# Rental Assistance Programs – Payment Processing Vendor

**Questions and responses on RFP.**
**All responses are in RED.**

1. Can PHDC share historical payment volumes for TFA, FreshStartPHL and WRAP — mo nthly payment counts and total dollar value since January 1, 2023?

   The scoring rubric evaluates both capacity and fee against percentile months, so respond ents would need those figures to propose credibly.
   If the full series isn't readily available, the 25th, 50th, 75th and 90th percentile months plus the maximum month would be sufficient.

| Quartile | Dollar Amount | Count of Payments |
|---|---|---|
| Min | 781,991 | 233 |
| 25% | 1,915,001 | 400 |
| 50% | 2,257,847 | 477 |
| 75% | 2,623,581 | 544 |
| Max | 3,757,329 | 781 |

2. Will PHDC consider the experience and qualifications of a proposed subcontractor or teaming partner when scoring the government experience criterion, and when evaluating the "proven record of providing the services required" eligibility requirement?
   Yes.
3. Can you provide a visual diagram of how money flows through the program?
   Unfortunately, no. This could change depending on the proposal.

4. Please confirm the order of the steps the Agency and vendor are expected to take with regard to: 1) making payments to tenants & landlords 2) issuing invoices 3) paying invoices.
   1. We are familiar with the following two scenarios:
      (a) Scenario 1
         (i) Vendor makes payments out of pocket to tenants / landlords
         (ii) Vendor issues invoice to Agency for that amount.
         (iii) Agency pays invoice.
         (iv) Vendor is made whole
         (v) Vendor makes another payment out of pocket
      (b) Scenario 2

   (i) Vendor calculates the total amount of payments that will be made in the upcoming payment batch.
   (ii) Vendor issues invoice to Agency for that amount
   (iii) Agency pays invoice.
   (iv) Vendor uses those funds to make payments.
(2) However, other scenarios may be acceptable. We generally cannot pre-fund an account, but we could send a list of payments ready for processing as soon we pay, and per a question below, we may not need the vendor to generate an invoice to pay out.

5. Could you please roughly estimate the total dollar amount of payments you expect to be made, by program, during the life of the payment processing vendor contract?
   - Eviction Diversion Program-Targeted Financial Assistance (TFA) -- $25 million per year
   - FreshStartPHL -- $4 million per year
   - WRAP -- $500k per year
6. Are there 2 different types of invoices sent to PDHC from vendor (one for tenant/landlord payments (daily/weekly), and another for vendor's service fees (quarterly)? Please clarify.
   1. This will depend on the agreed process between the vendor and PHDC. If the answer to this question would break a requirement for your firm, please specify that in your submission.
7. Are invoices sent to PHDC for each individual tenant/landlord payment that is to be made, or is there a daily/weekly invoice including supporting documentation for all payments to be made within a specified time period?
   1. Invoices sent to PHDC include batches of payments with supporting documentation.
8. Please explain the process and formula used for the quarterly invoice sent in advance to draw down funds in a timely way.
   1. You can disregard the mention of a formula here. The important part is that, assuming the payment vendor is paying first and invoicing for reimbursement, invoicing must happen at minimum quarterly. Please consider that the most important aspect of this process is prompt and accurate payments.
9. Will the selected vendor take custody of PHDC funds prior to disbursement, or can payments be initiated directly from a PHDC-controlled bank account?
   1. Currently, the vendor takes custody of the funds and pays payees directly. We are open to alternatives but would need to understand how that process would work and what the role of a payment vendor would be in initiating payments from a PHDC-controlled bank account.
10. Please clarify that the vendor is not disbursing their own funds.
   1. Respondents may propose to disburse their own funds and seek reimbursement.

11. Please clarify that PHDC disburses funds to vendor, who then disburses funds to tenants/landlords.
    1. This is the current process. It is not a requirement.
12. Are there any specific requirements in order to securely store payee information (PII)?
    1. PII must be stored securely in a password protected digital format.
13. Are payments remitted to tenants/landlords completed in total lump sums, or are payments made on a monthly or other partial basis until the total allowed amount is reached?
    1. Payments are remitted to tenants and landlords in one-time, full sum amount of approved applications at the time of payment. Some landlords may have multiple approved applications pending at the time of payment, and those may be added together in one payment or paid separately.
14. Once the email or text communication is sent to the landlord, is the vendor responsible for any further communication tasks? (i.e. if the landlord responds to the vendor with questions, comments or tasks?). Or do they communicate directly with PHDC once the email/text from vendor has been completed?
    1. PHDC/ the City send notifications that payments have been made using information provided by the vendor (e.g. the transaction number and date). Payees typically do not communicate directly with the vendor, but they may in exceptional cases.
15. Are tax documents for each fiscal year for PHDC specifically, or do these documents need to be created for each landlord, tenant, etc.?
    1. Each payee needs their own tax documents.
16. Is the vendor or PHDC legally responsible for the information returns (1099s, etc.)?
    1. Neither the vendor nor PHDC are legally responsible for the information in tax documents. It is a requirement of the contract to correctly collect, maintain, and submit tax documents.
17. What specific 1099 forms does the PHDC expect from the vendor?
    1. PHDC and the vendor will collect W9s from landlord payees.
18. Are there any software or format requirements for the monthly and annual reports from vendor to PHDC?
    1. We use a QuickBase program to track payments. It is not clear which reports you are referring to.
19. On average, what is the total amount of funds disbursed each month? Can you provide a minimum and maximum monthly range based on historical?
    1. See above.
20. Can you provide the maximum total amount allowed to each individual tenant/landlord for each of the 3 programs?

    1. There is no stated maximum. Practically speaking, tenants do not receive more than $1,000 unless they participate in multiple programs, which is possible but rare.
21. In regard to insurance coverages, please confirm that Professional Liability, Excess Umbrella, Cyber Liability, Crime and Security/Privacy Liability are all required coverages for this contract.
    1. Please review the insurance attachments. All insurance requirements are specified there.
22. Will the selected vendor be required to maintain a dedicated bank account for PHDC funds, and will the vendor take custody of PHDC funds prior to disbursement to payees?
    1. Please see responses above.
23. What banking, bonding, fiduciary, collateral, or financial-control requirements will apply to funds held by the selected vendor?
    1. This does not need to be specified in the response and will be covered in contract negotiations with selected respondents.
24. Approximately how many total dollars does PHDC anticipate disbursing annually under the three programs?
    1. PHDC anticipates disbursing approximately $26 million per year.
25. Which IRS forms and tax filing responsibilities specifically will PHDC require the vendor to perform?
    1. PHDC requires the vendor to collect and submit W9.
26. Who would be listed as the sender or payee on the 1099 documents?
    1. The bank account holder – landlords in TFA, tenants in WRAP, and both landlords and tenants in FreshStartPHL.
27. When PHDC send over the weekly list of approved applicants, will the information include which program each individual is a part of?
    1. Yes.
28. Please identify a situation that a tenant would receive payment, rather than the landlord.
    1. For the FreshStartPHL program, tenants receive $1,000 stipend directly paid to them. For the WRAP program, tenants are the recipients. For Targeted Financial Assistance, there are no payments direct to tenants.
29. How many landlords/tenants are currently participating in each program?
    1. Over the life of the program, there have been approximately 100,000 payments, and 8,000 landlords. Most tenants only participate once. Based on the estimates above, that would mean
30. Will the 3rd party vendor send the payment file to the bank?
    1. If the bank is the vendor they will pull the records from QuickBase to create the payment file that is invoiced and paid.
31. During the application process is email addresses for the tenant and landlord available?

    1. We do ask for emails, but not all contacts provide email, especially among tenants.
    2. If not, would PHDC be opposed to mandating this information from the applicant?
        1. We would be opposed to mandating emails for all tenants. For landlords, who make up the bulk of the payees, it is possible.

32. Will PHDC still host the link that houses the W9 and voided check information?
    1. Yes.
33. What banking information is validated? Account open and in good standing and beneficiary name?
    1. PHDC staff verify the following align with a voided check or other bank document: name on bank account, full routing number and full bank account number. The vendor is required to communicate when payments have failed, and we prefer a Respondent with a clear process to validate and correct (with PHDC communication with payees) the banking information. Please state any processes for banking information validation.
34. If PHDC is in charge of the online platform where SSN/EIN and W9 is housed why do we need to create vendor files with that payee information included?
    1. Parts of the process described are related to the current process. If there is duplication in the current process, that could be discussed in the onboarding.
35. How do we know when the funds are disbursed? Will PHDC notify us?
    1. Assuming this is referring to payments to the payment vendor (i.e. you), yes, PHDC will confirm that the funds are disbursed. To be clear, the scope of work here is to make direct payments to the landlords. On those payments, the vendor (you) notify PHDC of the transaction numbers/ remittance numbers and payment date.
36. How are payment adjustments communicated?
    1. While we try to avoid them, payment adjustments are communicated via email, usually outside the QuickBase system. Assuming this means
37. What tax documents need to be created and distributed to IRS? To confirm you need the vendor to do this?
    1. We only require the W9. We do not know the details of the vendor's process with the IRS.
38. What "funds" are you requesting to be on a quarterly schedule? Is this related to fees or funding for the tenants and landlords?
    1. Only in cases where the vendor is making payments up front and invoicing for reimbursement. Quarterly is the minimum frequency for invoicing.
39. If a vendor is no longer required for payment distribution is a vendor invoice required for funding?

    1. At minimum, an invoice would be required for any fees charged. If there is no vendor and no fee, then no invoice would be required.
40. If a bank is sending the payments directly to tenants and landlords would the invoice process be necessary or would the funding account be held at the bank where the payments are being debited from?
    1. The invoice process may not be necessary in this case.
41. For each of the programs offered (Eviction Diversion Program-Targeted Financial Assistance (TFA), FreshStartPHL, and Workforce Rental Assistance Program (WRAP) can you outline the frequency of the payments? For example, are they continuous payments until an expiration date, or are they one-time payments.
    1. EDP-TFA and FreshStartPHL are one-time payments. WRAP applicants receive a one –time payment and have the potential to receive a second one-time payment the following year.
42. During the pre-bidder's conference, it was mentioned that checks were issued on occasion. Could you explain the scenarios when a check would be issued?
    1. Checks have been issued to tenants who did not have an active bank account.
43. With the current process, Is PHDC set up as the originator of the ACH file? If so, what is the current credit ACH risk limit established?
    1. Assuming you mean the ACH to the landlord or tenant payee, no, that is originated by the payment vendor (i.e. you).
44. Please expand in more detail what is meant by the following statements in your "Scope of Work":

- Remit payments in the amounts requested by PHDC **and cease payments on a mutually agreed schedule that meets the other requirements herein;**
    - The bold text refers to recurring payments that are not currently included in these three programs. You may disregard this phrase.
- Adjust payment amounts as requested by PHDC;
    - Payment amounts may be adjusted if an error is found in the review calculation
- Invoice PHDC quarterly, in advance based on a formula provided by PHDC, to draw down funds in a timely way
    - This is answered elsewhere.

45. Will PHDC sign the Vendor's agreements? (These include the Cash Management Terms and Conditions).
    1. It is unclear what the question is.
46. Redacted question on the required insurance:
    1. The full list of insurance is posted along with the RFP. No additional insurance is required aside what is posted with the RFP.
47. Can PHDC confirm that the Financial Specialist review process includes verifying that the routing and account numbers on the voided check match the banking information transmitted to the payment vendor?

   1. Yes, it is part of the Financial Specialist review process.
48. Can PHDC confirm that the requirement to notify PHDC within two business days of a failed payment refers to two business days from the date the vendor is notified of the failure by its financial institution?
    1. Yes.
49. Can PHDC confirm whether both tenants and landlords are eligible to receive disbursements?
    1. In EDP-TFA only landlords are eligible to receive payments. In FreshStartPHL, both landlords and tenants are eligible to receive payments. In WRAP, only tenants are eligible to receive payments.
50. Will the payment file identify whether the recipient is a landlord or a tenant?
    1. Yes
51. Can PHDC confirm whether payment processing notifications (email and text) will be sent only to landlords, or to both landlords and tenants?
    1. Notifications will be sent to both landlords and tenants.
52. Is the vendor required to update any information within PHDC's system to reflect completed payments or disbursement dates? If so, how should this information be communicated back to PHDC?
    1. This is up for discussion after the award. Please mention in your response whether this is within your capacity or if there are any barriers to doing so.
53. Regarding the Fee for Service, does PHDC have a preferred pricing structure, such as an all-inclusive monthly fee or a per-payment/per-transaction fee? Additionally, will PHDC share the incumbent vendor's pricing structure and invoicing methodology?
    1. We do not have a preferred pricing structure and are interested in learning how Respondents would structure the fee. We have not sought permission to share the current vendor's pricing structure. Examples could be a flat fee as a percent of the amount disbursed, a per-transaction fee, an all-inclusive monthly fee, or something else.
54. Does PHDC intend to negotiate and establish service level agreements (SLAs) and/or performance penalties as part of the fee structure or contract terms?
    1. No.
55. Is there a specific cadence PHDC is looking for to having payments processed - daily/weekly/as needed?
    1. Payments are expected to be made weekly.
56. Is there a specific timeline that PHDC is looking for from time vendor receives payment info to payment processed (eg: 5 business days)?
    1. This could depend on the totality of the process between the vendor and PHDC. Per the EDP-TFA program policy, payments are expected within 2 weeks of approval for payment. In practice, this means 5 business days given the current process, but it could be more or less, depending on other factors.

57. It's my understanding that once the vendor receives info for payments, the vendor invoices PHDC, PHDC pays vendor, vendor makes payments. Approximately how long does it take for PHDC to pay vendor once invoice received?
    1. This depends on the funding source. This ranges from 5 to 10 business days.
58. Is the vendor responsible for any communications with the payee (prior to or after payment processed)?
    1. No.
59. Are there any pain points that the vendor you select for payment processing can help you resolve? If so, what would those pain points be?
    1. The most important aspect of this process to emphasize in your response is to set clear requirements for what is needed from PHDC to work with your system. Specify what is flexible and what is not.