

REQUEST FOR PROPOSALS

THIS IS NOT AN ORDER
ADVERTISED RFP # 1415-047
RELEASE DATE AUGUST 6, 2014

Carson City invites interested firms to submit proposals for a professional services contract for Procurement Card, (P-Card) Services. Proposals shall be submitted in accordance with the Documents and Requirements as set forth in the formal "Request For Proposals" (RFP).

PROPOSALS shall be submitted to the **CARSON CITY PURCHASING AND CONTRACTS DEPARTMENT**, 201 North Carson Street, Suite 3, Carson City, Nevada 89701, by not later than 3:00 p.m. on September 2, 2014.

RECOMMENDATION FOR AWARD will be made by the Carson City Treasurer based on the evaluation results of the Review & Selection Committee. Once the committee has made a recommendation and a contract is negotiated, the results will be posted on the City's web site and all respondents will be notified by email of the Recommendation for Award to the successful respondent.

FINAL SELECTION will be made by the Board of Supervisors for Carson City, and is tentatively scheduled for Thursday, September 18, 2014. Should it become necessary to reschedule the date set for award, notice will be provided to those finalists selected. In all instances, a decision rendered by the Carson City Board of Supervisors shall be deemed final.

Kim Belt, Purchasing and Contracts Manager

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I. Introduction/Overview

- A. **Purpose/Objective:** The City of Carson City, Nevada (hereinafter referred to as City) has issued this Request for Proposals (hereinafter referred to as RFP) for the sole purpose of obtaining proposals from interested and qualified Contractors to provide Procurement Card (hereinafter referred to as P-Card) Services. Proposals received in response to this RFP will be evaluated on the Contractor's proposed method of approach, relative degree of risk (if any), firms experience, and cost/revenue considerations. Services under the anticipated contract will commence November 1, 2014. Award will be made to the responsible Contractor whose proposal is most advantageous to the City, taking into consideration the evaluation factors set forth in this RFP.

PLEASE NOTE: The City is asking Contractor to explain in their proposed method of approach for P-Cards that will enable the City to efficiently authorize control, and report procurement card expenditures.

- B. **Background:** The City's P-Card program started in 2002 and the current contract is with Bank of America. Currently, there are two hundred thirty eight (238) cardholders making one thousand, four hundred fifty seven plus (1457) transactions per month with a total yearly spending volume of over six million, four hundred Seventy Seven thousand Seven Hundred Seventy Six Dollars (\$6,477,776.00). The average spend per transaction is three hundred seventy dollars (\$370.00) for Fiscal Year 2013.

The City's program information, in relation to number of transactions and expenditures, is provided by fiscal year in the following example. The City's fiscal year runs from July 1 to June 30.

Example of City's Procurement-Card Activity, FY2005 thru FY2014:

The City's current program has four (4) levels of card users with corresponding Merchant Category Codes (MCC) for each level, designated as Emergency EOC, One Time Spend, Purchase Order, and General. The single purchase and monthly limits are set differently for each of the cards and range from approximately one thousand dollars (\$1,000) per month to one hundred twenty-five thousand dollars (\$125,000) per month. Authorized City employees use P-Cards primarily to make relatively low dollar value purchases of goods and services, including those related to fleet and travel.

City staff currently provides individual training and a policy manual for each new cardholder. The current cards are imprinted with the City logo and "For Business Use Only". The successful contractor shall provide a semi-custom card to include cardholder name (line 1), City of Carson City (line 2), and City logo. The left side of the card shall have a vertical imprint saying "Corporate Card" and, if possible, the words "Must Show City ID" printed on the back under the signature. The final design is to be approved by the City and it is anticipated that new cards will be issued after employees attend City provided training on the new program. The selected vendor will not communicate directly with City employees, the City's program administrator will be responsible for all employee training and communications related to the procurement card program.

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Fiscal Year	Yearly Transactions	Yearly Expenditures
2005	14648	\$2,799,334.03
2006	14909	\$3,409,929.05
2007	14667	\$3,137,672.90
2008	14062	\$3,027,917.34
2009	14723	\$5,427,586.00
2010	15385	\$5,578,946.00
2011	15466	\$5,699,699.00
2012	17028	\$6,253,978.00
2013	17490	\$6,477,776.00

- C. Inquiries and Questions related to this RFP shall be directed in writing, via e-mail, facsimile, or mail to:

Carson City Treasurer's Office
Mr. Al Kramer
201 North Carson Street, Suite 5
Carson City, Nevada 89701
Phone: 775-887-2092 /Fax 775-887-2102
E-Mail: AKramer@carson.org

Please include the RFP number, page, and paragraph number for each question asked in order to ensure that questions asked are responded to correctly. Additionally, please do **NOT** place the RFP number on the outside of the envelope containing questions, as it may be improperly identified as the proposal and not opened until after the official RFP close date and time. The only official answers or position of the City will be the one provided in writing.

II. General Description of Required Performance Outcomes

Contractor may propose additional performance outcomes beyond those listed below. However, the Contractor must achieve and maintain, at a minimum, the performance outcomes and performance standards agreed upon by all parties through a contract, if awarded, resulting from this RFP. Contractors may also propose additional performance outcomes beyond those minimally stated. The contract shall enable the City to achieve several goals related to the use of P-Cards, including:

- Maximum practicable use of the p-cards provided by Contractor to make relatively low dollar value, high volume purchases of goods and services.
- To the extent that Contractor can assure or enable adequate control and not add inefficiency, maximum practicable use of the P-Cards provided by Contractor to make higher dollar, non-contract purchases as well as higher dollar, contract purchases.
- Soft dollar savings as a result of increased administrative efficiency and better resource allocation for central and departmental staff.
- Hard dollar savings as a result of reduced maverick buying and enhanced information regarding purchases, such as, for example, standard reports of purchases broken out by vendor, industry code, and product/service code.
- Internet-based/online program administration: This should include the capability for the Program Administrator to view on-line the account transactions of all participants for a minimum period of the previous twelve (12) months; to make changes online in real-time

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to existing accounts; verify current account balances; check payment status; and establish online new participant accounts.

Provide the ability of the Program Administrator(s) to immediately process (override) rejected transactions either electronically or by phone and to the extent feasible, the capability for the Program Administrator to authorize or block purchases of goods or services.

The City would prefer to have the ability to restrict cardholder spending in a variety of ways, including but not limited to, Merchant Category Code (MCC) restrictions (ability to restrict types of vendors in general categories), and spending limits (single, daily, monthly, number of transactions, etc.). The City would also prefer to customize MCC restrictions as opposed to having to select from a general category of merchants.

- Other internet-based/online tools also desired:
 - workflow processes that provide for efficient, economical, and effective P-Card application and approval;
 - Creation of cardholder profiles (authorized limits, merchant category codes, etc.);
 - Transaction reporting;
 - Changes in cardholder profiles (permanent and by exception);
 - Card cancellation;
 - The ability to create customized reports, using any data field in the system and export in an Access or Excel format;
 - New and replacement card requests;
 - The capability for the City's Accounts Payable to reconcile the City's total expenditure on-line;
 - Upload the reconciled transaction data directly from the electronic P-Card solution into the City's automated accounting system, through integration with HTE, to the extent feasible;
 - Data capture and standard and custom reporting capabilities that meet the City's needs in the areas of financial management and control. This includes the capability for the City to efficiently authorize or block, track, and report procurement card expenditures without having to enter transaction data after-the-fact;
 - Data fields to include at a minimum (contingent on the merchant's ability to pass data to Contractor):
 - Cardholder name
 - Complete cardholder account number
 - Cardholder department name
 - Transaction dollar amount
 - Transaction tax amount
 - Transaction total amount
 - Transaction date
 - Transaction posting date
 - Contract number (via description field)
 - MCC/SIC codes
 - Vendor name
 - Vendor number

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Ideal system would provide:

- Maximum effectiveness, efficiency, economy, and control for the Procurement Card Administrator(s), including the ability to make changes immediately;
- Maximum effectiveness, efficiency, economy, and control for the Finance Department, including the ability to migrate data seamlessly to the City's HTE program;
- Support for the City's 1099 reporting requirements, the ability to identify each merchant's 1099/MWBE reporting status and sufficient information to report accordingly;
- Provide outstanding customer service, available 365 days a year, 24-hours a day.

III. Contractor's Responsibilities :

- The Contractor must provide a central point of contact person(s) to ensure coordination of each Program, as well as individuals that have the necessary expertise to "trouble shoot" the provided solution.
- Contractor agrees that no data, information or distribution lists related to this contract may be sold or otherwise distributed by the contractor to a third party, including to any divisions owned by or affiliated with the contractor.
- No information other than routine billing and statements shall be sent to cardholders without the prior written approval of the City.
- Contractor agrees that all cards issued must require cardholder activation upon receipt (not be mailed "live").
- Contractor agrees to assume responsibility for all charges, without a deductible, incurred after notification of lost, stolen or compromised / fraudulently used cards. Compromised / fraudulent use is defined as use of the card /account by a person other than the person to whom the card was issued. The City and contractor will mutually agree upon the method of notification.
- Provide a P-Card design that is compatible with the City's needs.
- Provide access to services, via the Internet, to all program participants.
- Provide a toll free 24 hour, 365 day a year telephone number for customer service.
- Complete on-site "Train the Trainer" training for the various levels of card program administration, necessary for the effective use of the procurement card program, including, but not limited to an internet-based maintenance tool and software program.
- Provide a custom or standard report that meets the data requirement of the Procurement Card Monthly Purchase Transaction log.
- Archive all transactions as historical information to be retained for seven (7) years.
- Implement a complete interface of the card solution(s) to the City's HTE financial software, in order to permit uploading of transactional data.
- Provide a program that is free of annual fees or interest charges on current balances.
- Provide a program that includes protection against identity theft such as red flag notification.

IV. The City's Responsibilities:

- Supply a Program Administrator as a central point of contact.

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- Supply cardholders with a Policies and Procedures Manual.
- Supply cardholders with the necessary training.
- Seek to minimize fraudulent card use through security and other appropriate measures and actions.

V. **Rebate Proposal:**

Contractors are invited to offer rebates based on the combined annual spend of the City using example and/or as a member of an aggregated cooperative pool with other agencies. This rebate does not have to be fixed but can be dependent upon the level of annual spend; i.e. 1% based on annual spend of \$1 million; 1.5% based on annual spend of \$1.5 million, etc.

Contractors may also propose rebates based on a combination of annual spend and average transaction amount, or any other verifiable measures. Please disclose any break points in determining how rebates are established. If anything is contingent upon mutual agreement such as reducing the billing cycle turnaround time, that must also be clearly noted. However, the base proposal must be prepared assuming the billing cycles will remain monthly. The current billing cycle is from the 5th day to the 4th day of each month.

VI. **Proposal Format:**

- A. In order for the committee to adequately compare proposals and evaluate them uniformly and objectively, all proposals must be submitted according to the following format.

The proposal should be prepared simply and economically, providing straightforward and concise information as requested. Unnecessary brochures or other presentations beyond that required to present a complete and effective proposal are not desired.

Each section should be clearly identified and contain all of the information necessary to communicate the information required.

Label each section with the appropriate heading.

- B. The proposal sections, page limits, and format must be as follows:

- 1) Provide a cover letter signed by an authorized officer of the firm;
- 2) Provide an executive summary (max 2 pages) summarizing the P-Card solution you are proposing to provide and describing the underlying philosophy of your firm in providing the proposed solution.
- 3) Include the name(s), telephone number(s), Fax number(s), and e-mail address(s) of the authorized contact person(s) for your proposal.
- 4) Project Understanding and Approach should be fifteen (15) pages maximum, including, but do not limit to the following information:
 - a) Description of the proposed contract team, and the role to be played by each member of the proposed team.
 - b) Proposed team organizational structure, interrelationships, and interactions.

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- c) Detailed plan of approach [including how you intend to achieve and attain the required performance outcomes set forth in this RFP, and to fulfill the contractor responsibilities set forth in this RFP.
- d) Proposed processes for disputed charges, including a description of the City's liabilities and any interest implications, turnaround time for resolving disputes, and whether the City will accrue any interest charges or fees of any kind while a matter is under review.
- e) Proposed service quality program to include contingency plans in case of failure of any business partners to provide service and/or to jeopardize the integrity of the Program.
- f) Provide a complete description of the implementation / conversion process, including timeline for commencement/transition.
- g) Describe implementation tasks (roles & responsibilities) for agency Program Administrators, cardholders, approving officials, Accts. Payable/IT Staff, etc.
- h) Identify the bank issuing the cards proposed and whether it is VISA, MasterCard, American Express or Discovery Card.

- C. Proposals shall be submitted by not later than 3:00 p.m. on September 2, 2014, to:

Carson City Purchasing and Contracts
Attn: Kim Belt
201 North Carson Street, Suite 3
Carson City, Nevada 89701

VII. Right to Reject Proposals:

- A. Submission of proposal indicated acceptance by the contractor of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the subsequent contract between the City and contractor.
- B. The City reserves the right to reject any or all proposals and award to the contractor the City deems most qualified and whose award of the contract will accrue to the best interests of the City.
- C. Late proposals will not be accepted. Contractors are held responsible that their proposals arrive on or before the designated date and time.

VIII. Withdrawal of Proposals:

Request to withdraw proposals received after the date and time set for opening and acknowledging proposals will NOT be considered.

IX. Contract Termination:

Carson City reserves the right to terminate the contract if contractor does not perform as required by the terms of the contract. Reasons for termination may include, but are not limited to, the following:

Failure to provide services as identified in the RFP
Failure to provide P-Cards as identified in the RFP

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X. Insurance Requirements:

The successful contractor shall, at the contractor's sole expense, procure, maintain and keep in force for the duration of this contract the following insurance conforming to the minimum requirements specified below. Unless specifically specified herein or otherwise agreed to by City,

A. General Liability:

Minimum limits required
\$2,000,000.00 – General Aggregate
\$2,000,000.00 – Products and Completed Operations Aggregate
\$1,000,000.00 – Each occurrence
\$5,000.00 deductible
Listing the City as Additionally Insured
Listing the City as Certificate Holder

B. Commercial Crime Insurance

Minimum limit required
\$5,000,000.00 - per loss for employee dishonesty
\$1,000 deductible per loss

C. Workers Compensation Insurance

As required per NRS 616A through 616D

XI. Objection by Unsuccessful Contractor:

Any unsuccessful contractor may file an objection to the City regarding the selection of the Review and Selection Committee by following the procedures below:

Objections shall be written and submitted to the Purchasing and Contract Department, a minimum of three days prior to the Board of Supervisors meeting (9:00 a.m. the Monday prior to the meeting).