NYC Department of Consumer Affairs
Office of Financial Empowerment

**NOTICE OF SOLICITATION**
**For Innovative Tax Preparation Pilot Program**

## SUMMARY

The New York City Department of Consumer Affairs Office of Financial Empowerment ("DCA/OFE") is seeking an Implementation Partner ("Partner") to implement an innovative tax preparation program geared toward low- and middle-income New Yorkers. OFE seeks to leverage the technical advances in tax preparation to provide safe and affordable services to this population through a partnership with the One Economy Corporation's Beehive Online Tax Tool.

The goals of this program are to increase the availability of high-quality, safe and affordable tax preparation across the City and to gauge the scalability and sustainability of this pilot program. The Beehive Online Tax Tool is an online service that allows eligible families and individuals (with annual incomes of less than $58,000) to prepare and electronically file their returns, including both federal and state returns. While users are able to access this system anywhere, many families and individuals prefer assisted tax preparation providing both technical support in using the online tool and to answer tax-related questions (as needed)

OFE seeks a Partner to operate the technical assistance and support component of this program. Selected partner(s) will be responsible for implementing the program at multiple sites (chosen in conjunction with OFE staff) including: providing the necessary personnel; overseeing administrative needs in multiple locations such as the hours of operation, maintenance and upkeep of equipment and supplies; engaging in outreach to drive traffic to selected locations; and tracking and reporting key performance outcomes.

## SUBMISSION INSTRUCTIONS AND TIMELINE

Not-for-profit organizations and individual consultants with experience in operating free tax assistance programs are eligible to apply for this solicitation.

**Solicitation Release Date:** **October 23, 2009**

All questions and requests for additional information concerning this solicitation should be directed to:

Tamara Lindsay, Program Officer
tlindsay@dca.nyc.gov
Phone: 212-487-2749
Fax: 212-487-3184

**Proposal Submission Due Date:** **November 6, 2009**

**Proposal Submittal Locations:**

Electronically to: tlindsay@dca.nyc.gov OR by mail to:

Tamara Lindsay
NYC Department of Consumer Affairs
Office of Financial Empowerment
42 Broadway, 8th Floor
New York, NY 10004

**Anticipated Contract Start Date:** **December 2009**

**Mandatory Staff Training:** **January 2010 (Date to Be Determined)**

**Anticipated Program Start Date:** **January 15, 2010**

## INTRODUCTION

As the first program to be created under Mayor Michael R. Bloomberg's Center for Economic Opportunity (CEO), the mission of the New York City Department of Consumer Affairs Office of Financial Empowerment (OFE) is to educate, empower, and protect New Yorkers with low incomes so they can build assets and make the most of their financial resources.

OFE experiments with local government's unique capacity to leverage strategic partnerships, implement innovative solutions, and target enforcement powers to strengthen the financial security of New Yorkers with low incomes. OFE works with government agencies, community-based organizations, philanthropic partners, think tanks and the private sector to increase financial literacy, improve access to smart financial products and services, and protect against fraudulent and deceptive practices.

Since 2002, the NYC Department of Consumer Affairs (DCA) has led the Mayor's EITC Coalition, an effective network of nearly 150 community organizations, city agencies, foundations, businesses and media partners that actively promotes the Earned Income Tax Credit (EITC). The Coalition – anchored by the Mayor's Voluntary Income Tax Assistance (VITA) sites – handles tens of thousands of filers. While VITA returns have increased each year, a vast majority of filers are left to fend for themselves in seeking tax preparation assistance in the market, resulting all too frequently in high fees, poor quality tax preparation and/or susceptibility to exploitive practices.

OFE is committed to testing innovative mechanisms to increase availability of tax preparation services at scale throughout New York City.

## SUMMARY OF SOLICITATION

### A. Purpose of RFP

OFE is seeking implementation partner(s) ("Partner") to manage this program, an innovative, online tax preparation service focused on providing free tax preparation to low- and middle-income New Yorkers.

The program goals are to:

- Increase the availability of high-quality, safe and affordable tax preparation services across New York City;
- Evaluate the scalability of the online service and implementation model; and
- Identify sustainable and cost-effective tax preparation services to complement the VITA program.

The program will offer free tax preparation services through an online service that allows users to prepare and electronically file their returns, including both federal and state returns. OFE anticipates that the service will be provided at multiple venues. The process requires a client to have: (1) a valid e-mail address; (2) Adjusted Gross Income of less than $58,000 for families and individuals; and (3) a valid Social Security Number or Individual Taxpayer Identification Number. Clients will use a free online preparation tool that allows them to prepare their returns in one of two ways: (1) with limited assistance from a roving tax coach who is working with several clients at the same time; or (2) with one-on-one attention from a coach or counselor who will oversee the process as clients complete their own returns. In the latter case, our expectation would be that the coach or counselor offers this one-on-one service in the context of a broader financial counseling relationship.

Partner(s) will work with OFE to identify appropriate venues for such tax preparation services, and will be responsible for the staffing and the administrative needs of the selected sites. Staff will be on-site to assist clients as a roving or one-on-one tax coach. With respect to administrative needs, Partners will manage the day-to-day on-site activities (with assistance from OFE when needed). OFE anticipates that sites will be open during the day, evenings and weekends to accommodate working filers.

**B. Anticipated Contract Term**

OFE anticipates that the term of the contract awarded from this solicitation will be from December 2009 to June 2010. OFE reserves the right, prior to awarding the contract, to revise contract terms, if necessary. The program start date will be on January 15, 2010.

The City reserves the right to reject any or all proposals, or portions thereof, or reissue the Solicitation. A response to the Solicitation constitutes an offer to contract with the City based upon the terms and conditions contained in the City's Solicitation. Proposals do not become contracts unless and until they are executed by the Executive Director of OFE.

**C. Anticipated Available Funding and Payment Structure**

OFE anticipates contracting with one partner. Contract amounts will be determined by the following:

- Number of sites;
- Number of projected returns;
- Hours of operation; and
- Staffing projections.

The program funding will be based on performance, with an initial payment to cover basic program implementation costs, linked to an expected minimum baseline of 2,500 returns completed. Additional funding increases will be awarded for benchmarks achieved beyond the baseline.

Applicants should include a detailed program budget showing program costs and any incentive payment structure planned for staff.

## REQUIREMENTS AND SCOPE OF WORK

**A. Agency Goals and Objectives**

OFE's key program goals are to:

- Increase the availability of high-quality, safe and affordable tax preparation services across New York City;
- Evaluate the scalability of technology-driven tax preparation process; and
- Identify sustainable and cost-effective tax preparation services to complement the VITA program.

**B. Partner Requirements**

**DCA/OFE anticipates that Partner(s) have the following qualifications:**

- Demonstrated ability in managing tax preparation services for low-income filers;
- Familiarity with Earned Income Tax Credit (EITC) and other credits such as the Child Tax Credit (CTC), the Child and Dependent Care Tax Credit (CDCTC), etc;
- Capability to hire/retain staff and volunteers to manage tax preparation sites services.

- Capability to manage multiple sites;
- Capability to serve as a liaison between OFE and the service provider, if needed;
- Capability to collect and organize data in a timely fashion;
- Experience addressing issues associated with tax preparation, e.g., rejections and post-season follow-up;
- Experience working with different ethnic groups and in multiple languages; and
- Capability to provide service to the general public, and manage referrals from 311, the City's non-emergency call center, and the OFE Web site.

**DCA/OFE anticipates that Partner(s) possess the following skills and knowledge:**
- Knowledge of tax preparation for low-income filers, including Federal, State and City tax code;
- Specific knowledge of tax credits available to low-income filers and eligibility requirements; and
- Specific knowledge of low-income neighborhoods around the City.

**DCA/OFE anticipates that Partner(s) provide direct services to individuals without an intermediary.**

## C. <u>Scope of Work</u>

**General Overview of Responsibilities**
- Partner(s) commit to complete a minimum of 2,500 returns throughout the course of the tax season;
- Partner(s) will work with OFE to identify and secure venues where online tax preparation services can be seamlessly incorporated;
- Partner(s) will hire staff to oversee the program at sites across New York City;
- Partner(s) will work to implement two different models: (1) Clients will prepare their own taxes on-site with assistance, if needed; and/or (2) Site staff will work with clients on an individual basis to complete returns; and
- Partner(s) will oversee day-to-day on-site activities with assistance from OFE, when needed, including client intake and general customer service.

**Tax Service Provider**
- Partner(s) will establish a separate contractual relationship with One Economy Corporation's Beehive Tax Tool. OFE will also establish a separate agreement with One Economy Corporation.
- Partner(s) will assist OFE in working with provider to implement the program, develop necessary implementation protocols, contingency plans and evaluation procedures; and
- Partner(s), along with OFE, will work with provider to develop a plan to manage rejections and any necessary client follow-up.

**Venue**
- OFE will release a separate solicitation to identify appropriate venues that can accommodate on-site tax preparation.
    - OFE and the selected Partner(s) will review solicitations and jointly select sites.
    - Partner(s) will work directly with selected sites to coordinate program implementation and will be required to have a separate letter of agreement.
- OFE expects that applicants include in their proposals a list of potential venues.
- OFE and selected Partner(s) will work with selected sites to:
    - Ensure sites can accommodate high volume of clients with appropriate waiting areas;
    - Ensure sites have multiple electrical outlets, phone, Internet and wireless capabilities;
    - Ensure locations have ample ADA compliant entrances, space, furniture and restrooms for waiting customers;
    - Ensure security for equipment during business hours and overnight;

    - Ensure appropriate hours (possibly including evening and weekends) to accommodate working individuals; and
    - Develop contingency plan if there is an impact on service, e.g. weather-related events, technical difficulties, etc.

**Recruit and Train Staff**

- Recruit (paid or unpaid) site staff to assist clients at selected sites;
- Paid staff will be required to complete the IRS' online Link & Learn training modules and will also complete a mandatory in-person training on the tax preparation software; and
- Partner should hire personnel *prior to* the training dates.

**Data Collection and Reporting**

Following the IRS' confidentiality and disclosure rules, selected partners must report on the following indicators throughout the tax season:

- Site-Specific Data
    - Number of people who visit each site
    - Number of people who begin filing process
    - Number of people who complete filing process
    - Reason for incomplete filings (technical issue, refund shopper, did not return, etc.)
    - Number of people who participate in other programs being offered, including benefit screening, financial education or bank account opening
    - Number of hours site is opened
    - Number of staff working with individual working hours

- Select client filing data maybe be required.

**Security and Confidentiality**

Selected Partner(s) must:

- Comply with DCA data security protocol, which will be detailed in an eventual partner contract.
- Ensure documents are kept secure during business and non-business hours, particularly intake forms and documents scanned by filers that were left at site.
    - Original copies of intake forms should be mailed or delivered to OFE through a secure carrier (e.g., Federal Express or paid courier) at least once a month. Partners may not submit personal data electronically.
- Ensure confidentiality of information received from filers.
    - Staff should be trained on importance of confidentiality.
- Ensure all tax documents are returned to filers. Partners should not keep in their possession tax documents or copied intake forms.

**Outreach**

Selected Partner(s) must:

- Identify opportunities to disseminate OFE-provided information and make presentations;
- With assistance from OFE, conduct outreach in local communities promoting the service; and
- Report to OFE about outreach strategies employed and shift strategies if warranted throughout the tax season.

OFE will provide all materials for outreach and press initiatives.