

CHAPTER IV: BASIC SERVICES

A. TRAINING AND PERFORMANCE OF VENDOR'S STAFF

1. *Training Programs for Vendor's Staff*

- a. The vendor shall provide appropriate training of the type and length for its staff involved in providing services under this Agreement.
- b. The vendor shall continue to provide appropriate training programs as needed for new staff and for existing staff if their responsibilities change.
- c. The vendor shall continually document and update in a timely manner the training materials and information that is used in its training program, including information and changes that are specific to the services under this Agreement.

2. *Performance of Vendor's Staff*

- a. The vendor shall have a means to measure the competency of its employees for the job responsibilities to which they have been assigned. Only those staff who meet or exceed the competency standards and possess the knowledge and skills necessary to perform successfully in their positions will be deemed "properly trained."
- b. The vendor shall give particular consideration to the complexity of the University's servicing needs and organizational structure, and assign staff who not only have been "properly trained" but also have the appropriate level of knowledge, skills, and experience to provide a high standard of service under this Agreement. Such staff must be able to communicate effectively with both the University's public and the University's staff.
- c. The vendor shall have in place an ongoing quality control program to ensure that the information the vendor's staff communicates either directly or indirectly to the University's public and to the University's staff is accurate.
- d. The vendor's staff responsible for answering the phones shall have excellent oral communication skills in English, a professional and courteous manner, a positive and helpful attitude, and shall be able to handle calls from irate individuals and pressure from the demands of the University's public, e.g., the pressure from individuals who demand information but are not eligible to receive it, such as a parent demanding information needed to complete his/her tax return but the student has not authorized the disclosure of the information to the parent.

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- e. Any written responses, documents, or other materials that the vendor's staff prepares should be typed and shall be written in a clear, concise, and easy-to-understand manner, free of any grammatical, spelling, punctuation, and typographical errors.
- f. The vendor's staff shall make every effort to be responsive to the requester's needs.
- g. The vendor's staff shall NOT give answers if such answers are known to be incorrect or if the accuracy of such answers is uncertain.
- h. The vendor's staff shall NOT give tax advice.
- i. The vendor shall immediately investigate and take appropriate action to resolve any reports or complaints filed by the University regarding dissatisfaction with the performance of any of the vendor's staff.

3. Performance Statistics

- a. Peak Servicing Period Statistics

The vendor should provide for each Campus Program and on a systemwide basis (that is, aggregated totals for all campuses) the following minimum statistics on a weekly basis throughout the peak servicing period [to the extent possible, the vendor should report separately on the statistics that apply only to the Voice Response Unit (VRU) versus those that apply to non-VRU use]:

- 1) number and percent of incoming calls received;
- 2) number and percent of incoming calls answered (i.e., a staff person or the VRU responded to the caller's question or issue); if possible, provide counts by Campus Program within which by student and non-student counts;
- 3) number and percent of incoming calls not answered, e.g., busy signal or hung up before it was answered; if possible, include statistics on the time of day such calls are not answered;
- 4) average length of time incoming calls are in a queue, or placed "on hold" to be answered;
- 5) longest period of time incoming calls were placed in a queue (i.e., "on hold") and the number and percent of incoming calls that were in a queue for that length of time;

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- 6) number and percent of calls received that were abandoned, i.e., the caller "hung up" while the call was in a queue (i.e., "on hold");
- 7) number of requests for copies of the 1098-T information; if possible, provide counts by Campus Program within which by student and non-student counts;
- 8) number of copies of the 1098-T information sent; if possible, provide counts by Campus Program within which by student and taxpayer counts;
- 9) percent of time Web-based system was available; and
- 10) number of pieces of written correspondence previously outstanding, the number of new items received, the number processed, and the number not yet processed by the end of the reporting period.

b. Non-Peak Servicing Period Statistics

At University request, the vendor should provide the same types of statistics as those provided during the peak servicing period. The University will determine the appropriate frequency of such reporting, but the frequency will not be greater than weekly; the likely frequency will be monthly. The level of data aggregation will be mutually agreed upon, e.g., whether monthly reporting of statistics will reflect weekly totals over a one-month period or whether monthly reporting will reflect data aggregated on a monthly basis.

c. Unprocessed Work

In addition to the weekly statistics, the vendor should provide, on request, additional information on the status of unprocessed work. The University is likely to request such information if, in its opinion, the vendor's staff is not meeting the University's processing standards. The University will determine the information to be reported and the reporting frequency, based on the specifics of the situation.

d. Campus-Level Report of Outstanding Issues

If the vendor does not provide timely and complete feedback to the appropriate University office on the status of individual outstanding issues, the vendor should, upon University request, provide a monthly status report of such issues. Outstanding issues may include, but are not limited to, unfinished work that was requested of the vendor by a University staff person or problems reported to the vendor that were not resolved during the month. Such a report would entail an exhaustive listing of all outstanding issues with

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a brief status report on each; each issue should have a campus contact person associated with it. A separate listing should be prepared for each Campus Program; a copy of each listing should be provided to OP. The listings should be sent via e-mail.

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NARRATIVE RESPONSE ITEMS

1. Describe the type of staff training programs that are envisioned for your staff. Include the number of hours of training for each program, the level of staff to be included in the training programs, maximum class enrollment size, and the background and experience of the individuals who will conduct the training sessions.
2. For the training program designed for the phone service staff, describe the structure of the training program, including the types of information to be covered.
3. Does your company currently offer training programs that will be used as a model for the training programs designed for the staff involved with the delivery of TRA services? If so, briefly explain why those existing training programs serve as good models.
4. How will the University's unique requirements be integrated into the training programs?
5. For each type of training program, describe how the trainee's skills and knowledge will be measured to ensure that the individual has been properly and adequately trained to perform successfully.
6. Describe the types of quality control programs that will be instituted both for newly and previously trained staff.
7. For Items 1 through 5 and Item 9, listed in under Section A. 3. "Performance Statistics," provide the corresponding standard of your proffered service. Describe the manner by which the requested statistical information will be collected.
8. Based on the bidder's prior experience, what "turnover rate" among the bidder's staff should the University expect within the first three years? Differentiate in the "turnover rate" those who transferred or were promoted within the organization and those who left the organization. Explain the measures that would be taken to minimize the impact of any staff turnover on the University.

B. TRAINING AND COORDINATION WITH THE UNIVERSITY

1. *Training Programs for University Campus Contacts*

a. General

- 1) The vendor shall provide initial training and, if necessary, on-going review sessions for the University's staff. The focus of these sessions is assist the University's staff in better coordinating its efforts with those of the vendor by understanding the vendor's responsibilities and operations.
- 2) The vendor should have the appropriate people from its staff attend and conduct these sessions.
- 3) The dates and times will be mutually agreed upon. The University will cover the cost of the meeting rooms; however, the vendor shall be responsible for any additional costs, such as laptop rentals, PC projectors for PowerPoint presentations, training program materials, etc.
- 4) The vendor shall provide to the University's staff the same material developed for the vendor's phone staff in responding to calls from the University's public. The material will be used by the University's staff as a reference; thus, the vendor shall provide enough sets of materials to meet the needs of the University's staff, e.g., at least three sets per campus. The vendor shall make this material and all updates available to OP and the campuses in a timely manner, as well as to the appropriate members of the vendor's staff responsible for providing services under this Agreement.
- 5) The vendor shall provide to the University's staff user manuals and any other documentation pertaining to the vendor's on-line system to assist the University's staff in properly processing on-line transactions and understanding and interpreting the data that is displayed. The vendor shall supply at least three (3) sets of manuals and documentation per campus. If a campus desires, it shall be allowed to reproduce copies of the materials.

b. Initial Training

- 1) The number and length of each training session that the vendor will conduct will be heavily influenced by the vendor's recommendations as to the optimum number and the maximum number of attendees per training session and the recommended length of each training session.

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- 2) Each session should be held regionally and repeated as many times per region as is needed to accommodate the University's staff who want to attend the training session in that area. The regional locations will be northern California and southern California.
- 3) The University will determine the location of the training programs and whether the program needs to be repeated.

c. **Ongoing Training**

If significant changes in the processes have occurred, the vendor shall provide appropriate training and/or review sessions for the campus contacts to update them on the changes. The University, in consultation with the vendor, will determine each year whether a session for the current year is warranted. (For pricing purposes, the vendor should anticipate having to conduct these ongoing review sessions on an annual basis.) It is anticipated that if such sessions are held, they would occur between mid-November and mid-December—just prior to the peak servicing period—and would be offered once per region, unless otherwise agreed to in terms of both when and where such sessions will be held.

2. *Communication with the University*

a. **Lines of Authority and Communication**

- 1) To facilitate the flow of information and the timely resolution of questions or problems, the vendor should establish direct lines of authority for vendor/OP and vendor/campus communications for all matters regarding the services provided under this Agreement.
- 2) The Office of the President is responsible for the administration of the Agreement with the vendor. All special servicing arrangements and other contractual matters shall be negotiated and handled by the vendor and the Office of the President.
- 3) For campus specific issues, the vendor will need to communicate directly with the campuses. The University will provide the names, phone numbers, and e-mail addresses for the campus contacts with whom the vendor will need to communicate on various matters.

b. **Information Pertaining to the Vendor's Staff**

- 1) The vendor should provide to OP and the campuses an organization chart of its staff and should provide, in a timely manner, updated charts whenever organizational changes are made. The vendor should notify

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OP and the campuses of reassignments or changes in the vendor's staff with whom the University's staff communicate. The vendor should initiate such notification as soon as the information is known.

- 2) The vendor should make available to OP and the campuses the names, telephone numbers, e-mail addresses, fax numbers, and work schedules of its staff who are directly involved with the administration of this Agreement and with whom the University's staff may need to be in contact. The vendor should notify OP and the campuses of any updates whenever changes to such information are in order, and the vendor should initiate such notification as soon as the information is known.
- c. Answering Calls from the University's staff
- 1) The vendor should provide at least one toll-free (e.g., 800) telephone number for the University's staff to reach the vendor's staff. This number could be the same as the one that the University's public uses, provided that there is an efficient manner by which University staff can reach the desired member of the vendor's staff.
 - 2) The vendor shall provide a sufficient number of lines and staff to handle satisfactorily the volume of incoming calls from the University's staff.
 - 3) The vendor should provide staff to answer phone calls from the University's staff from 8 a.m. to 5 p.m., Pacific time, Monday through Friday, whenever any of the University offices are open for business.
 - 4) When calls are placed "on hold" or in a queue to be answered by a representative, it should be apparent to the caller that his/her call has been received.
 - 5) The vendor should provide a "school representative"—someone to whom the University's staff can reach quickly using the toll-free number and who has a level of experience and training and the skills to respond effectively to the types of issues raised by the University's staff.
 - 6) Before the vendor releases any personally identifiable information to a University employee over the phone, the vendor shall verify that the individual is an authorized University staff person to whom such information can be released.
 - 7) The vendor shall return any and all telephone calls it receives from the University no later than the next business day from the date the University initially placed the telephone call to the vendor.

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- 8) During the hours when the vendor is to have staff available to answer calls from the University, the vendor should normally have its staff answer the phones, rather than have the caller leave voice mail messages.
 - 9) During non-business hours when the vendor is not required to have staff available to answer calls from the University, the vendor should allow the caller to leave a voice mail message.
 - 10) The vendor's staff should have an "absence" message, informing callers if the individual to whom the call is directed will not be available to return calls by the next day, e.g., the individual will be on vacation for several days. The "absence" message should be up to date in terms of accurately informing the caller of the individual's availability.
- d. Answering E-Mail Correspondence from the University's Staff
- 1) The vendor should provide an e-mail addresses for its staff so that the University's staff can direct correspondence to a specific individual on the vendor's staff.
 - 2) The vendor should respond to the e-mail within one business day, if it is of a routine nature; additional days may be required, in which case the vendor should notify the sender of the approximate response date and the reason for the delay. The vendor should keep the sender apprised of any further delays.
 - 3) Before the vendor releases any personally identifiable information to a University employee via e-mail, the vendor shall verify that the individual is an authorized University staff person to whom such information can be released.
- e. Answering Correspondence from the University's Staff
- 1) If the vendor receives correspondence from the University via fax, courier, or U. S. mail, the vendor should send its response, using the same method, unless otherwise instructed.
 - 2) The vendor should send a written response to the appropriate University staff person no later than five (5) business days from the date the vendor received the correspondence. If the vendor needs additional days in order to respond to the correspondence, the vendor should notify the sender of the approximate response date and the reason for the delay. The vendor should keep the sender apprised of any further delays.

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f. Meetings and Conference Calls with the University's Staff

1) General

a) Meetings

Whenever meetings with the vendor are necessary, the University will cover the cost of the meeting rooms; however, the vendor shall be responsible for the cost of any additional expenses, such as laptop rentals, PC projectors for PowerPoint presentations, etc. The University will determine the location of the meetings but the dates and times of the meetings will be mutually agreed upon.

b) Conference Calls

Whenever conference calls are held, the vendor shall be responsible for providing its own conference call equipment, e.g., speaker phone, but the University will make the conference call arrangements. It is envisioned that each call participant will dial a toll-free number in order to participate in the call. The University will pay for the cost of the conference calls. However, if a less expensive method of conducting these discussions is or becomes available, the University will explore it and, if deemed viable by the University, will use it.

c) At least one of the vendor's representatives who participates in meetings or conference calls with the University should be knowledgeable about the issues being discussed and should be in a position to make commitments on behalf of the vendor.

2) Planning and Implementation

a) Meetings

(1) During the initial start-up phase of the Agreement--estimated to be between contract award and January, 1999--the vendor should participate in as many planning and implementation meetings as may be required, sending the appropriate representatives to each meeting, and preparing and printing materials for and conducting such meetings as appropriate. The meetings are expected to be information sharing to facilitate a smooth implementation of the services under the Agreement and to bring closure to issues that need resolution. For some issues, the vendor will need to better understand the

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University's needs; for others, the University will need to better understand the vendor's needs and systems design.

- (2) Such meetings should be held on a regional basis, meaning that the same meeting/session is held on different dates in two locations: one in the northern California area (usually Oakland or Berkeley) and one in the southern California area (usually Irvine or Los Angeles). The University expects that a minimum of two sets of regional meetings (or four meetings) may be needed. Such meetings may include numerous OP and campus staff, typically at least four to five representatives per campus.
- (3) Two to three additional meetings may be needed on a systemwide basis, meaning that such meetings/sessions would be held at a single location. The dates and locations of such systemwide meetings will be mutually agreed upon. The number of attendees at such meetings may be fewer, as not all campuses may be represented.

b) Conference Calls

- (1) Numerous conference calls may be needed as part of the implementation phase. Depending on the issue to be discussed, the vendor may be requested to develop an agenda in consultation with the University, to prepare information and/or materials for the conference call, and to conduct the conference call meeting.
- (2) In addition to other meetings and conference calls that may be needed, particularly during the development stage of the vendor's system, the vendor and the University should hold at least weekly conference calls during the month of February, to review the status of the vendor's phone service. If the situation warrants, weekly conference calls may be necessary throughout the peak servicing period.
- (3) The duration and frequency of the calls will be dictated by the issues that need to be addressed and the urgency to resolve them.

3) Ongoing Conference Calls and Meetings After the Initial Start-Up Phase

a) Meetings

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At the University's request, the vendor should anticipate sending the appropriate representatives to at least one annual meeting to discuss, in person, upcoming changes to the services to be delivered or any other issues that warrant a meeting. Such meetings may be held either regionally or on a systemwide basis. Depending on the nature of the meeting, the vendor may be asked to develop the agenda, in consultation with OP; prepare materials for distribution; prepare and give presentations; and possibly conduct the meetings.

b) Conference Calls

The vendor should anticipate participating in regularly scheduled conference calls. The frequency and duration of such conference calls may vary throughout the year, depending on the magnitude of the development, implementation, and operational issues that need to be addressed; high frequency could be weekly. Over time, the need for such conference calls may diminish to the point of needing them only a few times during the year.

g. Office of the President Monthly Recap Report

- 1) On a monthly basis, the vendor should provide a written recap of its discussions with OP and with specific University teams, e.g., the University appointed "Vendor Phone Service Group" during the prior month on issues of importance. The recap should include issues and problems that were reported and/or resolved, special projects that were undertaken by the vendor and the status of such projects, other noteworthy activities or events that occurred during the month, or announcements or reminders about upcoming events or deadlines.
- 2) The monthly recap report should maintain a list of outstanding issues and problems reported by OP and provide an ongoing progress report, with targeted resolution dates, on each item until they are resolved.
- 3) The monthly recap should be sent to OP and to the campuses by the tenth (10th) business day of each month, e.g., the recap for the month of January should be sent by the 10th business day in February. The recap should be sent via e-mail.

h. Notification of Changes, Delays, Problems, and Downtime

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- 1) The vendor shall contact OP whenever changes are being contemplated that may affect the services provided under this Agreement. Such changes shall be subject to University approval; the University will not unreasonably withhold approval. Once University approval is granted, the vendor should provide written notification to OP and to the campuses of the specific details of the change and the anticipated date on which the change will become effective. Such notification should be sent as soon as possible, but no less than ten (10) business days prior to the effective date of the change. If appropriate, the vendor should provide periodic updates on the status of the implementation of the change. The vendor should confirm with OP and the campuses when the change has been fully implemented.
- 2) The vendor shall initiate communication with OP and the campuses regarding any actual or potential problems, delays, or service delivery issues that have or could impact the quality, quantity, or scheduled delivery of services provided under this Agreement or could affect the University's public or the University's staff. The notification shall be given as soon as the problem or delay is known. When a plan of action has been developed for addressing the situation, the vendor shall share that information with OP and the campuses as soon as the information is known. To the extent that it is appropriate, the University would like to be involved in the discussions to develop the plan of action. The vendor shall keep OP and campuses apprised of the status of the situation until the situation has been resolved satisfactorily. The University will determine the frequency (e.g., daily, weekly, monthly) by which the vendor is to provide such status updates.
- 3) The vendor shall immediately notify OP and the campuses of any scheduled "downtime" that negatively impacts access to the vendor's Web site by either the University's public or the University's staff. The vendor shall provide as much advance notification as possible. The vendor shall inform OP and the campuses of the reason and the estimated duration of the Web site will be unavailable. If the actual duration of downtime exceeds the estimate, the vendor shall keep the University apprised of the progress to restore service by providing periodic updates. The vendor shall immediately notify OP and the campuses when access to the Web site has been restored.
- 4) The vendor shall designate the individuals the University should contact to report downtime, slow response time, or other problems related to the vendor's Web site. At least one of these individuals should be available during the University's normal business hours (including when one or more of the University's offices is open but the vendor's office is closed)

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and should be responsible for taking the necessary action to have service restored to a level acceptable to the University.

- 5) The vendor shall notify OP and the campuses of any planned changes to the record layout of the files provided to the University or provided to the vendor by the University. This notification should be given at least one hundred twenty (120) to one hundred eighty (180) calendar days in advance of the effective date of the change and should include, but is not limited to, the following information:
 - a) an explanation of the exact details of the change;
 - b) a copy of the updated record layout; and
 - c) the effective date of the change.
- i. The vendor should initiate communication with the University as to issues, problems, and questions that are being raised by those who have contacted the vendor and for which the vendor does not have an adequate response or direction from the University as to how to handle the issue properly. This type of communication from the vendor should be on-going and should occur immediately as the question or issue arises.
- j. The vendor should initiate recommendations to the University as to changes or additional messages that may be needed by the staff who are responding to public inquiries.

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NARRATIVE RESPONSE ITEMS

1. Describe the issues to be covered at, the type and length of, and the target audience for the initial training program the bidder proposes to provide for the University's staff. Include the optimal number of participants per initial training session.
2. Describe how the bidder envisions the communications to occur with the University—delineating between communications with OP from that of the campuses-- in further defining and refining the service and data specifications. Include the method of communication, e.g., e-mail, conference call, etc.
3. Explain how information within the bidder's organization will be coordinated during the development phase so that the appropriate people have the information they need to know. Include the names of the departments/units that will be involved.
4. Explain how information will be communicated within the bidder's organization and with any subcontractors, particularly if there is a 1098-T Supplemental Notice production problem. At what point, under what circumstances, and by whom would the bidder contact the University?
5. Identify the key individuals and/or position titles (if presently not filled) who will be OP's and the campuses' primary contacts with the bidder's staff. Specify the area of responsibility of each individual or position.
6. Does the bidder propose to have a person on staff whose responsibility is to monitor and do analytic work with regard to the TRA implementing regulations and guidelines as well as proposed legislation that would affect the TRA services under this Agreement? If so, provide the title of the position, describe the job responsibilities, and the type of experience, skills, and knowledge this individual has or is expected to have. Will this individual serve as a resource person to the University?
7. Will the toll-free number given to the University's staff be the same number that is given to the University's public? Please describe the steps a University staff member would need to take in order to reach a specific member of the bidder's staff, e.g., call the toll-free number and then enter the person's four-digit extension. If the person is not available, describe what would happen next.

C. RESPONSE TO VARIABLE WORKLOAD DEMANDS

1. *Peak and Non-Peak Servicing Periods*

In general, the peak and non-peak servicing periods will coincide with the peak and non-peak periods associated with taxpayers' filing of IRS tax returns and the sending of the 1098-T Supplemental Notice to assist taxpayers in claiming the higher education tax credits.

a. Peak Servicing Period

1) Beginning of the Peak Servicing Period

The peak servicing period should begin the day after the first batch of 1098-T Supplemental Notices is mailed; thus, the specific date on which the peak servicing period begins may vary from year to year, though it typically will begin between mid-January and early February. If, however, none of the 1098-T Supplemental Notices have not been mailed by the required IRS deadline, the peak servicing period should begin on the first business day in February.

2) End of the Peak Servicing Period

The peak servicing period should continue through and include April 15 of each year, or through the last date for filing IRS tax returns, whichever is later. For example, if April 15 falls on a Sunday, the last date for filing tax returns may be April 16. Thus, in that year, the peak servicing period would extend through April 16.

b. Non-Peak Servicing Period

1) Beginning of the Non-Peak Servicing Period

The non-peak servicing period should begin on April 16 or on the date following the last date for filing IRS tax returns, whichever is later.

2) End of the Non-Peak Period

The specific dates of the end of the non-peak servicing period may vary each year, depending on when the vendor sends the 1098-T Supplemental Notice.; the non-peak servicing period should end each year on the day the first batch of 1098-T Supplemental Notices is mailed.

3) Adjustments to the Peak and Non-Peak Period

If actual experience shows that the peak and non-peak periods differ from the University's expectations, the vendor should agree to redefine the periods based on actual experience.

2. Hours of Phone Service

a. Phone Service Hours During Peak Servicing Period

During the peak servicing period, the vendor should provide staff to answer phones from 8 a.m. to 9 p.m., Pacific time, Monday through Friday.

b. Phone Service Hours During Non-Peak Servicing Period

During the non-peak servicing period, the vendor should provide staff to answer phones from 8 a.m. to 5 p.m., Pacific time, Monday through Friday.

c. Tracking Phone Call Demand During Non-Phone-Service Hours

The vendor should have a means of tracking and maintaining statistics on the call attempts that are made during non-business phone service hours, i.e., when phone service representatives are not on duty. These data are intended to provide the information necessary to determine whether phone service hours need to be adjusted, based on actual periods of high demand. The vendor should include these statistics with the reports of "Performance Statistics" (refer to Section A. 3.).

d. Adjustments to Phone Service Hours

The vendor, in consultation with and approval by the University, should adjust or extend the hours during which phone service is provided if it is determined that the hours of phone service are not responsive to periods of high demand. The change in phone service hours should be made as soon as practical.

NARRATIVE RESPONSE ITEMS

1. What is the bidder's best guess as to the days of the week and the hours of each day when the highest volume of phone calls from the University's public will occur during both the peak and non-peak servicing periods (based on the bidder's best guess as to when the peak and non-peak servicing periods will occur)? Specify the hours of the day in Pacific Time. Explain why the bidder expects the highest volume of phone calls to occur during those days and hours.
2. If it is determined that a "significant volume" of phone calls from the University's public occur during one or more days of the week and/or hours of a day when the phone service staff is not scheduled to be available, describe how the bidder proposes to meet that phone volume demand within the bidder's quoted prices for "Basic Services," and how quickly can the proposed plan be implemented? Propose at least two possible plans: one that involves an adjustment in the days and/or hours of service but the total number of hours of service remains the same, and another that involves additional hours of service beyond those being provided. In the bidder's opinion, what would constitute a "significant volume"?
3. From a staffing standpoint, explain how the bidder proposes to accommodate this type of seasonal volume.

D. COMMUNICATION WITH THE PUBLIC

1. *Phone Service*

a. General Guidelines for Phone Service

- 1) The vendor shall serve as the University's liaison with the University's public and assume as much of the workload associated with the phone calls as possible, i.e., minimize the number of calls that are redirected to the University for handling. It is the University's intent to have the vendor, rather than the University, be the primary contact with the University's public on TRA related matters, particularly those that involve student-specific information. Appendix 2 is an initial list of the possible types of questions and issues that the University's public may raise with the vendor.
- 2) The vendor shall research issues, as necessary, in order to minimize the number of calls that have to be redirected to the University for handling. Such research typically will involve the vendor's staff having to contact the appropriate University office for additional guidance or information. During the first year, in particular, the vendor should anticipate having to research a high volume of issues.
- 3) The vendor shall maintain campus-specific and program-specific information, as necessary, to respond to inquiries that have a unique campus answer rather than a generic one. For example, campuses may have different fees that meet the definition of "qualified tuition and related expenses." Additionally, there may be different answers to issues, depending on whether the student attended the main campus as compared to its Extension program.
- 4) The vendor should redirect to the appropriate University office a call from the University's public only if so directed by the University office or in accordance with mutually agreed upon procedures for specific issues.
- 5) Whenever the vendor is in contact with the student or taxpayer, the vendor should check the "doubtful address indicator" flag on the system; if the flag indicates that the TRA address may no longer be current, the vendor should ask the student or taxpayer for his/her updated TRA address. The "doubtful address indicator" flag should be visible to the University's staff as well.
- 6) Whenever the vendor solicits updated TRA address information from the student or taxpayer, the vendor should explain the very limited purpose of that address and the responsibility of the individual to maintain it; if

the discussion is with a student, the vendor should explain that no relationship exists between the student-supplied TRA address and other addresses the campus maintains.

b. Toll-Free Telephone Number

- 1) The vendor shall provide at least one toll-free (e.g., 800) telephone number for the University's public to reach the vendor's staff.
- 2) The vendor's toll-free telephone number shall be printed on the 1098-T Supplemental Notice as well as on other documents that will be distributed widely to the University's public.
- 3) The vendor shall provide a sufficient number of lines and staff to handle satisfactorily the volume of incoming calls.
- 4) When calls are placed "on hold" or in a queue to be answered by a representative, it should be apparent to the caller that his/her call has been received.

c. Initial Availability of Phone Service

- 1) The vendor should make its phone service available to respond to calls from the University's public as soon as such calls are expected. Calls from the University's public are expected when the interactive Web-based services for students and taxpayers are available or immediately after the 1098-T Supplemental Notices are sent, whichever occurs first.
- 2) If the phone service support is not available by the time the interactive Web-based services are available, the vendor shall provide the phone service support as soon as possible but no later than the beginning of the peak servicing period.

d. Voice Response Unit (VRU)

- 1) The vendor should provide a VRU with service 24-hours a day, seven days a week, throughout the year.
- 2) The VRU need not provide the caller with the option of leaving a voice message. The University is concerned that the voice message that the University's public may leave will be inaudible or otherwise unclear and/or the return call number is not discernible, making it impossible for the vendor to return the call or to respond effectively to the voice message request. The lack of responsiveness from the vendor will then cause frustration on the part of the University's public. However, the

VRU should inform the caller as to the days and hours when representatives are available as well as the alternate means of contacting the vendor, e.g., via mail or e-mail.

- 3) The VRU should be designed to handle calls regarding a variety of issues in the most responsive and efficient manner possible. Callers should not have to listen at length to a long list of possible options.
- 4) The VRU should allow callers, at any point while using the VRU, to speak to a representative if the call is during a phone service period when representatives are scheduled to be available. The option to speak to a representative should be among the first few options disclosed to the caller.
- 5) During non-business hours when phone service staff are not on duty, the VRU should inform callers of the days and hours when a representative is available. The message should be tailored to the accommodate the different hours during which phone service staff are available during peak and non-peak servicing periods.
- 6) The VRU should have a means of informing callers about the availability of the vendor's Web site and should provide the Web address.

2. *Written Responses*

a. General Correspondence Requesting A Copy of the 1098-T Information

If the vendor receives correspondence from the University's public in which the individual requests that a copy of the 1098-T information be sent to a designated address, the vendor should comply with such requests if the vendor determines that such disclosure is appropriate. The vendor should send a copy of the 1098-T Supplemental Notice in response to general requests for a copy of the 1098-T, unless the requester is clear that a copy of the 1098-T sent to the IRS—and not the 1098-T Supplemental Notice—is desired.

b. Forms

If the vendor receives specific forms that have a pre-determined purpose, e.g., data collection forms for student's to certify the name(s), Social Security number(s), and address of the taxpayer(s), claiming the student as a dependent for tax purposes, the vendor should handle such forms pursuant to the agreed upon procedures.

c. General Correspondence

The vendor's address will appear on the 1098-T Supplemental Notice and may be preprinted on envelopes the University distributes to the University's public. In general, however, the University will not actively promote the vendor's address as one to which the University's public should send general correspondence. It is the University's desire to have inquiries and requests from the University's public be directed to the vendor via phone calls or to the vendor's Web site. Despite the University's desire, the University anticipates that some individuals from the University's public will still send general correspondence directly to the vendor. If the piece of general correspondence is not a request for a copy of the 1098-T information, the vendor should handle the written correspondence pursuant to the procedures that the vendor and the University mutually agree upon.

NARRATIVE RESPONSE ITEMS

1. Will the toll-free phone number be a unique number for use primarily by the University's public, or does the bidder intend to use that toll-free number with other clients?
2. Will the proposed phone service include services for non-English speaking individuals? If so, what services and in what languages? How will these non-English speaking individuals avail themselves of these services?
3. Identify and describe the menu features and options of the proposed voice response unit for handling incoming calls from the public.
4. Describe how the phone and VRU services will comply with the provisions of the American Disabilities Act. How would a hearing impaired individual avail him/herself of these services?
5. Describe the proposed procedures for how the phone service staff would handle an inquiry for which they did not know the answer.
6. Describe the proposed procedures the bidder would employ for handling correspondence with questions from the University's public. Include situations when the answer is readily known to the bidder and when the answer is not readily known to the bidder. Specify the response time standards for each.
7. On what days of the year will the bidder's company not be open for business to the public? What services under this Agreement could be impacted by such closures?

E. DATA MANAGEMENT

1. *Input Files from the University*

The following guidelines and specifications provide information related to the provision of data from the campuses to the vendor, on the way certain input data should be treated by the vendor, as well as logical rules for the vendor's processing of files from the campuses. While these guidelines and specifications are not intended to require that the vendor process or maintain the files in a strictly limited way, certain processing requirements and file structures will be logically necessary. Refer to Appendix 3 "Draft Specifications for Campus Input Files to Vendor for Support of Requirements of the Taxpayer Relief Act of 1997."

a. Population

The population to be included on the files to the vendor is all students who have paid fees during the tax year. Excluded from this group for the 1998 tax year, however, are students for whom the University does not have an SSN. The issue of how the University will handle records with no SSN in subsequent years will be revisited after TRA reporting regulations are issued.

b. Record Types

The vendor should accept the following record types:

1) Demographic Record (Record Type Code = D)

The demographic record contains demographic information on the student. The University will furnish to the vendor at least one demographic record for each student in the population. If the student attended multiple Campus Programs, e.g., main campus and University Extension, the vendor may receive more than one demographic record for that student. The demographic record will contain student name, address, etc. This information will be keyed by SSN or TIN.

2) Financial Record (Record Type Code = F)

a) The financial record contains information about the "qualified tuition and related expenses" the student was assessed and which were paid, as well as "offsets" to these fees, including "gift aid" and other forms of financial support the student received in the given tax year.

- b) The financial record will contain descriptors identifying the types of dollar amounts reported and will distinguish between the "qualified tuition and related expenses" and the "offsets."
- c) The University plans to report one financial record per financial transaction, e.g., each payment. Thus, it is expected that while a student will have only one demographic record, the student is likely to have several financial records.

c. File Submissions

- 1) The schedule of file submissions has yet to be determined. However, it is likely that the University will submit demographic records to the vendor at month-end of January, April, July, and October. Campuses may, at their discretion, report their demographic populations incrementally over time, or send full population files on each submission. The file schedule needs to be flexible enough to accommodate differing campus needs by Campus Program and/or to allow for demographic addendum runs for late or retroactively reinstated students.
- 2) The extremely large submission of full tax year financial records is expected to be submitted annually by the various campus sources on or before the 8th business day of January for the prior tax year. The vendor shall have the resources and capacity to accept the submission of the large Financial Record information in early January from all campuses, within a very short time frame.
- 3) The vendor should accept the electronic transmissions of data files from various campus sources via FTP (File Transfer Protocol).
- 4) Each campus source will send an e-mail message to the vendor for each transmission. The e-mail message will include such data as campus, contact name and phone number, file name, record count, "as of" (cycle) date, creation date, and date sent. Upon receipt of the file, the vendor should acknowledge receipt by return e-mail. If, however, the file is not received within the expected time frame, the vendor should follow up with the appropriate campus contact to report the missing file.

d. Processing Turnaround Time

Upon receipt of a campus input file, the vendor should process it within the time frame necessary to meet production deadlines. Should the vendor discover significant problems in processing a file, the vendor shall notify the

campus contact as soon as possible so that a replacement file can be transmitted (or other appropriate action taken).

e. Treatment of Input Data

- 1) The vendor should treat data provided from a campus on a given student as an "add" of that student to the vendor's system. If the same student is reported again by the campus during the same tax year, the new information should overlay the existing information. With the exception of the Foreign Address Flag and the Doubtful Address Indicator, however, in no case should the vendor replace non-blank values with blank ones.

- 2) Name and Address Hierarchy and Defaults

Since it is possible that a given student from one campus may have demographic records from differing Campus Programs, and since the vendor will need to actually "use" only one (even though the vendor will "store" each occurrence), the vendor shall use a hierarchy to deal with differing Student Names and Addresses for a given student.

- a) Names

- (1) If, on input of a campus's file, the same SSN/TIN is reported from different Campus Programs, the vendor should compare the last names on the records. If the last names are identical, the vendor should process the record, using the Main Campus record as the default name. If there is no Main Campus record, the vendor should select the University Extension record as the default.
- (2) If, however, the last names do not agree, the vendor should report to the appropriate campus contact both the Campus Programs involved and the respective name that each reported. Campus staff will be responsible for advising the vendor of which name to use as the default. During this reporting and advising period, the vendor should use the name hierarchy, outlined above, until the matter is resolved.
- (3) After initial campus submission, the vendor should allow the campus to process name changes either via an on-line process or by the campus resubmitting an updated student demographic record to the vendor.

b) Student Address

- (1) If, on initial input of a campus's file, the same SSN/TIN is reported from different Campus Programs, the vendor should select the Main Campus record as the source for the default student address. If there is no Main Campus record, the vendor should select the University Extension record as the default.
- (2) The University still is contemplating various issues involved with student address information. One of the primary concerns is determining when campus-supplied student address information should or should not overlay a student-supplied TRA address, e.g., through the vendor's Web site or via a phone call to the vendor. Although campuses typically maintain multiple addresses for a student, e.g., local address, billing address, etc., campuses do not currently maintain an address specifically for the mailing of the 1098-T Supplemental Notice. Campuses are generally not interested in using student-supplied TRA address information to update campus maintained addresses as they would not know which address(es) to update. Consequently, once the student supplies a TRA address, the vendor's and the campus's address for the student will no longer be consistent. It is currently anticipated that, once the vendor receives a student-supplied TRA address, the student assumes responsibility for the balance of the tax year to maintain it. Disclosures on the vendor's Web site would make that responsibility known to the student. However, this approach may not be the ultimate solution; consequently, the process described in this section is subject to change, either as a result of further discussions with the vendor and campuses and/or based on actual student response or reaction.
 - (a) Each campus will provide the best available address they have for each student. Any updated address information the campus obtains will be sent to the vendor as part of the normal demographic record update process. However, if the student enters a new student-supplied address (e.g., through an on-line procedure at the vendor's Web site or by calling the vendor), that student-supplied address should prevail for that given tax year unless the student updates the information again or indicates that the campus should resume updating it.

Unless otherwise instructed by the student, new campus-supplied address information that the campus sends to the vendor for that tax year should not override a student-supplied address.

- (b) The vendor should provide a means for the student to have the campus resume updating the TRA address, subsequent to the student assuming that responsibility upon entering a student-supplied TRA address. To facilitate such a means, the vendor should support two student address fields: one that is campus-supplied and another that is student-supplied. The campus-supplied address field should be updated each time the campus submits a new address for the student, whether or not a student-supplied address is available. The student-supplied address field should be blank until such time as the student enters a student-supplied address. Thus, if the student deletes the student-supplied TRA address, the system would default to the most recent campus-supplied address.
 - (c) The vendor should maintain data fields for address source and address date that correspond to each type of student address: campus-supplied and student-supplied. Whenever new student address information is entered, those data elements should be updated automatically by the system.
 - (d) When the campus sends the demographic record for the new tax year, the vendor should default to the campus-supplied address as the TRA address. At that time, the campus should suppress the on-line display of any student-supplied address from any prior tax year.
- 3) Half-Time or Greater Academic Workload Flag
- a) If any student's demographic record from any Campus Program indicates that the student is at least half time (Half Time or Greater Academic Workload Flag = 'Y') during the reported tax year, the vendor should have that indication prevail on the student's record for the duration of the tax year being processed, irrespective of subsequent "blanks" that may be reported.
 - b) For situations when the flag was reported in error, the vendor shall develop a process whereby it can be "un-set," i.e., reset to "blank."

- 4) Academic Level Indicator
 - a) While it is possible that this field will be used for one purpose for the 1998 tax year and for a different purpose in subsequent years, for the 1998 tax year the vendor should treat it similarly to the Half Time or Greater Academic Workload Flag -- i.e., if any student's demographic record from any Campus Program indicates that the student is a full-time graduate student enrolled exclusively in a graduate level program, (Academic Level Indicator = 'G') during the reported tax year, the vendor should have that indication prevail on the student's record for the duration of the tax year being processed, irrespective of subsequent "blanks" that may be reported.
 - b) For situations when the flag was reported in error, the vendor shall develop a process whereby it can be "un-set," i.e., reset to "blank."

- 5) Foreign Addresses

The vendor shall conform to IRS guidelines for reporting foreign addresses to the IRS. According to current IRS guidelines, Foreign Addresses can occupy the existing Address fields outlined in the file layout. However, the 52 characters allotted to the fields for City, State, and Zip can be treated as one field, containing in the following order: city, province or state, postal code, and the name of the country. Also, foreign addresses must be flagged with a "1" in the Foreign Address Indicator field.

- 6) Financial Records

- a) For the 1998 tax year, the vendor shall produce a 1098-T Supplemental Notice, informing the student and taxpayer of the campus-reported financial information. Depending upon decisions as yet to be made, the detail of the financial transaction amounts may be combined into groupings for purposes of displaying them on the 1098-T Supplemental Notice. Should the University make such a decision, the vendor shall "group" or aggregate these data in accordance with University developed guidelines.
- b) Since the full tax year financial records are to be reported to the vendor by the campus only once per year, the vendor shall take all as submitted -- aside from obvious edits outlined in the edit specifications.

- c) If the reported financial information is determined to be in error, the vendor should provide a process to allow for corrections to it. The vendor should provide a process for correcting data prior to the issuance of the IRS Form 1098-T as well as one for retroactive adjustments of this information after the IRS Form 1098-T has been issued/reported. In this latter situation, the vendor shall issue, as appropriate, corrected statements to the IRS as well as the student and taxpayer.

2. Key Changes

- a. The Student SSN/TIN on the demographic and financial input records (combined with the Campus EIN, the Campus Program code, and the Tax Year) is considered the "key" to -- and unique identifier of -- the student. As such, the vendor shall apply rigid controls to prevent duplicate keys as well as to correct/change keys that are determined to be in error.
- b. At a minimum the vendor shall be responsible for preventing identical keys to be included its file, as well as a process for notifying the submitting campus of these situations.
- c. Additionally the vendor shall develop a process whereby incorrect keys can be deleted and replaced by correct ones.
- d. If an incorrect SSN/TIN has been reported to the student, taxpayer, and/or the IRS (via the IRS Form 1098-T), the vendor should append to the new, corrected record a field carrying the incorrect key.

3. Recommended File Structure

Since it is possible that one student can be reported on different Campus Program input files, the vendor should retain this information for the distinct Campus Program. However, due to the TRA reporting requirements, the vendor should distill the various information into "one" file, (i.e., a file containing "one" name, "one" address, taxpayer information, etc.) that will be used as the 1098-T information. Similarly, the vendor should retain by Campus Program the financial information from all sources as well as include the financial information detail into "one" file for the student.

4. FTP Server

- a. The vendor shall make available an FTP site for the exchange of files -- "from" the campus "to" the vendor for input files -- and "from" the vendor "to" the campus for reports and files.

- b. The vendor shall provide appropriate access (accounts, passwords, etc.) to University staff.
- c. As described above, when the campus puts a file on the vendor's FTP server, an accompanying e-mail message will be sent notifying the vendor that the file is available. Similarly, the vendor should inform the campus contacts, via e-mail, when the campus files (error lists/reports, 1098-T files, etc.) are available for FTP transmission.

5. *Disclosure of Information*

a. Directory Information

Unless otherwise instructed by the University, none of the information the vendor maintains about each student shall be considered "directory information." Thus, the vendor shall not release any student specific information for any reason to a third party without the student's authorization.

b. Disclosure to Authorized Third-Parties

- 1) The vendor shall maintain records as to the students who have provided authorization for the release of information to taxpayers who are claiming the student as a dependent for tax purposes. Such authorization must clearly identify the individual(s), including the individual's name and Social Security number.
- 2) The vendor shall review each authorization to ensure that it is complete and meets the University's standards.
- 3) The vendor shall, at all times, respect and comply with properly completed disclosure authorizations it receives from the student.
- 4) The vendor shall release personally identifiable information only to those individuals to whom such release is permitted by law.
- 5) The vendor shall be responsible for obtaining the required identification from each requester as a means of authenticating that the requester is indeed a person to whom information can be released.

6. *Security for Web-Based Access*

- a. The vendor shall provide a secure Web environment to protect the privacy and integrity of the data for those individuals for whom the vendor maintains information. Such measures should include data encryption and network fire walls. With regard to data encryption, current industry standards should be

used to ensure easy and ready access to the Web site by students and taxpayers, e.g., use of the International, rather than the domestic, encryption standards.

- b. The vendor shall provide the level and type of security, audit trails, and controls necessary to protect the student's and the taxpayer's records from unauthorized access. The vendor shall provide the level of on-line access to student and taxpayer information that is necessary for the vendor's staff and the University's staff to fulfill their job responsibilities. At a minimum, the vendor should do the following:
- 1) For staff, student and taxpayer access, a procedure should be developed in consultation with the University. Different procedures are likely to be necessary for staff as compared for student and taxpayer, e.g., staff may have user I.D. and passwords; students and taxpayers may have personal identification numbers (PINs).
 - 2) Until such other authentication mechanism is available, the vendor should support student and taxpayer access through the use of PINs. Initial access may be through the student or taxpayer entering name, SSN, and/or other data; those data would be matched against the information the vendor maintains. If the data match, the student or taxpayer would be prompted to enter a PIN. That PIN, once obtained, would not change year to year. In the event the student or taxpayer forgets the PIN, the vendor shall have a means by which the student or taxpayer can obtain a new one, assuming that some form of authentication has occurred.
 - 3) The vendor's system should accept X.509 compliant digital certificates, if the student or taxpayer has one; the digital certificate would be used in lieu of a PIN.
 - 4) The vendor shall provide the University's staff with access and update capabilities, as appropriate. In general, University staff should have update capabilities to TRA records pertaining to only those students who attended or are attending that Campus Program. The exception is the Consortium staff at UCSB Extension; they should have access to the University Extension records at UCSB, UCR, and UCSC but no update capabilities. OP staff should have access, but no update capabilities, to all students' and taxpayers' information; OP EAP staff should have access and update capabilities to all EAP records. The vendor shall have access and, as appropriate, address update capabilities, to all students' and taxpayers' information.

- 5) The vendor's on-line security system shall support multiple levels of update capabilities to meet the needs of the vendor's staff and those of the University. For example, some campus staff may only need to view student and taxpayer information; others may need to be able to update address information, while only a select few may be authorized to effect student name and SSN changes.
- c. The vendor shall notify the University whenever a breach in the on-line security system has been detected and shall take the necessary action to address the situation. The preventative measures taken by the vendor to safeguard against another security breach shall be sufficient to satisfy the University's concerns.
- d. The vendor's system should provide on-line, interactive transaction editing to protect the integrity of the data in the vendor's system.

7. *Reports and Data Retrieval*

- a. Standard Reports
 - 1) On an annual basis, the vendor should provide statistical summaries, based on the January production of 1098-T Supplemental Notices, by Campus Program within which by student and taxpayer groupings (a count—not a listing of individuals). These statistics should also be available on a systemwide basis, i.e., aggregated for all campuses.
 - 2) The vendor should provide on a monthly basis statistical summaries on the number of corrected returns the vendor processed that resulted in the mailing of a corrected 1098-T Supplemental Notice. These statistical summaries should be provided by Campus Program within which by student and taxpayer groupings (a count—not a listing of individuals).
 - 3) The vendor should make a best effort to provide additional standard reports as the need for them are identified by the University.
- b. Edit Reports
 - 1) After a campus submits an electronic file to the vendor, the vendor should perform, at a minimum, an edit on the individual data elements according to the edit criteria outlined on the file layout and data element description pages for each record type. The vendor should perform additional edits as may be deemed necessary by the University.

- 2) The vendor should report errors by Campus Program, in electronic media via FTP, to the campus.
 - 3) At a minimum, the vendor should provide three error reports:
 - a) A detailed list of the first 100 occurrences of any individual error, by data element. This report would list the Student SSN/TIN as well as the invalid data element value reported;
 - b) A summary report counting the occurrences of each error, by data element. For example: If a campus submits a demographic file and 500 records contain a code value of "Z" somewhere in the Student SSN/TIN field, all 500 of these records would be considered serious errors (and none of them would be processed). In the resulting error reports, the first 100 records would be reported, and the summary report would indicate that 500 total records contained invalid Student SSN/TINs.
 - c) An error report indicating any Demographic Records for which there are NO Financial Records. And, conversely, an error report indicating any Financial Records for which no corresponding Demographic record exists. (These situations would be considered serious errors).
 - d) The vendor should sort the reports into sections for Serious Errors versus Advisory Errors.
- c. Data Retrieval
- 1) The vendor should make files available of student-supplied address information in the event campuses want to use those data.
 - 2) The vendor should provide files based on record and data field specifications requested by the University office. For example, OP may want a file, containing records—with selected data fields—for main campus students at all campuses. A campus office may want all data fields for all records pertaining to that campus, or only records at that campus for a specific Campus Program. The data fields available should include all that are in the vendor's system, i.e., a "master file," including those that the vendor creates and maintains as well as those on the input file from the campus.
 - 3) The vendor should make these files available in electronic media via FTP to the requester.

- 4) The vendor should provide a data dictionary that encompasses all data fields on the “master file.” The vendor should update the data dictionary as necessary, e.g., when new data fields or values are added or when existing data fields are redefined.

8. Archives and Data Retention

- a. Once the 1098-T information has been issued to the student, the taxpayer, and the IRS, the vendor shall make archive files, clearly identifying the applicable tax year, available to campuses via FTP. The format and structure of these files is as yet to be determined, but they will likely be flat files containing fixed length fields of the data elements reported.
 - 1) A file containing all of the Form 1098-T information reported to the IRS.
 - 2) A similar file containing all of the Form 1098-T information reported to the student and taxpayer.
 - 3) Amended 1098-T information reported to the IRS and/or to the student will need to be made available to the campus.
- b. Data Retention
 - 1) The vendor should retain copies of the 1098-T information for at least five (5) years after the date of submission to the IRS; historical copies of the 1098-T information should be available from the vendor’s Web site.
 - 2) Unless otherwise specified by the University for a longer retention period, the vendor should conform to IRS data retention requirements.

9. Audit Trails

- a. The vendor shall maintain historical transaction information in order to track the various processes and to provide an audit trail for problem resolution. The precise parameters and structures of this process are still to be determined.
- b. The vendor’s system shall provide an audit trail for all on-line transactions such that each transaction entered and processed can be traced back to the user who entered the transaction and the date and time the transaction was processed. The vendor’s system also should be able to identify the workstation from which the transaction was entered.

10. Disaster Recovery Provisions

- a. The vendor shall have an adequate disaster recovery plan. The plan should be tested annually and provide, at a minimum, the back-up arrangements that would be implemented and the resources that would be used to provide uninterrupted servicing in the event key processing centers, including, but not limited to, the facilities for systems processing and server support for the Web-based services, bulk mailing services, and telephone answering services become inoperable or the file in use is destroyed or cannot be read.
- b. The vendor shall be able to recover or reconstruct as soon as possible any and all lost data, including, but not limited to, archived data, on-line and batch transactions and source documents, such as forms completed by students.
- c. The vendor shall, at a minimum, maintain a copy of the most recent month-end file at a site apart from the main storage area so that the master file can be accessed at the alternative site in the event the master file at the primary site becomes unusable.

11. Return of Data

- a. Conversion to Another Vendor
 - 1) General
 - a) The vendor shall be responsible for the complete and timely return of all University data for conversion to another vendor or for University use.
 - b) The vendor shall make reasonable efforts to accommodate the University's requests for assistance, information, materials, and services that are essential to achieving the University's goals with respect to the conversion, even if those requests extend beyond what would otherwise be the scope and/or term of the Agreement. The University's goals include, but are not limited, effecting a timely, accurate, smooth, and complete conversion from one system to another, minimizing or avoiding disruption of service to the University and its public, and protecting the integrity of the University's data.
 - c) In preparation for the conversion, the vendor shall provide an inventory to the University of all the University's data, delineating those that are in machine-readable form and those that are not.
 - 2) "Test" Conversion

The vendor shall provide files and related documentation for use by the University or its new vendor to develop, write, and test its conversion-related programs.

- a) Upon request by the University, the vendor shall provide the most recent copy of each and every type of file the vendor uses to maintain TRA-related data and services. The vendor should make the files available within five (5) business days from the date of request.
- b) The vendor shall provide the corresponding record layouts, field definitions, codes values, and all other documentation deemed necessary by the University to permit the University or another vendor to interpret and accurately convert the data.
- c) The vendor shall provide these files via FTP.
- d) The vendor should have the technical documentation delivered to the University no later than five (5) business days from the date of the University's request for the materials.

3) "Live" Conversion

The data on these files will be converted by the University or its new vendor for use in its system.

- a) In order for the University to proceed with the actual conversion, the vendor shall provide a copy of each and every type of file it uses to maintain TRA-related data and services.
- b) The format, record layout, and type of data shall be identical to those which the vendor provided for test purposes.
- c) The files shall be the most recent or as of a date specified by the University.
- d) The vendor shall have these files available via FTP by the date specified by the University.

4) File Statistics

The vendor shall provide with both the "test" and the "live" conversion files a total record count for each file, along with any additional statistical information deemed necessary by the University.

5) Other University Property

The vendor shall return any and all additional University property, e.g., scripted messages, archived files, any University-written computer programs installed at the vendor's site, any and all documentation and materials written by the University or the vendor that pertains specifically to the computer programs and services under this Agreement. Any programming changes made by the vendor to the University's computer programs shall be documented, and the vendor shall include copies of such documentation as well.

- a) Prior to the Agreement expiration or termination date and within ten (10) business days of the vendor's receipt of the University's request, the vendor should provide copies of the requested materials to the University or its designee.
- b) The vendor shall return the original and any copies of the computer programs and documentation, including any documentation of any changes made by the vendor. The vendor should provide these materials no later than thirty (30) calendar days after the date the Agreement expires or terminates.

b. Reports

Upon University request, the vendor should produce, as of the Agreement expiration date or other mutually agreeable date, all statistical, management, and other reports provided for under the Agreement whether or not those reports would normally be produced at that juncture. The vendor should distribute such reports according to the normal distribution arrangements.

c. Special Post-Conversion Services

- 1) The vendor should redirect calls that it receives from the University's public to the telephone number designated by the University. The redirection should be provided for no less than two (2) full months or for a mutually agreed upon period of time.
- 2) The vendor should provide a link from its Web site (the one that the University's public was using to enter or make changes on-line or to obtain copies of the 1098-T Supplemental Notice) to facilitate the redirection of the University' public to the new Web site where such transactions can be performed. The link should be made available for a mutually agreed upon period of time, but no less than two (2) full

months. The link should be accompanied by an appropriate message—the text for which shall be mutually agreed upon.

- 3) Within two (2) business days following the last day of the Agreement, the vendor should forward to the address(es) designated by the University, any documents that the vendor processed or other documents that would need to be maintained by either the University or the new vendor as well as any unprocessed documents or other outstanding work. The vendor should forward these documents to the appropriate address(es). Delivery of unprocessed documents or other outstanding work should occur within one (1) business day from the date of mailing; other documents that are not time-sensitive should be delivered within five (5) business days.
- 4) The vendor should forward to the address(es), designated by the University, any and all mail it receives regarding the University or its records. Such mail should be sent no less frequently than weekly for as long as the vendor continues to receive mail regarding the University or its records.
- 5) If the vendor's return address, printed on various envelopes sent to the University's public, is no longer in use upon the expiration of the Agreement and if the vendor's return address was used exclusively in connection with this Agreement, the vendor should make arrangements with the Post Office to have mail forwarded to the address, designated by the University.

12. Year 2000

All vendor systems shall be year 2000 compliant.

NARRATIVE RESPONSE ITEMS

1. What operating system and other major system software would be used, including but not limited to, those pertaining to the data base management system? In what programming language would the proposed system be written?
2. Describe the proposed file structure.
3. Describe how the bidder proposes to handle the extremely large submissions of financial records in early January, from all campus sources, within a very short time frame.
4. If the University submits the street address information as two data fields of 40 characters each but the IRS record layout has only one street address data field of 40 characters, how does the bidder propose to handle this situation?
5. Describe a possible alternate method of maintaining student address information that takes into account the issues discussed in the RFP.
6. Describe the proposed manner for campuses to effect student name and SSN corrections, i.e., changing "keys." Include processes for both batch submission and on-line entry.
7. How does the bidder propose to handle unanticipated but substantial growth in the volume of records? How quickly can the proposed action be taken?
8. If the primary Web server "goes down," what back-up measures does the bidder propose in order to avoid interruption to the Web-based services? What is the expected period of service interruption? Will the back-up measures be implemented automatically? If not, describe the type of human intervention required and the hours that the technical staff, responsible for maintaining the availability of the Web-based services, will be available to resolve server problems.
9. Describe how a "secure Web environment" would be achieved.
10. Describe the proposed authentication and security procedures: students and taxpayers for phone contact and Web access; University staff for phone contact, Web access, and e-mail communication.
11. Describe the proposed maintenance of the proposed authentication and security procedures. Include the following situations: when new staff are added, when staff leave, when staff forget their passwords, and when students and taxpayers forget their PINs.

12. From the time of request, how quickly could the bidder make available an extract file, based on file specifications requested by the University? How much advance notice would the bidder prefer to have?
13. Describe the bidder's proposed disaster recovery plan.

F. TAXPAYER INFORMATION MANAGEMENT

1. *General*

- a. The vendor shall serve as the University's repository of taxpayer information and shall be able to associate the taxpayer information to the appropriate student.
- b. At a minimum, the taxpayer information consists of the taxpayer(s)' name, SSN, address, tax year(s) the taxpayer is claiming the student as a dependent, and any other information required by IRS or deemed necessary by the University.
- c. As soon as the vendor is able to receive taxpayer information, the University will begin actively soliciting such information from students.
- d. As part of the taxpayer information collection process, students will be authorizing the disclosure of their information to the designated taxpayer(s). The combination of the student's authorization and the taxpayer identification information will enable the vendor to release information to taxpayers for whom the student has authorized such disclosure.
- e. The vendor should accept, store, maintain, and provide Web access to taxpayer information as soon as possible in 1998.
- f. A key component of the collection and maintenance of the taxpayer information will be the vendor's support of the Web-based services designed for this purpose.

2. *Methods of Collecting Taxpayer Information*

- a. The vendor shall provide a secure Web site for the collection and updating of taxpayer information. Students will be the only ones who can initially enter information through the Web site regarding the taxpayers. Once entered through the Web site, the vendor should update the information immediately to its system.
- b. The vendor shall accept and process taxpayer information in hard copy form, as students may complete a paper form, rather than use an electronic process, for providing the taxpayer information.
 - 1) Such completed paper forms will be sent by the student directly to the vendor or by the campus, depending on how the campus has instructed the student to return the completed form.

- 2) The vendor shall provide the address(es) to which such completed forms should be sent. The address(es) the vendor provides for student use should not be subject to change, as such change may cause considerable disruption to and expense involved with campus efforts to have students provide taxpayer information to the vendor.
- 3) In terms of “processing” the taxpayer information, the vendor shall be responsible for having the information converted into machine readable form and added to the vendor’s system. The vendor shall take measures to ensure the accuracy of the data entry process.

3. Frequency of Collecting Taxpayer Information

It is the University’s plan not to require every dependent student to provide taxpayer information annually. Campuses will instruct, in various ways, students to either provide the taxpayer information if they have not done so previously, or update any necessary changes to the taxpayer information previously provided. If the student has previously provided the taxpayer information and if no changes are necessary, the student should not need to take any further action. It will be incumbent on the vendor to “re-use” or “repopulate” the appropriate taxpayer data elements each year if the student is enrolled in those subsequent years, assuming the student has not indicated any information to the contrary. The University assumes that the majority of taxpayer information will not change considerably year to year.

4. Changes to Taxpayer Information

- a. The vendor shall allow the student or the taxpayer to change information previously reported regarding the taxpayer.
- b. Information that either the student or the taxpayer can change include, but is not necessarily limited to, the taxpayer’s name, taxpayer’s SSN, taxpayer’s address, and the tax year the taxpayer is claiming the student as a dependent for tax purposes.
- c. In the event the taxpayer is no longer claiming the student as a dependent, the vendor shall provide a means for the student or the taxpayer to effect such changes to the information in the vendor’s system.
- d. The process the vendor provides the student or the taxpayer for effecting such changes should immediately update the information in the vendor’s system.

5. *Reporting Taxpayer Information to the IRS*

- a. Until such time as the University is required by IRS to report taxpayer information, the vendor shall not report any taxpayer information to the IRS.
- b. Once the University is required by IRS to report taxpayer information, the vendor shall report such information in conformance with IRS regulations or guidance and University instructions.

NARRATIVE RESPONSE ITEMS

1. Until such time as the Web site is available, how does the bidder propose to handle the collection of taxpayer information? How soon would this alternative be available, and how will the bidder's staff access this information, e.g., to verify the caller's identity as the taxpayer?
2. Describe the proposed processing procedures for taxpayer information that is provided in hard copy form. Include the volume per day that would be processed and the expected turnaround time for processing the forms. Once processed, how quickly would that information be available from the Web site?
3. Describe the measures that would be taken to ensure the accuracy of the "keyed" data, i.e., information that has been converted into machine readable form by a data entry process.
4. If the hand-written information on the hard copy is illegible, describe how those forms will be handled. Include procedures for illegible student information as well as for illegible taxpayer information.
5. In what form and for how long does the bidder propose to maintain the hard copy form, once processed? If needed, how quickly could the form be retrieved, e.g., in the event the SSN is reported by IRS as an "incorrect SSN"?
6. Describe the proposed process by which taxpayer information will be "re-used" in order that students do not have to supply this information each year. Include an explanation as to when the process would occur.

G. WEB SITE

1. *Web-Based Services*

The vendor shall provide interactive Web-based services. Among the services to be available from the vendor's Web site include, but are not limited to, the following:

- a. Student access to update address information [student will not be allowed to make student name or student SSN changes via the vendor's system; student must follow up with the campus];
- b. Student access to enter or update taxpayer information and applicable tax year (taxpayer name, taxpayer SSN/TIN, taxpayer address) or to indicate that the student is no longer a dependent of the taxpayer;
- c. Student access to view and print copies of the 1098-T Supplemental Notice (for current and prior years);
- d. Student access to view and print copies of any additional detailed information, supporting the figures reported on the 1098-T Supplemental Notice (for current and prior years);
- e. Student should be allow to activate or de-activate either a campus-supplied or a student-supplied address without having to re-enter previously provided information; the address that has been de-activated should not display on the screen;
- f. Taxpayer access to update taxpayer information;
- g. Taxpayer access to view and print copies of the 1098-T Supplemental Notice (for current or prior years);
- h. Taxpayer access to view and print copies of any additional detailed information, supporting the figures reported on the 1098-T Supplemental Notice (for current and prior years);
- i. Campus access to view all information available to the student and taxpayer as well as possibly other details not displayed to the student or taxpayer;
- j. Campus access by selected individuals to update all fields available on-line;
- k. Campus access by selected individuals to add or delete records; special controls are necessary for changes that affect key identifiers, e.g., SSN corrections;

- l. Campus access by selected individuals to suppress the release of the IRS Form 1098-T for a given record;
- m. Vendor access to view and update all information necessary to fulfill its responsibilities under the Agreement. The vendor, however, shall not be allowed update capabilities to student name, student SSN, or other data, based on information maintained by the campus, e.g., financial data, enrollment status, etc.;
- n. Public access to generic information regarding the TRA and the vendor's role in relationship to the University.
- o. All update transactions should be processed and the updated information reflected immediately on-line.
- p. Vendor support of current industry standards for access, e.g., modem speed, software support such as Adobe Acrobat for PDF capabilities, etc.

2. *Information to be Available*

- a. Explanatory text that explains to students the limited purpose of the TRA address and the student's responsibilities for maintaining that address. Responsibilities for updating taxpayer name and address information should also be provided.
- b. Links to the campus Web site to facilitate students' changing their address for other purposes.
- c. Certification by the student with regard to the taxpayer claiming the student as a dependent for tax purposes.
- d. Authorization by the student to permit the University (and vendor) to release information from the TRA record to the taxpayer.
- e. General information about the higher education tax credits.

NARRATIVE RESPONSE ITEMS

1. What information would a student have to enter in order to access his or her record? What information would a taxpayer have to enter? What information would a University employee have to enter in order to access a particular student's TRA record?
2. What proposed searchable arguments, if any, would be available in the event a specific student TRA record could not be located by a University or bidder employee?
3. How does the bidder propose to design the Web-based services?
4. How long does the bidder anticipate a student would "visit" the Web site in order to initiate each of the various Web-based transactions, e.g., entering an address change, entering taxpayer information, obtaining a copy of the 1098-T Supplemental Notice, etc.
5. What is the anticipated volume of access that the Web site can handle? What is the projected capacity of the proposed server? How does the bidder propose to handle unanticipated but substantial growth in the volume of people accessing the site and such volume degrades response time. How quickly can the proposed action be taken?
6. Describe how the Web-based services will comply with the provisions of the American Disabilities Act. Explain how a visually impaired individual would avail him/herself to these services.
7. On an ongoing basis, describe the proposed procedures the University would follow for reporting access problems to the Web site or with the Web-based services. What would the proposed procedures be if the problems were to occur on a day when the bidder's company is closed for a holiday but one or more campuses are open?
8. Describe the proposed steps that would be taken to research and resolve on-line problems, such as slow response time or problems with campus staff not being able to sign-on to the system on an intermittent basis.

H. 1098-T SUPPLEMENTAL NOTICE MANAGEMENT

1. *The Notice*

a. General

- 1) The 1098-T Supplemental Notice is intended to satisfy the IRC Section 6050S requirements regarding the “statements to be furnished to individuals with respect to whom information is required.”
- 2) The vendor shall produce the 1098-T Supplemental Notice, free of any grammatical, spelling, typographical, or other errors and free of printing and misalignment problems. The 1098-T Supplemental Notice shall have a professional and business-like appearance.
- 3) The vendor shall provide, in the required quantities, all the materials necessary for and related to the production and mailing of the 1098-T Supplemental Notice. The vendor also should provide the storage of such materials.
- 4) The vendor shall begin generating and mailing the 1098-T Supplemental Notices for a given campus as soon as all data from that campus are available and ready for such use.

b. Customization of the 1098-T Supplemental Information

- 1) The vendor shall perform the necessary calculations and manipulations of data and display the information according to the University’s instructions for the 1098-T Supplemental Notice. It is the University’s intent to provide substantially more information beyond that which the IRS requires. The additional information will include, but is not limited to, detailed financial transaction information, campus assigned student identification numbers, additional information to assist the student in interpreting the information provided on the 1098-T Supplemental Notice, disclaimers about the information provided, and referral to other sources for additional assistance.
- 2) The 1098-T Supplemental Notice will include the vendor’s toll-free number as the number for the student or taxpayer to use for further assistance. The 1098-T Supplemental Notice also will provide the student or taxpayer with the vendor’s Web site address so they can add or make changes to the information in the vendor’s system before the 1098-T is reported to the IRS. The 1098-T Supplemental Notice will attempt to make clear to students and taxpayers that the University and its vendor cannot provide tax advice. The Notice will include an IRS

telephone number and Web site address for the student to use if he/she has further eligibility issues.

- 3) The University does not expect to have the required 1098-T information printed in a manner consistent with design of the IRS Form 1098-T. The current form, particularly the one for the 1998 tax year, has too many empty boxes that may prompt students and taxpayers to question whether important data were inadvertently omitted. Use of the University-designed 1098-T Supplemental Notice may be subject to IRS approval.

c. Testing

- 1) The vendor, in consultation with the University, shall conduct extensive testing to ensure that each type of circumstance is tested adequately and that the data printed on the 1098-T Supplemental Notice are accurate and correctly reflected for each Campus Program.
- 2) The vendor should produce test 1098-T Supplemental Notices, based on test records from each Campus Program.
- 3) During the first year implementation phase, testing should occur as early as possible before “live” production of the 1098-T Supplemental Notices to allow time for the campuses and the vendor to effect any necessary changes. On an on-going basis, early November may be a target time line for the vendor to conduct such testing.
- 4) The vendor shall send to the campus for review and approval its respective test notices. The University may, at its discretion, require the vendor to perform further testing.

d. Number of Pages

- 1) The 1098-T Supplemental Notice is expected to consist of one page of student-specific information. However, for some students who have had numerous financial transactions on their University student accounts, the 1098-T Supplemental Notice may require two pages of student-specific information.
- 2) An additional sheet, containing generic information to the student and taxpayer, may be necessary; alternatively, the generic information could be pre-printed on the reverse side of the first student-specific page.

2. *Students for Whom the Vendor Will Not Have 1098-T Supplemental Notice Information*

For the tax year 1998, the University will not forward to the vendor any information pertaining to students for whom the University has no valid SSN. Many Extension Programs offer “English as a Second Language” (ESL) courses, which are designed specifically for students from other countries (“foreign students”). These foreign students are typically not eligible for the higher education credits and have neither an SSN nor a TIN. However, there may be a relatively small number of U. S. citizens or permanent residents among those students for whom the University has no SSN.

3. *To Whom the Vendor is to Mail the 1098-T Supplemental Notice*

- a. The vendor shall mail one 1098-T Supplemental Notice to the student.
- b. If the vendor has taxpayer information pertaining to the student, the vendor should send another 1098-T Supplemental Notice to the taxpayer(s). If more than one taxpayer is involved and if they are both at the same address, the vendor should produce only one 1098-T Supplemental Notice for both taxpayers. If more than one taxpayer is involved and if they have different addresses, the vendor should defer to IRS guidance for determining whether the 1098-T Supplemental Notice must be sent to each or to just one of the two taxpayers.
- c. The vendor shall generate and mail one 1098-T Supplemental Notice to each student at each campus. Thus, if a given student attends two different campuses, e.g., UC Berkeley and UC Irvine, during the same tax year, the vendor shall generate two 1098-T Supplemental Notices—one pertaining to each campus the student attended.

4. *Students to Whom the 1098-T Supplemental Notice Should Not Be Sent*

- a. If the vendor does not have a valid address for the student or for the taxpayer from any source, the vendor should not mail the 1098-T Supplemental Notice.
- b. For the 1998 tax year, the vendor should not mail the 1098-T Supplemental Notice if the vendor has no valid SSN for the student. (For the 1998 tax year, campuses should not send student records with missing or invalid SSNs to the vendor.) The University will revisit the issue of reporting and handling TRA records with missing or invalid SSNs upon receipt of the final regulations for TRA reporting requirements.

5. *Envelopes for the 1098-T Supplement Notices*

a. Return Address

The vendor shall have its address printed as the return address on the envelope so that any undeliverable mail will be returned to the vendor. The University and the vendor will mutually decide on whether or not to include information in the return address that links the vendor to the University, e.g., Vendor's name, University of California's Taxpayer Relief Act Servicer, Vendor's address.

b. Type of Envelope

- 1) The vendor should determine the most cost effective envelope to use for the 1098-T Supplemental Notice mailing, e.g., size, double or single window, etc.
- 2) The vendor should determine and utilize the appropriate type of envelope for 1098-T Supplemental Notices being sent to other countries, i.e., "foreign mail."

c. Envelope Markings

To draw the recipient's attention to the importance of the contents of the envelope (and not confuse it as a piece of "junk mail"), the outside of the envelope should be printed with "IMPORTANT TAX INFORMATION" or a similar type of phrase. The vendor and the University should mutually agree to the phrase.

6. *Copies of the 1098-T Supplemental Notice*

a. Information to Provide

Unless otherwise instructed, the vendor shall provide a copy of the 1098-T Supplemental Notice--not a copy of IRS Form 1098-T--in response to requests from students and taxpayers for a copy of the 1098-T. The 1098-T Supplemental Notice provides more helpful information to the student. The vendor should provide a copy of the IRS Form 1098-T only when such requests differentiate between the two—the 1098-T Supplemental Notice and the IRS Form 1098-T—and it is clear than the requester specifically wants a copy of the IRS Form 1098-T.

b. Means of Requesting Copies

The vendor shall provide multiple, efficient, and easy methods for students or authorized individuals to request a copy of the 1098-T Supplemental Notice information, e.g., by phone or via the Web site. The process shall ensure that such document is provided only to the appropriate individual.

c. Method of Providing the Copy

- 1) The preferred method of providing copies to the student or taxpayer is from the vendor's Web site. Therefore, whenever the vendor receives a request over the phone for the 1098-T information, the vendor always should inform the student or taxpayer of that option and promote its use. The student or taxpayer should be able to print a copy of the 1098-T information immediately from the vendor's Web site.
- 2) If access to the Web site is not an option to the student or the taxpayer, the vendor should offer to send the requested information by mail to the address the student or taxpayer specifies. The vendor should mail the copy within one (1) business day of the request.
 - a) Whenever the vendor is to mail a copy of the 1098-T Supplemental Notice to the student or taxpayer, the vendor should always ask the individual for the TRA address. If that address is different than the one in the vendor's system, the vendor should confirm whether the one in the vendor's system should be updated.
 - b) The vendor may re-use any 1098-T Supplemental Notices that were returned as undeliverable to the vendor, if the student requests a copy, the vendor can resend it at that time to a corrected address.
 - c) Whenever mail is returned due to a "bad address," the vendor should update the "doubtful address indicator" flag on its system if TRA address is the same as the address on the piece of returned mail.
- 3) If there is an urgency to obtaining the information, the vendor should offer to fax the information to the student or taxpayer.

d. One Copy per Student

- 1) Despite the vendor's efforts to redirect requests from students and taxpayers to the vendor's Web site for copies of the 1098-T Supplemental Notice, the vendor shall be obligated to mail one copy of

the 1098-T Supplemental Notice (or copy of IRS Form 1098-T) per student per tax year, if so requested by the student or taxpayer. This copy is in addition to the 1098-T Supplemental Notice that the vendor sends to the student and taxpayer in January, pursuant to IRC Section 6050S. The one-copy-per-student limit also applies to any copy the taxpayer may request. Thus, if a taxpayer is the first one to request the vendor to send a copy, that taxpayer will have exhausted the one-copy-per-student limit; consequently, if at a later time during the tax year the student requests a copy, the vendor is not obligated to mail one to the student.

- 2) The University shall not be obligated to pay the vendor for the cost of mailing more than one copy per year of the 1098-T Supplemental Notice or the IRS Form 1098-T to the student or taxpayer.
- 3) If allowed by law and approved by the University, the vendor may charge students and taxpayers a fee for mailing more than one copy of the 1098-T Supplemental Notice or IRS Form 1098-T. The details, including the amount to be charged, will be subject to University approval. If the vendor is allowed to charge the fee, the assessment and collection of the fee will be between the vendor and the student. The University will not reimburse or otherwise pay the vendor for the cost associated with mailing more than one copy to the student or taxpayer.

7. *Postage and Mail Preparation Services*

a. General

- 1) The vendor shall be responsible for complying with all rules and regulations regarding the sending of mail through the U.S. Postal Service for both domestic and foreign mail and for ensuring that adequate postage is used for the weight and destination of the item to be mailed.
- 2) The vendor shall make all the necessary arrangements for the preparation and mailing of documents, e.g., 1098-T Supplemental Notices, including, but not limited to, folding and stuffing materials into envelopes.

b. Domestic Mail

Unless otherwise specified by the University, mail that the vendor sends domestically via the U.S. Postal Service should be sent first class.

c. Foreign Mail

Unless otherwise specified by the University, the vendor shall send mail that has an address in a foreign country via “air mail,” as appropriate.

d. Bar Coding, Zip+4, and Other Mail Preparation Services to Reduce Postage Cost

- 1) The vendor should prepare the documents for mailing, utilizing the most cost-effective procedures.
 - a) For example, the “Coding Accuracy Support System” (or other U.S. Postal Office certified software products) standardizes address information, appends the Zip+4, adds carrier route, and bar code data to the vendor’s records. The vendor would need to print the bar code in the appropriate location so that the necessary information will be “machine readable” by the post office.
 - b) The vendor should obtain a first-class pre-sort permit so that the vendor can receive the postage discount for pre-sorted mail.
- 2) If appropriate and if the vendor needs the assistance of the University to obtain any necessary certifications, the vendor should notify the University of the need for such assistance.

NARRATIVE RESPONSE ITEMS

1. If a campus were to submit all of its files by January 8th, and if those files had no edit problems, how many business days would it take the bidder to generate and mail the 1098-T Supplemental Notices for that campus? What other factors could impact the proposed schedule?
2. If a problem were encountered with one or more files from a campus, by when would the problem need to be resolved in order for the bidder to meet the IRS deadline for mailing the 1098-T Supplemental Notices? Express the “when” in terms of the number of business days before the IRS deadline.
3. What is the bidder’s proposed capacity for the generation and mailing of 1098-T Supplemental Notices? In the event the volume exceeds the proposed capacity, what measures does the bidder propose to take and how quickly can that plan of action be implemented? Address both anticipated and unanticipated situations of increased volume. What measures does the bidder propose to take to reduce the situations of unanticipated volume increases?
4. How does the bidder propose to handle the one-copy-per-student limit, e.g., does the bidder intend to assess a fee? How does the bidder propose to monitor the number of copies mailed?
5. Describe the proposed mail preparation services that would be used, e.g., bar coding, Zip+4, etc. What is the expected postage cost per notice for first-class mail, given the proposed mail preparation services that would be used?

I. IRS INTERFACE

1. *IRS Form 1098-T*

a. Calculations

The vendor shall perform the necessary calculations and manipulations of data in order to produce the 1098-T information for submission to the IRS. Such calculations and manipulations will be pursuant to University instructions.

b. Testing

Each year the vendor shall be responsible for conducting adequate testing to ensure both compliance with IRS submission requirements and the accuracy of the data to be reported.

c. Reporting 1098-T Data

The vendor shall prepare, report, and transmit the required 1098-T data pursuant to the appropriate IRS regulations or guidance.

The vendor shall not delay the timely submission to IRS of one campus's 1098-T data due to unrelated problems involving a different campus's data.

d. University Guidance

In the event the IRS regulations or guidance do not provide all the necessary instructions, the vendor shall contact the University for further guidance. The vendor shall provide the University with as much notice as possible as to the guidance needed.

e. Taxpayer Information

The vendor shall NOT report taxpayer information to the IRS until such time as the University is required to do so by IRS.

2. *Response to IRS Notices of Missing and Incorrect SSNs*

- a. The vendor shall respond to all IRS notices of missing and incorrect SSNs (including individual taxpayer identification numbers supplied by foreign students) reported on the Forms 1098-T prepared by the vendor. The vendor will be provided with an IRS tape of such missing and incorrect SSNs either by the IRS or by the University.

An SSN is considered missing if there is no entry in the student or taxpayer blocks of the Form 1098-T, if the number does not contain 9 digits, or if the number includes one or more alpha characters as one of the 9 digits. An SSN may be incorrect for a number of reasons including:

- 1) The student provided the wrong student or taxpayer number (e.g., the student provided someone else's SSN).
 - 2) There was a processing error (e.g., the vendor entered the number incorrectly or was provided with an incorrect number by the University).
 - 3) The student or taxpayer changed their name but did not tell the IRS or Social Security Administration (SSA) so their record could be updated.
- b. Assuming that the IRS will provide a machine readable file of the missing or incorrect SSNs, the vendor shall sort the list of missing and incorrect SSN by students and taxpayers. Once the SSN error resolution problem has been initiated, the vendor should flag each TRA record in its system that contains an SSN error. In the event the student or taxpayer contacts the vendor or the campus for whatever reason, the SSN error can be highlighted to ensure that it is addressed with the caller.
- c. With respect to the taxpayer SSNs, the vendor shall take the following actions:
- 1) Review its records and make any taxpayer SSN or name corrections related to vendor keying errors.
 - 2) For taxpayer SSNs problems that remain uncorrected, solicit the corrected information from the taxpayer, including the completion of a signed Form W-9S or equivalent form. The solicitation is presumed to be a notification mailing to the taxpayer.
 - 3) Update the vendor's records to correct all errors.
- d. With respect to the student SSNs, the vendor shall take the following actions:
- 1) Provide the University with an electronic file of the missing or incorrect student SSN's. This file shall be sorted as specified by the University, e.g., by general campus, extension, summer session, etc. The University will review the list and make any corrections it can, e.g., correct keying errors, and notify the vendor of such corrections.
 - 2) After review by the University, the vendor shall notify each student for whom an incorrect SSN condition still exists. The notification is

presumed to take the form of a notice sent in the mail to the student, informing the student of the SSN problem and instructing the student to contact the University so that it can update or correct its record. The notification should include some indication as to the type of documentation that the University is likely to required in order to effect the change or correction.

- 3) The University will furnish the vendor with the corrected student information, and the vendor shall update its records.
- 4) The vendor shall provide the IRS with the taxpayer and student corrected information within the time period specified by the IRS.
- 5) The vendor shall provide the University with a copy of all responses provided to the IRS, including any requests for an extension of time to respond.
- 6) The vendor shall take action to request a waiver of any penalties assessed by the IRS in connection with missing and incorrect SSNs reported by the vendor. The request for waiver shall be prepared in accordance with IRS reasonable cause regulations and requirements applicable to Forms 1098-T.
- 7) The vendor shall provide the University with copies of all such requests for waiver of penalties. The University shall reimburse the vendor for any penalties not waived by the IRS, unless the penalties are due to vendor error or omission.

3. *Corrected IRS Form 1098-T's*

The vendor shall prepare corrected IRS Form 1098-T's in accordance with the specifications detailed below.

a. Corrections Made Prior to Initial Filing IRS Form 1098-T with the IRS

- 1) If the vendor is notified of changes that the vendor can update, i.e., student address, taxpayer name, taxpayer SSN, and taxpayer address, the vendor shall make every effort to process such changes in a timely manner so that the information filed on IRS Form 1098-T is as accurate and up to date as possible, and corrections to IRS Form 1098-T are avoided. Similarly, the vendor shall update in a timely manner the TRA records with changes entered through other means, e.g., on-line by students, taxpayers, or campuses, or in batch mode.

- 2) The vendor shall monitor any and all changes to student and/or taxpayer information that are processed after the 1098-T Supplemental Notice is sent to the student and taxpayer but before the information is filed with the IRS on IRS Form 1098-T. The changes the vendor is to monitor include those from all possible sources and data correction means, e.g., changes students and taxpayers enter on-line, changes processed on-line by the vendor or campus, changes submitted by the campus in batch mode, etc.
 - 3) The vendor shall provide as soon as possible a corrected 1098-T Supplemental Notice to the student and taxpayer, if such corrections were processed before filing IRS Form 1098-T with the IRS.
- b. Corrections Made Subsequent to Filing IRS Form 1098-T with the IRS
- 1) If the vendor is notified by the student or taxpayer of changes that the vendor can update, i.e., student address, taxpayer name, taxpayer SSN, and taxpayer address, the vendor shall process all such changes in a timely manner in order to avoid penalties for filing corrected IRS Form 1098-T's. Similarly, the vendor shall update in a timely manner the TRA records with changes entered through other means, e.g., on-line by students, taxpayers, or campuses, or in batch mode.
 - 2) The vendor shall monitor any and all changes to student and/or taxpayer information that are processed after IRS Form 1098-is filed with the IRS. The changes the vendor is to monitor include those from all possible sources and data correction means, e.g., changes students and taxpayers enter on-line, changes processed on-line by the vendor or campus, changes submitted by the campus in batch mode, etc.
 - 3) The vendor shall perform the following steps if the changes necessitate the filing of a corrected IRS Form 1098-T:
 - a) The vendor shall provide as soon as possible a corrected 1098-T Supplemental Notice to the student and taxpayer with information that corresponds to the corrected IRS Form 1098-T filed with the IRS.
 - b) Filing Corrected IRS Form 1098-T's
 - (1) Paper Filing
 - (a) The vendor may file paper IRS Form 1098-T's if the number of corrected IRS Form 1098-T's is less than 250 for each file submitted annually per campus EIN.

Corrected IRS Form 1098-T's on paper forms shall be filed by the vendor in accordance with the requirements for filing "corrected returns on paper forms," contained in the IRS Instructions for Forms 1099, 1098, 5498, and W-2G.

- (b) The vendor shall file Copy A of each corrected IRS Form 1098-T and a Form 1096, Annual Summary and Transmittal of U.S. Information IRS Form 1098-T's, with the IRS Service Center.

(2) Magnetic/Electronic Filing

- (a) The vendor shall file corrected IRS Form 1098-T's magnetically/electronically if the number of corrected IRS Form 1098-T's is 250 or more for each file submitted annually per campus EIN. Corrected IRS Form 1098-T's filed magnetically/electronically shall be filed in accordance with the instructions for filing "corrected returns magnetically or electronically," contained in Publication 1220, Specifications for Filing Forms 1098, 1099, 5498 and W-2G Magnetically or Electronically.
 - (b) Unless otherwise instructed by IRS, the vendor shall submit a tape of corrected IRS Form 1098-T's to the IRS Martinsburg Computing Center, and must include a transmittal Form 4804, Transmittal of Information Returns Reported Magnetically/Electronically with all magnetic media shipments.
- 4) The vendor shall file corrected IRS Form 1098-T's as soon as possible to avoid increased penalties, particularly those that are assessed for corrections filed on or after August 1 of each year. Failure to correct information on IRS Form 1098-T's may result in penalties for failure to provide correct information.
 - 5) If necessary, the vendor shall assist the University in compiling and filing documentation with the IRS as may be required for penalty abatement purposes.
 - 6) The University shall reimburse the vendor for any penalties not waived by the IRS, unless the penalties are due to processing delays on the part of the vendor or due to vendor error or omission.

CHAPTER IV BASIC SERVICES**Section I: IRS Form 1098-T**

- 7) The vendor shall provide the University with a confirmation report of all corrected IRS Form 1098-T's, along with aggregated statistics. The manner and frequency of how such a confirmation report and aggregated statistics will be compiled and submitted to the University shall be mutually agreed upon. Minimally, however, the vendor should provide the confirmation reports to each Campus Program should aggregate the statistics at the Campus Program level as well as at the systemwide level (i.e., data on all Campus Programs).

NARRATIVE RESPONSE ITEMS

1. After the 1098-T Supplemental Notice is mailed to the student and taxpayer, up to what point in time (i.e., “cut-off date”) can changes be made to the TRA records and be reflected on the IRS Form 1098-T? Express the “cut-off date” for changes, entered on-line and via batch submission, in terms of the number of business days before the IRS filing deadline date.
2. Propose the time line and any additional steps necessary for the reporting of student SSN errors to the campus and the coordination of information with the bidder (refer to Item 2.d. of this Section).
3. After the IRS Form 1098-T is filed with the IRS, how quickly does the bidder propose it can process changes to the TRA records and re-file them with the IRS as corrected IRS Form 1098-T’s? Express the “cut-off date” for changes, entered on-line and via batch submission, in terms of the number of business days from the date the bidder is notified of the change.
4. On what frequency does the bidder propose to file corrected IRS Form 1098-T’s between the initial IRS Form 1098-T file submission deadline and August 1 of each year, e.g., daily, weekly, monthly? What is the proposed frequency on or after August 1?

J. PROPOSED IMPLEMENTATION PLAN AND SCHEDULE

Shortly after the Agreement is awarded, the vendor shall develop and submit to the University for approval a detailed implementation plan and schedule that takes into account any negotiated items that were mutually agreed upon.

NARRATIVE RESPONSE ITEMS

1. The bidder shall provide the names of the subcontractors that will be involved with the provision of the proffered services.
2. The bidder shall specify an implementation plan that provides, at a minimum, the following information:
 - a. An overview of the steps/processes planned to implement the service;
 - b. The date by which the steps will be completed;
 - c. The level of staffing to plan and accomplish them; and
 - d. Any responsibilities which the bidder expects the University to assume.

Please provide this information for the following general areas of service, as specified in Chapter IV, and noting in some detail at least the following tasks:

A. TRAINING AND PERFORMANCE OF VENDOR'S STAFF

1. Training Programs for Vendor's Staff
2. Quality Control Program
3. Performance Statistics

B. TRAINING AND COORDINATION WITH THE UNIVERSITY

1. Project Planning and Implementation Meetings
2. Initial Operational Training
3. Ongoing Operational Training
4. Ongoing Coordination with the University's Staff

C. RESPONSE TO VARIABLE WORKLOAD DEMANDS

1. Establishing Peak and Non-Peak Servicing Periods
2. Adjustments to Staffing Levels
3. Adjustments to Processing Capacity

D. COMMUNICATION WITH THE PUBLIC

1. Establishing Toll-Free Telephone Number
2. Initial Availability of Phone Service
3. Incorporating Voice Response Service

E. DATA MANAGEMENT

1. Format of Demographic Record

2. Format of Financial Record
 3. File Submissions Protocol
 4. Merging of Different Files from One Campus
 5. Name and Address Hierarchy
 6. Data Correction Procedures
 7. Key Changes
 8. FTP Site
 9. Access for University's staff
 10. Security for Web-Based Access
 11. Standard Reports
 12. Edit Reports
 13. Archives and Data Retention Plan
 14. Audit Trails for Changes to Data
 15. Disaster Recovery
- F. TAXPAYER INFORMATION MANAGEMENT**
1. Methods of Collecting Taxpayer Information
 2. Changes to Taxpayer Information
 3. Reporting Taxpayer Information to the IRS
- G. WEB SITE**
1. Web-Based Services for Students
 2. Web-Based Services for UC staff
 3. Web-Based Services for Taxpayers
- H. 1098-T SUPPLEMENTAL NOTICE MANAGEMENT**
1. Customization of the 1098-T Supplemental Information
 2. Testing
- I. IRS INTERFACE**
1. Reporting Original and Corrected 1098-T Data
 2. Implementing "Suppress Release Indicator" Option (refer to Appendix 3 "Draft Specifications for Campus Input Files to Vendor for Support of Requirements of the Taxpayer Relief Act of 1997")
 3. Response to IRS Notices of Missing and Incorrect SSNs