



RFQ QUESTIONS/INQUIRIES AND ANSWERS MEMORANDUM

DATE: May 18, 2023

PLEASE ADDRESS INQUIRIES TO:

Jillian LeJeune

Contract Management Specialist I

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RFP NO.: C000540

TITLE: Virtual Currency Policy Development

BID DUE DATE: May 31, 2023 by 3:00 PM

REVISED BID DUE DATE: June 2, 2023 by 3:00 PM

CONTRACT TERM: One (1) year with optional two (2) one-year renewals

SUBJECT: Responses to Questions/Inquiries and Additional Information

ALL PROSPECTIVE BIDDERS

Due to brief delay in providing responses, the Bid Due Date has been re-scheduled for June 2, 2023 by 3:00 PM.

Below are the answers to the submitted questions:

QUESTION #1: Section 4, Requirement 2 - The requirement indicates that bidder will assist in bringing three "in-process" policy guidance initiatives to completion. Are these distinct from the "up to six, but at least 3 new policy guidance initiatives" that are referenced in section 4, requirements 3?

ANSWER: Yes, these are distinct. The "in process" language refers to policy initiatives that are to be brought to completion that are currently in-process. The "up to six, but at least 3 new policy guidance initiatives" language refers to proposals to be made, as opposed to completions.

QUESTION #2: Section 4, Deliverables - Would DFS clarify the definition of "implemented" for the policies the bidder develops in terms of determining payment?

ANSWER: Implement means to issue or publish for use, either internally or externally depending on the type of policy, once the policy is satisfactorily completed.

QUESTION #3: Attachment D, Proposal Cost Summary for C000540, Budget Form 1, Item 4 - Would DFS confirm that vendors should price the proposal based on development of six policy documents for implementation to allow for equitable comparison and evaluation across vendors?

ANSWER: Yes.

QUESTION #4: Section 4, Deliverables - “*If less than six comprehensive plans are proposed or developed per the resultant contract, payment will only be made for those implemented.” Would DFS explain how it will determine the adjustment in payment based on the Price entered in Attachment D, Proposal Cost Summary for C000540, Budget Form 1, Item 4?

ANSWER: Each of the six should be priced equally so it would be a deduction of one-sixth of the quoted cost per each comprehensive plan.

QUESTION #5: Section 4, Deliverables - Will the policy proposals submitted under Item 3 determine the work under Item 4 such that chosen vendors would only work on proposals under Item 4 that DFS approves as part of item 3?

ANSWER: Yes.

QUESTION #6: Section 4, Qualification of Bidders - How would DFS characterize vendors that provide professional services with entities that might be regulated under virtual currency policy proposals in terms of conflict of interest?

ANSWER: Conflicts of interests are determined based on facts and circumstances specific to the Bidder and its relationship to entities so this isn't a question with one answer. The second sentence of that paragraph further instructs the Bidder, which might be helpful regarding conflicts.

QUESTION #7: Section 6.7, Project Schedule - Can you clarify the purpose and scope of the various actuarial services to complete in a timely fashion?

ANSWER: Please note that this language was accidentally included from a prior RFP. Please disregard the mention of actuarial work and note that this has since been revised in the RFP.

QUESTION #8: Section 2 pg. 5 - What compliance, monitoring, and analytics tooling exist at DFS today?

ANSWER: This section does not pertain to this section of the RFP.

QUESTION #9: Section 2 pg. 5 - Is the DFS willing to invest in additional monitoring and/or analytics tooling to enforce policy?

ANSWER: This does not pertain to RFP C000540.

QUESTION #10: Section 2.5 pg. 6 - Can a law firm of vendor's choice contract directly with DFS for the delivery of certain deliverables (i.e. two separate contracts with DFS for the services)?

ANSWER: No, we would not do a separate contract. All subcontracting work needs to be approved by the Department.

QUESTION #11: Section 2.5 pg. 6 - If a vendor partners with a law firm that contracts directly with DFS, is it acceptable that DFS provides vendor with access to any privileged documents produced by said law firm?

ANSWER: Please see answer to #10.

QUESTION #12: Section 2.5 pg. 6 - Is it acceptable with DFS that a vendor acts as PMO to a law firm, even if a law firm contracts directly with DFS?

ANSWER: Please see answer to #10.

QUESTION #13: Section 2.6 pg. 6 - What is the proposed budget for the services in this RFP?

ANSWER: To be determined.

QUESTION #14: Section 2.6 pg. 6 - How many virtual currency applications does DFS receive monthly?

ANSWER: This is not public information.

QUESTION #15: Section 3 pg. 7 - Are vendors required to have legal qualifications or are they a nice to have?

ANSWER: Please see Section 3 of the RFP.

QUESTION #16: Section 4 pg. 7 - Please define the scope of implementation in the RFP. Is the State looking for 3-6 plans to draft, review, and implement new policy guidance documents or does the state need the vendor to support drafting, reviewing, and implementing the policy guidance documents.

ANSWER: Please see answer to #1.

QUESTION #17: Section 4 pg. 7 - Can the vendor contract with a law firm for the delivery of certain deliverables?

ANSWER: Please see answer to #10.

QUESTION #18: Section 4 pg. 7 - What are the 3 in flight Policies. What is the target in-progress policy guidance initiatives? (I.e., Compliance, AML KYC, Custody, Mining, Climate Risk, Cybersecurity, BitLicense Registration, etc.)

ANSWER: There are a number of in-process policy guidance initiatives that could be selected for completion as outlined in this RFP. These policies fall under the general categories of Compliance, Anti-Money Laundering, Applications, Examinations, and Supervision.

QUESTION #19: Section 4 pg. 7 - What type of stakeholder support, including the virtual currency unit and all other relevant personnel, will be provided in collaboration with the vendor team?

ANSWER: Personnel will be accessible to the Bidder as needed.

QUESTION #20: Section 4 pg. 9 - What is the expected timeline to complete the deliverables requested?

ANSWER: As noted in the RFP, the Department and the Bidder will work together to create a timeline for each deliverable.

QUESTION #21: Section 1 pg. 5 - Will the State provide an extension on the submission date of the RFP

ANSWER: Yes, there is an extension to June 2, 2023 at 3:00PM eastern time as mentioned above.

QUESTION #22: Page 7 under Preferred Qualifications - Are the preferred qualifications for contractors limited to subcontractors as well? Are there any disqualifying factors for subcontractors not outlined in the RFP? Additionally, Does DFS require disclosure of subcontractors during the time of RFP submission or disclosure upon award?

ANSWER: The qualifications should apply to both the contractor and any potential subcontractor.

Disclosure of subcontractors should be made on submission of proposal.

QUESTION #23: Page 7 under Scope of Work - The scope of work is similar to the scope of work of an ongoing project with NYDFS. Is this contract a supplement to contract #T00537 or will this new RFP take over the work previously done on contract #T00537?

ANSWER: This does not pertain to RFP C000540.

QUESTION #24: Page 7 under Scope of Work - Are all meetings to meet requirements outlined in the Scope of Work required to be in person or virtual?

ANSWER: Meetings will typically be virtual.

QUESTION #25: Page 8 under Scope of Work - Under "Deliverables" it says that "If less than six comprehensive plans are proposed or developed per the resultant contract, payment will only be made for those implemented." Is it required for bidders to submit a schedule of payment accounting for this change? Are there any resources available to reference NYDFS contract pricing given this potential change? Should this be included in the cost submittal for the proposal?

ANSWER: Full cost should be included in cost proposal but payment would be adjusted as needed based on the number. Each of the six should be priced equally so it would be a deduction of one-sixth of the quoted cost per each comprehensive plan.

No resources are provided regarding this change.

QUESTION #26: Page 9 under Conflicts of Interest - Our organization has an ongoing contract with NYDFS right now. Is this required for disclosure in the RFP as a conflict of interest? How are previously awarded contracts from NYS government weighted in the reviewing process?

ANSWER: Yes, vendor should disclose at time of RFP proposal. Awards are made based on vendor's response to an RFP.

QUESTION #27: Page 13 under Insurance - Are all bidders required to hold an insurance policy in the state of New York?

ANSWER: Further clarification would be needed in order to answer this question.

QUESTION #28: Page 39 under Work Plan, the RFP mentions that the bidder must describe innovative techniques to ensure project success. Are these techniques limited to organizational structure, usage of technology, or other? Can project approach & collaboration be considered as an innovative technique?

ANSWER: Techniques are not limited and approach and collaboration could be considered innovative techniques.

QUESTION #29: Subcontracting shall be permitted only with the prior written approval of the Department. Does DFS require disclosure of subcontractors during the time of rfp submission or disclosure upon award? Are there disqualifying factors for a subcontractor?

ANSWER: Disclosure should be made at the time of RFP submission. Yes.

QUESTION #30: Are onsite/in-person meetings required?

ANSWER: No.

QUESTION #31: You referenced that this contract is similar to one previously awarded to a vendor. Is this contract a supplement, or an entirely new work or an expansion of the work performed by the incumbent vendor?

ANSWER: Please see the response provided to Question #23.

All other terms and conditions of the bid solicitation remain the same.

This Memorandum is to be signed, submitted and made a part of your bid.

VENDOR: _____

ADDRESS: _____

SIGNATURE OF BIDDER: _____

DATE: _____