

**Official Questions / Answers
Credit Card Services
RFP 6100038542**

April 26, 2017

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| | (If Known) | (If Known) | | |
| 1. | iv | Calendar of Events | Bidders are concerned about the very short turnaround time from the COPA answers to questions submitted and the RFP due date of 5/4. Would COPA consider extending the RFP deadline to allow for answers to questions to be evaluated and internal approvals to happen within the bidders finance, legal, operations, etc? | The RFP due date has been extended. Proposals must be received by the Issuing Office on May 18 th by 3:30 pm ET. |
| 2. | | | Will the preferred vendor have the ability to review COSTARS members' request to participate in the overall program and determine on a case-by-case basis? | Yes. |
| 3. | | | Are credit card payments from current participating agencies (as outlined in Appendix A) payable by the Commonwealth – in particular, agencies PA HIGHER EDUCATION ASSISTANCE AGENCY and PORT OF PITTSBURGH? | Yes, these agencies would be included in the Commonwealth's payment. |
| 4. | | | What is the % of Large Ticket Transactions? | Approx. 2.5% of total purchasing card spend. |
| 5. | | | Will the 43 agencies that are part of Lot 1 be part of a single implementation/ program? | Yes. |

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| 6. | | | Would the Commonwealth like the providers to include Virtual Card pricing with the Purchasing Card rebate grid? | Yes. Virtual Card pricing may be submitted on a separate tab (Virtual Card Pricing) in Appendix O-Cost Submittal. The Virtual Card Pricing (if submitted) will be a non-evaluated. The Cost Submittal (Appendix O) has been updated for all three lots and is attached to this addendum and made part of the RFP. |
| 7. | | | What is the Commonwealth's current brand, Visa or MasterCard? | MasterCard |
| 8. | | | What is the Commonwealth's current billing cycle and grace days for Purchasing Card and for Travel Card? (Example: 30 day cycle / 25 grace days)? | <p>Purchasing Card Program - billing cycle ends on the 15th of each month or the next business day if the 15th is a weekend or holiday, payment due date is 30 business days after the closing cycle date.</p> <p>Corporate Card Program - billing cycle ends on the 10th of each month or the next business day if the 10th is a weekend or holiday, payment due date is 25 days after the cycle ends. Payment must be posted within 60 days of cycle closing date to not incur a late fee.</p> <p>See exhibit A of the current contract at the link below: http://www.emarketplace.state.pa.us/BidContractDetails.aspx?ContractNo=4400010196</p> |

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| 9. | | II-4, B and Item 2. Cost Formula on the DGS website | Referring to the Cost Formula equation should "A" be the highest Offeror's total accumulated rebate, not lowest Offeror's cost? If not, can you clarify your scoring methodology when evaluating the overall value? | <p>Yes. That's correct.</p> <p>Section II-4 of the RFP is deleted and replaced in its entirety with the following language: "Cost: The Issuing Office has established the weight for the Cost criterion for this RFP as 30 % of the total points. For this RFP, the cost criterion is rated by giving the proposal with the highest Accumulated Rebate total, the total maximum number of Cost points available. The remaining proposals are rated by applying the following Cost Formula:</p> $1 - \frac{(E - B) \times C}{A} = D$ <p>A = E/2 B = Offeror C = Max Points D = Cost Score Points E = Highest Revenue</p> |
| 10. | | | Does the Commonwealth currently participate in the Western States Contracting Alliance card contract? | No. |

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| 11. | | | Does the Commonwealth currently earn a rebate on the Travel Card program? | Yes. |
| 12. | 17-18 | Appendix L and I-17 Proposal Content | Regarding the Trade Secret Confidential Proprietary Information Notice Form, is the Commonwealth expecting to receive both redacted and non-redacted proposals, or only the completed Trade Secret Confidential Form identifying content to be redacted and a non-redacted copy in response to the RFP? | Both the original and, if applicable, the redacted proposal and Appendix L – Trade Secret Form shall be submitted with the proposal by the due date and time in the Calendar of Events. Refer to Appendix L, under Acknowledgement, it states “The undersigned party hereby agrees that it has read and completed this form, and has marked the material being submitted in accordance with the instructions above. |
| 13. | | Appendix L | To which submittal volume -- Technical, Cost or Small/Diverse Subcontracting Plan -- should the Trade Secret Confidential Proprietary Information Notice Form be attached? | Technical Submittal |
| 14. | 5 | I-9 Addendum | To which submittal volume -- Technical, Cost or Small/Diverse Subcontracting Plan -- should Addendum 1 be attached? | Technical Submittal |
| 15. | | Appendix O-3 Cost Submittal | Appendix O-3, tab 2. Rebate Overview – row 12. Should the header title be “Basis Point”, as it is on row 19, and not “Basis Point as a decimal”? The formula in the cell will not accept basis point as a decimal. | The header rows now read “Basis Points” and the cell formats have been corrected. The Cost Submittal (Appendix O) has been updated for all three lots and is attached to this addendum and made part of the RFP. |

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| 16. | | Appendix O Cost Submittal | Appendix O., tab 3. Annual Rebate – row 6. Do the 9 “Invoice Paid Within” (Column B-J) options represent grace days after the billing cycle ends? If no, do those options represent file turn days?” (Example: 30 day cycle / 25 grace days equals 40 day average file turn) | Yes, columns B-J represent the number of business days after the cycle ends. For example, if the cycle ends May 15, 2017 and payment is received by May 22, 2017 column B would be used to determine the basis points. |
| 17. | 30 | III-4, T. Late Charges | Regarding RFP Technical Submittal Section T regarding late fees, shall offerors remain silent and refer reviewers to the Cost Submittal to review this information? | <p>Offeror shall not submit cost as part of their technical proposal. All fees shall be submitted in the cost submittal (Appendix O).</p> <p>An additional tab (Corporate Card Fees) has been added to the cost submittal for Lot 1 & 3 – Commonwealth lot only in order to address any applicable fees associated with a Corporate Card as identified in III-4, O (27) of the RFP.</p> |
| 18. | 17 | III-2, A. Qualifications | Offeror’s Fitch Viability Rating must be an “bbb” (Good fundamental credit quality) or higher. – Lot 2 Will the Commonwealth of Pennsylvania accept a current Moody’s Investor Service rating rather than the Fitch Viability Rating? | For Lot 2- COSTARS the offeror must have a Fitch Viability Rating of “bbb” or higher OR a Moody’s Investor Service Rating of “baa” (Adequate Financial Security Moderate Risk) or higher. |

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| 19. | 21 | III-4, D. Liability | The Commonwealth Corporate Card Program will be a contingent liability program. The Commonwealth will allow charged off accounts to be recovered from the next available quarterly rebate. What are the specific final review and approval requirements in order that a Corporate Card account more than 180 days' delinquent will be paid from the Commonwealth's quarterly rebate? Must the account be charged-off prior to payment? | <p>The Commonwealth will review the support provided by the selected offeror, for the quarter's rebate. The support should include any deductions for corporate card accounts more than 180 days delinquent. The Commonwealth will acknowledge acceptance of the rebate calculation or work with the selected offeror to resolve any issues with the calculation.</p> <p>The account must be over 180 days delinquent. The selected offeror can determine whether or not the account is charged off in their system.</p> |
| 20. | 21 | III-4, D. Liability | Please confirm that for Lot #2 COSTARS Members ONLY will be responsible for all respective authorized card spend. | The Commonwealth will not be liable for COSTARS members authorized card spend. |
| 21. | 5 | Section I-11, Item A. Proposal Submission | May we submit our proposal in PDF format so long as the pricing is included in Excel? PDF stabilizes the formatting, making the document easier to review and read, and will support addition of scanned forms and other documents only available as PDF, in a single file. Please advise. | Yes. The technical submittal may be submitted in a searchable PDF format (no scanned PDF's). |
| 22. | | Item D. Subcontractors | Please confirm that the requested subcontractor information should NOT be provided in the Technical Submittal and that the Technical Submittal may direct reviewers to find this information in the SB/SDB Subcontracting Submittal? | In accordance with Section III-2, D. all subcontractor information must be included in the technical submittal. The technical submittal shall not direct reviewers to the SB/SDB submittal for information on subcontractors. |

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| 23. | 18 | Item T. Late Charges | Please confirm that the requested fee and rate information should NOT be provided in the Technical Submittal and that the Technical Submittal may direct reviewers to find this information in the Cost Submittal? | In accordance with I-11, B., "All cost data relating to this proposal and all Small Diverse Business and Small Business cost data should be kept separate from and not included in the Technical Submittal." The term cost shall include any reference to fee and rate information. |
| 24. | 13 | II-4, C; V-2(B) | <p>The method to compute Small Diverse Business (SDB) level of participation doesn't work well for a "No cost" agreement such as the Purchasing Card. By asking for a percentage of the cost to the Commonwealth as a measure of participation a positive value is never attainable. For example if we committed to 3% of the cost we would have no SDB commitment. $X\% \text{ of } \\$0 \text{ cost} = 0$.</p> <p>This was the case in 2012 when the Commonwealth formulas were virtually the same. Based on the unique nature of a Pcard program (we pay you) we offered a dollar amount for annual participation. Would dollars rather than percentage be again the most appropriate way to commit to a Pennsylvania Based SDB or could you provide another method with an example that would provide an annual level of participation figure.</p> | As detailed in Sections II-4(C) and V-2(B) of the RFP, the Small Diverse Business and Small Business scores are based upon the percentage of the <u>overall total accumulated rebate</u> committed to Small Diverse Businesses and Small Businesses. They are not based upon percentage of costs, as the issuing office recognizes this is a no-cost contract. |

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| 25. | | | Would the Commonwealth accept the same File Turn days speed of pay rebate calculation for Purchase Card which is currently done with the Corporate Card program for Lot 1? | No. |
| 26. | | | Given the number of entities involved with Lot 2 would you accept our system standard processed File turn days speed of pay calculations for both Purchase Card and Corporate Card programs? | No. In order to evaluate costs on an equal basis, the cost submittal cannot be changed. |
| 27. | | | Would the Commonwealth consider using the same open ended Grid for Large ticket spend with Lot 2 and 3 as is presented with Lot 1? The Lot 1 tab for additional rebate incentives gives us much more flexibility to present a better offering to the commonwealth? | Yes. The Cost Submittal (Appendix O) has been updated for all three lots (open grid and formatting) and is attached to this addendum and made part of the RFP. |
| 28. | | | In Section IV: Incentives on the additional rebate incentive tab could the Commonwealth change the grid to allow either a Dollar amount or percentage of type of spend amount to allow greater flexibility in incentive offering? | Yes. The Cost Submittal (Appendix O) has been updated for all three lots and is attached to this addendum and made part of the RFP. |

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| 29. | 39-41 | V-1; V-2; Appendix J, Small Diverse Business and Small Business Participation Submittal ; Appendix K, Small Diverse and Small Business Letter of Intent. | <ol style="list-style-type: none"> 1. Will vendors who are recognized as small/diverse businesses nationally count toward our commitment/ participation? 2. If not, does a vendor who is not fully vetted through the State certification process qualify if they are still working towards certification and will be fully certified when contract term begins? 3. Can we use multiple vendors and target a dollar amount for the group vs a specific commitment to each vendor? | <ol style="list-style-type: none"> 1. Per Section V-1 of the RFP, Offerors only receive credit for SDB or SB participation or commitments made to SDBs that have completed the DGS/BDISBO verification process and SBs that have completed the DGS/BDISBO self-certification process. 2. In order for an Offeror to receive credit for a commitment to an SDB or SB, the SDB or SB must possess their SDB verification or SB self-certification prior to the completion of SDB/SB scoring by BDISBO. Because there is no guarantee that a currently unverified or uncertified SDB/SB firm will receive their verification or self-certification by the completion of SDB/SB scoring, an Offeror who proposes to use such an SDB/SB firm does so at their own risk. 3. No. Section V-2 of the RFP; Appendix J, Small Diverse Business and Small Business Participation Submittal; and Appendix K, Small Diverse and Small Business Letter of Intent, all require Offerors to make specific commitments to identified SDB and SB subcontractors. |

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| 30. | | | <p>1. If a vendor is deemed non-performing, what flexibility do we have to change suppliers while retaining the same level of overall financial commitment to small diverse businesses.</p> <p>2. Do the supplier need to remain consistent through the life of the Contract?</p> | <p>1. Per Section V-3(C) of the RFP, the individual percentage commitments made to SDBs and SBs cannot be altered without written approval from BDISBO.</p> <p>2. Yes</p> |
| 31. | | | What rebate does Commonwealth get today for large ticket transactions? | <p>See exhibit A of the current contract at the link below: http://www.emarketplace.state.pa.us/BidContractDetails.aspx?ContractNo=4400010196</p> |
| 32. | | | COSTARS please can you explain the reason for difference in weighting for P Card rebate tier pricing? | Due to the unknown spend for COSTARS a larger weight was applied to a lower spend tier where we anticipate the majority of the spend to occur. |
| 33. | | III-4, A. Implementation. | What is the Commonwealth's target kick-off date for implementation? | Once the Contract is fully-executed by the Commonwealth, a kick-off date will be established. |
| 34. | | | Does the Commonwealth have any custom reporting requirements? | All reporting requirements are listed in III-4 N. of the RFP. Any additional reporting requirements are dependent on the availability of data in the offeror's Online Banking Tool. |
| 35. | | | For the Small, Small Diverse Business requirement, should the value of the deal be based on the 3-year | The value should be based on the initial term of the contract (3 years). |

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| | | | agreement or should the 1-year extensions be taken into account? | BDISBO requests that offerors agree to utilize SDBs or SBs during all extensions or optional years and will request an explanation if an offeror fails to agree to do so in any letter of intent. |
| 36. | | | Are credit card payments from COSTARS members payable by the Commonwealth? | No. |
| 37. | | | Per item I-11 B: Does the Commonwealth require the delivery of physical signed forms included in Appendix J and Appendix K, or only the electronic scans of these documents on CD, DVD or Flash. | Signed forms can be electronically scanned and must be included on the CD, DVD or Flash Drive. |
| 38. | | | Per item I-24: If a bidder wishes to bid on Lot 1 and Lot 3, does The Commonwealth require a separate document submission for our Lot 1 and Lot 2 responses? | Yes. |
| 39. | | I-25. Notice of Selection. | How will the bid/award acceptance and negotiation process proceed, and what components would constitute the overall contract? | Refer to I-25, Notice of Selection. The RFP and offeror's technical submittal and any additional clarification(s) will become a part of the final Contract. Also refer to V.39 CONTRACT-034.1a Integration and V.40 CONTRACT-034.2a Order of Precedence. |

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| 40. | | | What is the willingness of the Commonwealth to entertain our standard provisions. Would the Commonwealth permit use to provide our standard form of contract in our proposal, and if not, will the Commonwealth entertain proposed contractual terms which the bank believes are necessary and appropriate for this RFP (i.e., a standard provisions supplement)? | No, offerors are not permitted to submit their standard form of contract with the proposal submission. Any objections and or additional to the Contract Terms and Conditions shall be addressed under III-8 of the RFP. |
| 41. | | | <ol style="list-style-type: none"> 1. For Lot 1 participating Commonwealth agencies (Appendix A), is the Commonwealth liable or is each participating agency separately liable? 2. Will each Commonwealth agencies be required to sign a participation agreement or will they be automatically included? 3. Can you (and do you seek to) pick and choose among these Commonwealth agencies? 4. As for an “external procurement activity” entity, that is defined as a buying organization not located in PA. Who would be such an entity? | <ol style="list-style-type: none"> 1. Each agency is liable, however the Commonwealth makes one payment for the participating agencies in Appendix A. 2. They will be automatically included. 3. No. 4. Refer to Appendix B-1, Participating Addendum with 5. External Procurement, A. Definitions (1). |
| 42. | | | May we submit our form of Participation agreement in lieu of the Commonwealth’s? It effectively covers terms related to a Commercial Cards agreement | No. |

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| 43. | | | Appendix N File Formats: Does the provider need to offer the exact same format or can we provide in a different format but containing the same information that the Commonwealth requires? | No, the files must be provided in the exact same format as outlined in Appendix N. |