



**State of Oklahoma
Department of Central Services
Central Purchasing**

Amendment of Solicitation

Date of Issuance: November 4th, 2009
Requisition No. SW200

Solicitation No. SW200
Amendment No. 1

Hour and date specified for receipt of offers is changed: No Yes, to: _____ 3.00 PM CST/CDT

Pursuant to OAC 580:15-4-5(c)(5), this document shall serve as official notice of amendment to the Solicitation identified above. Such notice is being provided to all suppliers to which the original solicitation was sent. Suppliers submitting bids or quotations shall acknowledge receipt of this solicitation amendment prior to the hour and date specified in the solicitation as follows:

- (1) Sign and return a copy of this amendment with the solicitation response being submitted; or,
- (2) If the supplier has already submitted a response, this acknowledgement must be signed and returned prior to the solicitation deadline. All amendment acknowledgements submitted separately shall have the solicitation number and bid opening date printed clearly on the front of the envelope.

ISSUED BY and RETURN TO:

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Description of Amendment:

a. This is to incorporate the following:

- 1. How many custom mappers does the State expect for the requirements of this RFP?
Response: Ninety-eight state agencies must download their transactions into PeopleSoft, therefore they have one custom mapper. Two state agencies (attachment #1, group two, counts #88 – 89) have one each. We have 64 local governments in the program, it is unknown how many custom mappers they have but most have indicated they have one. Some local governments state that they do not require custom mapper.
- 2. How many rebate checks do you currently require for your poli-sub?
Response: The local governments each receive a check at least once a year. Some may receive semi-annually or quarterly. Of the 64 local governments in the program, five had no expenditures and did not receive a rebate check in 2008. See attachment #5

b. All other terms and conditions remain unchanged.

Supplier Company Name (**PRINT**) _____
Date

Authorized Representative Name (**PRINT**) _____
Authorized Representative Signature

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3. For the issue of card design (C.4.3.1), how many card designs does the State currently require? Are these logo cards, or do they require hot-stamping?

Response: State agencies have one style of card. The card is embossed with raised letters and has the State of Oklahoma printed on the card. It is unknown how many or what type of cards the other entities have but they may be similar to the state agencies'. Some local governments vary color and design based upon standard templates at no charge from the current provider. The State desires to continue these options. Responding suppliers should submit no charge card templates options with their response.

Below is an image of the card for the state agencies.



4. In the table outlining submission requirements, Items C.4.3.5 and C.4.3.6 do not appear to be listed. Where these should be placed in the response?

Response: Supplier may provide additional explanations regarding these 2 sections by placing them as follows:

C.4.3.5: places under T.3.2.2.3

C.4.3.6: places under T.3.2.1.6.h.

5. The RFP requests CVs from our relationship management team. Would brief bios (listing industry experience and their history with the Bank) of each individual satisfy this requirement?

Response: Brief bios are acceptable but it should list all required information requested in section T.2.5.1.

6. Does Sec. B.15 on pg. 14 (Special Provisions- Termination for Cause) take precedence over, or merely supplement, Sec. A.23 on pg. 9 (General Provisions- Termination for Cause)? While the two provisions do not necessarily contradict each other, Sec. A.23, for example, substantively provides for additional rights, such as the right for supplier to terminate the contract for default (A.23.1).

Response: B.16 prevails over A.23, which B.16.3 states the right for supplier to terminate the contract with a sufficient amount of time for the State to procure a new contractor (180 days, NOT 30 days) due to a size and complexity of this contract.

7. Sec.B.22 and T.3.2.1.8 references the Oklahoma Information Technical Accessibility Standards. Can the State of Oklahoma provide this, or provide access to this information?

Response: Follow this link [http://www.ok.gov/DCS/Central_Purchasing/VPAT & Accessibility.html](http://www.ok.gov/DCS/Central_Purchasing/VPAT_&_Accessibility.html), additional information is under section "ACCESSIBILITY".

8. Sec. C.1 Would the State be willing to accept branded programs other than MasterCard, or a brand neutral program? Is there any preference and why?

Response: See section C.4.2.7.1.a for acceptable platforms. These are only platforms accepted for

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the Program due to the highest degree of acceptance locally, nationally and internationally.

9. Sec. C.2 (pg. 17) and Sec. C.4.3.2 (pg. 22) references various different types of commercial cards in addition to purchasing cards. However, the RFP indicates this is for Purchasing Cards only. Please describe how the State will use these different types of Controlled Payment Numbers, and how many cards there might be, what the dollar amounts might be, and what the issuing process might look like.

Response: The name of the contract is "Purchase Card Program". This contract is for various types of purchase cards. Please refer to section B.1.2.25 for the definition of purchase card by the State. Attachment #2 provides a list of some of the types of cards/accounts currently being used under the State's existing Program. We are exploring the possibility of using other types of cards such as Controlled Payment Numbers for specific merchants with high dollar amount. The restriction of use of this type of card will be discussed further between the State and awarded supplier. The number of cards will vary by participating entities according to use and internal controls.

10. Sec. C.4.2.2 Would the State be willing to accept alternative price proposals?

Response: Attachments #10 – 11 cannot be alternated/changed/edited/adjusted. The attachment #12 is permissible to adjust or change or not use. The rebates for large ticket items are unnecessary if supplier offers the same rebate percentages to all transaction sizes, then only use the attachments #10 – 11.

11. Sec.C.4.2.5 How many files are being shared today for the program and what format is the State currently using?

Response: File formats vary according to participating entities. However, state agencies on this Program make payments through Office of State Finance (OSF). OSF downloads data for all state agencies as a single file (fixed width flat file) into the PeopleSoft system. All other 64 local governments as well as two state agencies (attachment #1, counts #88 and 89) have their own file (minimum one each) and download to their accounting system.

12. Sec. C.4.2.7.1 a. Please clarify what "automatic transaction – routing process" means.

Response: This refers to the system having the ability to electronically route transactions through approval processes (e.g., from cardholder to approving official, from approving official to accounting officer).

13. Sec. C.4.2.5 What other, and how many, major accounting systems are used by other entities (in addition to PeopleSoft and Poise)?

Response: Attachment #2 – middle column shows a list of current accounting systems but the list is not inclusive. There are several participating entities that manually upload P-card data from the Bank's system to their accounting system due to incompatibility. The major systems are PeopleSoft, Poise and SCT Banner. The State does not expect that the supplier's system is capable of interfacing with all types of accounting systems the State currently utilizes. However, the State expects the interface capability for the major accounting systems.

14. Sec. C.4.3.5 What are the current fraud losses as a percentage of the state agency's program, and as a percentage of the overall program (state and local)?

Response: We do not have this information available.

15. Page 31, T.1.2. – Performance Bond. The Bank is interested in the rationale for the amount of this

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performance bond for this contract and service. With confidence in our ability to perform under the terms of the contract, as a business practice we look for liability risk to be offset by revenue potential.

Response: See response to item #16 and #17.

16. How does the State determine the \$10 million amount required for the performance bond of this contract?

Response: It is approximately 5.56% of our 2008 annual volume.

17. Does the State have a similar performance bond under the current contract? If not, what is the amount of the current bond?

Response: There is no performance bond currently in effect as the current contract was established almost ten years ago and it was a new contract with the pilot program. The State did not have potential loss at that time if the program would have not been fully implemented. The performance bond requested for the new contract would be to cover potential loss should the implementation be delayed or unforeseen circumstances that cause a loss to the State.

18. Is the State open to a lesser amount for this contract?

Response: Yes, the State is willing to negotiate the amount of performance bond required for this contract with successful supplier only.

Would the Bank be disqualified from the proposal if it could not commit to this level or proposed a smaller bond amount?

Response: See above response.

19. Please provide a listing of claims made against this bond for the current contract period if any. What were the circumstances and amounts of each claim?

Response: There have been no claims because we do not currently have a performance bond.

20. Page 8, A.14. Award of Contract – Under what circumstances might the State award this Contract to more than one bidder?

Response: See section D.1 for specific clause for this contract.

21. Page 17, C.2. – Introduction – Understanding that the non-state agencies would typically have the discretion to participate in the State Contract or elect to stay with the current provider, will the state agencies be required to participate in this contract or does the last sentence also allow them to elect a different card contract?

Response: State agencies that wish to have purchase cards are required to use Statewide Contract 200. Other entities may choose to participate in Statewide Contract 200 or obtain their own contract for purchase card services.

22. Page 18, C.4.1.3.3. – How will the call answer rates be measured?

Response: Since the supplier is an expert in the industry, we expect the potential suppliers to tell us how they are going to measure their performance associated with call service- see and response to T.2.5.2.1. For example, at Central Purchasing Division, we can capture and print out the report a number of abandon calls daily.

What is the target percentage of calls to be answered within 30 seconds?

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Response: 85% or higher

If some are not, will the Bank be in default of the Contract?

Response: No, the successful supplier will not be in default of the contract but non-complaint on this requirement. Therefore, the successful supplier must submit a plan for remediation.

23. Page 19, C.4.2.1. – Please provide a recent history (past 12 months) of marketing activities and events the State has conducted for this program with the current provider. If activity levels will be different going forward, please provide estimates or expectations as to number of events and materials.

Response: The current contract holder markets the program to non-participating state agencies and other entities. Since January 2008, two state agencies have joined the program, eight new cities, two new counties, and five higher education institutions. We currently have seven additional entities completing the process to join the program.

24. Page 19, C.4.2.2. – To clarify, does this mean that all state agencies are paid centrally by the State with one payment each month?

Response: Yes, the State agencies that make payments through the Office of State Finance (OSF) are billed separately either by division or by department depending upon the size of state agencies and then pay the provider by one single EFT payment each month through OSF. Refer to attachment 5 for a listing of participating entities. Those participants (state agencies) listed in the first grouping are under the same central bill account through the Office of State Finance. This is the normal process, however, should an agency not meet the deadline for processing its particular billing amount, then a supplement payment would be made. However, this may have occurred only once.

What is an example of separate bill and separate pay? Does this mean individual agency/program entities or individual card accounts are billed and paid separately?

Response: Yes, separate bill and separate pay means that each local government makes their payments to the Bank separately. They do not combine like state agencies thru OSF. The Bank bills each division or department or cardholder account individually and the local government central office will combine and pay a single payment to the Bank.

If it is individual card accounts billed separately, please provide the number of cards that are billed and paid separately?

Response: It is unknown.

How many total billing accounts are there within the State's programs?

Response: For state agencies thru OSF, there are currently averaging around 70-75 state agencies (out of 98 state agencies; some do not use P-card monthly) processing their P-card payments through OSF. For local governments, the exact number is unknown. However, there are a minimum of 64 billing accounts for each one of them. It is likely that some may have multiple billing accounts within the entity.

25. Page 21, C.4.2.7.4. — Billing Capability – How many entities are being billed via paper invoice today versus electronic? Other than the outside agencies, does the State receive one individual rebate payment for all participating state agencies, or are the agencies paid rebate directly?

Response: State agencies print an invoice each month from the web based transaction system and these invoices are given to the Office of State Finance which pays once each for all the state agencies

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with the exception of two state agencies (see attachment #1, counts #88 and 89). – The State receives two checks for the rebates for the State agencies, one check for the Department of Central Services for contract administration, and one check for the combined rebate for the state agencies. The rebate is then distributed to the state agencies by the Department of Central Services. All other participating entities receive their rebate checks individually from the provider (also see response to item #2). State agencies utilize electronic invoice processes. Some of other participants still use both paper and electronic invoices.

26. Page 21, C.4.2.8. – What percentage of vendors/transactions are passing level 3 data today? How has this improved percentage-wise over the past three years?

Response: The number of vendors passing level 3 data is unknown as it is not reported. The expectation of the State is for the successful supplier to increase the number of level 3 reporting merchants. Responding supplier market plan should address how this will be accomplished. See section T.3.1.6.

27. Page 22, C.4.2.9. – How does the State define “up-to-date” security measures?

Response: Those security standards currently considered best practices by the credit card industry: Payment Card Industry Data Security Standard (PCI DSS).

28. Page 22, C.4.3.1. – Please provide a sample/copy of the State’s current card design? How many different card designs are used today? Please define “Controlled Payment Numbers.”

Response: See response to item #3.

Controlled Payment Number is an alias for one's credit card number. It is generated through the use of either a web application or a specialized client program, interacting with the card issuer's computer, and is linked to one's actual credit card number.

Typically, a controlled payment number has a limit, and an expiration date between one and twelve months from the issue date, both chosen by the account owner, and while it can usually be set up to allow multiple transactions, it can only be used with a single merchant.

The State intends to use Controlled Payment numbers to make payments for specific merchants with high dollar amounts at a certain time period.

29. Page 22, C.4.3.2. – Is the State currently using ‘straight-through process for purchases’? If so, how many transactions/volume and/or vendors are being processed through this method?

Response: Yes, such as ghost card, Single Used Account account number, declining balance cards, Fleet cards, multi/one cards. The State strongly considers the use of Controlled Payment numbers with the new contract. The information on a number of transactions and vendors being processed through this process is unknown.

30. Page 23, C.4.3.6. – How many state agencies/programs are paying via check today?

Response: The state agencies make payments through OSF and payments are combined into a single EFT payment to the provider. For other participating entities, there are a number of them that still pay using warrants.

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What is the percentage of on-time payments?

Response: Normally all state agencies' P-card payment through OSF is paid by the scheduled deadline (100% on time). Other participating entities pay 100% on time either by wire transfer, check, ACH or EFT. Some pay early to capture additional basis point for prompt payment.

Is the State using the full 45-day payment grace period today or paying more quickly?

Response: The state agencies through OSF are paying based on the period established with the provider.

What is the average payment term?

Response: See above response.

The Bank currently does not accept warrant payments for card programs, are any of the agencies using warrants to pay for their card invoices?

Response: For state agencies through OSF, the payment to the provider is always by EFT. For other participating entities, there are a number of them that still pay using warrants.

Can this requirement be eliminated if all others are accepted?

Response: Yes, if all participating entities and the successful supplier can establish other methods of payments.

31. Page 35, T.3.2.1.5.a. – Please provide a description of each role's function and how they are defined in the current program's responsibilities and functions.

Response: Some of the current roles in the P-Card program are P-Card Administrators, back-up P-Card Administrator, Approving Official, back-up Approving Official, cardholder, Accounting personnel, auditors, etc. Their roles in the program are explained in the State Purchase Card Procedures, on the Department of Central Services website:

http://www.ok.gov/DCS/Central_Purchasing/P_Card_Information/P_Card_Procedures/index.html

Or if the above link is not workable, follow these steps: www.ok.gov/DCS. Go to Central Purchasing, P-Card Information, and P-Card Procedures.

Local governments have their purchase card procedures separately. The description of each role's function may be slightly different than the State.

32. Page 37, T.3.2.2.2. – Are the state participants using the Purchase Card today for fleet transactions or are there separate cards with specific fleet capabilities? If the Purchase Card is used, what specific fleet reporting capabilities is the State requiring or currently using with these cards?

Response: The state agencies are not using the purchase card for fleet transactions. The state agencies are required to use the ComData card for vehicle fuel purchases. Currently, state agencies' P-cards are prohibited to be used for fuel purchases. However, some of other participating entities may use the fuel card from specific merchants and may use the P-Card only in the case of an emergency when the ComData card was not available and the employee could not pay out of pocket for the expense. Some currently have fleet cards from the provider for their fuel purchases. The reporting requirements will be discussed between the provider and the participating entities further after award of the contract. For the purpose of proposal submittal and evaluation process, the State does not require any specific fleet reporting capabilities but the supplier must have the ability to issue fleet cards as needed.

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33. Page 60, Attachment 12 – What are the large ticket rebate terms the State has today? Are these based on total volume of large ticket qualified transactions as defined by qualifying interchange rates or by the \$50,000 transaction size listed in the attachment?

Response: Large ticket purchases are those equal to, or exceeding \$7500.00.