

# RFQ23-003 AVS

## Questions & Answers

The following questions were sent to our RFQ issuing office mailbox, the answers are indicated in blue.

1. Will the Commonwealth consider software that acts as a validation supplier portal so that vendor identity verification can occur at the time of vendor onboarding or vendor update? [Specific requirements for AVS solutions may be detailed in subsequent individual agency or enterprise procurements.](#)
2. Could the Commonwealth confirm what the following means, "verification of pre-paid cards to the extent applicable"? [Depending on the funding/account structure of the Commonwealth's pre-paid card vendor\(s\), transactions for these payees may be in scope. Specific details will be provided in subsequent individual agency or enterprise procurements.](#)
3. Will proposals only need to be submitted electronically via email, or will hard copies be required? [Please submit via Electronic Email at \[RFQ23-003@patreasury.gov\]\(mailto:RFQ23-003@patreasury.gov\).](#)
4. For the purposes of this RFQ are only vendor payments made by the Commonwealth in scope, or is the Commonwealth looking for a service that also accounts for payroll? [The category of payment is not limited. All electronic payments, primarily ACH, are required to have the banking information verified prior to the initial transaction, including payroll, tax payments, annuitant, vendor, governmental entities, etc.](#)
5. Is the Commonwealth interested in other vendor identity validations outside of the AVS details in the description? For example, Tax ID, Debarment Status, DEI status, etc.? [Subsequent individual agency or enterprise procurements issued may include requests for additional tools and/or verifications.](#)
6. What is the estimated schedule for Commonwealth Agencies to procure and implement services offered from the selected list of qualified providers you identify on December 6th? : [As stated in Pennsylvania Fiscal Code Act of July 11,2022 \(Act No.54,P.L.540\), within eighteen months of the effective date of this section, the Commonwealth departments, agencies, boards or commissions of the executive branch for which the Treasury Department makes payment disbursements shall implement subsection \(a\) by procuring electronic payment security services in accordance with 62Pa.C.S.\(relating to procurement\) from the list of vendors provided by the State Treasurer under paragraph\(1\).](#)
7. You mention that "a large Commonwealth agency began utilizing AVS in October 2021 for ACH debits. . ."   
What is the Commonwealth agency referenced and who is the AVS provider? [The Department of Revenue utilizes a PNC Bank product.](#)
8. While the RFQ has qualification elements and specific questions providers need to answer on RFQ pages 10 – 12, the RFQ does not prescribe a submission format.   
Can the Commonwealth add a section called Submission Format with those details or confirm the submission format is at the discretion of the RFQ providers? [Submission format is at the discretion of the provider.](#)

9. Account Validation – for a consumer or business – If the AVS service needs to provide business accounts verification, is the requirement for small business bank accounts or treasury/commercial accounts as well? [The category of payment is not limited. All electronic payments, primarily ACH, are required to have the banking information verified prior to the initial transaction, including payroll, tax payments, annuitant, vendor, governmental entities, etc.](#)
10. One of your requirements states “Identify in detail the process steps utilized to provide a passive AVS solution utilizing only Commonwealth agency provided data or data provided via a payee-facing API established in conjunction with the provider. Passive is defined as no provider direct interaction with the intended recipient i.e., no “out of pocket” or “out of wallet” information will be requested.” Is the Commonwealth willing to modify this requirement to state: “Identify in detail the process steps utilized to provide a passive and/or alternative AVS solution . . .” given we have experience and success using other solution approaches as well? [No, the language will remain as is. The additional or alternative options can be provided in your response.](#)
11. IP Address as a data point – is the expectation that the AVS API will be invoked from an agencies consumer facing web/desktop application? [Subsequent individual agency or enterprise procurements will detail the specifics about how an element may be an element utilized.](#)
12. We do not see any fields required for Business Account verification, is it a fair assumption to say that business accounts are from small business banking demographic where the business owner’s name matches the account owner name? [The “payee name” is a generic placeholder for the intended recipient.](#)
13. Is this the same RFQ that was issued in March of this year? If so, why is it being released again? [Yes, to provide a wide range of products/solutions for the Agencies, Treasury will periodically issue the RFQ.](#)
14. On page 6 of the RFQ under Automated Clearing House it states: In 2021, approximately 1.68 billion direct deposit payments were transferred from government entities (federal, state, and local), compared to 1.15 billion in 2012 (a 46% increase). Additionally, the Commonwealth of Pennsylvania, via Treasury on behalf of the Agencies, sent nearly 20 million ACH payments in FY 2021-22 alone.
  - By "transferred from" do you mean these were ACH credit transactions originated from government entity accounts? [Yes, the states and the federal government.](#)
  - Does the nearly 20MM ACH payments sent in FY 21-22 alone indicate the number of ACH payments the Commonwealth originated? [Yes, those were the transactions sent as payments.](#)
15. On page 8 of the RFQ under Account Validation Services please define what the Commonwealth means by an account is in good standing. In addition,
  - How is the Provider (bank) to confirm the account is in good standing? [The use of the term “good standing” is meant to connote there are no holds on the account, it is not frozen, or the account is not over-drawn, etc. The AVS process will be used for ACH web-debits as well as outgoing payments. The goal of this RFQ is to understand the basic capabilities of the respondents’ product. The specific response codes and information elements will be detailed in subsequent individual agency or enterprise procurements.](#)

- What information will the Commonwealth furnish to the Provider to make this determination? Several possible elements could be provided and are listed in the RFQ. Specifics will be provided in subsequent individual agency or enterprise procurements.
  - What data returned to the agency (PA entity requesting the validation) would indicate that an account was “stolen” or “hijacked”? The goal of this RFQ is to understand the basic capabilities of the respondents’ product. The specific response codes and information elements will be detailed in subsequent individual agency or enterprise procurements.
  - What date elements are considered “wider array” versus current pre-audit of payments? These may include SSN, DOB, address, etc. The pre-audit is limited to broader components in most cases and not the individuals’ details.
  - What percentage of ACH inquiries would be for consumers versus business? More specific volumes may be provided in subsequent individual agency or enterprise procurements.
  - Does the Commonwealth expect to continue to validate roughly 3,600 bank accounts per business day going forward? More specific volumes may be provided in subsequent individual agency or enterprise procurements.
16. Page 9 discusses selection and engagement of providers. Please confirm our understanding of this section: One or more Providers will be deemed qualified by the State Treasurer to provide the Account Validation Service. Any Agencies in need of the service will contact a qualified provider from the “approved list”. At that time the Agency and the Provider will negotiate a contract and pricing. Correct, agencies will contact a qualified provider through an appropriate procurement process.
17. Please explain the correlation between being a NACHA Preferred Partner and providing AVS services (page 10). In addition:
- What is the reason that the Providers need to demonstrate a proven capacity in processing large ACH batch files if the AVS service is mutually exclusive? Historically, there have been occasions when a large volume of payments, several hundred thousand to several million, was required, that had not occurred previously. The most recent examples occurred during the pandemic.
  - Does the Commonwealth expect the Provider to, in some way, tie a payment instruction i.e., an ACH originated credit or debit, together with an AVS inquiry in some way? What is the Commonwealth's expectation? There is no expectation of matching an inquiry to a specific ACH credit or debit. The AVS process is expected to occur prior to the creation of the cash transaction.
  - Is it acceptable to the Commonwealth for the AVS inquiry to be separate and distinct from the origination of an ACH credit or debit? (Will the Commonwealth send the validation request to one bank, receive the response, and originate the payment from a different bank?) The Agencies will process an AVS inquiry and then create the appropriate payment file or ACH debit for processing. The monetary transaction may be processed by a different entity.
  - What bank account risk assessments and risk attributes associated with the account owner analysis does the Commonwealth expect the Provider to furnish? Please describe expectations as granularly as possible. There are no pre-determined assessments or attributes defined. The specific details and information elements may be detailed in subsequent individual agency or enterprise procurements.

18. Page 11 asks: Identify in detail the process steps utilized to provide a passive AVS solution utilizing only Commonwealth agency provided data or data provided via a payee-facing API established in conjunction with the provider. Passive is defined as no provider direct interaction with the intended recipient i.e., no "out of pocket" or "out of wallet" information will be requested.
- Please clarify this question in as much detail as possible. [The agencies will determine what data elements to collect from the client base and provide to the AVS Provider as part of the AVS process. The specific details and information elements may be detailed in subsequent individual agency or enterprise procurements.](#)
  - Is the Commonwealth looking for the Provider to furnish a payee facing API portal and if yes, for what use cases? [The decision to use, and the scenarios for a payee facing API portal will be detailed in subsequent individual agency or enterprise procurements.](#)
  - How is "out of pocket" or "out of wallet" information defined (please provide examples). [A payee will not be required to provide "additional" information directly to a provider as a supplement to the AVS services detailed in this RFQ. As an example, the provider would not require a phone call or submission of a photo of the payee. Additional identification tools or expanded verification tools may be detailed in subsequent individual agency or enterprise procurements.](#)
19. On page 12, If the Provider does not support SSN, DOB or IP Address would that disqualify the Provider from further consideration? [Not necessarily. This process is intended to qualify potential providers based on services that can be provided and prior experience as a provider. Specific requirements for agencies may be detailed in subsequent individual agency or enterprise procurements.](#)
20. If the Provider supports real time API queries and responses, but does not support a User Interface for ad hoc AVS queries, would that disqualify the Provider from further consideration? [This process is intended to qualify potential providers based on services that can be provided and prior experience as a provider. Specific requirements for agencies may be detailed in subsequent individual agency or enterprise procurements.](#)