Request for Proposal

Prepared BY:

Regional Income Tax Agency

10107 Brecksville Road, Brecksville, OH 44141

Project Title

Federal Tax Information System

Issue Date

June 3, 2022

Responses Due Date

June 24, 2022, 12:00 PM EDT

Response due date has been extended to
July 8, 2022, 12:00 PM EDT

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Letter from The Executive Director

June 3, 2022

The Regional Income Tax Agency (RITA, the Agency) is seeking proposals for professional services to implement a Federal Tax Information System (FTIS).

Federal Tax Information, also known as "FTI", is data provided by the IRS to RITA. This data is used for the purpose of comparing against the data from the agencies existing production system(s) to audit individual and business tax payers that have not reported all, or a portion of taxable income. The Federal Tax Information System (FTIS) allows the agency to validate whether or not the account(s) are 3rd party verified. If the account is not 3rd party verified, FTIS will be utilized to securely keep IRS provided data separate from other RITA system(s) while pursuing the tax payer for information and/ or financial obligations. FTIS sends correspondences to tax payers, and track account updates, payments, penalties, interest, etc. FTIS supports the legal process to pursue non-compliant accounts, by managing dockets, hearing dates, progress of liens and garnishments.

If your company is interested in submitting a proposal, please execute the Mutual Non-Disclosure Agreement in Appendix A. Please submit to RFP-IS@ritaohio.com.

Upon execution of the Mutual Non-Disclosure Agreement, a Business Requirement Document, Current Business Process Diagram and Security and Compliance Questionnaire will be supplied to assist in providing a detailed proposal.

Proposals are to be submitted electronically to **RFP-IS@ritaohio.com** no later than July 8, 2022, 12:00 PM EDT

Potential vendors may direct questions or requests for clarification to RFP-IS@ritaohio.com through 12:00 PM EDT on June, 21, 2022.

Please be aware that the Agency reserves the right to reject any and all proposals, or any part of any proposal, or to waive informalities or defects in proposals, as the Board of Trustees of the Agency deems to be in the best interest of the Agency.

Cordially,

Donald W. Smith

Executive Director

RFP Introduction

Who is RITA?

The Regional Income Tax Agency provides services to collect income tax for municipalities in the State of Ohio. RITA's Board of Trustees is authorized to administer and enforce the income tax laws of each of the participating municipalities. However, each municipal corporation retains its right to administer and enforce its own income tax laws concurrently with the Board.

RITA offers comprehensive tax collection from registration through litigation.

The Regional Income Tax Agency, known as "RITA" was formed in 1971 to administer the income tax ordinance of any Ohio municipality (city or village in Ohio) that joins the Agency through the Regional Council of Governments (RCOG). Although not every Ohio municipality is a RCOG member, currently nearly 400 cities and villages (approximately 50% of Ohio municipalities with an income tax) utilize RITA to handle their municipal income tax collection and enforcement efforts.

What Kind of Federal Tax Information Solution is RITA Seeking?

The Federal Tax Information System also known as "FTIS" must allow for the review of data extracts from the IRS while simultaneously reviewing the data from the agencies existing production system(s). Agents must be able to audit accounts, send correspondence to taxpayers, and comment accounts based upon verbal or written communications. Functionality must exist to transition accounts into the legal process for additional audit. The solution must allow for legal personnel to send legal correspondence to taxpayers, begin legal action by filing complaints against selected taxpayers, track the progress of dockets, hearing dates, progress of liens filed, and must also allow for the tracking of the garnishment process. The solution must allow for statuses to be assigned to accounts, track follow up dates, and workflow queues for the agents to track and update accounts based upon specific account criteria. Functionality must also exist to automatically update accounts, support calculation logic, and the ability to house documents and associate documents to an account. Furthermore, the solution must automatically move accounts based off specific criteria, log all account system or user actions, and provide custom reporting while securing the FTI data.

The agreement with IRS stipulates that RITA will only use Federal Tax Information to identify delinquent and under reporting taxpayers. The taxpayers identified in FTI cannot be pursued by RITA through the RITAX operations until 3rd party verification has been received. FTI department plays a critical role for investigating non-compliant tax payers. RITA is soliciting proposals for professional services from qualified vendors for a new FTI solution with capabilities outlined in the Business Requirements Document (See Appendix E).

Disclaimer

The Regional Income Tax Agency is not responsible for any costs incurred by the respondent in preparation of a proposal. RITA reserves the right to negotiate with vendors submitting quotes in order to obtain the most favorable terms, conditions and pricing for the Agency as determined by the Agency in its sole discretion. Also, as deemed in the best interest of the Agency by the Board of Trustees, RITA reserves the right to reject any or all parts of the quotes.

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Proposal Requirements

Proposals must be submitted in the format and order outlined below. All proposals should present all information in a concise manner, neatly arranged, legible, and in terms understandable for evaluation. All information requested is to be addressed directly and completely.

It is more desirable to give additional information than less when the answer could be misinterpreted. There should be no attachments, enclosures, or exhibits other than those considered by the proposer to be essential to a complete understanding of the proposal submitted.

Section I – Qualifications & Experience

1. Describe your company's experience in the technology outlined in this RFP. Include in your response the number of projects, similar to this one, that are performed annually.

2. Provide a list of customers/references that would be similar in size or industry to our account where your company has completed similar projects.

3. Provide a brief resume and/or bio along with the years of experience that the resource(s), who will be assigned to the project, has in designing, implementing the technology products referenced in the proposal.

Section II – Proposed Solution

1) Provide the purposed solution that meet the functional, technical and security requirements in Appendix B, Appendix C, Appendix D, and Appendix E.
2) Provide a list of assumptions and responsibilities for both the vendor company and RITA.
3) Provide a test and training plan that outlines a list of activities, roles and responsibilities.
4) Complete Security and Compliance questionnaire for the proposed solution.

Section III – Pricing

1) Provide a detailed pricing breakdown that may include the following information:
   a. The number of resources, roles, and skill sets
   b. Number of hours, hourly rate per resource
   c. Any additional costs associated with software, ongoing maintenance, hosted solution, implementation and/or ongoing support.
2) Include language to ensure quotes must be valid for a minimum of 60 days.

Timeline

1) Upon RITA signing the project contract, provide how long the expected wait is until project kickoff.
2) Provide a project plan that contains high-level project tasks and estimated timeline for completion

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Proposal Instructions

All proposals must be submitted in the format and order outlined in the Proposal Requirements section and submitted electronically to RFP-IS@ritaohio.com.

All proposals must be received by the Executive Director, Regional Income Tax Agency, by 12:00PM ETD on July 8, 2022. All Proposals shall be emailed to RFP-IS@ritaohio.com.

It is RITA's intention to enter into a contract as soon as practical after the proposals are evaluated and Board approval is received. The successful vendor shall enter into a contract with the Regional Income Tax Agency within ten days of the notification of award or as soon as practical thereafter as determined by RITA.

Proposals will be evaluated on several factors including the degree of fit to the requirements and cost.

The Agency reserves the right to reject any and all proposals, or any part of any proposal, or to waive informalities or defects in proposals, as the Board of Trustees of the Agency shall deem to be in the best interest of the Agency.

By submitting a proposal, each respondent is insuring that complete confidentiality of all Agency information will be maintained by all vendor personnel.

By submitting a proposal, each respondent is insuring that the vendor is an Equal Opportunity Employer and that their employees and applicants for employment are not discriminated against because of their race, color, religion, national origin, disability, age, genetic information, military status or sexual orientation.

By signing a contract with RITA, the successful vendor guarantees that they comply, or will comply with the above provision and all other applicable state and federal laws regarding public contract work, and agrees to indemnify and hold the Regional Income Tax Agency harmless from any claims or damages incurred against or by the Regional Income Tax Agency resulting from any non-compliance by the successful vendor.

By submitting a proposal, each respondent is declaring that they are not in arrears to RITA for municipal income taxes or any other obligation to the Agency.

Appendix A – Mutual Non-Disclosure Agreement

This NON-DISCLOSURE AGREEMENT is between the Regional Income Tax Agency ("RITA") and the potential business partner or potential contractor of RITA. Each party acknowledges that it may not disclose any confidential information that it, its officers, employees, agents or contractors may obtain or may access as a result of transactions and/or dealings with the other party, as the parties explore the possibility of a future business/contractual relationship.

Confidential information includes, but is not limited to, marketing practices, proprietary software, security and network designs and installations, computer applications, networking designs and installations, intellectual property, research and development findings and application, confidential taxpayer information as defined by local, state and federal law, technology, agency and research strategies, trade secrets, inventions and know-how disclosed by either party to the other party and/or to any of its officers, employees, agents or contractors, directly or indirectly, in written form, orally, in other tangible form, and/or in electronic form or format, or generated by the either of the undersigned, its officers, employees, agents or contractors (collectively, "Confidential Information"). In this regard, neither party will disclose Confidential Information to any third party without the prior, written consent of the other party.

However, in no event is either party permitted to disclose for any unauthorized purpose taxpayer information, and each party acknowledges that it is subject to criminal and financial sanctions by doing so.

Each party will separately take all precautions and take any action necessary to prevent confidential taxpayer information from being acquired, accessed, used, duplicated, transmitted, stored, or disclosed by its officers, employees, agents or contractors for any purpose other than a purpose authorized by law..

Each party shall keep separate and segregated from other work all documents, records notebooks, correspondence and the like, referencing Confidential Information. All right, title and interest in Confidential Information belongs to the party owning or first generating the Confidential Information, and all forms of Confidential Information, including copies thereof, whether created or prepared by either party or by another, shall be delivered to the party owning or first generating the Confidential Information.

Each party acknowledges that its execution of this Non-Disclosure Agreement does not constitute an agreement on the part of either party to enter into either a contractual arrangement or other relationship with the other party.

Date: _____   Date: _____

Regional Income Tax Agency   **<Add Company Name>**

By:_____   By: _____
Printed Name: Donald W. Smith   Printed Name: _____

Its: Executive Director _____   Its:_____
      Title   Title

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Appendix B – Functional Requirements

High Level Functional requirements

Upon receiving an executed Mutual Non-Disclosure Agreement, a Business Requirement Document will be provided in [Appendix E](#).

Requirement ID	Description
1.00	The system must support migration of all accounts within the current Federal Tax Information legacy system(s) into the new FTI solution in their current state and status.
1.01	The system will provide the ability to retrieve all associated documents for an account from legacy systems.
1.02	The system must have the ability to handle multiple taxing jurisdictions configured with different tax rates.
1.03	The system shall have the ability to include all taxable income types.
1.04	The system must support both individual and business tax payer accounts
1.05	The system shall assign a unique reference number for each account that is not a taxpayer identifiable data element.
1.06	The system must allow for the ability to purge accounts based off retention policies.
1.07	The system will have the ability to ingest data files provided by the IRS, maintaining compliance with the current year and prior year's IRS schema.
1.08	The system will update the account information tax year(s) when the data load extract.
1.09	The system will allow for real time integrations with other in-house tax systems.
1.10	The system will provide as hoc and custom reporting capabilities.
1.11	The system must support automation of calculations based on based off specific criteria.
1.12	The system must have the ability to update, include, exclude an account based off specific criteria of an account.
1.13	The system must have the ability to assign specific accounts to specific users based off predefined criteria.
1.14	The system must support account management workflow activities such as audit, collections, legal, garnishments, etc. allowing accounts to move to specific queues based of specific criteria or actions on an account.
1.15	The system must support specific statuses of accounts

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1.16	The system must provide an activity log to capture all system(s) updates and employee updates on an account.
1.17	The system must monitor the age of accounts
1.18	The system must have the ability to produce standard templates and configurable documents/correspondence, including auto populating account information. Tracking all incoming and outgoing documents/correspondence and associate it with the specific account tax year(s).
1.19	The system must identify which tax years a filer is primary or secondary when filing a joint return.
1.20	The system must include features such as automatic timers, calendars, notifications, filtering, datasets, cascading datasets, ad hoc tasks, and comments
1.21	The system must support processing and tracking payments to the correct accounts and tax year(s), due dates, balances, municipalities etc.

Appendix C - Technical Requirements

The following includes high level technical requirements.

Upon receiving an executed Mutual Non-Disclosure Agreement, more information will be provided.

Requirement ID	Description
2.00	If cloud based, proposal should be offered on Fed Ramp authorized cloud infrastructure or platform
2.01	If cloud based, proposal should include all components to support the solution in the cloud and to integrate with our existing infrastructure including private cloud infrastructure connectivity
2.02	All proposals should include all system requirements for the solution including performance specifics like CPU, RAM, etc.
2.03	All required server software must run on the latest version of Microsoft Windows Server on top of VMWare ESX server.
2.04	Application server needs to be able to run on a separate server from the database server.
2.05	The database server must be able to run on the latest version of Microsoft SQL Server.
2.06	If on premise solution, the server infrastructure must be able to run in segmented and filtered subnet within a corporate network. Access to the servers from the clients must be from known and fixed IP ports and protocols so that access can be filtered accordingly.
2.07	Application software must be deployable via scripts or MSI files that allow for a streamlined and unattended installation and rollback of software versions. The installation must be customizable so that the software can be installed on drives other than the system partition.

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Appendix D - Security Requirements

Upon receiving an executed Mutual Non-Disclosure Agreement, a detailed Security Questionnaire Document will be provided in Appendix G.

Requirement ID	Description
3.00	The system must comply to Publication 1075 Internal Revenue Service tax information security guidelines.
3.01	The solution will adhere to the computer security compliance SCSEM(s) (Computer Security Evaluation Matrix) provided by the IRS. https://www.irs.gov/privacy-disclosure/computer-security-compliance-references-and-related-topics
3.02	The system must allow for auditable actions on an account.
3.03	The propose application must adhere to the IRS Safeguards Program. This program provides technical assistances to protect the confidentiality of Federal Tax Information (FTI). https://www.irs.gov/privacy-disclosure/safeguards-program
3.04	For proposals utilizing non-Agency resources, access and authentication controls must include multi-factor authentication. https://www.irs.gov/privacy-disclosure/multi-factor-authentication-implementation
3.05	In order to utilize a database to store FTI, the following requirements must be met: 1. Proper FTI Labeling 2. Documenting Labeling Methodology https://www.irs.gov/privacy-disclosure/protecting-federal-tax-information-fti-in-databases-through-labeling
3.06	Web based applications will require a three-tier infrastructure when transmitting and/or processing FTI. https://www.irs.gov/privacy-disclosure/protecting-federal-tax-information-fti-in-web-portals
3.07	The solution must comply with both internal and external security policies for governing the collection and use of taxpayer information required by RITA, and other local and state government agencies.

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Appendix E – Business Requirement Document

Provided upon receiving an executed Mutual Disclosure Agreement in [Appendix A](#).

Appendix F – Current Business Process Diagram

Provided upon receiving an executed Mutual Disclosure Agreement in [Appendix A](#).

Appendix G – Security and Compliance Questionnaire

Provided upon receiving an executed Mutual Disclosure Agreement in [Appendix A](#).

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