

_____, TENNESSEE
REQUEST FOR PROPOSAL # _____

PURCHASING CARDS

SCOPE

The purpose of this Request for Proposal is to enter into a contract with a qualified commercial financial institution for the provision of purchasing card (credit card) services for all agencies of _____.

Requirements:

- A. Issuance: The contractor shall not issue any cards without the written approval of the Municipal Purchasing Agent. Proposers shall indicate the processing time required to fulfill new card requests and the method of delivery of the card.
- B. Compatibility with Municipal Accounting System: Proposers shall be capable of providing all transaction records in an electronic file format compatible with that used by the municipality. Proposers shall submit the layout of their data structure so the data can be integrated with our current accounting application. If selected for an interview, proposer shall also submit sample data and the name of their technical contact person.
- C. Liability: The municipality will not accept liability for unauthorized use, account numbers which are fraudulently used and cards which are lost or stolen beyond a maximum limit of fifty (\$50) dollars. The municipality will not accept liability beyond a maximum time period of twenty-four (24) hours after the contractor is notified of a lost or stolen card or that an unauthorized person has used a card. Proposers shall describe in detail the Municipality's liability under any contract written as a result of this RFP.
- D. Card Format Design: The contractor shall provide cards designed for _____. The design shall be approved by the Purchasing Agent and shall contain the following:
 - 1. The phrase "TAX EXEMPT" and the Municipality's tax exempt number shall be printed on the face of the card.
 - 2. The municipality's logo, as provided by _____, shall appear on the front.
 - 3. The contractor's toll-free customer service number shall be printed on the back of the card.
 - 4. There shall be no references to ATMs on the card.
- E. Card Controls and Restrictions: The contractor shall have the ability to set restrictions and controls on individual cards. The proposer's card system software shall have the capability to allow the Purchasing Agent to initially set and later make changes to the

restrictions and controls on individual cards, within the accepted limits. The Purchasing Agent shall also have the ability to activate certain cards, which are reserved for emergency use. These “emergency” cards shall have pre-defined restrictions and controls agreed upon by the municipality and the proposer. Maximum municipal-wide limitations for all cards shall be set in writing at the start of the contract and shall be changed only by written notification from the Purchasing Agent. The contractor’s customer service representatives may not make changes to card limits without this notification. This notification may be provided by fax or electronic mail.

Individual controls shall be set at the time of card application but may be changed at a later time. Card controls may be changed only upon request from the Purchasing Agent. These changes may be made in writing, fax or electronic mail. A toll-free number shall be available to process these types of changes immediately. Proposers should indicate a time frame for making individual card control changes.

The following controls and restrictions shall be available for all cards:

1. Single transaction dollar limitation - Established per individual card, not to exceed the municipal-established individual cardholder maximum dollar limit.
2. Velocity limitation - Number of card authorizations per designated period-for example, a specified number of transactions per day or twenty-four (24) hour period.
3. Maximum dollar limitation per period - Maximum monthly dollar amount per individual cardholder.
4. Vendor and commodity blocking - Restrictions on the types of vendors authorized to accept the card and the types of commodities that may be purchased.
5. Cash advances - Complete prohibition of cash advances.
6. Additional controls - As available from the contractor. Proposer shall describe any additional controls they have available.

F. Training: The contractor shall provide training to the municipality as follows:

1. Contract start-up training session - At the start of the contract, the contractor shall provide initial on-site training to municipal staff as designated by the Purchasing Agent. The initial training will address benefits and features of the card, billing procedures, available reports and the application process.
2. Training materials - The contractor shall provide written materials that may be used by municipal department heads to train individual card users in the proper use of the card.
3. Telephone support - The contractor shall provide the name and telephone number of a point-of-contact who will be available by telephone to answer questions that may arise during the municipality’s training of staff or to provide brief training sessions by telephone to new department heads or cardholders. Proposers shall indicate the hours this sort of training will be available.
4. Proposers shall describe any additional training programs or aids such as videos and on-line support and indicate their availability.

- G. Customer Support: The contractor shall provide customer support to the Purchasing Agent, Department Heads and other cardholders. This support shall include at a minimum:
1. A toll-free customer assistance number and a toll-free telephone number for reporting lost or stolen cards. Proposers shall describe the availability of these assistance lines and the hours they are staffed.
 2. The name, title and telephone number of the customer account representative and alternate who would respond to inquiries by the Purchasing Agent.
 3. The name, title and telephone number of the technical representative and alternate who would respond to inquiries by the Purchasing Agent or the municipality's information technology staff.

- H. Questioned/Disputed Items and Charge-backs: The contractor shall provide a method for handling questions concerning charges. Toll-free service for this process shall be available. Provisions for handling questioned/disputed items should include how to:
1. Contact the contractor to discuss questioned or disputed items,
 2. Credit the municipality's account, pending resolution of the disputed item and,
 3. Process charge-backs for items resolved in the municipality's favor. Proposers shall provide a time frame for this process.

- I. Changes in Cardholder or Municipality Accounts: The Purchasing Agent may request changes to an individual card or all cards municipal-wide. Such changes may include changes to card spending limits, number of transaction limits, purchase restrictions, card name, cardholder billing address or telephone number and card unique identifier number (PIN). These changes may be made in written, fax or electronic mail.

Proposers must offer a time frame between receiving a change request and accomplishing the change. Proposers shall also detail how the request may be conveyed, by phone, fax, electronic mail, etc.

- J. Lost or Stolen Cards: The cardholder and/or Purchasing Agent will immediately report lost or stolen cards to the contractor. Such reports will be in writing or verbal with written confirmation. The contractor shall provide for immediate cancellation and emergency issue of a replacement card. Proposers must specify the time frame between receiving the report of a lost or stolen card and mailing a replacement card. Also, refer to Section G above regarding availability of toll-free telephone service for this process.

- K. Card Termination: The Purchasing Agent may from time to time notify the contractor of card termination and cancellation. This notification will be in writing or verbal form with written confirmation. Upon notification, the contractor shall immediately cancel the appropriate account(s).

Proposers shall specify the time frame between receiving the request and cancellation of the account.

- L. Card Acceptance: The contractor's card must be issued by a major commercial credit card company. It shall be widely accepted by a variety of vendors used by the municipality both locally and nationally because orders will be placed in person, online or by telephone/fax. Proposers shall describe the card's general acceptance both locally (East Tennessee) and nationally. The contractor shall work in cooperation with the municipality to insure vendors accept the credit card for tax-exempt transactions.
- M. New Merchants: The contractor should have an established program to recruit new businesses when notified by the municipality that the contractor's card was not accepted by a particular vendor. Proposers shall describe this program and its level of success.
- N. Billing Documentation: Billing statements shall be provided at an agreed upon interval to cardholders, Department Heads and any additional staff identified by the Purchasing Agent. A consolidated billing statement will be provided to the Purchasing Agent and cardholders will receive individual monthly statements. Most municipal personnel using the cards will have access to the internet. The contractor shall provide on-line cardholder statements and reports. Invoices for all users of the contract must meet the municipality's requirements. The successful proposer must send an itemized invoice at the interval agreed upon which must include the information listed below:
1. Name of the cardholder and account number
 2. Name of merchant
 3. Date supplies or services were purchased
 4. Itemized cost for each item/service.
- Backup documentation for each purchase shall be available upon request from the cardholder or Purchasing Agent. Proposers shall identify the time frame required to provide backup documentation and method required for request (phone, fax, etc.)
- O. Transmittal of Billing Information: Although hard copy billing statements are required to be provided, alternative methods of transmitting billing information for payment are highly desirable and will be considered. The contractor will work closely with the municipality's information technology and accounting staff to facilitate the use of technology. If an alternative method is agreed upon the file reports should contain, at a minimum, a list of all detailed purchasing card transactions and a record or file of control information (i.e. total records transmitted, total dollars in current period card transactions, total dollars in current period credits) so the municipality can verify all billing information has been received and processed.

Proposers shall provide the following information regarding transmittal of billing information:

1. Available methods for transmittal of billing information (EDI, etc.) and what, if any, payment parameters are associated with each billing format.
2. What user specific information can be attached to each card or account.
3. A description of the proposer's technical support for electronic billing processes. The description should include what work hours tech support is available to the

municipality as well as descriptive information regarding staffing, experience and other pertinent factors.

- P. Billing File Security and Quality Control: Proposers shall describe the following:
1. Security - How card information is kept secure including the name of the encryption method or software used.
 2. Back Up/Restore Procedures - For billing files.
 3. Availability of Billing File Copy - Can the municipality obtain a second copy and the time frame it takes to accomplish this.
 4. File Transmission Quality Control - How will the proposer control/insure the following:
 - a. That report files are transmitted at the same time and day interval
 - b. That no duplicate transactions or files are transmitted
 - c. That file contains the accurate and complete set of transactions for the specified time interval
- Q. Contractor Database Access: Proposers shall describe the capability to access their database through the internet. Describe any time limitations/allowances on such access. Describe the level of compatibility with major PC-based software for downloading data and information.
- R. Billing Interval (Period): The municipality is willing to consider alternative billing periods such as monthly, bi-weekly or other. Proposers shall fully describe their billing alternatives including the following:
1. Policies governing the timing of vendor billing relative to the delivery of goods and services.
 2. Available billing schedules (monthly, weekly, etc.) and time frames involved for close of billing period, transmittal of billing information and payment requirement.
 3. Discounts or rebates such as a prompt payment discount or volume discount, if any, available for each billing schedule.
- S. Payment: Payment shall be due within an agreed upon number of days after acceptance of all products or services or receipt of a correct invoice for payment, whichever is latest. When payment is by mail, the date of the postmark shall be deemed the date of payment. Proposers should describe different payment methods that are available, how they work and what discounts, if any, would be available.
- T. Late Charges: If late charges will be assessed to the municipality's account, proposers shall describe in full detail the rate, how and when the charges would be invoked and how the charges would be billed, including a sample calculation.
- U. Sale of Cardholder Information: The contractor shall not sell, rent or otherwise distribute a list of participating card holders, their addresses or any other information to any person,

firm or other entity for any purpose without the written consent of the Purchasing Agent.

- V. Reports: The contractor shall provide reports that show monthly (or other agreed upon interval) transaction detail by cardholder, by department and by the municipality as a whole. Reports shall also be capable of showing transactions by vendor. Reports shall enable the municipality to reconcile all card transactions including charges, credits, disputes, adjustment, duplicates, etc.

Proposers shall describe their reporting system fully and provide report samples. Proposers shall fully describe the extent of spending analysis detail available in areas such as line items and point of sale transactions (date, amount, specifics, ship-to information, etc.). The contractor shall provide the municipality's Accounting Office with a 1099 report with the following data: merchant name, merchant address, taxpayer ID number, total sales, SIC/MCC number. This 1099 report will be provided in electronic format by January 15 each year.

- W. Annual Report: The contractor must establish formal evaluation and quality control procedures to monitor each facet of the final contract. The evaluation and quality control procedures must provide sufficient information to allow the municipality's Purchasing Agent to monitor the program's progress and effectiveness. Data will be supplied to allow evaluation of program objectives such as increasing merchant's acceptance and cost containment through bench marking comparisons (e.g. number of AP checks and PO's). The contractor will submit the quality control report to the Purchasing Agent no later than June 1 each year.

- X. Card Life and Renewal: Card life cannot exceed two years and all cards are subject to earlier cancellation. On a monthly basis, the contractor shall submit a report to the Purchasing Agent showing all cards which will expire within the next sixty (60) days.

PROPOSAL PREPARATION

- A. Proposals should be prepared simply and economically, providing straightforward, concise descriptions of capabilities. Emphasis should be on completeness, brevity and clarity of content.
- B. Proposers may be required to give an oral presentation to _____ to clarify or elaborate on proposal.
- C. Ownership of all data, materials and documentation originated and prepared for the municipality pursuant to this RFP shall belong exclusively to the municipality and be subject to public inspection in accordance with applicable statutes. Trade secrets or proprietary information submitted by a proposer shall not be publicly disclosed, however, the proposer shall request this protection prior to or upon submission of the data or other materials and must identify the data or other materials to be protected and state the

reasons why protection is necessary. Disposition of such material after the award is made shall be stated by the proposer.

D. Proposals shall contain the following information in the sequence listed:

1. Name of firm submitting the proposal; main office address; when organized; if a corporation, when and where incorporated; appropriate State and Federal registration numbers; the date until which the information in the RFP is binding; and the names and addresses of the service, fiscal and technical representatives who would handle the municipality's account.
2. Understanding of the problem and technical approach.
 - a. Statement and discussion of the requirements as they are analyzed by the proposer.
 - b. Proposer's definitive Scope of Work with an explanation of technical approaches and a detailed outline of the proposed program for executing the requirements and achieving the objectives of this RFP.
3. Work Plan-It is the municipality's goal to begin implementation of the card to departments no later than _____. Proposers shall present a description and time line of the phases or segments into which the proposed program can logically be divided and performed. The narrative shall address separately each of the tasks described in this RFP and responses should be keyed to the appropriate paragraph numbers. This section should also contain a discussion of any changes proposed which substantially differ from the Scope as described above and/or the Procedures that appear attached to this document. This section should include detailed descriptions of activities, significant milestones and anticipated deliverables.
4. Treatment of the Issues-In this section, proposers may comment, if deemed appropriate, on any aspect of the RFP including suggestions or possible alternative approaches to the coverage, definition, development and organization of the items presented in the Requirements section of this RFP.
5. Statement of Qualifications
 - a. Organizational and staff experience: Proposers must describe their qualifications and experience to perform the work described in this RFP. Information about experience should include direct work with the specific subject matter. Include resumes of key staff who would be working directly with the municipality.
 - b. References: Submit three (3) references from current corporate customers, preferably governments similar in size to _____. Provide complete

- contact information.
- c. Personnel: Any subcontractors who will be assigned direct work on this project should be identified and brief resumes provided. Information is required which will show the composition of the task or work group, its specific qualifications and recent relevant experience. The technical areas, character and extent of participation by any subcontractor or consultant must be indicated and the anticipated sources identified.
 - d. Financial Responsibility: Latest audited statements, annual or quarterly reports, rating from a nationally recognized credit rating organization or other acceptable proof of financial responsibility.
 - e. Number and physical location of positions that would be assigned to the municipality's account and the number of hours each position will spend on implementation and on-going operations throughout the contract.
6. Pricing Data-For purposes of this RFP, proposers may price the services performed for _____. However, the municipality expects the volume to be significant enough that the proposer will provide all cards, software and services at no cost to the municipality. The proposer shall detail any and all costs that _____ and its vendors may or will incur through use of the card. Proposers should describe any revenue sharing or incentive programs, if any. The method of payment for any costs and/or incentive programs should be described.

EVALUATION CRITERIA

The following factors will be considered in the award of this contract:

1. Qualification of the firm with appropriately qualified and experienced personnel.
2. Depth of response to the Requirements section.
3. Depth of response to the Work Plan.
4. Details of the approach and methodology of the program.
5. Availability of electronic billing capability and on-line cardholder statements and other reports.
6. Training and customer support.
7. Reasonableness of cost proposal.

REQUIRED SUBMITTALS

Each proposer responding to this RFP must supply all the required documentation. Failure to provide the documentation with the response will result in the proposal being declared "non-responsive".

SUBMISSION OF PROPOSAL

One (1) original and five (5) copies of the proposal are due at the _____ Purchasing

Department, _____, _____, TN _____ prior to _____ at _____ a.m. Proposals received after this date and time will not be considered. It is the responsibility of the proposer to clearly identify and to describe the services being offered in response to the RFP. Proposers are cautioned that organization of their response, as well as thoroughness, is critical to the municipality's evaluation process. The response should be completed legibly and all required supplemental information must be furnished and presented in an organized and easy-to-follow manner.

PERIOD THAT PROPOSALS REMAIN VALID

Respondents agree that proposals will remain firm for a period of one hundred and twenty (120) calendar days after the specified date for return of proposals to the Purchasing Department.

CONTRACT AWARD

A contractual agreement will be negotiated with the successful proposer.

CONTRACT PERIOD

The initial contract will begin on the date of award and continue for 24 months. It shall be subject to renewal for up to three (3) additional years, one (1) year at a time. Automatic contract renewals are prohibited. All renewals must be authorized by and coordinated through the municipality's Purchasing Department.

It should be noted that multi-year contracts may be continued each fiscal year only after funding appropriations and program approval have been granted by the _____ and/or any committees that serve as part of the municipality's legislative body. In the event that the appropriate body fails to grant funding appropriations or program approval, then the contract becomes null and void effective July 1 of the fiscal year for which funding was denied.

PRICING

The subsequent contract will be a firm-fixed price contract. The fee(s) will remain firm and will include all charges that may be incurred in fulfilling requirements for the duration of the contract.

NOTIFICATION OF AWARD

Service may not begin until receipt of Notification of Award from the municipality's Purchasing Agent. Performance time and dates are determined solely by the contract and any subsequent modifications to the contract.

KEY PERSONNEL

The service, fiscal and technical personnel named in the Statement of Qualifications will remain responsible throughout the period of the contract. No diversion or replacement may be made without submission of a resume of the proposed replacement with final approval being given by the Purchasing Agent.

NO GUARANTEE OF QUANTITIES

_____ does not guarantee any amount of purchases by credit card as a result of this RFP, nor does the municipality guarantee a minimum number of cards that will be issued.

DISPUTES

Should disputes, alternatives or other disagreements related to the performance of the work herein described arise between the municipality and the contractor, the parties hereto shall negotiate in good faith in an attempt to resolve same. Such negotiations shall take precedence to any remedy at law.

CONFLICT OF INTEREST

The proposer certifies that to the best of their knowledge no employee of the municipality, nor any public agency or official has any conflicting interest in or will derive any personal financial benefit from participation in the resulting contract.

COMPETITION INTENDED

It is the intent of _____ that this RFP permit competition. It shall be the proposer's responsibility to advise the Purchasing Agent in writing if any language, requirement, specification, etc., or any combination thereof, inadvertently restricts or limits the requirements stated in the RFP to a single source. Such notification shall be received by the Purchasing Agent no later than ten (10) days prior to the date set for acceptance of proposals.

REJECTION OF PROPOSALS

The right is reserved by the municipality at its discretion to reject any or all proposals or parts thereof. The municipality reserves the right to waive defects or informalities, to negotiate with proposers and to accept the proposal deemed in the best interest of the municipality.

COMPLIANCE WITH LAWS

The contractor shall at all times observe and comply with all Federal, State and local laws, ordinances and regulations which may in any manner affect the performance of this agreement.