

WRITTEN QUESTIONS AND ANSWERS**SP-19-0060 Commercial Card Services****ANSWERS ARE IN BLUE**

QUESTION NUMBER	SECTION REFERENCE	WRITTEN QUESTION & ANSWER
1	page 8 of 38, 1.10, D.4	<p>Question: Per this section only Tier 6 would be used for allocating cost points. Tier 6 is currently between \$75mil and \$1bil. Does the State intend to mean that the only rebate tier be between \$75 million and \$1 billion? We suggest otherwise.</p> <p>Answer: See Final IFB Items 1.10, 2.12, and the Official Bid Price Sheet</p>
2	page 8 of 38, 1.10, D.4	<p>Question: As it exists in the market, Tier 6 is a very broad range and therefore may lead to a skew in price comparisons across issuers. Our suggestion is three-fold:</p> <p>a) Split Tier 6 into \$100 million increments and</p> <p>b) Evaluate issuers for the rebate tier that is most practical</p> <p>c) Disclose the \$100mm tier(s) that is (are) being used as a basis for cost score.</p> <p>Answer: See Question 1</p>
3	Page 11 of 38, Sec. 1.17; see also, Page 16 of 38, Sec. 2.4(I)	<p>Question: The RFP requires that this contract be available for “any State public procurement unit. “The referenced provision requires the Prospective Contractor to offer this contract to “any State public procurement unit.” This is acceptable; however, it is requested that language be included in this section which allows the offering financial institution the ability to perform its normal underwriting responsibility and review prior to offering the contract to a public unit – an obligation which is required by prudent and accepted banking protocol.</p> <p>Answer: See Final IFB Items 1.17.B and 1.17.C</p>
4	Page 13 of 38, Sec. 1.24; and, RFP Pages 29-30, Sec. 2.16	<p>Question: If the Contractor’s technical architecture and “privacy and security requirements” comply with all applicable federal requirements for information security and data privacy, will it be deemed compliant for this Agreement?</p> <p>Answer: Final IFB contains the privacy and technical architecture Requirements.</p>
5	Page 14 of 38, 2.2	<p>Question: Please provide an AP Vendor File.</p> <p>Answer: This question is not applicable for Prospective Contractor to submit a qualified bid.</p>
6	Page 14 of 38, 2.2	<p>Question: Please provide your Top 20 Suppliers and their Spend Volume.</p> <p>Answer: See Question 5</p>

7	Page 14 of 38, 2.2	<p>Question: Please provide your current rebate schedule.</p> <p>Answer: See Question 5</p>
8	Page 14 of 38, 2.2	<p>Question: The volume total given in 2.2 doesn't add up. If the P-card is doing \$72MM and the T-card is doing \$37MM, why is the total spend of \$73MM in D.?</p> <p>Answer: See Final IFB Item 2.2.D</p>
9	Page 14 of 38, 2.2	<p>Question: Is the State currently utilizing any fraud analysis? If so, what?</p> <p>Answer: Payment Analytics</p>
10	page 14 of 38, 2.2, B.2	<p>Question: Please provide the average transaction amount for the P-Card program.</p> <p>Answer: See Final IFB Item 2.2.B.3</p>
11	page 14 of 38, 2.2, C.3	<p>Question: Please provide a breakdown of the T-Card spend in terms of a) US spend vs. non-US (international) spend and b) average transaction amount.</p> <p>Answer: See Final IFB Items 2.2.C.4 and 2.2.C.5</p>
12	Page 14 of 38, 2.2, C.3	<p>Question: Does 100 managing accounts imply 100 agencies?</p> <p>Answer: See Final IFB Items 1.6.FF and 2.2.C.3</p> <p>Please clarify if not. If it does imply 100 agencies, will all the agencies move to the newly chosen vendor with a start date of June 1, 2019?</p> <p>Answer: No. See Final IFB Section 2.1</p>
13	Page 14 of 38, 2.2	<p>Question: How many agencies use the solution today?</p> <p>Answer: See Final IFB Item 2.2.A</p> <p>Can the State provide a breakdown of spend by agency for both P-Card and T-Card?</p> <p>Answer: See Final IFB Items 2.2.A and 2.2.B</p>
14	Page 14 of 38, 2.2. D	<p>Question: Is e-Payables (B2B virtual card payments) in the scope of the present RFP?</p> <p>Answer: No</p>
15	RFP Page 14 of 38, 2.2, F	<p>Question: Can the State quantify if there is any additional spend as a result of the e-procurement system change?</p> <p>Answer: No.</p>
16	Page 14 of 38, 2.2, F	<p>Question: What is the name (vendor) of the new E-procurement system?</p> <p>Answer: See Question 5</p>
17	Page 15 of 38, 2.2, G.	<p>Question: Can the State clarify what features does it expect from a fleet card offering?</p> <p>Answer: Not at this time.</p>

18	Page 15 of 38, 2.4, E	<p>Question: What are your marketing programs today?</p> <p>Answer: None.</p>
19	Page 16 of 38, Sec. 2.5	<p>Question: We would request that the contractor shall have the right to assume in whole or in part, through a program of self-insurance, any and all risks otherwise required by this Contract to be insured.</p> <p>Answer: See Final IFB Item 1.5.A and Section 2.5</p>
20	Page 19 of 38, 2.6, 3.c.	<p>Question: Please list other systems that exist in addition to SAP.</p> <p>Answer: See Final IFB Item 2.6.B.3.c</p>
21	Page 20 of 38, 2.7, B	<p>Question: How many card designs exist today? Can the State share sample card designs across agencies?</p> <p>Answer: See Final IFB Item 2.7.B.1</p>
22	Page 20 of 28, 2.7, H	<p>Question: Six different card types are listed and there seems to be little differentiation between the types. Do you currently have six different programs? Please allow for less than six cards as many of these can be serviced from a common card type.</p> <p>Answer: See Final IFB Item 2.7.H.7</p>
23	Page 20 of 28, 2.7, H	<p>Question: Is the \$73 million reflective of all the cards issued from H1-H6?</p> <p>Answer: See Final IFB Items 2.2.A, 2.2.B, 2.2.C and 2.7.H.7</p>
24	Page 23 of 28, 2.11	<p>Question: Our service organization is structured differently from what is presented. Please allow some flexibility in regard to the number of personnel and their functional roles.</p> <p>Answer: See Final IFB Items 2.11.F and 2.11.G</p>
25	Pages 24-25 of 38, Sections 2.11(E), (G) and (I)	<p>Question: It is our intent that no changes to key team members, subcontractors or agents will be made during the term of this contract. If a key team member, subcontractor or agent needs to be changed for any reason, we will then work diligently to find a suitable replacement. Any personnel changes, including promotional decisions, must remain under the bank's control. If the State has any concerns regarding a bank associate working on the contract, please alert the bank's client manager, who will address any concerns.</p> <p>Answer: See Final IFB Items 2.11.E, 2.11.H and 2.11.J</p>
26	Page 26 of 38 D. Category 3	<p>Question: Request to include alternative interchange transactions in large ticket.</p> <p>Answer: No</p>
27	Page 26 of 38 E. Category 4	<p>Question: Does the overall Sales Volume used to determine the Grid exclude Category 3 volume (LTI and Alternate Interchange)?</p> <p>Answer: See Final IFB Item 1.6.G</p>

28	Page 27 of 38, Sections 2.13 (D) 1 and 2	<p>Question: The definitions included in these two subsections are acceptable, provided that at the end of each subsection the following language is included: “. . . including any legitimate trailing transactions.”</p> <p>Answer: See Final IFB Item 2.13.D</p>
29	Page 27 of 38, Sec. 2.14; and, RFP Page 35 of 38, Sec. 4.5, “Record Retention”	<p>Question: Record retention of banking records is governed by federal banking law. The RFP language is respectfully requested be amended to include the following: “Records for this contract will be maintained for a rolling period of six (6) years from the date of a transaction. Further, the Contractor will be provided prior notice for audits and examinations and they will only be related to the records related to the State of Arkansas and its transactions.”</p> <p>Answer: See Final IFB Item 2.14.A.1</p>
30	Page 33 of 38, 3.2	<p>Question: What is the scoring criteria for items other than pricing? Please elaborate.</p> <p>Answer: See Final IFB Item 1.16 and Section 3. Solicitation is an Invitation for Bid, not a Request for Proposal.</p>
31	Page 34 of 38 4.1, D	<p>Question: Please provide a breakdown of the State payments to the incumbents over the past 12 months with an emphasis on payment dates by month and amount.</p> <p>Answer: This question is not applicable for Prospective Contractor to submit a qualified bid.</p>
32	Page 35 of 38, Sections 4.3(B) and 4.4; and, Page 38 of 39, “Standard Terms,” Sec. 20, “Patents and Copyrights”	<p>Question: The bank does not believe that these provisions are applicable to the credit card services to be provided. Although it is usual and customary for the bank’s credit card clients to indemnify the bank, customary language for government card agreements is to have neither party indemnify the other. In other words, the parties would agree to mutual non-indemnification. Would the State agree to the following language and remove the indemnification language? “Neither party shall be liable to the other or to any Participant or Cardholder, for any action taken or omitted to be taken in connection with this Agreement except for direct damages arising from such party’s negligence or intentional misconduct. In no event shall either party be liable to the other party, any Participant or Cardholder, for consequential, incidental, special or punitive damages or lost profits or lost profits.”</p> <p>Answer: No</p>
33	Page 35 of 38, Sec. 4.6 (B): Note the State’s requirement that “The Contractor must provide to OSP a written request for the price increase.”	<p>Question: The bank’s standard language allows the bank to respond and change terms to respond to market conditions and regulations with sixty days’ notice.</p> <p>Answer: Answer cannot be provided from the information presented.</p>

<p>34</p>	<p>Pages 37-38, "Section 5 – Standard Terms and Conditions"</p>	<p>Question: [REDACTED] is eager to work with the State of Arkansas to come to a mutually acceptable contract that follows the format specified in the RFP. That said, [REDACTED] generally requires that our standard Corporate Card Agreement be included in the overall Agreement between the parties, even if it at a lower precedence from some of the State’s contractual language. The bank operates under various laws and regulations that are unique to the banking industry and national credit card regulations. For example, while [REDACTED] can accept Arkansas for some aspects of the overall agreement, there are certain portions of the RFP (e.g. regarding Confidentiality, RFP Section 4.7) which are governed by federal banking law. The bank’s standard Card Agreement sets forth customary rights and responsibilities for the protection of all parties – the State, its cardholders, the bank, and the public at large. But make no mistake, [REDACTED] is committed to working with you to create an overall agreement that is acceptable to the State.</p> <p>Answer: See Final IFB Item 2.4.I</p>
<p>35</p>	<p>Page 38 of 38, "Standard Terms," Section 19, "State Property"</p>	<p>Question: The language in this section regarding State Property is acceptable provided that at the end of the Contract, the Contractor can be allowed "to <u>either return or destroy</u> the property." (emphasis supplied).</p> <p>Answer: See Final IFB Section 1.24</p>
<p>36</p>	<p>Page 38 of 38, "Standard Terms," Section 21, "Assignment"</p>	<p>Question: The Bank does not anticipate assigning, transferring or conveying any rights, obligations or interest under this contract. However, both statutorily, as well as, for the good of our banking clients, it has become sound and standard banking practice to allow some assignment of banking agreements. As a federally chartered national banking association, any successor institution must by law assume our rights and responsibilities. This is not dependent upon a client's agreement. Further, while the bank would certainly discuss with the State any potential assignment of the contract to an affiliate - - and would stipulate that any affiliate to which the contract is assigned would conform to the terms, conditions and requirements of the contract - - would the State agree to the following amended language? "This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in a formal written amendment. Notwithstanding the latter language, assignment to a bank affiliate will not be unreasonably withheld."</p> <p>Answer: See Final IFB Item 2.4.K</p>
<p>37</p>	<p>Bid Price Sheet, Tables A-C</p>	<p>Question: Rebate grid tiers can fluctuate based on State spend during the quarter. What figure (amount of quarterly spend) does the State want to take into consideration for rebate calculation purposes?</p> <p>Answer: By the nature of the business, spending may vary from quarter to quarter and therefore, so do the rebates.</p>

38	Attachment B, "Performance Standards"; also, RFP Page 31, Sec. 2.17 (B) and 2.19 (A)	<p>Question: It is the policy and practice of the Bank not to enter into performance standards or service level agreements for its services. We rely, instead, on our staff to provide the highest levels of service and share best practices to further improve service levels. However, we understand that this is an Arkansas Statutory Requirement. As noted in (B), we would ask that the State be open to negotiations as to the performance standards as well as the monetary damages. We would seek a cap on the monetary damages.</p> <p>Answer: See Final IFB Item 2.19.B</p>
40		<p>Question: Can the state please clarify when the FINAL IFB solicitation, SP-19-0060 commercial Card Services will be released and subsequently due/opened.</p> <p>Answer: See Final IFB Page 1 under Submission Deadline for Response. The Final has been posted along with this Q&A document.</p>
41		<p>Question: Will there be an additional Q&A period under the FINAL IFB or is January 24, 2019 the final opportunity for questions to be asked?</p> <p>Answer: See Final IFB Item 1.8.A</p>
42		<p>Question: Can the state please clarify how much card spend comes in as Traditional, Large Ticket, Level III and Discounted Interchange?</p> <p>Answer: This information is not available.</p>
43	Section 2.12 Rebates	<p>Question: Not allowing all bidders to parse out different Interchange categories will negatively impact the state's ability to earn maximum rebate. With this stated, the proposed rebate model in the document is restrictive. Would the state allow bidders to offer additional Interchange Categories to maximize the State's rebate earning opportunity?</p> <p>Answer: See Final IFB Sections 1.10 and the Official Bid Price Sheet.</p>
44		<p>Question: Can you clarify for us, is the March 12 date of the IFB the close date for the informational document and issue date for the RFP or the true opening date for the actual RFP responses?</p> <p>Answer: See Answer to Question 40.</p>
45	1.23 Technology Access, B	<p>Question: Please clarify the VPAT requirements as it pertains to this contract.</p> <p>Answer: The User facing applications and or website are required to operate with the credit card program. Any VPAT should address those applications or website with which State users will interact.</p>
46	1.25 Visa Acceptance	<p>Question: Does the State expect an issuer to also be a vendor?</p> <p>Answer: A vendor account must be setup in the States financial system to facilitate payment. As such, the issuer would have a vendor account to be paid.</p>

47	2.2 Background and Current Environment, A-D	<p>Question: These sections state that the total annual spend for a P-Card is \$72mm and T-Card is \$37mm, but Section D states that the total spend for this program (assuming both card programs combined) would be around \$73mm. Please clarify the breakdown under each card program and the total annual spend of both combined.</p> <p>Answer: See Final IFB Item 2.2.D</p>
48	2.4, A.2	<p>Question: Does the State require a One Card program with purchase and travel under one Master Account?</p> <p>Answer: No.</p>
49	2.6 Online Card Management System Requirements, B.2.0	<p>Question: Does the State permit paper statements for cardholders?</p> <p>Answer: No.</p>
50	2.8 Payment Terms, D	<p>Question: Does the State anticipate using paper Billing Statements?</p> <p>Answer: See Final IFB Section 2.8.</p>
51	2.8 Payment Terms, H	<p>Question: Is the State anticipating a possible 7-day grace period beyond the 30-day payment due date?</p> <p>Answer: See Final IFB Item 2.8.E.</p>