

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

QUESTION NUMBER	SECTION REFERENCE	WRITTEN QUESTION & ANSWER
1		<p>Question: As a large financial institution, with the obligation to follow many federal regulations and industry standards, we have currently practices in place for running a successful commercial card program. If the State lists something as a requirement (using must or shall), but we don't currently follow what the State requests exactly, may we provide information about what we can offer that is in line with the commercial card industry and compliant with federal regulations?</p> <p>Answer: See Addendum 1 to the IFB.</p>
2		<p>Question: We are not providing a good or service (beyond the extension of credit) that the State is paying for; as such, does the State believe sections 4.1.B and 4.1.D regarding payment upon acceptance of goods and services is applicable to the credit extension relationship?</p> <p>Answer: Yes, they are applicable. Please see Arkansas Code Annotated § 19-11-203 for definitions of "commodities" and "services."</p>
3		<p>Question: In our agreement, we request that the customer bear the cost if we are required to bring an account to collections if it is delinquent, under section 4.2.A.3, does the State consider collection costs part of this prohibition?</p> <p>Answer: Yes. The State will always seek to act in good faith towards contractors and the State's contractual relationships. However, if the contractor believes it has a claim against the State, it may pursue such claim pursuant to Final IFB Item 4.4.C.</p>
4		<p>Question: In section 4.3.A., the State requires (understandably) that the Contractor observe and comply with laws, may we limit it to applicable laws and remove "local laws, ordinances" as this may be difficult for us to know about each municipalities nuances?</p> <p>Answer: No.</p>
5		<p>Question: Should we interpret section 4.4.A. to mean if the State introduces harmful code or a virus or causes a security breach, etc. to the online system or any of our systems in a manner that is willful or grossly negligent that it has no liability?</p> <p>Answer: See Question 3.</p>

6		<p>Question: We don't typically include carve outs in our limitation of liability language, is there a State statute that requires the carve outs for the liability cap and direct damages in section 4.4.B.? If so, may the State provide the statute?</p> <p>Answer: Pursuant to Arkansas procurement law mandates generally, the State should act in a manner where the best interests of the State are served, and accordingly, the State requires the limitation of liability terms found in this solicitation.</p>
7		<p>Question: For section 4.5.A., is it acceptable to the State for us to use our policies regarding maintenance of pertinent and financial records as they are regulatorily driven for financial institutions?</p> <p>Answer: An answer cannot be provided based on the information presented.</p>
8		<p>Question: We don't anticipate there to be an interpretation issue; however since we are not afforded the opportunity to negotiate the agreement, unless the State allows us to, in section 4.7, may we remove the second sentence so a third party could step in?</p> <p>Answer: No.</p>
9		<p>Question: For section 4.8.A, would the state allow us to also have the right to terminate for cause (we have regulatory termination rights we need to include in our agreements, for example)?</p> <p>Answer: See Addendum 1 to the IFB.</p>
10		<p>Question: Is there a State statute that requires the State to have the right to terminate for convenience (section 4.8.B.)? If so, may the State provide?</p> <p>Answer: The State will always seek to act in good faith towards contractors and the State's contractual relationships. The State requires flexibility in its contractual relationships and obligations, and accordingly, the State requires the cancellation terms found in this solicitation.</p>
11		<p>Question: In section 5.15 (Default), the language references "delivery". Does the State believe this provision is applicable or may it be amended to fit the credit extension relationship?</p> <p>Answer: No, it will not be amended.</p>

12		<p>Question: In section 5.21 (Assignment), may we allow for permitted transfers (within the organization) with notice, but without the prior consent of the State?</p> <p>Answer: See Addendum 1 to the IFB.</p>
13		<p>Question: Current spend metrics for the State of Arkansas, show slightly over 30% of your transactions come in with reduced or discounted interchange. Your RFP pricing grid only accommodates Large Ticket, which represents less than 2 percent of your transactions. Not letting the bidders price and model rebates based on both Discounted Interchange (which includes transactions where VISA and MC have negotiated lower rates with certain retailers/suppliers) and Large Ticket forces them to price for Discounted Interchange risk and keeps them from offering the most aggressive rebates which then limits the revenue share the State can capture through the card program. Will the State add to or amend the pricing grid to allow for rebate calculation recognizing all types of Discounted Interchange?</p> <p>Answer: No.</p>
14	Section 2.2, C, T-Card Program	<p>Question: With regards to international transactions/spend, are you using local currency card? If so, please provide the list of countries.</p> <p>Answer: No. We are not using a local currency card.</p>
15	Section 2.8 Payment Terms, C, E, E. 1	<p>Question: Item C indicates payment to be made within 30 days of billing cycle end date. Item E indicates payment will be made within 30 days of the due date of the billing cycle. Standard billing and payment expects payment due up to 30 days from invoice (cycle end date) and would correspond with item C. However, Item E appears to indicate that the State expects to have payment due up to 60 days from the invoice/cycle end date. E.1 indicates a 15 day grace period. Please explain what the grace period applies to? Is it for rebate calculation or late payment interest?</p> <p>Answer: See Addendum 1 to the IFB.</p>
16	2.8 Payment Terms G and H	<p>Question: The State anticipates issuer will consider payments made as of the date on the check/electronic issuance. Please explain why does the State expect credit for payments earlier than received by the issuer?</p> <p>Answer: See Addendum 1 to the IFB.</p> <p>Please explain the purpose of a 7 -day grace period for ACH payments issued?</p> <p>Answer: See Addendum 1 to the IFB.</p>