

REQUEST FOR PROPOSALS

Procurement Cards

PURPOSES

The purpose of this request for proposal (RFP) is to provide prospective proposers with information to enable them to prepare and submit a proposal for furnishing procurement cards for the City of Rapid City. This will begin the process of evaluation and negotiation which may lead to a contract for procurement cards.

GENERAL INFORMATION

Proposers are cautioned to read this document carefully and to prepare and submit their response providing all information requested in strict accordance with the format, chronology, etc. as set forth herein. To be considered, proposers must submit a complete response to this RFP in the format detailed. Proposals must be dated and signed by an authorized official to bind the proposer to its provisions. Proposals must remain in force for at least ninety (90) calendar days from the date for submission of proposals. The city will not be liable for any costs incurred by the proposer in preparation of this RFP.

The city reserves the right to reject any or all proposals, wholly or in part, to waive any technicalities, informalities, or irregularities in any proposal, to make awards in a manner deemed in the best interest of the city, and unless otherwise specified by the proposer on the proposal, to accept any item in the proposal.

A. INQUIRIES

All inquiries concerning this RFP should be directed in writing, by FAX or email to:

City of Rapid City
Attn: Tracy Davis
300 Sixth Street
Rapid City, SD 57701
(605) 394-4143
tracy.davis@rcgov.org

A written addendum to all pertinent questions will be provided to all proposers.

In all cases, no verbal communication shall override information present in this RFP or written addenda distributed.

Proposals will be opened August 14, 2008. All proposals must be received by 2 p.m. MDT on August 14, 2008 in a sealed envelope clearly marked on the outside with "City of Rapid City Procurement Card Proposal" and date of opening.

B. ECONOMY OF PRESENTATION

Proposals should be prepared simply and economically providing a straightforward and concise description of the proposer's capability to satisfy the requirements of the RFP. Proposals should be presented in sequence as it appears in this document. Proposers are encouraged to keep any clarifications concise. Existence of clarification and responses

should be indicated in the appropriate space. The clarification should be headed with the paragraph notation and heading of the paragraph being clarified, i.e., "Economy of Presentation," followed by the body of the clarification and should directly follow the page on which the paragraph being clarified exists. Please utilize the proposal pages for your response and follow the format specified. A response is "required" on each of the selected items. Special bindings, cover displays and promotional materials are not desired.

C. EVALUATION PROCESS

Proposals will be evaluated according to the following factors

- Operations
- Controls
- Cards
- Reporting
- Payment
- Costs
- Personnel and Contacts

The proposer may be asked to make an oral presentation of their program and/or respond to questions telephonically. Once the best proposal is selected, the City may conduct further negotiations to clarify contract terms and conditions.

D. AWARD OF CONTRACT

Award of contract, if made, will be effective from the date of this contract is approved by the City Council and shall be effective for a period of two (2) years.

E. CONTRACT ASSIGNMENT:

Contracts established as a result of the proposal shall not be transferred or assigned without consent of the city.

THE PROPOSAL

Proposers must format their proposal to respond to the following questions and requests for information.

A. OPERATIONS

1. How long has proposer offered a procurement card program and what is the number of procurement card customers serviced by the organization? What is the number of procurement card customers serviced by the organization in Rapid City?
2. Provide information on the percentage of merchants who currently accept the card issued by the organization.
3. Describe the technology utilized in the procurement card program. Include information on computing technology, communication links, vendor/merchant terminal requirements and data storage.

4. Does the proposer use subcontractors for procurement card processing? If so, how will the proposer guarantee contract performance?
5. Will the proposer be willing and able to assist in training city personnel in the proper use of their procurement card program? Is there a cost to this training?
6. Describe the proposer's procurement card operations. Include information on size, scope, capacity, timing and process steps.
7. Describe the process for handling customer service related inquiries. Provide a detailed description of how lost/stolen cards, disputed items, and general cardholder assistance are handled.

B. CONTROLS

1. What is the maximum possible credit limit that can be set for a city procurement card program?
2. Is it possible to restrict the purchase of certain types of items, such as travel, entertainment, alcohol, printing, etc.? If so, please explain.
3. Are there specific vendor codes set up by the card company which could be used by the city to identify and track vendors? If so, how many codes are used? Does each vendor have a specific code? Explain.
4. Can the City set individual transaction limits by card? (e.g. \$150.00 for card A and \$250.00 for card B).
5. Does the organization provide daily or monthly transaction volume limits by card? (e.g. 3 transactions per day, 50 transactions per month, \$ xxx.xx per day, \$ xxxx.xx per month).
6. Can individual MCC codes limitations be issued to each card? For example, Card A can only be used to purchase products with MCC codes 4000 and 4580, and Card B can be used to purchase items within a range of MCC codes. If so, is the restriction at point of sale or after the transaction is authorized? The city will not accept predefined classes which will require the city to fit users into the different classes.
7. How many MCC codes or MCC code ranges may be specified on each procurement cardholder?
8. What plan or procedure would apply for employees and/or city liability for unauthorized use of a card? Explain in detail.

C. CARDS

1. Describe the procurement card application, renewal, and cancellation process. How are new, renewal, and replacement cards distributed? What information will be required by the card supplier if the city utilizes an internal application?
2. Do the cards have an expiration date? If so how is the expiration date determined?

3. What is the procedure for the replacement of lost cards? How quickly will lost /stolen cards be replaced?
4. What practices exist to preclude counterfeit cards?
5. Can the face of the customized procurement card contain the City's name and/or logo? What information may be embossed on the procurement cards and what limitations and/or restrictions exist? Explain any costs involved in producing customized cards.
6. Can the City's statement of sales tax exemption be included on the card?
7. How does the organization differentiate between fleet and procurement cards?

D. REPORTING

1. Is there on-line access which provides procurement card information, and if so, is there a cost associated with this system? Include hardware and software requirements and any costs. Is the information available through a password protected World Wide Web site? If so, is there an example of a web site which can be accessed to evaluate the system? If so, provide the web site address.
2. Describe the frequency and type of reporting that will be provided under the procurement card program. Include a detailed explanation of data type stored and maintained, and the structure of the reports available. Example of reports should be provided in the response to this RFP.
3. Does the system allow for transaction downloads to be uploaded to the city's general ledger software. If so, in what format will the information come to the city?

E. PAYMENT

1. What are the terms for invoice payment? What methods are accepted for payment?
2. The City normally has a 45 day billing cycle. The proposer is expected to tailor its operation to meet the City's needs.

F. COST

1. Is there an annual fee for these cards? Are there additional fees or costs associated with providing a customized procurement card program? Include items such as transaction fees, late payment finance charges, initial cost per card and any other miscellaneous charges.
2. Is the proposer able to provide a rebate? What are the criteria used to determine the amount of a rebate?

G. PERSONNEL AND CONTACT

1. Account Executive: The proposer shall designate an individual to support the procurement card system as the primary interface between the city and the proposer.

The city reserves the right to require a change in representatives for the positions outlined if service is unsatisfactory. Activities associated with this individual will include but not be limited to development and set-up of the cards and operational and customer service.

- a. Provide individual's title, location, and number of accounts assigned to that person.
 - b. List office support personnel/computer processing personnel who would provide back-up.
 - c. Provide the address used for remittance all payments.
 - e. Provide the 800 number available for account questions, if available.
 - f. What are the methods to contact the proposer's representative in an emergency?
 - g. Provide the organization's internet address and information needed to access and review the site.
2. Implementation: Describe the proposed implementation plan. Include a time table and who would be responsible for each phase. Provide the names and titles of individuals' authority to assign tasks and accept responsibilities for implementing the plan within the organization.
 3. References: List three references of companies and/or governments that are using the proposed procurement cards. Please include a contact name and phone number.
- E. 4. Additional Information: The proposer is encouraged to provide any additional relevant information or offers that may be useful in evaluating the proposal and are not specifically identified in this proposal document. Please indicate any requirements that the organization will expect on the part of the city with regard to the proposed procurement card program.

REQUIRED CONTRACT PROVISIONS: The contract with the proposer must meet the following additional conditions:

1. Termination for Cause:

The city may terminate the contract resulting from this RFP at any time if the contractor fails to carry out its terms, or fails to make substantial progress toward the fulfillment of terms, as specified in this document and the resulting contract documents.

2. Termination for other reasons:

- By mutual agreement of both parties, upon receipt and acceptance of not less

than a ninety (90) days written notice, the contract may be terminated on an agreed upon date, prior to the end of the contract period, without penalty to either party.

- By notification of either party that the contract will not be automatically renewed at the end of the two year period.
3. Choice of law – South Dakota without regard to choice of law provisions
 4. Venue – Either Seventh Judicial Circuit Court for Pennington County, South Dakota located in Rapid City, SD of United States District Court for the District of South Dakota, Western Division located in Rapid City, SD.
 5. City will not defend, indemnify or hold proposer harmless in any manner.