New England States Consortium Systems Organization
Asset Verification System Services
RFP # 26-001

NESCSO Answers to Questions received during the Q & A period

Question 1: *Re: Major Subcontractors*

Our organization may resell or incorporate third-party data services as part of its solution while remaining the prime contractor responsible to NESCSO and Participating States. Please clarify whether subcontractor disclosure and documentation requirements apply to all such third-party data providers, or only to providers NESCSO classifies as Major or Significant Subcontractors.?

NESCSO Answer:

- Given the extent of their role in asset verification and the proportion of their costs relative to the total monthly cost, NESCSO has identified Financial and Physical Asset Data Aggregators as Major Subcontractors (Sec. 3.7).
- Each bidder should consider the scope of their subcontractor's contributions to their AVS solution and self-designate any subcontractors with a significant role as Major Subcontractors.
- Bidders should submit information required by *Sec. 6.2.3 Subcontractors* for all identified Major Subcontractors.

Question 2: *Re: 4.1.3 Community Engagement Verification Services Considerations*

For CEV services such as education verification, if the required data may be obtained either through the Federal Data Services Hub or through a private/commercial data source, does NESCSO expect Bidders to include both approaches in the pricing proposal? If so, should the private data-source option be priced separately from the Federal Data Services Hub-based approach?

NESCSO Answer:

- Submission of information regarding CEV services is optional. Accordingly, descriptions of a Bidder's CEV services and their costs should be minimal.
- If the Bidder considers the ability in this example as vital (ability to obtain education verification data from either/both the Federal Hub or a private data source) then they may choose to mention it.

- In their 6.4.4. Cost Response Summary – Optional Services, Bidders do not need to submit estimated costs for either optional provision 4.1.3.1 or 4.1.3.2.

Question 3: *Re: 4.1.3 Community Engagement Verification Services Considerations*

Does NESCSO expect Bidders to provide a third-party source for prior volunteer activity, or integrate with State-designated systems where that data exists? Given the fragmented volunteer-data market, may Bidders also propose a platform that registers organizations and opportunities, tracks volunteer hours, and supports closed-loop referrals for Community Engagement compliance?

NESCSO Answer:

- Submission of information regarding CEV services is optional. Accordingly, descriptions of a Bidder's CEV services and their costs should be minimal.
- Bidders' service descriptions and cost estimates submitted for functionality in *Section 4.1. Optional Provisions* "… are considered informational" and will not be evaluated nor used to select a vendor. Therefore, NESCSO recommends Bidders apply their professional judgement to determine what to include in their Response.
- Per *Section 4.1. Optional Provisions,* "…NESCSO may choose to add one or more of the following provisions to the final contract with the selected Bidder." Should NESCSO decide to pursue adding any optional functionality to the contract, an opportunity will be provided for NESCSO and Bidder/Contractor to define requirements and negotiate costs.

Question 4: *re: Current Vendor(s)*

Which AVS vendors do the Interested States use today, and when do those contracts end?

Which Interested States currently use an AVS vendor, and when do those contracts expire? Can NESCSO share current per-transaction pricing?

NESCSO Answer:

- Currently, all AVS services are provided to NESCSO and Interested States by Public Consulting Group (PCG) via a NESCSO-PCG contract with a December 31, 2028 termination date.
- Current per-transaction pricing for Participating States is considered confidential, proprietary information and cannot be provided publicly.

Question 5: *re: Operational Start Dates by State*

Are all Interested States expected to start on October 1, 2027, or will States onboard in phases? If phased, what order and timing should bidders assume for implementation pricing?

Would the states prefer a phased implementation or a simultaneous rollout?

NESCSO Answer:

- No, all Interested States will not start operations on October 1, 2027.
- Bidders should plan on an operational start date no earlier than October 1, 2027 for any state. Actual operational start dates per state will vary according to each state's priorities and Bidders' implementation requirements and timelines.

Question 6: *Sec. 3.2, 4.1.1.3. Physical Asset Verification*

Section 3.2: Which physical asset types are required (real property, vehicles, boats, other)?

Do States prefer a specific value type, such as assessed or market value?

Section 3.2 includes physical asset verification, including real property and vehicle ownership, within the required scope, while Section 4.1.1.3 identifies motor vehicle verification as an optional service. Will NESCSO clarify that real property verification constitutes the required baseline physical asset service, while vehicle verification and other physical asset enhancements may be proposed and priced separately as optional services? Additionally, will NESCSO identify any specific minimum data sources, asset categories, or coverage expectations associated with the mandatory physical asset verification requirements to ensure consistent pricing and evaluation across bidders?

NESCSO Answer:

- *Section 3.2. Physical Asset Verification Requests from State Systems and Staff* has been modified: the only required functionality is for the AVS to verify real property.
- Note: RFP Section 4.1.1.3. states, "Verification of motor vehicle property is considered an optional service and Bidders should provide their solution and costs separately from real property asset verification."
- The AVS should return the value assessed by the relevant taxing entity.

Question 7: *Sec. 6.4.1. Historical Transaction Volume*

Section 6.4.1: Please confirm the Medium Volume State figure is 10,000 transactions per month. The RFP shows "10,00."

Will the States be willing to provide historical data asset verification information, such as verification volumes, institution responsiveness volumes, etc.?

Please confirm that the medium-volume state assumption in Section 6.4.1 is intended to be 10,000 monthly transactions.

NESCSO Answer:

- Confirmed: for a Medium Volume State, Bidders should use 10,000 transactions per month.
- The following states currently conduct Physical Asset Verification (PAV) for real property: CT, NE, and VT. Currently, states conduct PAVs for every individual for whom Financial Asset Verification (FAV) is executed; PAV transaction volumes are the same as FAV transaction volumes presented in the RFP tables.

Question 8: *re: Multi-State Configuration*

Would the states adopt a shared functionality model in which data remains isolated, while requirements and functionality are consistent across each platform instance for each state?

NESCSO Answer:

- The functionality specified in Section 3 is required for all states. As noted, Bidders should expect some differences in required functionality per state, to be determined during the implementation phase – after contract execution.
- The Contractor may determine a single AVS 'engine' is appropriate, with state-specific differences implemented as configurable options.

Question 9: *Sec. 5.2.1. Attachments*

As discussed in the pre-proposal conference, please confirm that the "Attachments" file is not required as part of the submission.

NESCSO Answer:

- Confirmed. The Attachments file is optional. The RFP submission form has been modified, accordingly.

Question 10: *Sec. 3.5 -- Reporting*

Sections 3.5.1 and 3.5.3 suggest states are expecting the ability to run reports through API. At a high level, can NESCSO please explain what it is envisioning specific to this requirement?

NESCSO Answer:

- States with an integrated implementation, not a stand-alone AVS portal, must have the ability to issue report requests and receive the reports. The Contractor should describe their solution, e.g . API, Reporting Portal, Batch, etc.

Question 11: *SLA 3.11.4.5. Application Response Time*

Are these proposed timing figures on average or will a penalty be assessed for any instance that does not comply?

Specific to the batch file, is this based on when the file is dropped in the vendor's or the state's SFTP? Or based on when the file is pulled and processed??

NESCSO Answer:

- The proposed timing is an average per month.
- The measurement for batch files begins after the full file has been received by the AVS.

Question 12: *SLA 3.11.4.8. Financial Institution Accuracy and Completeness*

What is the source of truth/who determines whether a response is accurate v. not accurate?

NESCSO Answer:

- NESCSO seeks solutions that minimize the number of unnecessary queries to FIs with whom the Applicant has no affiliation. Bidders are encouraged to propose solutions and associated Accuracy and Completeness rates for this SLA.
- Responses received by the AVS from Financial Institutions (FI) indicating the queried individual does not and has never had an account with the FI will be considered "Inaccurate" queries. The AVS should maintain these responses and the Accuracy rate.
- Conceivably, FAV queries for an Applicant will use responses from prior queries to improve the accuracy rate for that individual over time.

Question 13: *SLA 3.11.4.10 Restore a File*

Can NESCSO please explain the premise or use-case behind this particular SLA?

NESCSO Answer:

- A compliant AVS should perform regular backups. A Participating State may have a need for productional data to be restored from backup.
- Note: This SLA is separate from expected service levels for disaster recovery (Sec. 3.11.4.7).

Question 14: *Sec. 6.2 Page limits*

Section 6 on page 22 says the business response has a 6-page limit, but Section 6.2 on page 24 says the business response has a 5-page limit. Can NESCSO please confirm if the page limit is 5 pages or 6 pages?

NESCSO Answer:

- Section 6.2 has been corrected to read “six (6)” pages for the Business Response.

Question 15: *Sec. 6.4.3 Additional Participating States*

Section 6.4.3 states that "NESCSO needs to understand the impact additional Participating States will have on costs" and requests bidders to indicate "if and how initial implementation costs will change as additional States access the service." Please clarify whether any Participating States added after contract award would be entitled to the pricing submitted in response to this RFP, including implementation, onboarding, and operational pricing, or whether pricing for such future Participating States may be separately negotiated or adjusted at the time they access the service.

NESCSO Answer:

- At minimum, all Interested States that choose to participate will be entitled to the costs submitted in the Bidder’s Cost Response (Sec. 6.4).
- Addition of states beyond the Interested States will be mutually agreed upon by NESCSO and the Contractor.

Question 16: *Sec. 6.4.3. Reporting Proposed Pass-Through Costs*

NESCSO's objective of obtaining competitive pricing and transparency for participating states is well understood. However, requiring bidders to disclose underlying subcontractor costs and negotiated third-party pricing arrangements presents significant commercial and confidentiality concerns, as these arrangements are highly proprietary, often subject to contractual nondisclosure obligations, and are strictly forbidden by corporate policy. Moreover, such disclosures are not necessary to meaningfully evaluate competing proposals or determine the total cost to participating states. Bidders can provide comprehensive, binding pricing by service, transaction volume, and contract year without revealing commercially sensitive supplier agreements or underlying cost structures. Requiring such disclosures will discourage vendors from responding given their confidential subcontractor arrangements, potentially limiting competition and increasing costs to participating states.

Would NESCSO consider amending Sections 3.7.3, 6.4.2 and 6.4.3 to permit bidders to propose all-inclusive fixed or transaction-based pricing that incorporates subcontractor costs without separately disclosing underlying subcontractor rates, costs, or negotiated terms? We further request that the prohibition on markup of subcontractor pass-through charges apply only to amounts expressly billed as actual-cost pass-through expenses, rather than subcontracted services incorporated into an all-inclusive price. This approach would preserve NESCSO's ability to evaluate total costs, compare proposals, and ensure pricing accountability while protecting commercially sensitive confidential information and encouraging the most competitive pricing.

NESCSO Answer:

- Amounts paid by a Contractor to their subcontracted Financial Asset Data Aggregators can be a significant driver of Participating States' total monthly expenses for AVS services. NESCSO seeks, primarily, to distinguish the portion of monthly invoice amounts attributable to Major Subcontractors – costs that NESCSO is not directly negotiating – from the costs attributable to the Bidder.
- In its Sec. 6.4.3. Cost Response Summary the Bidder is required to submit an aggregate amount, *"Total Subcontractor cost pass-through"*. This is the total amount a Small, Medium, and Large Volume state would pay per year attributable to the Financial Asset Data Aggregator. NESCSO considers this level of aggregation sufficient to protect commercially-sensitive information and preserve NESCSO's ability to compare proposals.
- Once in production, the Contractor's invoice amounts will be verifiable by audit.

Question 17: *Sec. 2.6 Evaluation*

Section 2.6 identifies total contract cost, state productivity, and associated costs as important evaluation criteria. When comparing proposals, it is important to recognize that transitioning from an operational AVS to a different solution may introduce substantial state-borne expenses associated with system modifications, integration development, staff retraining, data conversion, parallel operations, and potential service disruption.

Will NESCSO explicitly consider these transition costs and operational risks when evaluating the total cost and best value of competing proposals, and permit bidders to quantify the cost savings and operational benefits associated with retaining existing implementations and integrations?

NESCSO Answer:

- Every submitted proposal will be evaluated in its entirety in accordance with the evaluation process and criteria identified in Sec. 2.6. "Cost will be one factor but not the sole factor in making a best value determination."

Question 18: *re: Implementation and Operational Readiness – Sec. 1.4, 3.4, 6.3.8.*

The RFP establishes an October 1, 2027 operational start date, while our understanding is that the current NESCSO contract expires December 31, 2028. Can NESCSO clarify how this overlap will be addressed for states already receiving AVS services?

Additionally, where an existing solution, state integrations, security controls, and operational processes already satisfy the RFP requirements, will NESCSO permit those previously implemented and accepted components to remain in place, with validation limited to new or materially changed requirements, thereby avoiding unnecessary implementation costs, duplicated efforts, and disruption to participating states?

NESCSO Answer:

- December 31, 2028 is the termination date for the primary contract between NESCSO and the current Contractor. Individual states have a range of termination dates, most ending in 2027.
- Participating states already receiving AVS services will continue operating under their current contract and system and will begin transitioning to the new contract after NESCSO executes its new contract under this RFP. October 1, 2027 is considered the earliest planned date for Participating States to begin operations under the new contract. Extensions or terminations of current contracts are expected to occur as necessitated by Participating States' priorities.
- If an existing AVS solution will continue to be used by Participating States under a new contract, those states may determine during the implementation phase that re-validation of unchanged system functionality is not necessary.

Question 19: *re: State-Specific Requirements – Sec. 1.3, 3.4, 3.10, 4.2*

The RFP anticipates different technical, integration, reporting, security, and contractual requirements among participating states, including requirements that may not be known or provided at the time proposals are submitted. To ensure accurate pricing and equitable treatment of all bidders, will NESCSO confirm that material state-specific requirements introduced after contract award, or material modifications to previously approved configurations, integrations, service levels, or legal obligations, will be subject to mutually agreed scope, schedule, and pricing adjustments through a written contract amendment or change order before implementation?

NESCSO Answer:

- After execution of the contract between NESCSO and the selected Bidder, Interested States will be incorporated into the contract as Participating States through contract amendments. To ensure consistent treatment of all bidders, all Interested States that choose to participate will be entitled to the costs submitted in the Bidder's Cost Response (Sec. 6.4).
- Material changes desired by a state after executing the amendment to incorporate that state will require another amendment, subject to mutually agreed upon terms and pricing.
- Addition of states beyond the Interested States will be mutually agreed upon by NESCSO and the Contractor.

Question 20: *Sec. 3.9.2, re: Audit provisions and Confidentiality*

Section 3.9.2 incorporates audit provisions that may extend to contractor and subcontractor financial records and costs, notwithstanding the RFP's recognition of confidentiality concerns. While appropriate audit rights are essential to ensure contractual compliance and accountability, unrestricted access to underlying supplier pricing and independently negotiated commercial arrangements may create significant competitive and contractual confidentiality concerns.

Will NESCSO clarify that, except where disclosure is expressly required by applicable law or authorized government audit requirements, financial audits may be satisfied through verification of contractual rates, invoices, transactions, and supporting records without requiring disclosure of proprietary subcontractor pricing, profit margins, or unrelated commercial arrangements?

NESCSO Answer:

- *As per Vermont Attachment D,* "At a minimum, such audits, inspections and access shall be conducted to the extent permitted or required by any laws applicable to the State or Contractor …"
- NESCSO has no intention of extending audits beyond what is required by relevant Generally Accepted Accounting Principles.

Question 21: *re: Allowable Exceptions*

Section 6.1 requires bidders to certify that proposals contain no exceptions, while Attachment E expressly allows bidders to identify exceptions to state-specific contractual terms. Could NESCSO please clarify whether properly disclosed Attachment E exceptions are permitted without affecting the required Transmittal Letter certification?

NESCSO Answer:

- Bidders may identify any provisions of Exhibit 1 "… with which compliance will be difficult …", per Sec. 4.2.1, without contradicting their attestation in the Transmittal Letter.

Question 22: *Vermont Appendix D, Standard Workstation*

Section 3.3.3 references an Appendix D that does not appear to be included.

Could NESCSO please provide the referenced Appendix D or clarify the applicable workstation requirements?

NESCSO Answer:

- RFP is modified as follows: requirement 3.3.3. is removed.

Question 23: *Sec. 3.8.5. re: SOC 2 Report*

Must the SOC 2 Type 2 report exist at proposal submission, or by the October 1, 2027 operations start? Can the prime rely on a subcontractor's or hosting provider's SOC 2 report?

NESCSO Answer:

- The RFP does not require a Bidder to alter their audit schedule. It requires, "The audit results and the Contractor's plan for addressing or resolution of the audit results shall be shared with the State within sixty (60) days of the Contractor's receipt of the audit results."
- The degree to which the prime Contractor may rely on a subcontractor's or hosting provider's SOC 2 report depends on the scope of services and contract provisions between the prime and its subcontractors and relevant Trust Services Criteria.

Question 24: *Sec. 6.2.4. Attachment C: Disclosures*

Will NESCSO accept reviewed (not audited) statements, or fewer than two years of statements, if the bidder explains why? In a prime/sub team, can the subcontractor's financials satisfy the financial capacity requirement?

NESCSO Answer:

- Attachment C already allows the following, "If any of the above items are not available, the Bidder (or subcontractor) shall submit a statement indicating the reason the item is not included in the submission. The Bidder (or subcontractor) shall submit the best available information it has in lieu of the specified submission. NESCSO reserves the right to request additional information. NESCSO may choose not to contract with a Bidder if NESCSO determines that the Bidder (or subcontractor) is not in sound financial condition."

Question 25: *Sec. 6.2.2, re: Quantifying AVS Experience*

Can a prime count a teaming partner's or data aggregator's AVS experience and references toward bidder qualifications?

NESCSO Answer:

- Too much variation may exist between primary and subcontractor arrangements for NESCSO to issue a definitive response. Bidders should submit their most responsive proposal.

Question 26: *Sec. 6.2.3, re: Data Aggregators*

Must aggregators be named at submission?

Must they supply their own financials, insurance, and Attachments A–E in the Business Response?

Can a bidder propose more than one aggregator?

NESCSO Answer:

- Yes, data aggregators must be named at submission.
- Bidders must provide information required by *Sec. 6.2.3 Subcontractors* for all major subcontractors.
- Bidders may name more than one data aggregator but should only name aggregators they commit to using.

Question 27: *Sec. 2.8, re: Submitting Confidential Information*

Bidders are told not to include confidential information, yet must submit financial statements and detailed pricing. How should that material be marked or handled?

NESCSO Answer:

- RFP *Sec. 2.8 Public Information Disclaimer* is modified to read:

  Submitted Responses are not considered part of the public record and shall become the property of NESCSO. However, Bidders are requested to include minimal confidential information in their proposal submissions.

  By submitting a proposal in response to this RFP, Bidders acknowledge and agree to abide by the terms and conditions outlined in this document.

- If submitted, Bidders should clearly label any confidential information as "CONFIDENTIAL".

Question 28: *re: Participating States' Operational Start Dates*

Which Interested States are anticipated to begin operations on October 1, 2027?

Can NESCSO provide each state's expected integration approach, eligibility system interfaces, and requirements for migrating historical records or open requests?

Which states expect portal-only access and which expect API or batch integration at go-live? What share of current FAV volume arrives by each channel?

How many participating states must be operational by October 1, 2027, and what state-specific integration, testing, data-validation, performance, and acceptance milestones must be completed before NESCSO considers the AVS operational?

NESCSO Answer:

- See NESCSO Answer to Question 5, above.
- Five states currently use a stand-alone portal implementation; one medium-volume state uses batch integration, and one medium-volume state uses batch and API integration. Changes to these configurations are not anticipated before go-live, but states will finalize their configurations with the Contractor during the implementation phase.
- At minimum, to consider the AVS "Operational", Sec. 6.3.8 Project Deliverables must be approved and at least one state must have completed all implementation and testing milestones and approved the Contractor to go live.

Question 29: *re: Level of Data Aggregator Relationships at Proposal Time*

Are bidders expected to have executed agreements with financial institutions and data aggregators at proposal submission, or may these be finalized during implementation? What minimum coverage must be demonstrated, including access to five years of historical records?

NESCSO Answer:

- See NESCSO Answer to Question 26, above.
- Bidders must be responsive to all RFP requirements in their proposals and will be held accountable to comply with all components of their proposal. Contracts with subcontractors must be executed before NESCSO will execute a contract with a selected Bidder.

Question 30: *Sec. 6.4, re: Transaction Volume Assumptions*

Please identify the participating-state and transaction-volume assumptions NESCSO will use to evaluate cost responses, including the assumed number of states, annual applicants or beneficiaries, initial and follow-up queries, and batch requests. Will any minimum state participation or transaction volume be guaranteed?

NESCSO Answer:

- NESCSO considers the information provided in Sec. 6.4. sufficient for Bidders to compose a responsive proposal to this RFP.
- Minimum transaction volume is not guaranteed. Eighteen months of average monthly volumes have been provided.

Question 31: *Sec. 3.7, re: Financial Institution and Financial Data Aggregator Relationships*

Is the contractor expected to establish and maintain all direct financial-institution and financial-data-aggregator relationships, and what minimum institution coverage, account coverage, historical depth, response rate, accuracy, and completeness thresholds will be required for acceptance and ongoing service-level compliance?

NESCSO Answer:

- See RFP Sec. 3.7 for minimum requirements.

Question 32: *re: Standards for State Integrations*

Please provide or identify the required interface standards and security baseline for state integrations, including applicable API or batch-file specifications, identity protocols, encryption requirements, audit-log retention, data residency, and applicability of HIPAA, IRS Publication 1075, NIST, SOC 2, or state-specific cloud authorization requirements.

NESCSO Answer:

- See RFP Sec. 3.4 and NESCSO Answer to Question 28. Further detail will not be provided at this time.

Question 33: *Sec. 6.4 Cost Response Elements*

Should financial-data aggregator and institution-access charges be included within fixed platform or transaction prices, or may bidders identify volume-based pass-through charges?

Please also clarify how optional services, state-specific modifications, and contract-year price adjustments will be evaluated.

NESCSO Answer:

- See NESCSO Answer to Question 16 for guidance on submitting Financial Asset Data Aggregator costs.
- Optional services are informational and will not be evaluated.
- Costs for State-specific modifications should be described in the Cost Response and accounted for in the "System Implementation" costs of the Sec. 6.4.3. Cost Response Summary table.
- Contract year price adjustments should be described in the Cost Response and reflected in the Year 1 through Year 5 costs of the Sec. 6.4.3. Cost Response Summary table.

Question 34: *Sec. 6.2 Business Response*

Bidders are required to provide a list of government entities with which they have contracted in the past 5 years, along with contract details, including government points of contact. This appears in a page-limited section. Is this list acceptable as an attachment, either in the Business Response file, or the Attachments file?

NESCSO Answer:

- Yes. In the body of the business response, provide the total number of government entities – and subtotals by type of government entity, e.g. state, federal, regional, etc. – and a clear reference to the related attachment containing the full list.