



**Request for Expressions of Interest (RFEI)**

**IDNYC Dual Interface Card**

**Payments Initiative**

**IDNYC, Human Resources Administration (HRA)**

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# **I. Program Background and Project Description**

## **a. Program Background**

IDNYC is New York City’s official municipal identification card program. The card is an official form of government-issued identification for all residents of New York City ages fourteen and older,<sup>1</sup> regardless of immigration status. IDNYC is accepted as proof of identity by law enforcement, by NYC agencies when applying for City benefits, to enter schools and public buildings, to open bank accounts with select financial partners, and by employers when submitted with proof of work authorization. It can be used as a library card, and to take advantage of free museum memberships and entertainment discounts. Launched in January of 2015, the program currently has nearly 1.2 million cardholders, making it the largest and most successful municipal ID program in the country.

## **b. Project Description**

IDNYC and its administering agency, the Human Resources Administration (HRA), in conjunction with the Mayor’s Office of Immigrant Affairs (MOIA), would like to upgrade the existing IDNYC card to include an embedded smart chip that will serve as an EMV contact and contactless (dual interface) payment and authentication form factor. IDNYC and HRA seek to partner with a financial services provider(s) to host and execute the dual interface smart chip in the IDNYC card as detailed in this RFEI.

The chip will support integrations with public and private partners, such as the MTA’s planned contactless fare payment system and NYC Health + Hospitals medical records, and allow payments with private vendors throughout the city. The financial partner will provide IDNYC cardholders with a mixture of card funding/loading options that are accessible to the various populations that IDNYC serves, including cardholders with bank accounts, unbanked and underbanked individuals, senior citizens, and students, regardless of immigration status. The selected financial services provider will ensure that the smart chip and supporting policies protect cardholder information, as outlined below.

## **c. Provider Qualifications**

The Provider should meet the following qualifications to respond to this RFEI:

1. Relevant regulatory and compliance requirements to operate payment processing services in New York.
2. Existing capabilities to process both EMV contact and contactless chip-based, and magnetic strip-based prepaid cards.
3. An existing customer base with EMV chip-based prepaid cards.
4. An existing customer service department to support Provider’s customer base.
5. Capabilities for scaling up operations to service potentially 1 million new customers in the next 12 months.
6. Multiple channels to support their customers, including online portals, smart phone apps, and over the phone assistance.
7. Storefronts or relationships with other institutions that have a storefront capability to reload value on the prepaid card.
8. Existing capability to service underbanked and unbanked customers.
9. Willingness to innovate and to work with partners of IDNYC.
10. A financial services firm, bank, fintech firm, or payments gateway are examples of potential partners.

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<sup>1</sup> It is anticipated that the card will be made available to New Yorkers ages ten through thirteen as well in the near future.

## **II. Requirements**

### **a. Technical Requirements:**

This dual interface, chip-enabled IDNYC card will be a physical form factor containing multiple products (features) that need to be activated. Each product has a use case for a specific consumer segment.

The card must include:

1. Smart Chip EMV (dual interface: contact/insert and contactless)
  - a. This should be a dual interface card that can be used to authenticate both contact and contactless transactions.
2. Magnetic Stripe
  - a. The magnetic strip component of the card will be handled by IDNYC's card vendor.
  - b. The Provider should support technical fallback, or the scenario in which an inserted chip card is unable to be read at a chip-enabled terminal. The terminal then generates a magnetic stripe transaction based on the data in the card's magnetic stripe.
3. CVV (Card Verification Value) code
  - a. The CVV code is a three or four digit code which provides a cryptographic check of the information embossed on the card. It is an additional authentication procedure that reduces fraud for internet transactions.

The Provider should expect to work closely with IDNYC's card manufacturer to ensure that all requirements are incorporated into the card. The card must comply with ISO 7816 (contact), 14443 A/B (contactless), and 7813 (magnetic stripe) standards. The Provider should expect to support card readers for contactless payments, chip insert payments and magnetic stripe payments. The Provider should expect payments to be supported in USA as well as other global Point of Sale (POS) locations.

### **b. Privacy Requirements**

Cardholder privacy is of utmost importance to the IDNYC contact/contactless payment initiative. The Provider must therefore support robust protections of all personal information and maintain the confidentiality of the cardholder's participation in the IDNYC program. Users must be confident that their day-to-day use of the card will not compromise or disclose any personally identifying information. Additionally, no IDNYC-related data will be shared with any entity other than New York City. "IDNYC-related data" includes, but is not limited to, any information about IDNYC cardholders and how the cards are utilized, as well as the types of information outlined below.

The Provider's response should outline in detail how cardholder information will be protected. These security measures should address the following:

1. No Personal Account Number (PAN) or other account number shall be printed on the card.
2. No personally identifying information (PII), personal health information (PHI), or other demographic information may be placed on the contactless chip.
3. No PII may be shared with merchants when transactions are made.
4. No categorical distinctions will be made between IDNYC cardholders and other customers on customer registers, or any lists of customers held by the Provider.

5. The Provider will under no circumstances share a cardholder's personal, account, or transaction information without the explicit consent of the program.

### **c. Account Activation**

Activation must be simple, accessible, and secure. The Provider must meet the following requirements for account activation:

1. Allow customers to use an IDNYC card as their primary ID to activate an account.
2. Allow customers to use an IDNYC number as an activation key.
3. Allow customers to activate at designated locations in all five boroughs. If Provider can offer activation options online, over the phone, or other, please detail.
4. Provide clear, plain-language instructions for account activation, as well as explanation of account terms, available in all *Local Law 30* languages.
5. Provider will not store any information regarding the cardholder's participation in the IDNYC program in the account holder's information.
6. Provider will not require the customer to provide a social security number, proof of citizenship, or proof of immigration status when registering with the Provider's financial institution.

### **d. Account Access and Fees**

The Provider must provide the following:

1. Ability for customers to check account balance and add value online. If the Provider can offer a mobile app loading option, please detail.
2. Ability for customers to link an existing bank account or credit card with their IDNYC account.
3. Clear, plain-language descriptions of all fees, protections, and privacy policies, listed in a prominent location, and available in all *Local Law 30* languages.

The Provider's response should outline all fees. The program seeks a Provider who can offer limited to no fees for the following:

1. Transaction fees (online or in person, including for small dollar amounts)
2. Monthly fees
3. Customer service fees
4. Account inactivity fees
5. In-network ATM fees
6. Minimum balance fees

The Provider must disclose any fees for loading on the prepaid card or general account management. Please specify in your application what fees would be applicable, and provide the corresponding price or fee schema.

### **e. Card Funding and Loading**

The Provider will provide card funding and loading options that are accessible to all populations that IDNYC serves. This must include:

1. Ability to load value using a debit or credit card, cash, checks, or direct bank transfers.
2. Ability to load through some combination of any/all of the following: online and mobile, bank tellers, ATMs, kiosks, and retail partner networks.
3. Physical access points for card loading in all five boroughs.

The Provider will support advanced payment features, including check cashing, bill pay, and wire transfer capabilities.

**f. Customer Service**

The Provider must provide robust customer service infrastructure, able to support inquiries by phone, via email, and/or live chat. Customer support must be able to support questions, concerns, and general inquiries, including but not limited to: PIN renewals, account balances, payments, POS or loading, troubleshooting, fraud monitoring, and account suspension services. Support must be available in all *Local Law 30* languages.

Additionally, a robust Consumer Education program will be provided to all those engaged in the IDNYC program. The goal of the Consumer Education program is to help educate and empower cardholders to enjoy the financial freedom a bank account (and related services) can offer. The Provider and IDNYC will work together to leverage existing partnerships and help cardholders learn about financial empowerment. Information will be provided to help consumers regarding consumer security and protection. Outreach and informational materials will also include information on civic engagement, to be provided by the City or other partners.

**g. Know Your Customer (KYC)**

The Provider must support the IDNYC card as means of bank-approved ID for Know Your Customer (KYC) verification and other customer due diligence.

### **III. Information Requested**

#### **a. Information Requested**

The Provider should provide the following information in their response to this RFEI:

##### **I. Scope of Services**

1. Please outline your organization's plan for meeting the project deliverables. Provide a description of the proposed plan, including product design and implementation, timeline for delivery of product and services, outcomes, and assessment. Specifically address:
  - a. Card technical requirements.
  - b. Security and privacy protections.
  - c. Account activation, management, and fees.
  - d. Funding and card loading options.
2. Please describe the customer services your organization can provide that will lead to the successful implementation of this project. Specifically address:
  - a. Customer service infrastructure, including phone, email, and live chat support.
  - b. Language accessibility of customer service capabilities.
  - c. Consumer education and financial empowerment programming.
3. Please explain whether you intend to use subcontractors for this project. If so, for what percentage of the plan?
4. Please explain expected benefits to cardholders of proposed plan.

**Your plan should include:**

- a) A detailed description of the proposed plan.
- b) Evidence to support its success and outcome measures.
- c) Timeframe for implementation and delivery of product and services.
- d) Detailed phases of plan to provide continuity of services and achieved targeted outcomes for goals.

##### **II. Organizational Overview and Experience**

1. Please provide an account of your organization's experience and capacity providing the proposed services.
2. Please outline your organization's cultural and linguistic competencies, specifically:
  - a. Experience providing services that are accessible to the various populations that IDNYC serves, specifically unbanked or underbanked individuals.
  - b. Ability to support the linguistic needs of IDNYC's cardholders, including account activation, access, customer support, and informational materials.
3. Please explain your experience providing financial services for a municipality.
  - a. If you have this experience, what was the approximate size of the agency, how long did the project take, and how many consultants worked on the project? What were the outcomes?
  - b. If you do not, please describe your experience collaborating with government and nongovernment entities.
4. Have you ever worked with New York City agencies before? If so, please explain.

##### **III. Evaluation and Metrics**

1. Please discuss how you would monitor program success. What outcome measures would you use for reporting purposes? What timeframe will be used for reporting outcomes?
2. Please discuss the type of evaluation needed to ascertain outcomes (implementation evaluation, quasi-experiential, randomized control, etc.)
3. What kind of corrective action plan will be implemented for program improvements?

#### **IV. Other Points of Interest**

Please provide any additional points of interest that you believe are important based on your experience implementing these types of solutions

#### **b. Submission Instructions**

All submittals must be in writing and organized into two parts as listed below.

- RFEI Cover Sheet
  - The cover sheet should provide contact information, including, the legal name of your firm or entity, business address, name of contact, telephone, email and Federal Tax Identification number (EIN), for the vendor. If multiple vendors are forming a team to submit qualifications, please submit this information for all vendors on the team.
- Response to Points of Interest

Please submit responses electronically to: [quehrns@dss.nyc.gov](mailto:quehrns@dss.nyc.gov) by 11:59pm on Friday, June 29, 2018. All questions and requests for additional information concerning this RFEI should be directed to [quehrns@dss.nyc.gov](mailto:quehrns@dss.nyc.gov).

**Brevity**—Please keep your response as brief as possible. In no event should it be longer than twelve (12) pages using no smaller than twelve (12) point font.

**Selection and Demonstration**—After submission of responses, the City of New York reserves the right to select five or more respondents to provide further information and a preliminary report consistent with the RFEI herein at no additional cost. Upon selection for greater review, these respondents may be required to sign a demonstration agreement.

**Inquiries**—Any inquiries concerning this RFEI should be directed by e-mail, under the subject line “IDNYC Smart Chip RFEI Q&A”, to [quehrns@dss.nyc.gov](mailto:quehrns@dss.nyc.gov).

#### **Additional Information:**

- This RFEI is not intended as a formal offering for the award of a contract or for participation in any future solicitation.
- The City of New York does not intend to grant or issue any agreements on the basis of this RFEI.
- Submission of a response is not a prerequisite for participating in any future solicitation but vendors should indicate whether they want to receive such solicitation.
- The City of New York and its officials, officers, agents and employees make no representation or warranty and assume no responsibility for the accuracy of the information set forth in this RFEI.
- No information contained in submissions shall be deemed confidential and such information may be shared with other governmental entities. Therefore, please do not submit any information that may be deemed proprietary in nature.
- The City of New York shall not be liable for any costs incurred by any respondent in the preparation, submittal, presentation or revision of its submission. The City of New York shall not pay any costs in connection with the preparation of such submissions.

- All reports, studies, or analyses submitted shall become the property of The City of New York and shall not be returned.
- The City of New York, at its sole discretion, reserves, without limitation, the right to withdraw the RFEI at any time