



# STATE OF ARKANSAS

## OFFICE OF STATE PROCUREMENT

1509 West 7th Street, Room 300

Little Rock, Arkansas 72201-4222

## **INVITATION FOR BID** BID SOLICITATION DOCUMENT

SOLICITATION INFORMATION			
Bid Number:	SP-19-0060	<b>DRAFT</b> Solicitation Issued:	January 11, 2019
Description:	Commercial Card Services		
Agency:	Arkansas Department of Finance and Administration – Office of State Procurement		

SUBMISSION DEADLINE FOR RESPONSE			
Bid Opening Date:	Final Official IFB to be posted at later date	Bid Opening Time:	Final Official IFB to be posted at later date
<p>Deliver bid submissions for this Invitation For Bid to the Office of State Procurement on or before the designated bid opening date and time. In accordance with Arkansas Procurement Law and Rules, it is the responsibility of Prospective Contractors to submit bids at the designated location on or before the bid opening date and time. Bids received after the designated bid opening date and time may be considered late and may be returned to the Prospective Contractor without further review. It is not necessary to return "no bids" to OSP.</p>			

DELIVERY OF RESPONSE DOCUMENTS	
Delivery Address:	<p>Office of State Procurement 1509 West 7<sup>th</sup> Street, Room 300 Little Rock, AR 72201-4222</p> <p>Delivery providers, USPS, UPS, and FedEx deliver mail to OSP's street address on a schedule determined by each individual provider. These providers will deliver to OSP based solely on the street address. <b>Prospective Contractors assume all risk for timely, properly submitted deliveries.</b></p>
Bid's Outer Packaging:	<p>Seal outer packaging and properly mark with the following information. If outer packaging of bid submission is not properly marked, the package may be opened for bid identification purposes.</p> <ul style="list-style-type: none"><li>• Bid number</li><li>• Date and time of bid opening</li><li>• Prospective Contractor's name and return address</li></ul>

OFFICE OF STATE PROCUREMENT CONTACT INFORMATION			
OSP Buyer:	Heather Bailey	Buyer's Direct Phone Number:	501-324-9320
Email Address:	<a href="mailto:Heather.Bailey@dfa.arkansas.gov">Heather.Bailey@dfa.arkansas.gov</a>	OSP's Main Number:	501-324-9316
OSP Website:	<a href="http://www.dfa.arkansas.gov/offices/procurement/Pages/default.aspx">http://www.dfa.arkansas.gov/offices/procurement/Pages/default.aspx</a>		

## **NOTICE TO PROSPECTIVE CONTRACTORS**

### **THE RELEASE OF THIS DRAFT IFB SERVES AS AN “INTENT TO POST”**

Due to the magnitude of the scope of this solicitation and its specifications and in order to provide ample opportunity for Prospective Contractors to prepare bid responses, the Office of State Procurement posts this **Draft** IFB solicitation document in advance of the official posting of the **Final** IFB solicitation document for SP-19-0060, Commercial Card Services.

Because OSP expects this **Draft** IFB to substantially mirror the **Final** IFB, Prospective Contractors may utilize this **Draft** IFB to begin determining their bid response. However, a Prospective Contractor's bid submission **must** be based solely on the official, **Final** IFB solicitation document which will be posted at a later date.

Any “Questions and Answers” produced under this **Draft** IFB will be incorporated into the official, **Final** IFB solicitation that is formally issued and posted as such. **The formally issued Final IFB solicitation document will be the final expression of the IFB, completely extinguishing and replacing this Draft IFB.**

## **SECTION 1 - GENERAL INSTRUCTIONS AND INFORMATION**

- **Do not provide responses to items in this section unless specifically and expressly required.**

### **1.1 PURPOSE**

The Office of State Procurement (OSP) is seeking to contract for the provision of Commercial Card Services to Authorized Entities. The scope of this Invitation to Bid (IFB) relates to procurement and travel purchases and other related services as specified in this Invitation to Bid (IFB) with the goal of securing the best value for the State.

### **1.2 TYPE OF CONTRACT**

- A. As a result of this IFB, OSP intends to award a contract to a single Contractor.
- B. The anticipated starting date for any resulting contract is June 1, 2019 except that the actual contract start date may be adjusted forward unilaterally by the State for up to three calendar months. By submitting a signed bid in response to the IFB, the Prospective Contractor represents and warrants that it will honor its bid as being held open as irrevocable for this period.
- C. The initial term of a resulting contract will be for one (1) year. Upon mutual agreement by the Contractor and agency, the contract may be renewed by OSP for up to six (6) additional one-year terms or portions thereof, not to exceed a total aggregate contract term of seven (7) consecutive years.

### **1.3 ISSUING AGENCY**

The OSP Buyer as listed on Page 1 of this bid solicitation document is the sole point of contact throughout this solicitation process.

### **1.4 BID OPENING LOCATION**

Bids will be opened at the following location:

Office of State Procurement  
1509 West Seventh Street, Room 300  
Little Rock, AR 72201-4222

### **1.5 ACCEPTANCE OF REQUIREMENTS**

- A. A Prospective Contractor **must** unconditionally accept all Requirements in the Requirements Section(s) of this IFB to be considered a responsive Prospective Contractor.
- B. A Prospective Contractor's bid will be rejected if a Prospective Contractor takes exceptions to any Requirements in the Requirements Section(s) of this IFB.

### **1.6 DEFINITION OF TERMS**

- A. The State Procurement Official has made every effort to use industry-accepted terminology in this *Bid Solicitation* and will attempt to further clarify any point of an item in question as indicated in *Clarification of Bid Solicitation*.
- B. Unless otherwise defined herein, all terms defined in Arkansas Procurement Law and used herein have the same definitions herein as specified therein.
- C. The terms "Invitation for Bid", "IFB," "Bid Solicitation," and "Solicitation" are used synonymously in this document.
- D. "Approving Official" means an individual that is designated by the Office of State Procurement or a Using Agency to monitor, review and approve the Purchases of Cardholders.

- E. "Annual Net Sales Volume" means all aggregated Charges set forth on the Billing Statements furnished by the Contractor to all Using Agencies for the Contract Year less Fees, Fraudulent Charges, Chargebacks, Large Ticket Transactions, and Charge Off amounts deemed by the Contractor to be uncollectible for the prospective Contract Year for all Using Agencies.
- F. "Authorized Entity" means any entity authorized by the laws of the State of Arkansas to participate in a State Contract or as otherwise may be determined authorized by the State of Arkansas and includes but is not limited to State Agencies, colleges and universities, and Political Subdivisions.
- G. "Authorized User(s)" means any personnel, including elected officials, of a Using Agency authorized by Using Agency to be a Commercial Card recipient and make official government purchases on behalf of Using Agency during the term(s) of any contract resulting from this IFB but has not been issued a physical card.
- H. "Billing Cycle" The time (number of days) between billing statements. It is the period between the previous statement date and the current statement date during which both credit and debit transactions are accumulated for billing. The State of Arkansas's Billing Cycle is from the 16<sup>th</sup> of each month until the 15<sup>th</sup> of the following month unless the 15<sup>th</sup> falls on a day that is not a Business Day in which case the Billing Cycle end date will be the next Business Day after the 15<sup>th</sup>.
- I. "Billing Statement" A print or electronic record sent by the Contractor to the Using Agency and/or other persons or entities as authorized. It is typically sent monthly and includes, but is not limited to, itemization of activity on the account, including balance, Charges, payments, credits, finance charges, and other account activity.
- J. "Business Day" means any day occurring Monday through Friday excluding State Holidays.
- K. "Calendar Quarter" means any one of the four three (3) month calendar periods beginning in January, April, July, and October of each year as follows:  
  
 Quarter 1: January 1<sup>st</sup> – March 31<sup>st</sup>  
 Quarter 2: April 1<sup>st</sup> – June 30<sup>th</sup>  
 Quarter 3: July 1<sup>st</sup> – September 30<sup>th</sup>  
 Quarter 4: October 1<sup>st</sup> – December 31<sup>st</sup>
- L. "Cardholder(s)" means Authorized User(s) to whom a Commercial Card has been issued.
- M. "Charge" means any transaction posted to an account that has a debit value including but not limited to Purchases and Fees.
- N. "Chargeback" means a reversal of a credit or debit transaction due to Cardholder Disputed Transaction.
- O. "Charge-Off" means any amount due and owing that remains unpaid for 150 calendar days after the day it was first billed and is the removal of an account from a creditor's books as an asset.
- P. "Commercial Card(s)" means a card(s) to be used for purchasing goods and/or services by a Using Agency and/or Cardholder in the ordinary course of business. For the purposes of this IFB, the State's Commercial Card program currently includes P-Cards and T-Cards but may include fleet cards at a future date.
- Q. "Contract Administrator" means the person designated by the State of Arkansas, located in the Office of State Procurement, to manage the contract after award, ensure compliance with terms and conditions and Arkansas Law, evaluating and documenting a contract's performance, and other contract administrative duties.
- R. "Contract Year" means the 365-calander day period of time beginning on the Go-Live Date and ending on the expiration date of the contract.
- S. "Contractor" means a person who sells or contracts to sell commodities and/or services.

- T. "Corporate Liability" means liability whereby the Using Agency is responsible for payment of authorized Commercial Card transactions.
- U. "Credit Card Coordinator" means one or more employees designated by the State of Arkansas, located in the Office of State Procurement, for the purposes of aiding the Credit Card Manager with coordinating and monitoring the Commercial Card Program.
- V. "Credit Card Manager" means the employee designated by the State of Arkansas, located in the Office of State Procurement, for the purposes of coordinating and monitoring the Commercial Card programs, acting as an intermediary between Using Agencies and the Contractor, and conducting training.
- W. "Disputed Transaction" means a transaction where the Cardholder or Using Agency formally questions the validity of a transaction. A Disputed Transaction includes but is not limited to merchant errors, errors in billing and Fraudulent Charges.
- X. "Fee" means a transaction posted to an account which is due and payable to the Contractor such as late fees.
- Y. "Fraudulent Charge" means a charge that is not initiated or authorized by the Using Agency and does not directly or indirectly benefit the Using Agency.
- Z. "Go-Live Date" means the date the Contractor **shall** begin providing all services required by this IFB including but not limited to the full implementation and functionality of Contractor's Program System. The Go-Live Date, anticipated to be January 1, 2020, will immediately follow the Implementation Period. The Office of State Procurement reserves the right to have the final determination of the Go-Live Date.
- AA. "Implementation Period" means the period of time beginning on the starting date of the contract, anticipated to be June 1, 2019 during which the Contractor performs all the start-up, implementation, and transition activities required to achieve full implementation of the State's Commercial Card Services program by the Go-Live Date.
- BB. "Large Ticket Transaction" means a transaction which based upon the type of merchant and/or transaction dollar amount is subject to a Visa or MasterCard large ticket interchange program as determined and amended by Visa and MasterCard from time to time.
- CC. "Master Account" means an account controlling funding between the Contractor and a Using Agency through which all Cardholder transactions pass to ensure appropriate funding is available.
- DD. "OSP" means the Office of State Procurement, currently a division of the Department of Finance and Administration.
- EE. "P-Card" means purchasing card.
- FF. "Political Subdivision" means an agency, authority, board, branch, bureau, commission, council, department, institution, office, school district, or other entity and/or governmental body of any county, municipality, city, or town falling under the umbrella of the State of Arkansas and authorized by the laws of the State of Arkansas to participate in a State Contract or as otherwise determined authorized by the State of Arkansas.
- GG. "Program System" means the online, web-based system provided by the Contractor to administer and manage the State's Commercial Card program as specified herein.
- HH. "Bid Submission Requirement" means a task a Contractor **must** complete when submitting a bid response. These requirements will be distinguished by using the term "**shall**" or "**must**" in the requirement.
- II. "Prospective Contractor" means a person who submits a bid in response to this solicitation.
- JJ. "Purchase" means goods and/or services that is charged to an account.

- KK. "Quarterly Sales Volume" means all Charges set forth on a Billing Statement furnished by the Contractor to a Using Agency or other authorized entity/individual during the prospective Calendar Quarter, less Fees, Fraudulent Charges, Chargebacks, and any Charge Off amounts deemed by the Contractor as uncollectible for the prospective Calendar Quarter for each Using Agency.
- LL. "Rebate Payment" means actual monies paid to the State of Arkansas for disbursement to Using Agencies and are based on volume and speed of payment as specified herein.
- MM. "Rebate Percentage Offering" means a percentage proposed by the Prospective Contractor on the Official Bid Price Sheet and used to calculate any Rebate Payment due to a Using Agency for Categories 1-4 as described herein during the term(s) of the contract.
- NN. "Requirement" means a specification that a Contractor's product and/or service **must** perform during the term of the contract. These specifications will be distinguished by using the term "**shall**" or "**must**" in the requirement.
- OO. "Responsive bid" means a bid submitted in response to this solicitation that conforms in all material respects to this IFB.
- PP. "State" means the State of Arkansas. When the term "State" is used herein to reference any obligation of the State under a contract that results from this solicitation, that obligation is limited to the State Agency using such a contract.
- QQ. "State Agency or Agencies" includes any State of Arkansas institution, authority, department, board, commission, bureau, council, office, or other entity supported by the appropriation of State and/or federal funds including State supported institutions of higher education, the constitutional departments of the State of Arkansas, the General Assembly, including the Legislative Council the Legislative Joint Auditing Committee and supporting agencies and bureaus thereof, the Arkansas Supreme Court, the Court of Appeals, circuit courts, prosecuting attorneys, and the Administrative Office of the Courts or any other entity and/or governmental body authorized by the State of Arkansas to participate in a State Contract or as otherwise determined authorized by the State of Arkansas.
- RR. "State Contract" means a contract for the procurement of commodities or services in volume, awarded by the State Procurement Director.
- SS. "State Holiday" means the following days during each year when State offices are closed:
1. Christmas Day
  2. Christmas Eve
  3. Dr. Martin Luther King Jr.'s Birthday
  4. Independence Day
  5. Labor Day
  6. Memorial Day
  7. New Year's Day
  8. President's Day / Daisy Gatson Bates Day
  9. Thanksgiving Day
  10. Veteran's Day
- TT. "T-Card" means travel card.
- UU. "Using Agency" means any Authorized Entity who is officially participating in Arkansas's Commercial Card Services program.
- VV. "Using Agency Designated Reviewer" means an employee of a Using Agency designated by the Using Agency to review, reconcile, and process Cardholder transactions each Billing Cycle.

WW. "Using Agency Liaison" means the employee appointed by the Using Agency to manage and coordinate the P-Cards and T-Cards within the Using Agency and serves as the primary point of contact between the Using Agency and the Credit Card Manager.

## 1.7 **RESPONSE DOCUMENTS**

### A. *Bid Response Packet*

1. The following are Bid Submission Requirements and **must** be submitted in the original Bid Response Packet.
  - a. Original signed *Bid Signature Page*. (See *Bid Response Packet*.)
    - i. An official authorized to bind the Prospective Contractor(s) to a resultant contract **must** sign the Bid Signature Page included in the *Bid Response Packet*.
    - ii. Prospective Contractor's signature signifies agreement to and compliance with all Requirements in this IFB, and that any exception that conflicts with a Requirement or Bid Submission Requirement of this *Bid Solicitation* will cause the Prospective Contractor's bid to be rejected.
    - iii. Bid response **must** be in the English language.
  - b. One (1) original hard copy of the *Official Bid Price Sheet*. Pricing **must** be proposed in U.S. dollars and cents.
  - c. Implementation Timeline (see Implementation)
  - d. Transition Plan (see Transition)
2. The following items should be submitted in the original *Bid Response Packet* as a hard copy and as an electronic copy, preferably on a flash drive and in PDF format.
  - a. One (1) copy of the *Official Bid Price Sheet*,
  - b. EO 98-04 Disclosure Form. (See *Standard Terms and Conditions*, #27. *Disclosure*.)
  - c. Copy of Prospective Contractor's *Equal Opportunity Policy*. (See *Equal Opportunity Policy*.)
  - d. *Voluntary Product Accessibility Template* (VPAT). (See *Technology Access*.)
  - e. Proposed Subcontractors Form. (See Subcontractors.)
3. **DO NOT** include any other documents or ancillary information, such as a cover letter or promotional/marketing information.

## 1.8 **CLARIFICATION OF BID SOLICITATION**

- A. Submit any questions requesting clarification of information contained in this *Bid Solicitation* in writing via email by 2:00 p.m., Central Time on or before January 24, 2019 to the OSP buyer as shown on page one (1) of this *Bid Solicitation*.
  1. For each question submitted, Prospective Contractor should reference the specific solicitation item number to which the question refers.
  2. Prospective Contractors' written questions will be consolidated and responded to by the State as edits in the Final IFB and/or as a Question and Answer document posted to the OSP website on or around February 11, 2019. If Prospective Contractor questions are unclear or non-substantive in nature, the State may request clarification of a question(s) or reserves the right not to respond to that question(s).

- B. The Prospective Contractor should notify the OSP buyer of any term, condition, etc., that precludes the Prospective Contractor from submitting a compliant, responsive proposal. Prospective Contractors should note that it is the responsibility of the Prospective Contractor to seek resolution of all such issues, including those relating to the terms and conditions of the contract, prior to the submission of a bid.
- C. Prospective Contractors may contact the OSP buyer with non-substantive questions at any time prior to the bid opening.
- D. An oral statement by OSP will not be part of any contract resulting from this solicitation and may not reasonably be relied on by any Prospective Contractor as an aid to interpretation unless it is reduced to writing and expressly adopted by OSP.
- E. Prospective Contractors entering into a contract with the State **shall** comply with all the terms and conditions contained herein.

### 1.9 **SUBCONTRACTORS**

- A. Prospective Contractor should complete, sign and submit the *Proposed Subcontractors Form* included in the *Bid Response Packet*.
- B. **Do not** attach any additional information to the *Proposed Subcontractors Form*.
- C. The utilization of any proposed subcontractor is subject to approval by the State agency.

### 1.10 **PRICING**

- A. Prospective Contractor(s) **shall** include all pricing on the Official Bid Price Sheet(s) only. If any cost is not identified by the successful Contractor but is subsequently incurred in order to achieve successful operation, the Contractor **shall** bear this additional cost. The *Official Bid Price Sheet* is provided as a separate electronic file posted with this *Bid Solicitation*.
- B. To allow time to review bids, prices **must** be valid for 180 days following the bid opening.
- C. DO NOT submit any ancillary information not related to actual pricing on or with the Bid Price Sheet.
- D. The Official Bid Price Sheet contains five (5) tables for the purposes described below.
  - 1. Table A – Quarterly Sales Volume: The Prospective Contractor **shall** provide a Rebate Percentage Offering to be used in the calculation of each Using Agency's Quarterly Sales Volume Rebate payment.
  - 2. Table B – Quarterly Expedient Payment: The Prospective Contractor **shall** provide a Rebate Percentage Offering to be used in the calculation of each Using Agency's Quarterly Expedient Rebate payment.
  - 3. Table C – Quarterly Large Ticket Transaction Volume: The Prospective Contractor **shall** provide a Rebate Percentage Offering to be used in the calculation of each Using Agency's Quarterly Large Ticket Transaction Rebate payment.
  - 4. Table D – Annual Net Sales Volume: The Prospective Contractor **shall** provide a Rebate Percentage Offering to be used in the calculation of each Using Agency's aggregated Annual Net Sales Volume Rebate payment as shown in the table provided on the Official Bid Price Sheet. Only Tier 6 will be used in determining a cost score for Table D. Prospective Contractor **shall** enter an amount in all red cells in Table D.
  - 5. Table E – Cardholder Fees: The Prospective Contractor **shall** provide the Per Transaction Fee to be used for the transactions listed on Table E provided on the Official Bid Price Sheet. Table E will not be included in determining cost points, but all applicable fees **must** be entered. If no fee will be charged for a specific item, enter "0" in that column. If there are additional fees to descriptors listed, Prospective Contractor **shall** enter the fees in the additional lines provided in Table E.



**1.11 PRIME CONTRACTOR RESPONSIBILITY**

- A. A single Prospective Contractor **must** be identified as the prime Contractor.
- B. The prime Contractor **shall** be responsible for the contract and jointly and severally liable with any of its subcontractors, affiliates, or agents to the State for the performance thereof.

**1.12 INDEPENDENT PRICE DETERMINATION**

- A. By submission of this bid, the Prospective Contractor certifies, and in the case of a joint response, each party thereto certifies as to its own organization, that in connection with this bid:
  - 1. The prices in the bid have been arrived at independently, without collusion.
  - 2. No prior information concerning these prices has been received from, or given to, a competitive company.
- B. Evidence of collusion warrants consideration of this bid by the Office of the Attorney General. All Prospective Contractors **shall** understand that this paragraph may be used as a basis for litigation.

**1.13 PROPRIETARY INFORMATION**

- A. Submission documents pertaining to this *Bid Solicitation* become the property of the State and are subject to the Arkansas Freedom of Information Act (FOIA).
- B. In accordance with FOIA and to promote maximum competition in the State competitive bidding process, the State may maintain the confidentiality of certain types of information described in FOIA. Such information may include trade secrets defined by FOIA and other information exempted from the Public Records Act pursuant to FOIA.
- C. Prospective Contractor may designate appropriate portions of its response as confidential, consistent with and to the extent permitted under the Statutes and Rules set forth above, by submitting a redacted copy of the response.
- D. By so redacting any information contained in the response, the Prospective Contractor warrants that it has formed a good faith opinion having received such necessary or proper review by counsel and other knowledgeable advisors that the portions redacted meet the requirements of the Rules and Statutes set forth above.
- E. Under no circumstances will pricing information be designated as confidential.
- F. One (1) complete copy of the submission documents from which any proprietary information has been redacted should be submitted on a flash drive in the *Bid Response Packet*. A CD is also acceptable. Do not submit documents via email or fax.
- G. Except for the redacted information, the redacted copy **must** be identical to the original hard copy, reflecting the same pagination as the original and showing the space from which information was redacted.
- H. The Prospective Contractor is responsible for identifying all proprietary information and for ensuring the electronic copy is protected against restoration of redacted data.
- I. The redacted copy will be open to public inspection under the Freedom of Information Act (FOIA) without further notice to the Prospective Contractor.
- J. If a redacted copy of the submission documents is not provided with Prospective Contractor's *Bid Response Packet*, a copy of the non-redacted documents, with the exception of financial data (other than pricing), will be released in response to any request made under the Arkansas Freedom of Information Act (FOIA).
- K. If the State deems redacted information to be subject to FOIA, the Prospective Contractor will be contacted prior to release of the documents.

- L. The State has no liability to a Prospective Contractor with respect to the disclosure of Prospective Contractor's confidential information ordered by a court of competent jurisdiction pursuant to FOIA or other applicable law.

#### **1.14 CAUTION TO PROSPECTIVE CONTRACTORS**

- A. Prior to any contract award, the Prospective Contractor **shall** address all communication concerning this *Bid Solicitation* through the OSP buyer only. Should a Prospective Contractor fail to adhere to this Requirement, the State reserves the right to reject a Prospective Contractor's bid submission.
- B. Do not alter any language in any solicitation document provided by the State.
- C. Do not alter the Official Bid Price Sheet.
- D. All official documents and correspondence related to this solicitation become part of the resultant contract.
- E. The State has the right to award or not award a contract, if it is in the best interest of the State to do so.
- F. As requested, provide clarification regarding Prospective Contractor's bid response to OSP.
- G. Qualifications and proposed services **must** meet or exceed the required specifications as set forth in this *Bid Solicitation*.
- H. Prospective Contractors may submit multiple bids.

#### **1.15 REQUIREMENT OF ADDENDUM**

- A. Only an addendum written and authorized by OSP will modify this *Bid Solicitation*.
- B. An addendum posted within three (3) calendar days prior to the bid opening may extend the bid opening and may or may not include changes to the Bid Solicitation.
- C. The Prospective Contractor is expected to check the OSP website, <http://www.arkansas.gov/dfa/procurement/bids/index.php>, for any and all addenda up to bid opening.

#### **1.16 AWARD PROCESS**

##### **A. Successful Contractor Selection**

- 1. Award will be made to the Prospective Contractor with the highest Grand Total Score. (see Section 3, Criteria for Selection). The Grand Total Score for each Prospective Contractor, based on Tables A, B, C, D and E on the Official Bid Price Sheet, will be used to determine the ranking of the IFB submissions. The State may move forward to negotiations with those Prospective Contractors determined, based on the ranking of the submissions, to be reasonably susceptible of being selected for award.

##### **B. Negotiations**

- 1. If the State so chooses, negotiations may be conducted with the lowest-bidding Prospective Contractor. Negotiations are conducted at the sole discretion of the State.
- 2. The negotiation process may be repeated until the anticipated successful Contractor has been determined, or until such time the State decides not to move forward with an award.

##### **C. Anticipation to Award**

- 1. Once the anticipated successful Contractor has been determined, the anticipated award will be posted on the OSP website at [http://www.arkansas.gov/dfa/procurement/pro\\_intent.php](http://www.arkansas.gov/dfa/procurement/pro_intent.php).
- 2. The anticipated award will be posted for a period of fourteen (14) days prior to the issuance of a contract. Prospective Contractors and agencies are cautioned that these are preliminary results only, and a contract will not be issued prior to the end of the fourteen-day posting period.

3. OSP may waive the policy of Anticipation to Award when it is in the best interest of the State.
4. It is the Prospective Contractor's responsibility to check the OSP website for the posting of an anticipated award.

**D. Issuance of Contract**

1. Any resultant contract of this *Bid Solicitation* is subject to State approval processes which may include Legislative review.
2. A State Procurement Official will be responsible for the solicitation and award of any resulting contract.

**1.17 INTERGOVERNMENTAL/COOPERATIVE USE OF COMPETITIVELY BID PROPOSALS AND CONTRACTS**

In accordance with Arkansas Code Annotated § 19-11-249, any State public procurement unit may participate in any contract resulting from this solicitation with a participating addendum signed by the Contractor and approved by the chief procurement officer of the procurement agency issuing this solicitation.

**1.18 MINORITY AND WOMEN-OWNED BUSINESS POLICY**

A. A minority-owned business is defined by Arkansas Code Annotated § 15-4-303 as a business owned by a lawful permanent resident of this State who is:

- African American
- American Indian
- Asian American
- Hispanic American
- Pacific Islander American
- A Service Disabled Veteran as designated by the United States Department of Veteran Affairs

B. A women-owned business is defined by Act 1080 of the 91<sup>st</sup> General Assembly Regular Session 2017 as a business that is at least fifty-one percent (51%) owned by one (1) or more women who are lawful permanent residents of this State.

C. The Arkansas Economic Development Commission conducts a certification process for minority-owned and women-owned businesses. If certified, the Prospective Contractor's Certification Number should be included on the *Bid Signature Page*.

**1.19 EQUAL OPPORTUNITY POLICY**

A. In compliance with Arkansas Code Annotated § 19-11-104, OSP must have a copy of the anticipated Contractor's *Equal Opportunity (EO) Policy* prior to issuing a contract award.

B. *EO Policies* should be included as a hardcopy accompanying the solicitation response.

C. Contractors are responsible for providing updates or changes to their respective policies, and for supplying *EO Policies* upon request to other State agencies that must also comply with this statute.

D. Prospective Contractors who are not required by law to have an *EO Policy* **must** submit a written statement to that effect.

**1.20 PROHIBITION OF EMPLOYMENT OF ILLEGAL IMMIGRANTS**

A. Pursuant to Arkansas Code Annotated § 19-11-105, Contractor(s) providing services **shall** certify with OSP that they do not employ or contract with illegal immigrants.

B. By signing and submitting a response to this *Bid Solicitation*, a Prospective Contractor agrees and certifies that they do not employ or contract with illegal immigrants. If selected, the Prospective Contractor certifies that they will not employ or contract with illegal immigrants during the aggregate term of a contract.

**1.21 RESTRICTION OF BOYCOTT OF ISRAEL**

- A. Pursuant to Arkansas Code Annotated § 25-1-503, a public entity **shall not** enter into a contract with a company unless the contract includes a written certification that the person or company is not currently engaged in and agrees for the duration of the contract not to engage in, a boycott of Israel.
- B. This prohibition does not apply to a company which offers to provide the goods or services for at least twenty percent (20%) less than the lowest certifying business.
- C. By checking the designated box on the Bid Signature Page of the response packet, a Prospective Contractor agrees and certifies that they do not, and will not for the duration of the contract, boycott Israel.

**1.22 PAST PERFORMANCE**

In accordance with provisions of State Procurement Law, specifically OSP Rule R5:19-11-230(b)(1), a Prospective Contractor's past performance with the State may be used to determine if the Prospective Contractor is "responsible". Bids submitted by Prospective Contractors determined to be non-responsible will be rejected.

**1.23 TECHNOLOGY ACCESS**

- A. When procuring a technology product or when soliciting the development of such a product, the State of Arkansas is required to comply with the provisions of Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, which expresses the policy of the State to provide individuals who are blind or visually impaired with access to information technology purchased in whole or in part with state funds. The Prospective Contractor expressly acknowledges and agrees that state funds may not be expended in connection with the purchase of information technology unless that technology meets the statutory Requirements found in 36 C.F.R. § 1194.21, as it existed on January 1, 2013 (software applications and operating ICSs) and 36 C.F.R. § 1194.22, as it existed on January 1, 2013 (web-based intranet and internet information and applications), in accordance with the State of Arkansas technology policy standards relating to accessibility by persons with visual impairments.
- B. Accordingly, the Prospective Contractor expressly represents and warrants to the State of Arkansas through the procurement process by submission of a Voluntary Product Accessibility Template (VPAT) for 36 C.F.R. § 1194.21, as it existed on January 1, 2013 (software applications and operating ICSs) and 36 C.F.R. § 1194.22, that the technology provided to the State for purchase is capable, either by virtue of features included within the technology, or because it is readily adaptable by use with other technology, of:
  - 1. Providing, to the extent required by Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, equivalent access for effective use by both visual and non-visual means.
  - 2. Presenting information, including prompts used for interactive communications, in formats intended for non-visual use.
  - 3. After being made accessible, integrating into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired.
  - 4. Providing effective, interactive control and use of the technology, including without limitation the operating system, software applications, and format of the data presented is readily achievable by nonvisual means.
  - 5. Being compatible with information technology used by other individuals with whom the blind or visually impaired individuals interact.
  - 6. Integrating into networks used to share communications among employees, program participants, and the public.
  - 7. Providing the capability of equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.
- C. State agencies cannot claim a product as a whole is not reasonably available because no product in the marketplace meets all the standards. Agencies must evaluate products to determine which product best meets the standards. If an agency purchases a product that does not best meet the standards, the agency must

provide written documentation supporting the selection of a different product, including any required reasonable accommodations.

- D. For purposes of this section, the phrase “equivalent access” means a substantially similar ability to communicate with, or make use of, the technology, either directly, by features incorporated within the technology, or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans with Disabilities Act or similar state and federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands or other means of navigating graphical displays, and customizable display appearance. As provided in Arkansas Code Annotated § 25-26-201 et seq., as amended by Act 308 of 2013, if equivalent access is not reasonably available, then individuals who are blind or visually impaired **shall** be provided a reasonable accommodation as defined in 42 U.S.C. § 12111(9), as it existed on January 1, 2013.
- E. If the information manipulated or presented by the product is inherently visual in nature, so that its meaning cannot be conveyed non-visually, these specifications do not prohibit the purchase or use of an information technology product that does not meet these standards.

#### **1.24 COMPLIANCE WITH THE STATE SHARED TECHNICAL ARCHITECTURE PROGRAM**

The Prospective Contractor's commodity or service **must** comply with the State's shared Technical Architecture Program which is a set of policies and standards that can be viewed at:

<https://www.dfa.arkansas.gov/intergovernmental-services/state-technology-cost-analysis/architecture-compliance/>.

Only those standards which are fully promulgated or have been approved by the Governor's Office apply to this solution.

#### **1.25 VISA ACCEPTANCE**

- A. Awarded Contractor should have the capability of accepting the State's authorized VISA Procurement Card (p-card) as a method of payment.
- B. Price changes or additional fee(s) **must not** be levied against the State when accepting the p-card as a form of payment.
- C. VISA is not the exclusive method of payment.

#### **1.26 PUBLICITY**

- A. Do not discuss the solicitation nor your bid response, nor issue statements or comments, nor provide interviews to any public media during the solicitation and award process.
- B. Failure to comply with this Requirement may be cause for a Prospective Contractor's bid to be rejected.

#### **1.27 RESERVATION**

The State will not pay costs incurred in the preparation of a bid.

## **SECTION 2 – REQUIREMENTS**

- **Do not provide responses to items in this section unless specifically and expressly required.**

### **2.1 INTRODUCTION**

This Invitation for Bid (IFB), issued by the Office of State Procurement (OSP), a division of the Arkansas Department of Finance and Administration is seeking to contract with a financial institution having the experience and resources to provide services to the State of Arkansas for its existing purchasing card (P-Card) and travel card (T-Card) programs (Commercial Card program) as specified in this Invitation for Bid (IFB). The purpose of this IFB is to serve the needs of the State of Arkansas, State Agencies, and Political Subdivisions regarding the Commercial Card program and to secure the best value for the State of Arkansas.

### **2.2 BACKGROUND AND CURRENT ENVIRONMENT**

- A. The State of Arkansas currently administers two distinct programs that may be utilized by Authorized Entities: A P-Card program and a T-Card program, collectively the State's Commercial Card program. During the last twelve (12) month period, 110 State Agencies, 37 colleges and universities, and two (2) Political Subdivisions participated in the Commercial Card program.
- B. P-Card Program
  1. The State of Arkansas' initial P-Card program began in May of 2002. Within established spending limits, the P-Card program provides an efficient and effective method for Authorized Users employed, appointed, or elected by the State of Arkansas/Authorized Entities to purchase the goods and services necessary to conduct official business.
  2. The State has seen substantial increases in spend each year the program has been in place. During the last twelve (12) months, the State ended the year with 300 Master Accounts and 6,535 individual Cardholder accounts, totaling nearly \$72,000,000 in spend for Arkansas's P-Card Program.
- C. T-Card Program
  1. The State's T-Card program began in November of 2002. The T-Card program provides an efficient and effective method for Authorized Users employed, appointed, or elected by the State of Arkansas/Authorized Entities to purchase the travel related expenses required to conduct official business.
  2. The T-Card program reduces the amount of personal travel funds needed for authorized travel-related expenses such as airline tickets, lodging, meals, and rental car fees.
  3. The State's T-Card program currently includes two (2) types of travel accounts which are State Sponsored Cards, and Ghost Accounts. During the last twelve (12) months, the State ended the year with 100 Managing Accounts and 3,560 individual Cardholder accounts, totaling nearly \$37,000,000 in spend for Arkansas's T-Card Program.
- D. Based on the historical spend data for fiscal year 2017, the estimated total dollar volume that is expected to pass through any contract resulting from this IFB, including all available renewal terms, is \$73,000,000. The State of Arkansas is strictly providing this data for informational purposes only. The Prospective Contractor **shall not** interpret this total dollar volume amount to be a guarantee of the actual volume of the contract resulting from this solicitation.
- E. For additional information, the Prospective Contractor may reference the State of Arkansas's most current policy manual for the Commercial Card program, posted as *Attachment A: P Card Manual* to this solicitation.
- F. The State is currently in the process of implementing an e-procurement system that will result in more automated technology, efficient processes, and an increase in P-Card utilization. During the term(s) of the resultant contract, the Contractor **shall** accommodate the State's changing technology, as requested by the State, as it pertains to the Commercial Card program and the State's e-procurement solution, to the extent that is reasonably achievable. The Contractor **shall** provide this service at no cost to the State.

- G. At some point during the term(s) of the contract resulting from this IFB, the State anticipates having a need for a fleet card product offering. The State prefers (though not requires) the Contractor to have the capability to provide the State with a fleet card product should such a product be requested by the State during the contract term(s). The State reserves the right to add a fleet card product component to the scope of any contract resulting from this IFB should the Contractor have the capability to provide such a product. The Contractor **shall** negotiate implementation procedures and the Rebate Percentage Offering associated with the fleet card products with OSP if and when the fleet card products are added. The Rebate Percentage Offering and other fees associated with pricing **must** be consistent with current contract pricing for similar card products and **must** be agreed upon in writing between OSP and the Contractor prior to implementation of any fleet card product.

## 2.3 **PROSPECTIVE CONTRACTOR QUALIFICATIONS**

- A. The Prospective Contractor **shall** have two (2) years' experience as a charge card supplier for procurement and travel purchases.
- B. The Prospective Contractor **shall** currently have a minimum of two (2) large institutional clients (which may include both private and public-sector clients) each having a minimum dollar annual spend amount of \$1,000,000.
- C. It is preferable Prospective Contractors have the capability to provide fleet card services to the State, as these card products may be needed during the terms of a resultant contract.
- D. The Prospective Contractor **shall** offer a major credit card product such as MasterCard or Visa with world-wide merchant acceptance.
- E. The Prospective Contractor **shall** have a secure, single point of entry, web-based card management tool with real time capabilities currently available.
- F. The Prospective Contractor **shall** be in compliance with Payment Card Industry Data Security Standards (PCI DSS) and if awarded a contract, **shall** maintain compliance with the PCI DSS throughout the life of the contract.
1. Upon request by the Office of State Procurement, the Contractor **shall** provide evidence (such as audit findings) of PCI DSS compliance.

## 2.4 **GENERAL REQUIREMENTS**

- A. The Contractor **shall** provide services as specified in this IFB to any Authorized Entity who has completed the set-up procedures required to participate in the Commercial Card program. Such procedures will be mutually agreed upon between OSP and the Contractor prior to award or during the Implementation Period as determined by OSP.
1. Upon completion of the set-up procedures required of an Authorized Entity to become a Using Agency, the Contractor **shall** establish a Master Account number for the Using Agency and **shall** provide the Master Account number to the Using Agency.
  2. The Contractor **shall** organize all P-Card and T-Card accounts for the Using Agency under the Using Agency's Master Account number.
- B. The Contractor **shall not** perform individual credit checks on Authorized Users or Cardholders. Commercial Card program activity **must not** show up on an Authorized User's or Cardholder's personal credit history.
- C. The Contractor **shall not** allow cash advances or any type or ATM withdrawals.
- D. In the performance of any contract resulting from this IFB, the Contractor **shall** comply with all applicable IRS requirements and **shall** provide information required for IRS reporting to each Using Agency as necessary.
- E. At least once every six (6) months throughout the life of the resulting contract, the Contractor should initiate and provide marketing campaigns to eligible State Agencies with the goal of raising awareness and encouraging use of the Commercial Card program.

1. The Contractor may carry out the marketing campaigns via telephone, email, USPS, and/or other methods mutually agreed upon by the State of Arkansas and the Contractor. The Contractor **shall** provide this service at no charge to the State of Arkansas.
- F. The Contractor **shall** provide all services required by this IFB at no cost to the State of Arkansas, Authorized Entities, or Using Agencies.
- G. OSP has developed its own policies and procedures regarding the issuance, security, and operational matters relating to the Commercial Card program. Upon request, the Contractor **shall** assist OSP with the modification and/or enhancement of these existing policies and procedures and their implementation, and/or the development of new or additional policies and procedures and their implementation. OSP reserves the right to have final approval of any new and/or additional policies and procedures and any enhancements and/or modifications to existing policies and procedures.
- H. The Contractor and any subcontractors utilized **shall** be located within the United States and **shall** perform all services required in this IFB from within the United States. The Contractor and any subcontractors utilized **shall** create, maintain, secure, and store all data related to any resultant contract within the United States.
- I. The Contractor **shall not** cause nor require any agreement, secondary contract, or other document to be entered into or signed by a Using Agency as a stipulation of participation in the Commercial Card program without review and express written consent and approval by the Office of State Procurement.
- J. The Contractor **shall** have a pre-established account set-up process that **must** be customizable based on the needs of each Authorized Entity or Using Agency.

## 2.5 **INSURANCE REQUIREMENTS**

- A. The Contractor **shall** maintain in full force and effect the following insurance coverage throughout the life of the contract resulting from this IFB including any renewal period exercised:
  1. State of Arkansas Workers' Compensation insurance requirements (statutory limits).
  2. Commercial General Liability listing the State of Arkansas as an additional insured and having the following coverages:
    - a. Bodily Injury (including death): Minimum of \$1,000,000 per occurrence / \$2,000,000 general aggregate.
    - b. Property Damage and Personal Injury, including coverage for contractual liability: Minimum of \$1,000,000 per occurrence and \$2,000,000 general aggregate.
- B. As requested throughout the contract term(s), the Prospective Contractor **shall** provide the Office of State Procurement with current certificates of insurance for the insurances required herein.
- C. Each year, the Contractor **shall** provide the Office of State Procurement with renewed certificates of insurance upon the expiration date of the insurance policies required by this IFB. Each renewed policy **must** meet or exceed the insurance requirements as specified herein.

## 2.6 **ONLINE CARD MANAGEMENT SYSTEM REQUIREMENTS**

- A. The Contractor **shall** provide an online (web based) data management and reporting system (Program System) that is PCI DSS compliant.
- B. The Contractor **shall** provide a Program System having the capabilities of providing the State and Using Agencies with the data collection and management, administration, reporting, and data transfer capabilities necessary for the efficient operation of the State's Commercial Card program.
  1. The Contractor **shall** provide a Program System having the following minimum data collection and management capabilities:



- a. Ability to capture and display Commercial Card transactional data at the following levels:
    - i. Cardholder
    - ii. Approving Official / Using Agency Liaison
    - iii. Using Agency, office, or unit
    - iv. Account and billing data available at various levels
    - v. Authorized Using Agency personnel available at various levels
    - vi. Statewide transactional data available at the administrative level
  - b. Ability to capture and display Level 2 and Level 3 transaction data as made available from merchants.
  - c. Ability to capture and display tax identification numbers.
  - d. Ability for Using Agency's defined accounting code segments of 150 minimum characters to be attached at a transaction level.
  - e. Ability for Using Agency to set requirements for accounting code segments (i.e. mandatory /non-mandatory, etc.).
  - f. Ability for Using Agency to define valid value tables and/or upload new tables.
  - g. Ability to validate segment data against valid value table data.
  - h. Ability for Using Agency authorized personnel to assign, edit, and delete "default" accounting codes for each Cardholder and/or at the Master Account level.
  - i. Ability for Using Agency's authorized personnel to manually input accounting code segment data and/or edit default accounting code segment data at the transaction level.
  - j. Ability for Cardholder to save and edit frequently used accounting codes and create a user profile for each Cardholder.
  - k. Ability to have multiple accounting code fields per transaction and a minimum of ninety-nine (99) transaction splits.
  - l. Ability to manually enter tax and freight detail at the transaction level.
  - m. Ability to manually enter notes and comments at the transaction level.
  - n. It is preferable the Contractor's Program System have the ability to assign, edit, and delete default accounting codes for program hierarchies.
  - o. It is preferable the Contractor's Program System have the ability to attach invoices and supporting documentation to the transaction in various formats (i.e. pdf, jpg, tiff, etc.).
2. The Contractor **shall** provide a Program System having the following capabilities for the administration of system accounts by authorized Using Agency personnel, Credit Card Manager, and Credit Card Coordinators:
- a. Ability to establish roles, access, and authority levels for users (i.e. managers, approvers, Cardholders).

- b. Ability to have a minimum of five (5) levels of hierarchy.
- c. Ability to route transactions through approval/workflow path.
- d. Ability to edit and change Cardholder billing and program hierarchy level information.
- e. Ability to register cards online and establish user ID and/or passwords online.
- f. Ability to update Cardholder information online such as address and last name.
- g. Ability to set up new Cardholder accounts online.
- h. Ability to activate multiple accounts.
- i. Ability to issue or order replacement cards online.
- j. Ability to add and/or change user IDs, roles, and authority levels.
- k. Ability to reset and/or unlock user IDs and/or passwords.
- l. Ability to change (increase or decrease) Cardholder credit limits for either a single transaction or monthly limit (temporary or permanent) in real time.
- m. Ability to add, edit and/or remove restrictions (temporary or permanent) on Merchant Category Codes (MCC).
- n. Ability to deactivate, suspend, and/or terminate cards online.
- o. Ability to allow Cardholder to view their statement online.
- p. Ability for authorized Using Agency personnel and Credit Card Manager to view Cardholders statements online.
- q. Ability to send email notifications of statement availability to a designated email address.
- r. Ability to report lost or stolen cards online.
- s. Ability to change billing and accounting cycles.
- t. Ability to dispute transactions online.
- u. Ability to check the status of cards and view account information including but not limited to:
  - i. Balances
  - ii. Limits
  - iii. Charges
  - iv. Declined transactions
  - v. Spend history
  - vi. Default accounting codes
  - vii. Demographics

- v. Ability to report Fraudulent Charges online including the ability to generate automatic notifications to Using Agency, Credit Card Manager, and other necessary personnel as determined by OSP that Fraudulent Charges have been reported.
3. The Contractor **shall** provide a Program System having the following reporting output and data transfer capabilities:
- a. Ability to report transaction data at the following minimum levels:
    - i. Cardholder
    - ii. Credit Card Manager
    - iii. Approving Official
    - iv. Using Agency office or unit
    - v. Account / billing (available at various levels)
    - vi. Using Agency's Liaison or alternates (available at various levels)
  - b. Ability to have a minimum of seven (7) levels of reporting hierarchy as defined by each Using Agency.
  - c. Ability to create custom extract files / mappers for automatic feed into the State's SAP system and other applicable systems as specified by the Using Agency. The Contractor's Program System **must** create the custom file in a manner that does not require any interaction, special programming, or manual entry of transaction data.
  - d. Ability to provide program and transaction data reports, including declined transactions at various frequencies including but not limited to:
    - i. Real time
    - ii. Daily
    - iii. Weekly
    - iv. Monthly (Billing Cycle and calendar)
    - v. Quarterly
    - vi. Annually (fiscal and calendar)
  - e. Ability for reports to be accessible as defined by roles and access levels.
  - f. Ability for reports to be available in multiple formats such as PDF, Excel, and HTML.
  - g. Ability to schedule on demand ad-hoc reports.
  - h. Ability to provide a Cardholder status report.
  - i. Ability to provide a central reconciliation report.
  - j. Ability to run a transaction detail report to include all user inputted data.

**2.7 CARD REQUIREMENTS**

- A. The Contractor **shall** provide a major credit card product such as MasterCard or Visa having:
1. World-wide merchant acceptance
  2. No annual fees
  3. No per card minimums
  4. No transaction fees
  5. No set-up costs
- B. The Contractor **shall** provide the embossing and printing of all cards to each Using Agency's specifications. The Using Agency will submit the artwork/digital file to the Contractor for embossing and printing purposes.
- C. The Contractor **shall** provide options for customizing the Contractor's standard cards. The Contractor **shall** provide customization at no charge to the State or Using Agency. At a minimum, the Contractor **shall** provide customization options for the front side of the card including but not limited to:
1. State of Arkansas and/or Using Agency Seal/Logo
  2. Using Agency and/or Department Name
  3. Cardholder Name
  4. Phrase (i.e. "For Official Use Only")
  5. Embossing Line
  6. Contractor supplied options
- D. The Contractor **shall** mail cards issued within five (5) Business Days after receipt of required account set up information. The Contractor **shall** mail cards to the address provided by OSP.
- E. The Contractor **shall** issue cards in the individual Cardholder's name unless otherwise requested by the Using Agency.
- F. At a minimum, on the backside of each card, the Contractor **shall** provide the Contractor's 24/7 customer service telephone number to be used by the Cardholder.
- G. The Contractor **shall not** include any reference to Automatic Teller Machines (ATMs) on the card.
- H. The Contractor **shall** provide the following card products:
1. Purchasing Cards with Corporate Liability: A card product (either plastic or ghost) to be used as a method of payment for goods and services related to legitimate official business and in accordance with the policies and procedures of the State of Arkansas's P-Card program.
  2. Travel Cards with Corporate Liability: A card product (both plastic and ghost) to be used as a method of payment for travel expenses related to legitimate official business and in accordance with the policies and procedures of the State of Arkansas's T-Card program.
  3. Corporate Cards with Corporate Liability: A card product for use by Cardholders for goods, services, and travel expenses related to legitimate official business and in accordance with the State of Arkansas's P-Card and T-Card policies and procedures.

4. Managed Spend/Declining Balance Cards with Corporate Liability: A card product to be used as a method of payment for legitimate official business expenses in accordance with the policies and procedures of the State of Arkansas's Commercial Card program. Managed Spend/Declining Balance Cards have an established spending limit that reduces as transactions occur.
5. One Cards with Corporate Liability: A card product (either plastic or ghost) intended as a method of payment for any legitimate official business expense (e.g. goods, services, travel) as determined by the policies and procedures of the State of Arkansas's Commercial Card program and the Using Agency.
6. Emergency Response Cards with Corporate Liability: A card product issued to a Using Agency for purchases in the event of natural disaster in accordance with Arkansas Law the State's Commercial Card policies and procedures.
- I. If requested by a Using Agency, the Contractor **shall** provide a ghost account or virtual card account in addition to, or instead of, the physical, plastic cards for both the P-Card and T-Card programs.
- J. The Contractor **shall** provide a card product having a magnetic stripe and is EMV/Chip and PIN enabled for all physical cards issued.
- K. The Contractor **shall** provide customizable card controls including but not limited to:
  1. Single transaction dollar limits
  2. Cycle dollar limits
  3. Temporary limits
- L. The Contractor **shall** provide card controls on an individual Cardholder basis as well as on a Using Agency-wide basis.
- M. Based upon Standard Industry Classifications (SIC) or Merchant Category Codes (MCC) restrictions, the Contractor **shall** establish charge authorization procedures to ensure certain transactions are denied.
  1. The Contractor **shall** provide such restrictions on an individual Cardholder basis and on an Using Agency-wide basis as requested by the Credit Card Manager or other authorized personnel as directed by the State.
- N. The Contractor **shall** provide non-emergency card replacements for lost or stolen cards within five (5) Business Days and emergency card replacements within two (2) calendar days of receipt of notification by the Contractor.

## 2.8 **PAYMENT TERMS**

- A. The Contractor **shall** provide a properly completed Billing Statement electronically to each Using Agency referencing the solicitation number (SP-19-0060) and contract number, and if applicable, the Using Agency's purchase order number on the Billing Statement.
- B. The Contractor **shall** provide the full balance due on the Billing Statement except the Contractor **shall not** include any Disputed Transactions, including Fraudulent Charges, in the balance due amount.
- C. The Contractor **shall** make the full balance, as described herein, due and payable within thirty (30) calendar days from the Billing Cycle end date for that particular Billing Statement.
- D. Should the Billing Statement not be postmarked within three (3) Business Days after the Billing Cycle end date, the Contractor **shall** extend the payment due date on such a Billing Statement by the equal number of days between the third day after the end of the Billing Cycle and the latest postmark date on the Billing Statement without penalty or fees charged to the Using Agency.
- E. Using Agencies will submit payments to the Contractor at the address shown on the Billing Statement within thirty (30) calendar days of the due date on the Billing Statement. After the sixtieth (60th) day from the due date

on the Billing Statement, unless mutually agreed to, interest will be paid on the unpaid balance due to the Contractor at the rate of one half of one percent per month in accordance with Arkansas Code Annotated §19-11-224. The Using Agency will make a good-faith effort to pay the balance due within thirty (30) calendar days of the due date on the Billing Statement.

- F. Using Agency will make payment to the Contractor for the Billing Statement via check, cash warrant, bank wire, ACH (automated clearing house), or electronic funds transfer as determined by the Using Agency.
- G. The Contractor **shall** consider payments made via regular mail as paid effective the date of the check or electronic issue as long as the payment is postmarked by the third Business Day after the check or electronic issue date.
- H. The Contractor **shall** provide a seven (7) Business Day grace period for payments provided via ACH to avoid a negative hit on any Rebate Payment that may be due to the Using Agency.

## 2.9 **DISPUTED TRANSACTIONS**

- A. The Contractor **shall** have established problem resolution procedures for Disputed Transactions such as failure to receive goods and/or services, fraud, forgery, billing errors, unauthorized Charges, etc.
- B. During the Implementation Period, the Contractor **shall** provide instructions to the Credit Card Manager, Using Agencies, and Cardholders regarding the proper procedures for disputing transactions.
- C. The Contractor **shall** begin prompt investigation of Disputed Transactions and **shall** provide a means to track the progress of the disputed transaction from inception through resolution.
- D. The Contractor **shall** provide complete resolution and notification to the Using Agency, Cardholder, Credit Card Manager, and/or other pertinent personnel as determined necessary and instructed by the Office of State Procurement within fourteen (14) Business Days. The Contractor **shall** include in the notification regarding the resolution of the Disputed Transaction, the amount of the related credit or payment.
- E. The Contractor **shall** credit the amount of a Disputed Transaction to any account by which the Cardholder, Credit Card Manager, Using Agency Liaison, or other duly authorized representative of the State of Arkansas has communicated the Disputed Transaction to the Contractor until such time the Disputed Transaction is resolved by the Contractor.

## 2.10 **TRAINING REQUIREMENTS**

- A. Training During Implementation Period
  - 1. During the Implementation Period, and at a frequency determined necessary by the Credit Card Manager, the Contractor **shall** provide in person training to the Credit Card Manager, Credit Card Coordinators, Using Agency Liaisons, and other pertinent Using Agency personnel in a “train-the-trainer” format as requested by the Office of State Procurement.
  - 2. The Contractor **shall** provide training to include topics regarding administrative, reporting, and transactional functionalities of the Contractor’s Program System including but not limited to:
    - a. How to enter accounting coding, comments, disputes
    - b. How to approve and review transactions
    - c. Payment process
    - d. How to generate standard reports and customize and create reports
    - e. How to perform card limit changes
    - f. Hierarchy set up

- g. Changing demographic information
- h. Adding, editing, and lifting card restrictions
- i. Deactivation, suspension and termination of cards
- j. How to save and edit frequently used accounting codes
- k. How to order replacement cards

**B. Ongoing Training**

1. As requested by the Office of State Procurement, the Contractor **shall** provide in person training as an ongoing service throughout the life of the contract.
  2. For instances whereby in person training is not required, the Contractor **shall** provide training via webinar or other electronic format as requested by the Office of State Procurement.
  3. At a minimum, the Contractor **shall** cover the following topics in the on-going training sessions provided:
    - a. Reporting functionality of the Contractor's Program System
    - b. How to maximize Commercial Card program usage
    - c. Updates to technology
    - d. Updates on Commercial Card rules and regulations affecting the State, Authorized Entities, and Using Agencies
    - e. Updates on changes within the Contractor's business processes affecting the State, Authorized Entities, and Using Agencies
    - f. Identify growth and expansion opportunities for the State's Commercial Card program.
- C. The Contractor **shall** coordinate all training sessions with the Office of State Procurement.
- D. The Contractor **shall** provide in person training at the Office of State Procurement in Little Rock, Arkansas when in person training is required unless otherwise requested.
- E. The Contractor **shall** provide written user reference guides as quick start guides regarding the Contractor's Program System. The Contractor **shall** supply the quick start guides in electronic format.
- F. The Contractor **shall** provide training to the designated Account Manager, Account Coordinator, Customer Service Representatives, and other pertinent internal staff regarding all aspects of the State of Arkansas's Commercial Card program.

**2.11 CUSTOMER SERVICE AND KEY PERSONNEL**

- A. The Contractor **shall** provide a domestic and international toll-free number available to Cardholders 24 hours per day, 365 days per year for the purposes of reporting fraud, lost or stolen cards, and for general account information.
- B. The Contractor **shall** provide a toll-free domestic and international customer service telephone number answered by a live, English speaking customer service representative.
- C. The Contractor **shall** provide a minimum of one (1) designated Account Manager knowledgeable in all aspects of governmental Commercial Card programs. The designated Account Manager **shall**:

1. Be an employee of the Contractor and the primary point of contact for the Credit Card Manager, Credit Card Coordinators, and Contract Administrator.
  2. Be available to the Credit Card Manager, Credit Card Coordinators, and the Contract Administrator via a direct, toll-free telephone number Monday through Friday from 8:00 a.m. until 4:30 p.m. Central Time.
  3. Respond to voicemail and/or email from the Credit Card Manager, Credit Card Coordinators, and Contract Manager within one (1) business hour.
  4. Provide day-to-day account and contract support, card maintenance assistance, and Commercial Card program/account management to the Credit Card Manager, Credit Card Coordinators, and the Contract Administrator for the State of Arkansas's Commercial Card program.
  5. Continually promote to Authorized Entities the State of Arkansas's Commercial Card programs to increase participation.
- D. The Contractor **shall** provide a minimum of one (1) designated Account Coordinator knowledgeable in all aspects of governmental Commercial Card programs. The designated Account Coordinator **shall**:
1. Be an employee of the Contractor and act as the back-up point of contact to the Account Manager.
  2. Provide day-to-day assistance regarding card maintenance, Commercial Card program management, and account management to the Credit Card Manager, Credit Card Coordinators, and the Contract Administrator regarding the State of Arkansas's Commercial Card program.
  3. Be available to the Credit Card Manager, Credit Card Coordinators, and Contract Administrator via a direct, toll-free telephone number Monday through Friday from 8:00 a.m. until 4:30 p.m. Central Time.
  4. Respond to voicemail and/or email from the Credit Card Manager, Credit Card Coordinators, and Contract Manager within one (1) business hour.
- E. The Contractor **shall** notify the Credit Card Manager and Contract Administrator in writing a minimum of fifteen (15) calendar days in advance of any change in the designated Account Manager and Account Coordinator.
- F. The Contractor **shall** provide a minimum of two (2) designated Customer Service Representatives knowledgeable in governmental Commercial Card programs. The designated Customer Service Representatives **shall**:
1. Be employees of the Contractor.
  2. Be available to the Credit Card Manager, Credit Card Coordinators, Contract Administrator, and Using Agency Liaisons via direct, toll-free telephone numbers Monday through Friday from 7 a.m. until 7 p.m. Central Time.
  3. Have on-line access to and be knowledgeable in the Contractor's Program System and the information contained therein.
  4. Be familiar with reports commonly used by governmental entities when managing Commercial Card programs.
  5. Provide Credit Card Manager, Credit Card Coordinators, Contract Administrator, and Using Agencies assistance with creating and/or manipulating reports and other general technical issues.
  6. Provide immediate response to Credit Card Manager, Credit Card Coordinators, Using Agencies, and Contract Administrator regarding inquiries concerning the following:
    - a. Status of cards



- b. Delivery information of new or replacement cards
  - c. Billing and/or statement questions and issues
  - d. General information
- G. The Contractor **shall** notify the Credit Card Manager and Contract Administrator in writing a minimum of fifteen (15) calendar days in advance of any change in the designated Customer Service Representatives.
- H. The Contractor **shall** work with each Authorized Entity as necessary to effectively promote and implement the Commercial Card program.
- I. The Office of State Procurement reserves the right to request a change in key personnel at any time during the terms of the contract resulting from this IFB, including any renewals or extensions. If requested by the Contract Administrator, the Contractor **shall** replace key personnel with a person having equal or greater qualifications to that of the person being replaced. The Contractor **shall** replace the key personnel in such a way that does not disrupt daily operations of the State's Commercial Card programs.
- J. The Contractor **shall** have an established escalation process for issue resolution and **shall** provide the issue escalation process to the appropriate State personnel during the Implementation Period.
- K. The Contractor **shall** have an established procedure for reporting lost or stolen cards and account numbers and **shall** provide the procedure to appropriate State personnel during the Implementation Period.

## 2.12 **REBATES**

- A. As instructed on the Official Bid Price Sheet, the Prospective Contractor **shall** provide a Rebate Percentage Offering for the following categories:
- 1. Category 1 – Quarterly Sales Volume
  - 2. Category 2 – Quarterly Expedient Payment
  - 3. Category 3 – Quarterly Large Ticket Transaction Volume
  - 4. Category 4 – Annual Net Sales Volume
- B. Category 1 – Quarterly Sales Volume: The Contractor **shall** provide a Rebate Payment attributed to each Using Agency's Quarterly Sales Volume.
- 1. The Contractor **shall** remit the Quarterly Sales Volume Rebate Payment to the Credit Card Manager within 60 calendar days following the last day of each Calendar Quarter.
  - 2. The Contractor **shall** correctly calculate with 100% accuracy the Quarterly Sales Volume Rebate Payment due by using the following formula:
    - a.  $(\text{Quarterly Volume Sales per Using Agency} - \text{Quarterly Large Ticket Transaction Volume per Using Agency}) \times \text{Rebate Percentage Offering for Category 1} = \text{Using Agency's Rebate Payment due for Category 1}$
- C. Category 2 – Quarterly Expedient Payment: The Contractor **shall** provide a Rebate Payment attributed to each Using Agency's speed of payment.
- 1. The Contractor **shall** remit the Quarterly Expedient Payment Rebate Payment to the Credit Card Manager within 60 calendar days following the last day of each Calendar Quarter.
  - 2. The Contractor **shall** correctly calculate with 100% accuracy the Quarterly Expedient Payment Rebate Payment due to a Using Agency based on the Using Agency's quarterly average days to pay. The Using Agency's average days to pay will be calculated from the date the transaction is posted to the Using

Agency's account until the time the Using Agency's payment is posted to the Using Agency's account by the Contractor.

3. The Contractor **shall** calculate the Quarterly Expedient Payment Rebate Payment due by using the following formula:

- a.  $(30 - \# \text{ of average days to pay during the applicable Quarter}) / 30 \times \text{Rebate Percentage Offering for Category 2} \times \text{Quarterly Sales Volume (including Quarterly Large Ticket Transactions)} = \text{Using Agency's Rebate Payment due for Category 2}$

- D. Category 3 – Quarterly Large Ticket Transaction: The Contractor **shall** provide a Rebate Payment attributed to each Using Agency's Quarterly Large Ticket Transactions.

1. The Contractor **shall** remit the Quarterly Large Ticket Transaction Rebate Payment to the Credit Card Manager within 60 calendar days following the last day of each Calendar Quarter.
2. The Contractor **shall** correctly calculate with 100% accuracy the Quarterly Large Ticket Transaction Rebate Payment due to a Using Agency by using the following formula:

- b.  $\text{Quarterly Large Ticket Transactions per Using Agency} \times \text{Rebate Percentage Offering for Category 3} = \text{Using Agency's Quarterly Large Ticket Transaction Rebate Payment due for Category 3}$

3. Along with the Rebate Payment remitted for Category 3, The Contractor **shall** provide a report to the Credit Card Manager identifying all quarterly Large Ticket Transactions per each Using Agency.

- E. Category 4 – Annual Net Sales Volume: In addition to Categories 1-3, the Contractor **shall** provide a Rebate Payment attributed to all Using Agency's aggregated Annual Net Sales Volume.

1. The Contractor **shall** remit the Annual Net Sales Volume Rebate Payment to the Credit Card Manager within 60 calendar days after the end of each Contract Year.
2. The Contractor **shall** use the tier below for determining the Rebate Percentage Offering to be used in calculating the Annual Net Sales Volume Rebate Payment.

Tier	Annual Net Sales Volume	Rebate Percentage Offering
1	Up to \$5,000,000.00	As provided on the Official Bid Price Sheet
2	\$5,000,001 – \$15,000,000	As provided on the Official Bid Price Sheet
3	\$15,000,001 – \$25,000,000	As provided on the Official Bid Price Sheet
4	\$25,000,001-\$50,000,000	As provided on the Official Bid Price Sheet
5	\$50,000,001-\$75,000,000	As provided on the Official Bid Price Sheet
6	\$75,000,001-\$1,000,000,000	As provided on the Official Bid Price Sheet
7	Over \$1,000,000,000	As provided on the Official Bid Price Sheet

3. The Contractor **shall** calculate with 100% accuracy the Annual Net Sales Volume Rebate Payment due by using the following formula:

- a.  $\text{Annual Net Sales Volume} \times \text{Rebate Percentage Offering applicable to the corresponding Annual Net Sales Volume tiered amount} = \text{Annual Net Sales Volume Rebate Payment due for Category 4.}$

- F. Along with the Quarterly and Annual Rebate Payments provided to the Contract Manager as specified herein, the Contractor **shall** provide a report detailing the calculations used to determine the amount of each Rebate Payment for each category.
  - 1. The Contractor **shall** provide the calculations applicable to each Using Agency's Rebate Payment amount for each Category and **shall** provide the amount of the Rebate Payment for each Category for each Using Agency on the report.
- G. The Contractor **shall** provide the Credit Card Manager with a method to be used to verify Rebate Payment calculations.
- H. The Contractor **shall** remit a single Rebate Payment combining the total Rebate Payments due to Using Agencies for Categories 1 through 3.

## 2.13 **STATES LIABILITY**

- A. The Contractor **shall** provide accounts to Using Agencies having Corporate Liability only.
- B. Using Agencies will only be liable for authorized transactions on accounts having Corporate Liability.
- C. OSP or the Using Agency will notify the Contractor immediately upon knowledge but not later than two (2) Business Days of any of the following events and will provide Contractor with the information required to act on such events:
  - 1. Cardholder's termination of employment
  - 2. Cardholder's notice of termination of employment
  - 3. Lost and stolen Commercial Cards
  - 4. Compromised Commercial Card account information including account numbers, personal identification numbers, passwords, Cardholder information, and other sensitive data.
  - 5. Fraudulent Charges
- D. The Using Agency will be liable for all Charges made to the Commercial Cards except that the State of Arkansas or a Using Agency **shall not** have any liability for the following:
  - 1. Charges made to a Cardholder's card when the State of Arkansas/Using Agency has notified the Contractor of the Cardholder's termination of employment as specified herein.
  - 2. Charges made to the Cardholder's card after the Cardholder's card has been cancelled.
  - 3. Charges made to a Commercial Card having been reported to the Contractor as specified herein as being lost or stolen.
  - 4. Fraudulent Charges whereby OSP/Using Agency has notified the Contractor of fraudulent activity and, OSP/Using Agency has formally disputed the Charge as being fraudulent.

## 2.14 **AUDITS**

- A. The Contractor **shall** provide all records and documentation that pertains to the services provided by the Contractor under the terms of any resultant contract to OSP, OSP's chosen representatives, and the Arkansas Division of Legislative Audit and **shall** also provide any records and documentation the Arkansas Division of Legislative Audit considers relevant for auditing and investigation purposes.
- B. The Contractor **shall** provide records and documentation within three (3) Business Days of request by OSP or the Arkansas Division of Legislative Audit in a format acceptable to OSP or the Arkansas Division of Legislative Audit.

- C. The Contractor **shall** grant OSP, OSP's chosen representatives, and/or the Arkansas Division of Legislative Audit the right to reasonable inspection of facilities, equipment, and system support operations to ensure the Contractor's continued ability to support the Commercial Card program and provide the services required by this IFB.
- D. The Contractor **shall** allow OSP, OSP's chosen representatives, and/or the Arkansas Division of Legislative Audit to conduct audits of all records relative to any contract resulting from this solicitation and maintained by the Contractor or the Contractor's subcontractor(s), if any.
- E. The Contractor **shall** allow any OSP or State of Arkansas internal auditor and/or any designated external auditor or their authorized representatives to audit and/or inspect all aspects of the Contractor's operation as it pertains to any contract resulting from this IFB and the services provided.
- F. The Contractor **shall** be available for all audits by OSP, OSP's chosen representatives, and/or the Arkansas Division of Legislative Audit personnel to take place at a time and within an audit timeline designated by OSP or Arkansas Division of Legislative Audit, on Business Days during the hours of 8 a.m. through 5 p.m. CST. The Contractor **shall** abide by the audit timeline specified by OSP or the Arkansas Division of Legislative Audit.
- G. The Contractor **shall** respond to any finding from an inspection and/or audit within thirty (30) calendar days of receipt of such finding.

## 2.15 **CONTRACTOR SUPPLIED REPORTS**

- A. The Contractor **shall** provide monthly and quarterly reports outlined in this section in Excel format via email.
- B. By use of notifications generated by the Contractor's Program System, the Contractor **shall** report to the Credit Card Manager, the Agency Liaison, and other duly authorized representatives of the State of Arkansas as determined necessary by the Office of State Procurement, within one (1) Business Day all formally Disputed Transactions or other unauthorized transactions and the amount that will be credited back to the Using Agency/Cardholder account until such time as the Disputed transaction is resolved.
- C. The Contractor **shall** provide a monthly report detailing all Disputed Transactions to the Credit Card Manager and other duly authorized representatives of the State of Arkansas as determined necessary by the Office of State Procurement within fifteen (15) calendar days following the last day of each month. At a minimum, the Contractor **shall** include the following information in the monthly report:
  - 1. Cardholder Name
  - 2. Account number
  - 3. Dollar amount of the Disputed Transaction
  - 4. Date Disputed Transaction occurred and date reported
  - 5. Description of Disputed Transaction
  - 6. Reference number
  - 7. Current status of the resolution process
  - 8. Amount that has been credited back to the Using Agency's/Cardholder's account until final resolution has been accomplished.
- D. The Contractor **shall** submit a quarterly usage/rebate report to the Credit Card Manager or the Credit Card Manager's designee within sixty (60) calendar days following the last day of each Calendar Quarter and may be submitted with the Rebate Payment. In the report, the Contractor **shall** include:
  - 1. Each Using Agency name

2. Quarterly Volume Sales for the applicable Calendar Quarter for each Using Agency
  3. Large Ticket Transactions for the applicable Calendar Quarter for each Using Agency
  4. Calculated Rebate Payment due to each Using Agency
  5. Aggregated total of Rebate Payments due for the applicable Calendar Quarter for all Using Agencies
- E. The Contractor **shall** provide a monthly delinquency report to the Credit Card Manager or the Credit Card Manager's designee within fifteen (15) calendar days following the last day of each month. In the report, the Contractor **shall** include the name of each Using Agency and any respective balances that are more than thirty (30) days past due.
- F. The Contractor **shall** provide a quarterly report detailing each Using Agency's Agency Liaison contact information. The Contractor **shall** submit the report to the Credit Card Manager or the Credit Card Manager's designee within sixty (60) calendar days following the last day of the applicable Calendar Quarter and may be submitted with the Rebate Payment. The Contractor **shall** include the following information in the report:
1. The name of each Using Agency
  2. The name of the Using Agency Liaison
  3. Contact information for the Using Agency Liaison including email and phone number with area code

#### **2.16 PRIVACY AND SECURITY REQUIREMENTS**

- A. The Contractor **shall not** disclose any information regarding the State of Arkansas, Using Agencies, Political Subdivisions, or Cardholders without express written consent from the Office of State Procurement.
- B. The Contractor **shall not** sell any information regarding the State of Arkansas or its Commercial Card Program, Using Agencies, Political Subdivisions, or Cardholders.
- C. The Contractor **shall** provide and have in current use an operation, methods to prevent the disclosure, misuse, alteration, and destruction of confidential information.
- D. The Contractor **shall** immediately notify the Contract Administrator and the Credit Card Manager via email regarding any security breach, suspected security breach, and security program changes.
- E. The Contractor **shall** maintain compliance with the most current version of PCI DDS regarding all transactions.
- F. The Contractor **shall** maintain compliance with SSAE 18 (or most current) standards throughout the life of the contract.
- G. The Contractor **shall** provide external fraud protection coverage, including but not limited to the following:
1. Lost and stolen cards
  2. Counterfeit cards
  3. Skimmed cards
  4. Unauthorized internet transactions
  5. Merchant disputes
- H. The Contractor **shall** provide an information security program that prevents the unauthorized disclosure, misuse, alteration, and destruction of confidential information including but not limited to:

1. Cards
  2. Account numbers
  3. Passwords
  4. Personal identification numbers
  5. Transactions
- I. The Contractor **shall** provide a security contact person to be available to the State of Arkansas 24 hours per day, 7 days per week for all security related matters. The Contractor **shall** provide contact information for the Contractor's personnel that will serve as the States' primary security contact during the Implementation period.

## **2.17 IMPLEMENTATION**

- A. Include in the Prospective Contractor's Bid Response Packet, the Prospective Contractor **shall** provide an implementation plan and timeline that includes all start-up and implementation activities necessary to begin the successful performance of the services outlined in this IFB and to achieve full implementation by the Go Live Date, which may include but is not limited to:
1. Creating and transferring accounting data and custom extract files from the Contractor's Program System to the Using Agency's accounting/financial system. The Contractor **shall** create custom extract files in such a manner that it can be imported to the Using Agency's accounting/financial system without any special programming or manual entry.
  2. Providing designated Using Agency personnel, Credit Card Managers, Credit Card Coordinators, and Contract Administrator electronic access to the Contractor's Program System for the purpose of testing the Contractor's Program System during all phases of the account setup and implementation process.
  3. Providing training to the State of Arkansas's Credit Card Manager, Credit Card Coordinators, and Using Agency Liaisons, and other personnel as determined necessary by the Office of State Procurement.
  4. Establishing Using Agency hierarchy (i.e. Credit Card Managers, Credit Card Coordinators, Approving Officials, Using Agency Liaisons, Agency Designated Reviewers, Cardholders, etc.)
  5. Reviewing and providing Card controls and issuance options to Credit Card Managers, Credit Card Coordinators, Approving Officials, Using Agency Liaisons, Agency Designated Reviewers, Cardholders, etc. as determined necessary.
  6. Providing and reviewing card and Master Account set up processes and procedures
  7. Providing and reviewing enrollment processes and procedures including applicable required forms
  8. Program System set up and testing
  9. Mapping for interface with the Arkansas Administrative Statewide Information System (AASIS). AASIS is an SAP system and the State's accounting system. However, other accounting systems are used by Political Subdivisions and Universities and the Contractor **shall** have the capability to interface with those systems as well.
  10. Distribution of Program System instructional guidebooks to OSP and Using Agencies
  11. Reviewing State-specific Commercial Card policies and procedures and providing updates or modifications to said policies and procedures if requested.
  12. Embossing, printing, and distributing cards to existing Cardholders per Using Agency's specifications

13. Providing contact information for the designated Customer Service Representatives, and Contract Administrator for the State of Arkansas's Commercial Card program.
  14. Providing contact information for Contractor's Account Manager and Account Coordinator assigned to the State of Arkansas.
  15. Providing the domestic and international toll-free number available to Cardholders
  16. All other activities which are needed for the successful implementation and performance of the services outlined in this IFB.
- B. The State **shall** have the right to impose damages as described in the Performance Standards listed and posted as *Attachment B: Performance Standards* to this IFB for any failure by the Contractor to meet established goals and/or milestones including but not limited to full implementation by the Go Live Date.
- C. A significant amount of configuration may be needed to properly address elements of functionality and design of the State's Commercial Card program that cannot be effectively provided in this IFB. The Contractor **shall** be responsible for these configurations.
- D. The State reserves the right to have final approval of the Prospective Contractor's implementation timeline and details.
- E. The Contractor **shall** provide for Using Agencies' authorized personnel to have access to the Contractor's Program System.

## **2.18 TRANSITION**

### **A. Transition Upon Contract Start**

1. If the awarded Contractor from this IFB is one other than the current service provider, upon execution of a contract with the State of Arkansas, the newly awarded Contractor **shall** initiate and coordinate the transition of services from the current Contractor.
2. Except for as specifically agreed to by the State, it is anticipated the State's main role will be supervisory in nature to ensure all of the State's needs are sufficiently and successfully met. However, the State reserves the right to have final authority regarding all actions taken to transition the services.

### **B. Transition Upon Termination or Expiration**

1. Should any subsequent contract for the services outlined in this IFB be awarded to a Contractor other than the awardee of this IFB, then the Contractor awarded a contract from this IFB **shall**, to the greatest extent possible and reasonable, cooperate with the State of Arkansas and the new Contractor in initiating a smooth and orderly transition to the new Contractor including the timely migration of historical data.

### **C. Transition Plan**

1. Included in the Prospective Contractor's Bid Response Packet, the Prospective Contractor **shall** provide a transition plan that includes but is not limited to information and details pertaining to the timeliness of historical data migration and other services necessary for a smooth transition to the next contractor. The State reserves the right to have final approval of the Prospective Contractor's transition plan

## **2.19 PERFORMANCE STANDARDS**

- A. State law requires that all contracts for services include Performance Standards for measuring the overall quality of services provided that a Contractor **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. *Attachment B: Performance Standards* identifies expected deliverables, performance measures, or outcomes; and defines the acceptable standards.
- C. The State has 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 Contractor so as to establish standards that are reasonably achievable.
- D. All changes made to the Performance Standards will become an official part of the contract.
- E. Performance Standards will continue throughout the aggregate term of the contract.
- F. Failure to meet the minimum Performance Standards as specified will result in the assessment of damages.
- G. In the event a Performance Standard is not met, the Contractor will have the opportunity to defend or respond to the insufficiency. The State has the right to waive damages if it determines there were extenuating factors beyond the control of the Contractor that hindered the performance of services. In these instances, the State has final determination of the performance acceptability.
- H. Should any compensation be owed to the State agency due to the assessment of damages, Contractor **shall** follow the direction of the State agency regarding the required compensation process.

#### **2.20 ACCEPTANCE STANDARDS**

Inspection and acceptance/rejection of product(s) will be made within thirty (30) days of receipt. The State has the option to return any product(s) within the thirty (30) day timeframe for any reason. Bid **must** include a "total satisfaction" return policy for all products and **must not** impose any liability on the State for such returns.



## **SECTION 3 – CRITERIA FOR SELECTION**

- **Do not provide responses to items in this section.**

### **3.1 SUBMISSION REQUIREMENTS REVIEW**

- A. OSP will review each *Bid Response Packet* to verify submission Requirements have been met. *Bid Response Packets* that do not meet submission Requirements will be rejected.

### **3.2 COST SCORE**

- A. When pricing is opened for scoring, the maximum amount of cost points allocated to each Table (Tables A-D on the Official Bid Price Sheet) will be given to the Prospective Contractor with the highest Rebate Percentage Offering for the Table being scored. (See *Grand Total Score* for maximum points possible for cost score.)
- B. The amount of cost points given to the remaining Prospective Contractors for that table will be allocated by using the following formula:

$$(A/B)*(C) = D$$

A = Second (third, fourth, etc.) Highest Rebate Percentage Offering  
 B = Highest Rebate Percentage Offering  
 C = Maximum Points for Table being Scored  
 D = Total Cost Points Received

### **3.3 GRAND TOTAL SCORE**

The Cost Scores from Tables A-D will be added together to determine the Grand Total Score. The Prospective Contractor with the highest Grand Total Score will be selected as the apparent successful Contractor. (See *Award Process*.)

	Maximum Points Possible
Table A	200
Table B	200
Table C	200
Table D	400
<b>Maximum Possible Grand Total Score</b>	<b>1,000</b>

### **3.4 PROSPECTIVE CONTRACTOR ACCEPTANCE OF COST SCORING TECHNIQUE**

- A. Prospective Contractor **must** agree to all bid processes and procedures as defined in this solicitation.
- B. The submission of a *Bid Response Packet* signifies the Prospective Contractor's understanding and agreement to the cost scoring technique as described herein.

## **SECTION 4 – GENERAL CONTRACTUAL ITEMS**

- **Do not provide responses to items in this section.**

### **4.1 PAYMENT AND INVOICE PROVISIONS**

A. Forward invoices to:

Office of State Procurement  
Credit Card Services  
1509 West 7<sup>th</sup> Street, Suite 300  
Little Rock, AR 72201

- B. Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance of goods and services by the agency.
- C. Do not invoice the State in advance of delivery and acceptance of any goods or services.
- D. Payment will be made only after the Contractor has successfully satisfied the agency as to the reliability and effectiveness of the goods or services purchased as a whole.
- E. The Contractor should invoice the agency by an itemized list of charges. The agency's Purchase Order Number and/or the Contract Number should be referenced on each invoice.
- F. Other sections of this *Bid Solicitation* may contain additional Requirements for invoicing.
- G. Selected Contractor **must** be registered to receive payment and future *Bid Solicitation* notifications. Contractors may register on-line at <https://www.ark.org/contractor/index.html>.

### **4.2 GENERAL INFORMATION**

A. The State will not:

1. Lease any equipment or software for a period of time which continues past the end of a fiscal year unless the contract allows for cancellation by the State Procurement Official upon a 30-day written notice to the Contractor/lessor in the event funds are not appropriated.
2. Contract with another party to indemnify and defend that party for any liability and damages.
3. Pay damages, legal expenses or other costs and expenses of any other party.
4. Continue a contract once any equipment has been repossessed.
5. Agree to any provision of a contract which violates the laws or constitution of the State of Arkansas.
6. Enter a contract which grants to another party any remedies other than the following:
  - a. The right to possession.
  - b. The right to accrued payments.
  - c. The right to expenses of de-installation.
  - d. The right to expenses of repair to return the equipment to normal working order, normal wear and tear excluded.
  - e. The right to recover only amounts due at the time of repossession and any unamortized nonrecurring cost as allowed by Arkansas Law.

- B. Any litigation involving the State **must** take place in Pulaski County, Arkansas.
- C. The laws of the State of Arkansas govern this contract.
- D. A contract is not effective prior to award being made by a State Procurement Official.

#### 4.3 **CONDITIONS OF CONTRACT**

- A. Observe and comply with federal and State of Arkansas laws, local laws, ordinances, orders, and regulations existing at the time of, or enacted subsequent to the execution of a resulting contract which in any manner affect the completion of the work.
- B. 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 Contractor.

#### 4.4 **STATEMENT OF LIABILITY**

- A. The State will demonstrate reasonable care but will not be liable in the event of loss, destruction or theft of Contractor-owned equipment or software and technical and business or operations literature to be delivered or to be used in the installation of deliverables and services. The Contractor will retain total liability for equipment, software and technical and business or operations literature. The State will not at any time be responsible for or accept liability for any Contractor-owned items.
- B. The Contractor's liability for damages to the State will be limited to the value of the Contract or \$5,000,000, whichever is higher. The foregoing limitation of liability will not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the Contract calling for damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract. The Contractor and the State will not be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability will not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the Contract calling for damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract.
- C. Language in these terms and conditions **must not** be construed or deemed as the State's waiver of its right of sovereign immunity. The Contractor agrees that any claims against the State, whether sounding in tort or in contract, will be brought before the Arkansas Claims Commission as provided by Arkansas law and governed accordingly.

#### 4.5 **RECORD RETENTION**

- A. Maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with generally accepted principles of accounting and as specified by the State of Arkansas Law. Upon request, grant access to State or Federal Government entities or any of their duly authorized representatives.
- B. Make financial and accounting records available, upon request, to the State of Arkansas's designee(s) at any time during the contract period and any extension thereof, and for five (5) years from expiration date and final payment on the contract or extension thereof.
- C. Other sections of this *Bid Solicitation* may contain additional Requirements regarding record retention.

#### 4.6 **PRICE ESCALATION**

- A. Price increases will be considered at the time of contract renewal.
- B. The Contractor **must** provide to OSP a written request for the price increase. The request **must** include supporting documentation demonstrating that the increase in contract price is based on an increase in market price. OSP has the right to require additional information pertaining to the requested increase.

- C. Increases will not be considered to increase profit or margins.
- D. OSP has the right to approve or deny the request.

#### **4.7 CONFIDENTIALITY**

- A. The Contractor, Contractor's subsidiaries, and Contractor's employees will be bound to all laws and to all Requirements set forth in this *Bid Solicitation* concerning the confidentiality and secure handling of information of which they may become aware of during the course of providing services under a resulting contract.
- B. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of a resulting contract, and the State has the right to cancel the contract on these grounds.
- C. Previous sections of this *Bid Solicitation* may contain additional confidentiality Requirements.

#### **4.8 CONTRACT INTERPRETATION**

Should the State and Contractor interpret specifications differently, either party may request clarification. However if an agreement cannot be reached, the determination of the State is final and controlling.

#### **4.9 CANCELLATION**

- A. For Cause. The State may cancel any contract resulting from this solicitation for cause when the Contractor fails to perform its obligations under it by giving the Contractor written notice of such cancellation at least thirty (30) days prior to the date of proposed cancellation. In any written notice of cancellation for cause, the State will advise the Contractor in writing of the reasons why the State is considering cancelling the contract and provide the Contractor with an opportunity to avoid cancellation for cause by curing any deficiencies identified in the notice of cancellation for cause prior to the date of proposed cancellation. To the extent permitted by law and at the discretion of the parties, the parties may agree to [minor amendments](#) to the contract and avoid the cancellation for cause upon mutual agreement.
- B. For Convenience. The State may cancel any contract resulting from the solicitation by giving the Contractor written notice of such cancellation sixty (60) days prior to the date of cancellation.
- C. If upon cancellation the Contractor has provided commodities or services which the State of Arkansas has accepted, and there are no funds legally available to pay for the commodities or services, the Contractor may file a claim with the Arkansas Claims Commission under the laws and regulations governing the filing of such claims.

#### **4.10 SEVERABILITY**

If any provision of the contract, including items incorporated by reference, is declared or found to be illegal, unenforceable, or void, then both the agency and the Contractor will be relieved of all obligations arising under such provision. If the remainder of the contract is capable of performance, it will not be affected by such declaration or finding and **must** be fully performed.

## **SECTION 5 – STANDARD TERMS AND CONDITIONS**

- **Do not provide responses to items in this section.**
- 1. **GENERAL:** Any special terms and conditions included in this solicitation **shall** override these Standard Terms and Conditions. The Standard Terms and Conditions and any special terms and conditions **shall** become part of any contract entered into if any or all parts of the bid are accepted by the State of Arkansas.
- 2. **ACCEPTANCE AND REJECTION:** The State **shall** have the right to accept or reject all or any part of a bid or any and all bids, to waive minor technicalities, and to award the bid to best serve the interest of the State.
- 3. **BID SUBMISSION:** Original Bid Packets **must** be submitted to the Office of State Procurement on or before the date and time specified for bid opening. The Bid Packet **must** contain all documents, information, and attachments as specifically and expressly required in the *Bid Solicitation*. The bid **must** be typed or printed in ink. The signature **must** be in ink. Unsigned bids **shall** be rejected. The person signing the bid should show title or authority to bind his firm in a contract. Multiple bids **must** be placed in separate packages and should be completely and properly identified. Late bids **shall not** be considered under any circumstances.
- 4. **PRICES:** Bid unit price F.O.B. destination. In case of errors in extension, unit prices **shall** govern. Prices **shall** be firm and **shall not** be subject to escalation unless otherwise specified in the *Bid Solicitation*. Unless otherwise specified, the bid **must** be firm for acceptance for thirty days from the bid opening date. "Discount from list" bids are not acceptable unless requested in the *Bid Solicitation*.
- 5. **QUANTITIES:** Quantities stated in a *Bid Solicitation* for term contracts are estimates only, and are not guaranteed. Contractor **must** bid unit price on the estimated quantity and unit of measure specified. The State may order more or less than the estimated quantity on term contracts. Quantities stated on firm contracts are actual Requirements of the ordering agency.
- 6. **BRAND NAME REFERENCES:** Unless otherwise specified in the *Bid Solicitation*, any catalog brand name or manufacturer reference used in the *Bid Solicitation* is descriptive only, not restrictive, and used to indicate the type and quality desired. Bids on brands of like nature and quality will be considered. If bidding on other than referenced specifications, the bid **must** show the manufacturer, brand or trade name, and other descriptions, and should include the manufacturer's illustrations and complete descriptions of the product offered. The State **shall** have the right to determine whether a substitute offered is equivalent to and meets the standards of the item specified, and the State may require the Contractor to supply additional descriptive material. The Contractor **shall** guarantee that the product offered will meet or exceed specifications identified in this *Bid Solicitation*. Contractors not bidding an alternate to the referenced brand name or manufacturer **shall** be required to furnish the product according to brand names, numbers, etc., as specified in the solicitation.
- 7. **GUARANTY:** All items bid **shall** be newly manufactured, in first-class condition, latest model and design, including, where applicable, containers suitable for shipment and storage, unless otherwise indicated in the *Bid Solicitation*. The Contractor hereby guarantees that everything furnished hereunder **shall** be free from defects in design, workmanship and material, that if sold by drawing, sample or specification, it **shall** conform thereto and **shall** serve the function for which it was furnished. The Contractor **shall** further guarantee that if the items furnished hereunder are to be installed by the Contractor, such items **shall** function properly when installed. The Contractor **shall** guarantee that all applicable laws have been complied with relating to construction, packaging, labeling and registration. The Contractor's obligations under this paragraph **shall** survive for a period of one year from the date of delivery, unless otherwise specified herein.
- 8. **SAMPLES:** Samples or demonstrators, when requested, **must** be furnished free of expense to the State. Each sample should be marked with the Contractor's name and address, bid or contract number and item number. If requested, samples that are not destroyed during reasonable examination will be returned at Contractor's expense. After reasonable examination, all demonstrators will be returned at Contractor's expense.
- 9. **TESTING PROCEDURES FOR SPECIFICATIONS COMPLIANCE:** Tests may be performed on samples or demonstrators submitted with the bid or on samples taken from the regular shipment. In the event products tested fail to meet or exceed all conditions and Requirements of the specifications, the cost of the sample used and the reasonable cost of the testing **shall** be borne by the Contractor.
- 10. **AMENDMENTS:** Contractor's bids cannot be altered or amended after the bid opening except as permitted by regulation.
- 11. **TAXES AND TRADE DISCOUNTS:** Do not include State or local sales taxes in the bid price. Trade discounts should be deducted from the unit price and the net price should be shown in the bid.
- 12. **AWARD:** Term Contract: A contract award will be issued to the successful Contractor. It results in a binding obligation without further action by either party. This award does not authorize shipment. Shipment is authorized by the receipt of a purchase order from the ordering agency. Firm Contract: A written State purchase order authorizing shipment will be furnished to the successful Contractor.
- 13. **DELIVERY ON FIRM CONTRACTS:** This solicitation shows the number of days to place a commodity in the ordering agency's designated location under normal conditions. If the Contractor cannot meet the stated delivery, alternate delivery schedules may become a factor in an award. The Office of State Procurement **shall** have the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere and any additional cost **shall** be borne by the Contractor.

- 14. DELIVERY REQUIREMENTS:** No substitutions or cancellations are permitted without written approval of the Office of State Procurement. Delivery **shall** be made during agency work hours only 8:00 a.m. to 4:30 p.m. Central Time, unless prior approval for other delivery has been obtained from the agency. Packing memoranda **shall** be enclosed with each shipment.
- 15. STORAGE:** The ordering agency is responsible for storage if the Contractor delivers within the time required and the agency cannot accept delivery.
- 16. DEFAULT:** All commodities furnished **shall** be subject to inspection and acceptance of the ordering agency after delivery. Back orders, default in promised delivery, or failure to meet specifications **shall** authorize the Office of State Procurement to cancel this contract or any portion of it and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting Contractor. The Contractor **must** give written notice to the Office of State Procurement and ordering agency of the reason and the expected delivery date. Consistent failure to meet delivery without a valid reason may cause removal from the Contractors list or suspension of eligibility for award.
- 17. VARIATION IN QUANTITY:** The State assumes no liability for commodities produced, processed or shipped in excess of the amount specified on the agency's purchase order.
- 18. INVOICING:** The Contractor **shall** be paid upon the completion of all of the following: (1) submission of an original and the specified number of copies of a properly itemized invoice showing the bid and purchase order numbers, where itemized in the *Bid Solicitation*, (2) delivery and acceptance of the commodities and (3) proper and legal processing of the invoice by all necessary State agencies. Invoices **must** be sent to the "Invoice To" point shown on the purchase order.
- 19. STATE PROPERTY:** Any specifications, drawings, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the Contractor hereunder or in contemplation hereof or developed by the Contractor for use hereunder **shall** remain property of the State, **shall** be kept confidential, **shall** be used only as expressly authorized, and **shall** be returned at the Contractor's expense to the F.O.B. point provided by the agency or by OSP. Contractor **shall** properly identify items being returned.
- 20. PATENTS OR COPYRIGHTS:** The Contractor **must** agree to indemnify and hold the State harmless from all claims, damages and costs including attorneys' fees, arising from infringement of patents or copyrights.
- 21. ASSIGNMENT:** Any contract entered into pursuant to this solicitation **shall not** be assignable nor the duties thereunder delegable by either party without the written consent of the other party of the contract.
- 22. DISCRIMINATION:** In order to comply with the provision of Act 954 of 1977, relating to unfair employment practices, the Contractor agrees that: (a) the Contractor **shall not** discriminate against any employee or applicant for employment because of race, sex, color, age, religion, handicap, or national origin; (b) in all solicitations or advertisements for employees, the Contractor **shall** state that all qualified applicants **shall** receive consideration without regard to race, color, sex, age, religion, handicap, or national origin; (c) the Contractor will furnish such relevant information and reports as requested by the Human Resources Commission for the purpose of determining compliance with the statute; (d) failure of the Contractor to comply with the statute, the rules and regulations promulgated thereunder and this nondiscrimination clause **shall** be deemed a breach of contract and it may be cancelled, terminated or suspended in whole or in part; (e) the Contractor **shall** include the provisions of above items (a) through (d) in every subcontract so that such provisions **shall** be binding upon such subcontractor or Contractor.
- 23. CONTINGENT FEE:** The Contractor guarantees that he has not retained a person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the Contractor for the purpose of securing business.
- 24. ANTITRUST ASSIGNMENT:** As part of the consideration for entering into any contract pursuant to this solicitation, the Contractor named on the *Bid Signature Page* for this solicitation, acting herein by the authorized individual or its duly authorized agent, hereby assigns, sells and transfers to the State of Arkansas all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing, which causes of action have accrued prior to the date of this assignment and which relate solely to the particular goods or services purchased or produced by this State pursuant to this contract.
- 25. DISCLOSURE:** Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, **shall** be a material breach of the terms of this contract. Any Contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy **shall** be subject to all legal remedies available to the agency.