CONCEPT PAPER:
NEW YORK CITY ANNUAL TAX SEASON INITIATIVE

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I. BACKGROUND

The Department of Consumer Affairs (DCA) empowers consumers and businesses to ensure a fair and vibrant marketplace. DCA licenses and regulates over 80,000 businesses in 55 different industries, and enforces the Consumer Protection Law and other related business laws in New York City. The agency educates the public and businesses through outreach and partnerships with stakeholders throughout the City. DCA performs onsite inspections of businesses to ensure compliance with license regulations, weights and measures regulations, and the New York City Consumer Protection Law.

The DCA Office of Financial Empowerment (DCA OFE) is the first local government initiative in the country with the specific mission to educate, empower, and protect individuals and families with low incomes. DCA OFE creates innovative programs, products, and services for New Yorkers so they can build assets and make the most of their financial resources. At the center of the fight to reduce income inequality and expand economic opportunity, DCA OFE works to support low-income New Yorkers and communities in building wealth and improving financial capabilities. DCA OFE's goal is to increase access to high-quality, low-cost financial education and counseling; connect individuals to safe and affordable mainstream banking products and services; improve access to income-boosting tax credits, savings, and other asset building opportunities; and enforce and improve consumer financial protections to safeguard financial stability.

Since its inception in 2006, DCA OFE has coordinated the City's annual tax season initiative with a specific focus on the Earned Income Tax Credit (EITC), the Child Care Tax Credit, and the availability of free tax preparation services. DCA OFE works with community based organizations, city agencies, and others seeking to promote and offer free tax preparation information and services to their clients, as well as with Volunteer Income Tax Assistance (VITA), Tax Counseling for the Elderly (TCE), and online providers seeking cost-effective opportunities to meet community demand and to scale services. In 2015 DCA OFE and the City's tax coalition members helped complete over 150,000 tax returns, connecting eligible New Yorkers to free tax preparation services and valuable tax credits.

II. PURPOSE OF THE RFP

The Request for Proposals for the New York City Annual Tax Season Initiative will seek to identify free tax preparation providers, particularly those who provide VITA and TCE services, to receive funding from DCA OFE to increase the number of returns prepared for low- and moderate-income New Yorkers.

Tax time is a key moment to grow assets and spark savings habits for low-income New Yorkers. For those with low incomes, tax refunds are often the largest lump sum payment many low-income working households will receive in a year, creating a critical moment to start building savings. The EITC is widely considered the best and most significant poverty reduction policy in the country, refunding a family in New York City up to $8,293 in 2015. However, each year, up to 25% of eligible taxpayers do not claim the EITC[1]. Furthermore, only 3% of New York City

[1]"IRS Earned Income Tax Credit (EITC) Initiatives: Implementation of Alternative Approaches to

filers claiming the EITC use free tax preparation services (e.g., VITA and TCE sites), with over three-fourths of New Yorkers going to a paid preparer[2], paying an average of $250 to file their taxes despite being eligible for free tax preparation services.[3] Accessing free services provided by the City and other organizations, therefore, can mean access to significant amounts of money in savings and refunds, as well as invaluable connections to community-based service providers.

III. PROGRAM OVERVIEW

In 2015, DCA OFE launched the largest public education and outreach tax credit campaign in the City's history, securing over $3 million in public and private funding – a nearly 20-fold increase over prior years. The campaign expanded tax preparation services from 140 sites in the previous year to 200 sites across the five boroughs and marked the agency's first five-borough trilingual EITC Day of Awareness phone-a-thon to ensure eligible New Yorkers were aware of services. As a result, DCA OFE's tax coalition increased the number of tax returns completed by more than 50% over the previous year, putting an estimated $250 million in tax credit and tax-preparer fee savings into the pockets of hardworking families. The advertising and outreach component of the tax credit campaign included transit ads, community and ethnic newspaper ads, radio ads, a television public service announcement (PSA), a direct postcard mailing to targeted households, a digital media campaign and ads, a texting campaign, community events, and on-the-ground outreach efforts in targeted neighborhoods. The comprehensive outreach and advertising activities included a five-borough trilingual phone-a-thon, and robocalls to 270,000 low-income households. DCA OFE also created an interactive online map of all tax sites, which allowed people to search for the most convenient free tax filing site based on a number of criteria, such as language of service, location, and hours of operation.

The 2015 tax season campaign was based on DCA OFE's years of experience managing New York City's Annual Tax Season Initiative with a coalition of free and low-cost tax preparers and hundreds of local community based organizations, as well as City agencies and companies from the private sector. With continued support from the City of New York and with the potential for private funding, DCA OFE will continue to expand this Initiative to support tax preparation providers in increasing their capacity to serve a high volume of filers in a timely and professional manner to further increase the number of eligible New Yorkers accessing free tax preparation services and claiming the EITC and other tax credits. For future years, the Initiative will build upon the model and infrastructure developed during the 2015 tax season but will continue to evolve to improve efficiency and effectiveness and to scale. DCA OFE also plans to incorporate learning's from previous tax seasons and findings and recommendations from its *Designing for Financial Empowerment* project into the planning and implementation of the Initiative in future years. This could include shared branding across coalition members, new products and services to improve the client experience and the quality of free tax preparation services, and additional wraparound services (e.g., financial counseling) and referrals.

Improving the Administration of EITC," Department of the Treasury, Internal Revenue Service, 2008

[2] Brookings Institute's "EITC Interactive", which uses IRS SPEC data from Tax Year 2012.

[3] In a 2014 report, the National Society of Accountants stated that the average price per return in the NY Metropolitan area is $274.

Through the Initiative, DCA OFE will support tax preparation services provided via: (1) traditional in-person VITA; (2) virtual VITA (which includes the scanning of documents in-person but the completion of tax returns off-site); and (3) online tax preparation services, including assisted self-preparation sites.

1. General Operations

In general, free tax preparation sites are located city-wide in areas with high concentrations of poverty and need. Free tax preparation services are available to the public, free of charge, and are typically integrated within a host of public and non-profit programs to improve multiple outcomes.

Providers will be expected to recruit and train appropriate staff and volunteers according to all relevant Internal Revenue Service (IRS) and New York State Department of Taxation and Finance (NYS DTF) guidelines so as to provide high-quality tax preparation services and screen for relevant tax credits, such as the EITC and New York City Child Care Tax Credit.

Each location should have the capacity to serve clients during days and hours that meet the needs of the community, including evening and weekend hours as appropriate. Full-time tax sites are typically located in a central location within areas of highest need (low income areas, serving unbanked populations, etc.). Satellite sites such as virtual sites or assisted self-preparation sites expand the footprint of services but often serve distinct populations and/or communities. Locations must guarantee adequate volume/flow of traffic, and preparer and/or staff coverage for the sites must be arranged by the participating tax providers or their host community based organizations. Both hub and satellite sites are typically co-located within city programs or at social service organizations that already serve a high number of target clients.

2. Tax Return Metrics

DCA OFE will establish rigorous performance metrics that track provider outputs such as number of returns completed for each coalition member prior to entering into the final agreement. DCA OFE will establish consistent performance standards and verification processes that will track actual performance against targets.

3. Recruitment and Training

All coalition members will be expected to conduct recruitment and hire staff for their sites. All relevant IRS and NYS DTF guidelines must be adhered to so as to provide high-quality tax preparation services and to screen for relevant filer tax credits, such as the EITC and New York City Child Care Tax Credit.

4. Communications and Outreach

The City of New York employs a variety of municipal tools in promoting and marketing the free tax preparation sites to ensure that residents have equal access to the services available. DCA OFE will continue to leverage available infrastructure including 311, the City's non-emergency

call center, www.nyc.gov, and traditional public awareness campaigns to raise public awareness about the tax season campaign. Tax providers are expected to augment this citywide outreach and marketing with local outreach, education and promotion of their location(s).
Each awarded vendor will be expected to work in close coordination with the DCA OFE team. It will be expected that all vendors maintain updated timely submission of relevant information for each tax site, including address, hours of operation, contact information, site opening and closing dates and provide ongoing updates to tax site data, as needed. Selected vendors will also be required to participate in periodic conference calls and in-person meetings with DCA OFE to provide service and budget updates before, during, and after the tax season, as requested by DCA OFE. DCA OFE will provide additional support in reaching out to the public through a public awareness campaign. This will *not* serve as a substitute for the vendors need to manage marketing or developing and enacting retention and acquisition strategies.

Proposals for the upcoming RFP will be expected to include a detailed marketing and outreach plan for proposed tax sites. Marketing should take a targeted and comprehensive approach and should leverage pre-existing partnerships, links to community leaders, participation in local events and strategies for forming new relationships within the community. Selected vendors should also be prepared to collect and share client stories with DCA OFE on a regular basis throughout the tax season.

All tax sites affiliated with NYC's Annual Tax Season Initiative will be listed in centralized places such as DCA's website www.nyc.gov/taxprep and on 311. Communication materials may also reflect shared City branding, following protocols developed by DCA OFE. Applicants should detail how location branding integrity will be maintained by the vendor and its partnering organizations.

IV. SERVICE AREAS

DCA OFE anticipates selecting qualified community groups, non-profit organizations, and/or other local service providers with the capability to manage and implement safe, affordable, and high-quality tax programs for New York City tax filers. It is anticipated that, across providers, services will be provided in all five boroughs (the Bronx, Brooklyn, Manhattan, Queens and Staten Island). The targeted population will be New Yorkers with low-incomes within each borough.

V. PLANNED METHOD OF EVALUATING PROPOSALS

1. Evaluation Procedures

The DCA OFE evaluation committee will evaluate and rate all responsive proposals based on the evaluation criteria set forth in the RFP, including but not limited to relevant experience, organizational capability, and quality of proposed approach.

2. Expected Contractor Qualifications

The DCA OFE evaluation committee anticipates qualified applicant organizations will have demonstrated capacity to meet the requirements / expectations of a coalition member under this Initiative, including experience providing free tax preparation services to filers in accordance with IRS and VITA/TCE guidelines. The selected vendors will also prove the capacity to manage growth, and ability to report on key program metrics during and after tax season.

VI. PROPOSED TERM OF CONTRACTS

The anticipated contract start is October 1, 2016, for an initial period of up to three years, and will include two (2) three-year options to renew, for a maximum of nine years, pending the availability of funding. DCA OFE reserves the right, prior to contract award, to determine the length of the initial contract term and each option to renew, if any.

VII. FUNDING INFORMATION

Selected vendors may receive funding for the following:

- Staffing
- Equipment or supplies
- Space rental for trainings, tax sites, and other purposes, as justified
- Marketing and outreach
- Volunteer recruitment
- Other efforts to serve a high volume of filers, as justified

DCA OFE anticipates awarding contracts of various sizes to cover the costs associated with providing free tax preparation services. It is anticipated that services will be provided in all five boroughs (the Bronx, Brooklyn, Manhattan, Queens and Staten Island). Vendors may propose to operate a single site or multiple locations.

It is anticipated that the total available annual funding for all contracts awarded from this RFP will be approximately three million dollars ($3,000,000).

The final total allocation amounts depend on the availability of funds and are subject to change. DCA OFE reserves the right to award more or less than the full amount of funding requested by applicants.

VIII. EVALUATION AND REPORTI NG

Entities selected as funded participants in the NYC Annual Tax Season Initiative must be prepared to comply with monitoring, evaluation, and reporting requirements as defined by DCA OFE, which may include but will not be limited to:

- Bi-weekly submissions of the number of returns completed in January through March; Weekly submissions of the number of returns completed in April*
- Bi-weekly submissions of client testimonials or client stories
- Participation in bi-weekly calls with DCA OFE to share and improve upon best practices while working to coordinate around communications and marketing

- Mid-season report containing aggregate data and client stories
- End-of-season report containing information such as a narrative, aggregate data, client stories and budget
- Tax site locations and contact information listed on the City's website (nyc.gov) and available via 311
- Inclusion of a standard set of questions and response options on a separate pre-service questionnaire or as part of a pre-service questionnaire currently being offered by the tax provider /site. These questions will be provided by DCA OFE, standardized across all tax providers funded through this initiative, and should be asked of every client receiving free tax preparation services.
- Shared signage and/or marketing materials provided by DCA OFE to be used in addition to the providers' marketing materials
- Partner with DCA OFE on marketing and outreach and/or tax preparation events prior to tax season and throughout the tax season
- Periodic site visits by DCA OFE staff, City officials, and funders
- Partner with DCA OFE on special tax-related initiatives, including testing new products and services to improve the client experience and the quality of free tax preparation services.

**Note: The number of tax returns completed by each tax provider will be verified by the IRS at the end of the tax season.*

All sites must adhere to programmatic protocols determined by the IRS, http://www.irs.gov/Individuals/Site-Coordinator-Corner and VITA/TCE protocols when applicable.

IX. ANTICIPATED PROCUREMENT TIMELINE

1. Concept Paper Release Date: Fall, 2015
2. Expected Request for Proposals Issuance Date: Winter, 2016
3. Anticipated Contract Start Date: Fall, 2016

X. USE OF HHS ACCELERATOR

To respond to the forthcoming New York City Annual Tax Season Initiative RFP and all other Client and Community Services ("CCS") Requests for Proposals (RFPs), vendors must first complete and submit an electronic prequalification application using the City's Health and Human Services ("HHS") Accelerator System. The HHS Accelerator System is a web-based system maintained by the City of New York for use by its Human Services Agencies to manage procurements. Only organizations with approved HHS Accelerator Business Application and Service Applications for one or more of the following will be eligible to propose:

- Life Skills
- Financial Counseling
- Outreach

XI. QUESTIONS / COMMENTS

DCA OFE is accepting questions or comments on this concept paper before the RFP is released. Questions or Comments should be sent by November 2nd to:

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