

**Township of Little Egg Harbor
Electronic Tax Sale
Request for Proposal
September 15, 2020**

Requirements for the Online Bidding Process

The tax lien sale line items shall be publicly available on the vendor's website free-of-charge without requiring registration or membership prior to viewing. Bidding shall open no earlier than upon publication of the newspaper advertisement. Bidder registration shall be online and completed prior to submitting a bid, although the municipality shall have the discretion to permit bidders to register in-person at the Tax Collector's office.

Prior to placing a bid, each bidder must post a forfeitable deposit of a percentage or amount set by the Tax Collector' a successful bidder who fails to make payment on a lien certificate shall forfeit the deposit amount to the municipality. The deposit must be held in the municipality's account and not that of the vender, with any unused portion of the deposit promptly returned to the bidder after conclusion of the tax sale. Deposits may also be submitted in person at the Tax Collector's discretion.

Any vendor's online tax sale platform shall also provide, at minimum, the following:

- Detailed online instructions on how to utilize the website;
- The ability to obtain and electronically submit forms (e.g. W-9s, bidder information sheets);
- A help desk for tax collectors and bidders through the internet, e-mail, and at least one toll-free telephone number;
- A dedicated telephone hotline available for use by tax collectors until the sale's completion;
- Web-based training, including online tutorials, for both bidders and municipal officials responsible for administering the sale;
- A method by which bidders can practice bidding on the website;
- Available in-person training for municipalities, including a working demonstration of the website and overall system;
- Online display of winning bids immediately upon the auction's completion;
- Notification to winning bidders by e-mail at the bidder's registered e-mail address;
- Provision of the electronic transfer of information and data to and from the municipality, including access for the tax collector to remove and update the tax lien sale list in real time;
- A transaction log for the tax collector to review all bid submissions and results, along with a detailed history of all funds transferred; and
- A standard complaint procedure for both the municipality and bidders, with a complaint log maintained by the vendor and available for the municipality's inspection.

The tax collector shall have the discretion to select either direct bidding or proxy bidding for an online tax sale. In a direct bid auction, participants enter a bid for an item at either a specific rate of interest (0% up to 18%) or a specific dollar amount the bidder is willing to pay as a premium, with the successful bidder awarded the lien at the bid entered. By contrast, participants in a proxy bid auction enter their lowest acceptable interest rate or highest acceptable premium for an item. The auction system monitors all other bids and enters competitive bids on the bidder's behalf at an interest rate increment lower than what would become the next lowest bid. If the interest rate is bid down to zero, and the bidder has entered a maximum premium amount, the system will enter competitive bids on the bidder's behalf at the next increment higher. The system stops entering bids on the bidder's behalf when the bidder either wins the auction or reaches the minimum interest rate bid or maximum premium bid.

All liens shall be auctioned individually, such that a bid will be placed on each lien with a winning bidder determined for each lien; bulk sale of liens is prohibited. Bid amounts shall not be visible to the public or to the municipality while the auction is in progress. No officer, employee or independent contractor of the vendor may participate in the auction. All bid information and participant financial data is deemed property of the municipality.

The online tax sale platform shall enable the tax collector to accept and process ACH and wire transfer payments as well as certified check or cash. If the tax collector accepts in-person cash payment, the tax collector must immediately input data into the online tax sale system to reflect any such payment. **Successful bidders must make full payment for liens within 4 hours after bidding closes via wire or certified check or cash.**

The vendor shall notify all registered bidders of any properties that become available again for bidding due to non-payment by a successful bidder. If the parcel is resold, interest shall be recalculated to the new sale date.

The vendor's fee for conduction the sale shall not exceed the fee collected by the vendor under N.J.S.A. 54:5-38. A vendor shall only charge fees to the municipality and not to bidders or lien purchasers. Tax collectors shall not collect any additional fees for the cost of sale in addition to those authorized pursuant to law.

Procuring a Third-Party Online Tax Sale Vendor

In order to contract with a third-party online tax sale vendor, that vendor shall:

- Be presently conducting online tax sales in at least two states: or
- Have conducted online tax sales in the past two years that have included bidders from more than one state; or
- Be affirmatively marketing in more than one state a system for performing online tax sales.

Vendor Cybersecurity and Internal Controls

Subsection (r) of N.J.A.C. 5:33-1.1 sets forth a cybersecurity framework that must be followed by an online tax sale vendor. Elements addressed include:

- System hosting;
- Encryption;
- Password policy and staff security education;
- Risk assessment and security updates;
- Background checks for staff with access to financial and personal identifying information;
- Limitations on the maintenance of personal identifying information (e.g. prohibiting the use of Social Security numbers as identifiers);
- Information backup, information disposal, and disaster recovery plans; and
- Having a cybersecurity incident response plan and response team (CSIRT) with notification to the municipality of any incident experienced by the vendor

Online tax sale vendors shall provide to the Tax Collector and the Chief Finance Officer on an annual basis evidence of satisfactory internal controls. Such evidence must be in the form of an unqualified Service Organization Control (SOC) 2 auditor's report that tests and reports on the design effectiveness and operating effectiveness of vendor operational controls including those relating to cybersecurity. The SOC2 report can be produced either at the beginning of the contract term or during the contract term. In order to provide sufficient time for vendor compliance, the SOC 2 report requirement shall commence in 2020.

Please complete the attached Proposal Page and return it to the Chief Financial Officer at finance@leht.com or fax to (609)294-3040 or mail to 665 Radio Road, Little Egg Harbor, NJ 08087. Proposals must be received in my office no later than 2:00 p.m. on October 1, 2020.

Township of Little Egg Harbor
Electronic Tax Sale Services
Proposal Form

Price per line item* \$ _____

Other Information: _____

Company: _____

Authorized Representative (Print): _____

Authorized Representative (Signature): _____

Title: _____

Phone #: _____

E-Mail Address: _____

Evaluation Criteria

The following, as appropriate to individual circumstances, shall be used as criteria for evaluating requests for proposals (RFPs) under the competitive contracting process described in N.J.S.A. 40A:11-4.1 et. seq. and 18A:18A-4.1 et. seq. These criteria are not intended to be limiting or all-inclusive, and they may be adapted or supplemented in order to meet a contracting unit's individual needs as competitive contracting may dictate. No criteria shall unfairly or illegally discriminate or exclude otherwise capable vendors.

1. Technical Criteria:

i. Proposed methodology:

- 1) Does the vendor's proposal demonstrate a clear understanding of the scope of work and related objectives?
- 2) Is the vendor's proposal complete and responsive to the specific RFP requirements?
- 3) Has the past performance of the vendor's proposed methodology been documented?
- 4) Does the vendor's proposal use innovative technology and techniques?

2. Management Criteria:

i. History and experience in performing the work:

- 1) Does the vendor document a record of reliability of timely delivery and on-time and on-budget implementation?
- 2) Does the vendor demonstrate a track record of service as evidenced by on-time, on-budget, and contract compliance performance?
- 3) Does the vendor document program experience?
- 4) Does the vendor have a record of moral integrity?

ii. Qualification and experience:

- 1) Documentation of experience in performing similar work?

3. Cost criteria:

i. Cost of services to be performed:

- 1) Relative cost: How does the cost compare to other similarly scored proposals?
- 2) Full explanation: Is the price and its component charges, fees, etc. adequately explained or documented?

ii. Assurances of performance:

- 1) Does the proposal include quality control and assurance programs?