (such as a social security number, or Court Order cause number, etc.) may also apply.

9. In reference to page 6 (f-1, Reports); what format is the DSHS/DCS payer account number? (alpha, numeric, or both?) And how many characters/digits is this account number? If there are alpha characters, where in the account number are these alpha characters located? (front of account number, back of account number, or interspersed/scattered).

Answer – DSHS/DCS *preferred* format is numeric.

However, DSHS/DCS will take any number the NCP/Payer utilizes to identify their payment.

This means, sometimes the Non-Custodial Parent/Payer will use alpha numeric characters, such as “IN” before the identifying number, or may use alpha numeric characters at any place in the identifier. DSHS/DCS does not allow hyphens (-) or asterisk (\*). Ultimately speaking, DSHS/DCS would need you to pass along any information you receive from the Payer in the report.

10. In reference to page 6 (f-1, Reports); is it acceptable to limit the capture of the social security number (SSN#) to the last four digits?

Answer – This would be acceptable, on the condition that DSHS/DCS has the ability to either:

- a) Log into your site and search for a full social security number, or
- b) Provide easy access to customer service staff who can assist in looking up identifying information on the payer.

11. What is the average approximate size of the dollar amount paid by credit/debit cards?

Answer – The average dollar amount paid via Credit/Debit cards via the Alternate Payment Vendors in August 2017 was \$325.

The range of payments received via DSHS/DCS have been anywhere from \$5 to \$10,000.

12. Will you continue to utilize (Current Vendor Name withheld) as a software?

Answer – DSHS/DCS does not utilize (Current Vendor Name withheld) as a software.

13. How many ChargeBacks and NSF payments did you take in from 2016?

Answer – In 2016, DCS received over 3 million payments, approximately 67% of those payments were received electronically. DCS logged 2623 NSF's total (2067 were EFT, and 556 were paper checks). This represents approximately .085% of the total payments received.

DCS does not take Charge/Backs or NSF's on Alternate Payments. Vendors are responsible for any and all charge backs/NSFs on payments they receipted.

Per Solicitation 1745-662 Alternate Payment Options, Section A., 1., i. (2). The Vendor shall be responsible to recover any funds from the customer in the case of chargeback or non-sufficient funds. This condition is **not negotiable; non-acceptance of this condition or an Application that suggests otherwise shall deem the Application and Applicant non-responsive.**

14. Do you know the total amount of monetary fees lost in Charge Backs and NSF from 2016?

Answer – No, DCS is not responsible for vendor chargebacks/NSFs, therefore we do not track this.

15. If (our company) won a portion of the merchant processing (ie; Convenience Fees, Kiosk; e-check) would (our company) be responsible for the collections of **charge backs** or NSF or does the state supply collection services or by third party?

Answer – Yes, in your scenario your company would be responsible for NSF's and Charge Backs.

No, the state does not supply a state collection service or collection services by third party.

Per Solicitation - 1745-662 Alternate Payment Options, Section A., 1., i. (2). The Vendor shall be responsible to recover any funds from the customer in the case of chargeback or non-sufficient funds. This condition is **not negotiable; non-acceptance of this condition or an Application that suggests otherwise shall deem the Application and Applicant non-responsive.**

16. As a licensed money transmitter our ability to process child support payments will be an agreement between the consumer and the payment processor (us). We require no agreement with the State of Washington. As such, we can process child support payment at will for as long as it is convenient for all the parties. Given no agreement is needed between the State and the Processor to be compliant with law, do we still need to comment and sign the contract with the State to operate the service and have the service promoted on the State's web site and promoted as an alternative way to pay by the State's case workers?

Answer – Yes, your company would need to respond to this Solicitation and sign the Contract, agreeing to the Terms and Conditions as listed in the Solicitation and Sample Contract in order to be listed as an option on our website or discussed via our Support Enforcement Officers (SEO) with Non-Custodial Parents.

Regarding your initial premise, whereas it is technically true, this creates substantial concerns and compliance issues for the Division of Child Support, the Non-Custodial Parent, the Custodial Parents and their Families.

Yes, as a licensed money transmitter, you may act as an agent for the consumer – this is true. However, this situation places the Division of Child Support and the Non-Custodial Parent in a very vulnerable spot. The Division of Child Support is federally mandated to make payment to families within two business days of receipt of payments. The scenario you propose leaves DCS in the dark about how much money was collected and when, it lacks the necessary identification information that allows DCS to process

and make payment to the Custodial Parent (CP) and the NCP's family, placing DCS outside of the federally mandated time frames for compliance.

The scenario noted does not allow DCS to give credit to the NCP in a timely manner and takes away any follow up ability of the worker to confirm the NCP's claim that payment was made. It causes money to sit in the DCS' Bank without the ability to send the money out to the families for which it was intended. On the few occasions, this occurred; it created substantial concerns for the NCP, the State and the Custodial Parents.

This type of situation also places the Division of Child Support in a potential conflict with the requirements from the State Treasury and the Public Deposit Protection Commission (PDPC) for which the Division of Child Support must comply in order to continue to allow alternate payment methods of Child Support to be collected to continue.