



Solicitation Information
March 29, 2019

Addendum #2

RFP #7598653

TITLE: COMPREHENSIVE PURCHASE CARD SERVICES FOR THE STATE OF RI (MPA-427)

Submission Deadline: April 10, 2019 at 2:00 PM (ET)

PLEASE NOTE:

The submission deadline has been extended from April 8, 2019 to April 10, 2019 at 2:00 PM (ET).

Attached are vendor questions with State responses.

No further questions will be answered.

Gail Walsh
Chief Buyer

Vendor A

With regard to the requirements detailed in the Instructions section (#10) on page 4 and continued on page 5 of 21; and whereas this program will be of no cost to the State (as noted on page 14 of 21) Program Costs. Do these requirements apply if there is no cost to the State? **Regardless of the project cost, EEO compliance is required. You may contact the Office of Diversity, Equity and Opportunity as listed on page 5 in the solicitation if you have any further questions regarding EEO compliance.**

With regard to Section 3 Scope of Work; State Policies on page 7 of 21, item #3, All cards will have PINs assigned, but they will be for chip and pin operations and not for debit/ATM operation, we assume this is expected, please confirm. **Our current chip cards do not have PIN numbers therefore any vendor we may utilize in the future should not assign PIN numbers to cards.**

Regarding Purchase Card System Requirements, #16, on page 8 of 21, can the list of clients being requested be the same as the references we are providing, or do you expect these to be different clients? **These can be the same. Note: Technical Proposal Section #1,b,IV,4 requests the bidder to list any governmental/large university customers and their contact information, if applicable.**

Regarding the Liability section on page 10 of 21, final paragraph which reads, "Furthermore, the State shall be entitled to and the Contractor shall adhere to and provide all protections offered with respect to, but not limited to, extensions of credit, Purchase Card issuance, Purchase Card transactions, interest, payments and settlements, as established by Federal or State law, regulation or rule, Rhode Island procedure or executive order" - Can the State clarify what Rhode Island procedures or executive orders would be helpful for a purchase card vendor to understand? **All procurements are conducted in accordance with Rhode Island General Conditions of Purchase. See Link.**
<https://rules.sos.ri.gov/regulations/part/220-30-00-13>

Section 2 Vendor Work Plan Requirements, page 12 of 21, the introductory paragraph refers to the previous Section IV Scope of Work, should this be section 3? **Yes, this should state "see previous Section 3 Scope of Work:"**

Also, in section 2 group b card issuance, item vi, please clarify what the state desires here. What types of suppliers/merchants are thought to be available, and what kind of support? **Visa or Mastercard, e.g.**

On page 14 of 21, item j, are we asked to affirm compliance? **Yes, this should state "Vendor must affirm compliance with the late charge and payment statements in Section 3: Scope of Work."**

Regarding Proposal Contents, page 17 of 21, section 4 item d, is the page limit of 25 single

sided, or double-sided printing (i.e., 25 total pages of text or 50 total pages of text)? **25 total pages of text excludes appendices and staff resumes.**

Vendor B

On page 12 of the RFP, Section 2 (Vendor Work Plan Requirement, part a). (Transition of current purchasing card program), there is a request for references. This reference request appears to be directed to RFP participants who are not currently providing card services to the State. As the incumbent provider, should (Vendor) respond to this request?

As the incumbent vendor, this reference request would not apply. There is another section on Page 11 that asks for a list of customers “in particular other states, large cities or large universities/colleges” which requires contact information. Answering this section would suffice.

Vendor C

- 1) Is your AP/T&E process centralized? **Each program (State, URI, CCRI, RIAC, etc.) has its own centralized card administrator(s).**
 - **State: There are centralized and non-centralized accounts payable functions depending upon the branch of government. T&E is decentralized for data entry, review and approval; centralized for payment and pre- and post-audit.**
 - **URI: AP processing is centralized (Accounts Payable, Accounting Operations) for purposes of data entry, review, approval and payment. Whereas, T&E is decentralized. Travelers/traveler’s delegate enters travel expenses. Travel Expenses are reviewed and approved via an electronic workflow with the final review and approval completed by the Travel Office, Accounting Operations.**

- 2) What are your goals or strategy around the overall AP process? What are your key drivers? Per the solicitation:

The goals of this program include:

- **Provide potential revenue opportunities to the State**
- **Reduce overall costs of purchase transactions**
- **Simplify the process for small dollar value purchase requirements**
- **Improve management reporting**
- **Provide potential for enhanced discount structure with suppliers**
- **Improve service to the State Agencies and Vendor community.**

- 3) What ERP system are you using? **State: Oracle E-Business Suite URI: Peoplesoft**

- 4) Are you willing to provide a full AP file including supplier names, addresses, annual payment amounts, and methods of payment for analysis? **We would**

require a justification for this request but would be willing to discuss with the awarded vendor.

5) What are typical payment terms with suppliers? Rhode Island General Law states 30 days from the date of receipt of an invoice or date goods/services are completed, whichever is later. We do accept discounted terms for early payment.

6) What specific reports/features/functionality are you using within your program today?

1. Transaction Detail – Daily Report
2. Transaction Detail – MS Excel
3. Central Bill Reconciliation
4. Central Bill Reconciliation Summary
5. Account Limit
6. Account Audit
7. Account Suspension/Cancellation
8. Declines
9. Monthly Dispute Report
10. Monthly Summary – Cardholder Spend Total
11. MCC Codes and Descriptions
12. Transaction Detail with Account Code Notes
13. SORI Mapper
14. Invalid Email Addresses
15. Statements
16. Hierarchy Summary
17. Chart of Account Details

- URI additional info: We need to have the specific functionality to run reports specifically for our pcards and our travel cards or by cardholder and need to be able to specify date range.

7) Regarding card design/logo: will you be willing to provide a sample of the logo used today? Requirements are included in the solicitation (page 7) and the State Seal is included in Appendix.

8) Regarding customer service can you share in what instances card holder or administrator would need support outside of normal business hours? We would need support outside of normal business hours for cardholders needing assistance with declines when proper credit availability and MCC codes are in place and the cardholder is in an emergency. Such instances may include travelers out of state having to use a card when booking into a hotel or picking up a rental car. Note that all agencies, including the Governor's Office, utilize

state purchase cards, so it is imperative that a customer service agent be available 24/7 in case of a card issue that needs immediate attention. Also, we would need support outside of normal business hours when a cardholder detects fraudulent transactions and needs to cancel the credit card.

- 9) With regards to card issuance how are you using the current appendix D with your current card provider? Or is this an internal procedure required for the administrator? **This is an internal procedure handled by the state card administrators. This information was included to make bidders aware of the documents card holders are required to sign. Card holders are not required to sign any other (bank) documents.**
- 10) Page 16 – question 4, bullet a: the first sentence states that the RIVIP Bidder Certification Cover Form be included in the original copy; however, the last sentence of this passage states "Do not include any copies in the Technical or Cost Proposals". Please clarify if you wish for the RIVIP Bidder Certification Cover Form to only be submitted in a separate packet along with all other documents listed in bullets 4b and 4c or if the State will allow a copy of this form to be included with the original as well. **The RIVIP Bidder Certification Cover Form may be included in a separate package with the W-9. Appendix A should be separately sealed because it may contain pricing information.**
- 11) Re: Page 9 Late Charges and Payment
TD's preferred method of repayment for the balance owed on the Purchase Card program is to debit the customer's checking account all charges to the card for that billing period.
The number of days for the debit to occur is flexible, occurring either 2, 7, 14, 21 or 28 days after the statement cutoff date. Transactions can be reviewed after cutoff and prior to the debit using the Purchase Card online system.
Would this be an acceptable payment alternative to the State for the Bank to debit a checking account for the full balance due as repayment for that billing period's charges? **This form of payment is not allowed. The State may either initiate wire or ACH payment to the bank on or before a set due date.**

Vendor D

1. What is the State's annual DIRP/Large Ticket Spend? **Total consortium large ticket spend for**

FY2018 = \$1.6M

2. What rebate is the State earning today on non DIRP/Large Ticket? **Rebate on non-large ticket spend is tiered based on total non-large ticket spend plus an average file turn escalator. Total rebate for FY18 = 1.5775%**

3. What rebate is the State earning today on DIRP/Large Ticket? **Rebate on large ticket spend = 0.20%**

4. Is there any interest in setting up ePayables for the State's vendor payments? **ePayables is not part of this solicitation and is not being considered at this time.**

Vendor E

1. The State indicates they will also make use of Travel Cards (TCARD). Please provide the number of cards, the annual spend volume and use. Are they cards for individuals or are they used as Central Travel Accounts (CTA)? **URI currently has 845 travel cards. The annual spend for the calendar year 2018 was approximately \$5,240,000. The cards are assigned to individual travelers.**

Section 3 – Scope of Work and Requirements

2. Late Charges and Payment –Please explain the justification for the date on the check payment to represent the issuer payment receipt posting date? **State policy and procedure.**

3. 1099 Reporting – As of August 2010, the IRS shifted the 1099 reporting requirement responsibility to the merchant Acquirers. Is the State expecting the Issuers to manage the 1099 reporting process? **Yes**

4. Liability – The State is requiring the Issuer to provide full indemnity for personal injury, tangible real property, personal property damages. This type of indemnity is not relevant to a commercial card program. Is the State willing to strike this requirement from the contract? **Per our legal department, we cannot strike this requirement.**

Appendix E Cost (Rebate) Proposal

5. The rebate table does not include volume associated with Large Ticket Interchange (LTI) or Merchant Negotiated Interchange (MNI). Card spend volume associated with these interchange rates are at greatly reduced interchange which is what funds rebates. Please provide the number of transactions and spend volume annualized for both types of reduced interchange (LTI and MNI) separately. **Total consortium large ticket spend for FY2018 = \$1.6M**

Vendor F

1. During the 2014 Purchase Card RFP, the State allowed bidders to provide tiered rebate grids. Typically a rebate is structured into tiers on various performance metrics. Is the State seeking a flat rebate percentage, or may we insert a tiered rebate matrix and other detail in Appendix E? **A tiered rebate matrix is acceptable. The flat rate percentage was supplied for example purposes only.**
2. Since your last RFP the industry has experienced some major changes in regards to interchange, specifically the growth of discounted interchange programs such as large ticket, level III data, Visa/Mastercard preferred merchant interchange, and others. As a result, we have seen many cases where clients are experiencing 30% of spend in these categories. In turn, it becomes impossible to offer the same rebate for these discounted interchange charges as standard interchange. Will the State allow us to include a discount interchange grid as part of our financial offering? **The state currently has a large ticket rebate that differs from the standard rebate structure.**
3. How much of your current P card volume is large ticket? (Current Provider should be able to provide this information to you) **Total consortium large ticket spend for FY2018 = \$1.6M**
4. How much of your current P card volume is level III data? (Current Provider should be able to provide this information to you)

A report was run that identified those transactions that contained addendum data. These are additional transaction data elements that are provided by the supplier beyond the typical level I information (i.e. merchant name, city/state, amount of transactions). 51% of program volume contained this addendum data. These transactions include B2B suppliers that provide the supplementary data, as well as most T&E transactions such as airline, hotel and car rental. The 51% roughly translates to \$10,522,122. Please note, some transactions that pass this data qualifies for reduced high-transactions merchant pricing. That is not the case for this entire set of transactions.

5. How much volume was processed on Visa preferred or Mastercard preferred merchants? (Current Provider should be able to provide this information to you)

We are understanding your descriptor "preferred" as a reference to those merchants who have negotiated special fees with the associations beyond what is considered a market rate. For this, we have reached out to Visa to confirm the list of these merchants. Current provider does not have visibility into this designation. There may be a confidentiality issue with Visa sharing this information, as this is an agreement between Visa and their merchant. The contact at Visa is seeking clarity on this potential issue.

Beyond the preferred status list, they have reported that in the State of Rhode Island, there

are 64,239 merchants that accept Visa. We can presume that the Mastercard coverage is nearly identical, since these associations typically are at coverage parity. Of that merchant base, 5,244 of those merchants are categorized as T&E providers, while 58,995 merchants are categorized as non-T&E.

6. For the P card, how many days after cycle are you paying your current provider?
 - a. State: Within 10 to 14 calendar days
 - b. URI: Within 5 to 10 calendar days

The State has noted that it is seeking a 3-year deal with two 1-year renewals but wants the pricing to be guaranteed for the full 5 years. However, when we price these programs they are based on a number of factors, including cost of funds, which are locked in based on the term. Under this scenario, our pricing would be guaranteed for 3 years. Given the uncertainty of cost of funds in the future, or if new discounted interchange programs will emerge, it's difficult to agree for pricing/rebate to be good for renewals. Would State, instead, agree to mutual renewals beyond the initial 3-year term? **The renewal options will remain at the discretion of the State. The State will act in its best interest when making an award.**

7. For the University of Rhode Island, can you break down spend between Purchasing Card and Travel card? **Calendar Year 2018 PCard spend = \$5,656,000**
Calendar Year 2018 Travel spend = \$5,240,000
8. Are your P card allocations made in your current provider's system and then uploaded into your ERP system? Or do you upload transactions into your ERP and then reallocate in your ERP system?
 - a. State: Allocations are processed in the current provider's system and then uploaded into our ERP system (Oracle) via mapper file.
 - b. URI uploads transactions from the Service Provider (VISA) into the PeopleSoft ERP system. URI uses the PCard module and the Travel Module in PeopleSoft to account for the transactions.
9. Do you currently use any single use accounts for accounts payable? **No**
10. Has your current provider given you an estimate of volume that could be put on a Virtual/SUA program? **We have no interest in this type of program at this time.**

Vendor G

1. How quickly are you paying the bank today on average after the cycle date? What is the fastest you could expect to pay?
 - State: Within 10 to 14 calendar days from cycle end date. Between 10 to 14 calendar days is the fastest we can expect to pay at this time.

- URI: Within 5 to 10 calendar days from cycle end date. 5 calendar days from cycle end date is the fastest we could expect to pay.
2. As far as references are concerned, will you accept references from non-state government clients? Yes, but we are most interested in your governmental experience. It would be beneficial to URI for the bidder to list state governmental/university clients if applicable since over 50% of the spending is related to the colleges.