

State of Arkansas  
**OFFICE OF STATE PROCUREMENT**  
1509 West Seventh Street, Room 300  
Little Rock, Arkansas 72201-4222  
501-324-9316

## ADDENDUM 1

TO: Vendors Addressed  
FROM: Tim O'Brien  
DATE: September 12, 2016  
SUBJECT: **SP-16-0085**

The Bid Opening Date and Time are unchanged.

The following changes to the above-referenced Request for Proposal have been made as designated below:

- Change of specification(s)
- Additional specification(s)
- Change of bid opening time and date
- Cancellation of bid
- Other

### **CHANGE OF SPECIFICATIONS**

1. Change paragraph 1.2, item B. on page 2 of 21 of the RFP document to read:
  - B. The term of this contract **shall** be for three (3) years. The anticipated contract award date is December 15, 2016. Upon mutual agreement by the vendor and agency, the contract may be renewed by OSP on a year-to-year basis, for up to four (4) additional one-year terms or a portion thereof.
2. Change paragraph **2.20** on page 13 of 21 of the RFP document to read:

**2.20 CONTRACT PARAMETERS**  
A contract will be negotiated with the successful proposer for an initial term of three (3) years with an option for up to four (4) one-year extensions.
3. Change paragraph **2.9** on page 11 of 21 of the RFP document to read:

**2.9 REBATE PAYMENTS TO THE STATE** to read:  
The proposer's electronic payment solution must provide the State with the same detailed payment information contained in the original payment file received from the State in order to verify rebates earned for each reporting period and to verify State funding source. Rebates will be earned/calculated, at a minimum, on a quarterly basis. Rebate payments shall be remitted to the State within fifteen (15) calendar days of the close of the rebate earning period. Rebates must be credited to the State's bank account via ACH file transmission.

4. Change paragraph 2.12 on page 12 of 21 of the RFP document to read:

**2.12 SYSTEM SECURITY AND DATA PROTECTION**

Successful Proposer **must** provide and maintain an appropriate information security program to prevent the unauthorized disclosure, misuse, alteration, or destruction of confidential information. Successful Proposer **must** maintain immediate and continual communication with the State regarding any security program changes, including, but not limited to cards, account numbers, passwords, personal identification numbers, transactions, etc.

The Successful Proposer shall ensure that all transactions are compliant with the most current version of PCI DSS or its successor. The Successful Proposer **shall** maintain and ensure data integrity, vendor and State confidentiality, and ensure that security provisions are maintained throughout the length of this Contract.

The Successful Proposer **must** provide documentation on Statement on Standards for Attestation Engagements 16 (SSAE 16) Type 2 audit compliance to the State on an annual basis.

Selling mail lists or any other data compilation containing the names of program enrollee's or prospective enrollee's or any other information and/or data relating to the e-payables program is prohibited.

The State will provide current Data Breach Notification Procedures and contact information for the personnel that are to be notified of any compromise or breach. This information will be updated as applicable.

The Successful Proposer **shall** assume full liability for any unauthorized dissemination of any and all data associated with the project.

5. Delete item C. in paragraph 2.5 on page 11 of 21 of the RFP document.

6. Delete question 19. on page 7 of 10 of the Technical Response Packet.

7. Change second item A. in paragraph 4.3 on page 17 of 21 to read:

- B. The vendor **shall** indemnify and save harmless the agency and all its officers, representatives, agents, and employees against any claim or liability arising from or based upon the violation of any such law, ordinance, regulation, order or decree by an employee, representative, or subcontractor of the vendor.

## **Additional Specifications**

1. Add the following question, as question 53, to page 9 of 10 of the Technical Response Packet.

53. What funding method/methods for virtual card payments do you use?

2. Add paragraph 2.23, to follow paragraph 2.22 on page 13 of 21 of the RFP Document as follows:

**2.23 PERFORMANCE STANDARDS**

- A. State law requires that all contracts for services include Performance Standards for measuring the overall quality of services provided. The table below identifies expected deliverables, performance measures, or outcomes; and defines the acceptable standards a vendor **must** meet in order to avoid assessment of damages.
- B. The State may be open to negotiations of Performance Standards prior to contract award, prior to the commencement of services, or at times throughout the contract duration.
- C. The State **shall** have the right to modify, add, or delete Performance Standards throughout the term of the contract, should the State determine it is in its best interest to do so. Any changes or additions to performance standards will be made in good faith following acceptable industry standards, and may include the input of the vendor so as to establish standards that are reasonably achievable.
- D. All changes made to the Performance Standards **shall** become an official part of the contract.
- E. Performance Standards **shall** continue throughout the term of the contract.

- F. Failure to meet the minimum Performance Standards as specified **shall** result in the assessment of damages.
- G. In the event a Performance Standard is not met, the vendor will have the opportunity to defend or respond to the insufficiency. The State **shall** have the right to waive damages if it determines there were extenuating factors beyond the control of the vendor that hindered the performance of services. In these instances, the State **shall** have final determination of the performance acceptability.
- H. Should any compensation be owed to the agency due to the assessment of damages, vendor **shall** follow the direction of the agency regarding the required compensation process.

<b>PERFORMANCE STANDARDS</b>
<p><b>1.</b> Successful Proposer will have achieved successful vendor enrollment of not less than 25% of the average monthly accounts payable dollars (P-Card and monthly payments to Utility companies will be excluded from the average monthly totals) within nine months of the actual project start date. (If the Successful Proposer is unable to achieve the 25% enrollment goal they will provide detailed information outlining the reasons for the shortfall).</p>
<p><b>2.</b> Successful Proposer will provide rebate dollars and calculation documentation in accordance with paragraph <b>2.9</b> on page 11 of 21 of the RFP document.</p>
<p><b>3.</b> The Successful Provider will provide and adhere to a timeline as described in paragraph <b>2.17</b> on page 12 of 21.</p>

The specifications by virtue of this addendum become a permanent addition to the above referenced Request for Proposal. **FAILURE TO RETURN THIS SIGNED ADDENDUM MAY RESULT IN REJECTION OF YOUR PROPOSAL.**

If you have any questions please contact Tim O'Brien at Timothy.O'Brien@dfa.arkansas.gov or (501) 324-9320

Company: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_