

**TO:** Ms. Krista Lee, Executive Director, Fiscal Review Committee

**FROM:** Chris Romaine, Central Procurement Office – Department of General Services

**DATE:** February 9, 2017

**SUBJECT:** Request for Approval of Contract Amendment Three

The Department of General Services respectfully requests approval of the attached Amendment Three to Contract # 25807 with [REDACTED]

This amendment will be used to continue use of the P-Card program without a lapse of services. A competitively procured contract has been approved; however the transition to the new vendor is taking longer than anticipated. If the transition is completed prior to the proposed end date, the State will exercise its termination rights in this Contract.

Please contact me at (615) 253-5613 with any questions or concerns. We appreciate your consideration of this matter.

**Attachments:**

- Attachment A: Supplemental Document
- Attachment B: Contract Amendment 3 Request
- Attachment C: Contract Amendment 3
- Attachment D: Rule Exception Request
- Attachment E: Original Contract
- Attachment F: Original Contract Amendments
- Attachment G: RFP
- Attachment H: RFP Amendments

*Contact Name:	Shannon Howell	*Contact Phone:	615-741-4274
*Presenter's name(s):	Shannon Howell		
Edison Contract Number: <i>(if applicable)</i>	25807	RFS Number: <i>(if applicable)</i>	
*Original or Proposed Contract Begin Date:	May 24, 2011	*Current or Proposed End Date:	May 23, 2017
Current Request Amendment Number: <i>(if applicable)</i>	3		
Proposed Amendment Effective Date: <i>(if applicable)</i>	May 23, 2017		
*Department Submitting:	Department of General Services		
*Division:	Central Procurement Office		
*Date Submitted:	2/9/2017		
*Submitted Within Sixty (60) days:	Yes		
<i>If not, explain:</i>			
*Contract Vendor Name:	[REDACTED]		
*Current or Proposed Maximum Liability:	0.00		
*Estimated Total Spend for Commodities:	0.00		
<b>*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)</b>			
FY:	FY:	FY:	FY:
\$	\$	\$	\$
<b>*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)</b>			
FY:	FY:	FY:	FY:
\$	\$	\$	\$
<b>IF</b> Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	N/A		
<b>IF</b> surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:	N/A		
<b>IF</b> Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	N/A		
*Contract Funding Source/Amount: N/A			

State:		Federal:	
<i>Interdepartmental:</i>		<i>Other:</i>	
If “ <i>other</i> ” please define:			
If “ <i>interdepartmental</i> ” please define:			
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>	Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>		
Amendment 1: August 5, 2013	Updated Contract Name, FEIN, and Contact information. Modified Program Scope requirements and updated required Terms.		
Amendment 2: May 23, 2016	360 day extension allowing Finance and Administration more time to complete the RFP process for re-procurement. Adds Joint and Several Liability language to the contract.		
Method of Original Award: <i>(if applicable)</i>	Request for Proposals		
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?	\$ 0.00		
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.	This amendment is only to extend the current contract to allow for a transition period to take place. The recent RFP has been completed and the new Contract for these services is in place with [REDACTED].		

Attachment B

# Amendment Request

This request form is not required for amendments to grant contracts. Route a completed request, as one file in PDF format, via e-mail attachment sent to: [Agsprs.Agsprs@tn.gov](mailto:Agsprs.Agsprs@tn.gov)

**APPROVED**

CHIEF PROCUREMENT OFFICER

DATE

<b>Agency request tracking #</b>	31701-05021-3	
<b>1. Procuring Agency</b>	Finance and Administration	
<b>2. Contractor</b>	[REDACTED]	
<b>3. Edison contract ID #</b>	25807	
<b>4. Proposed amendment #</b>	3	
<b>5. Contract's Original Effective Date</b>	May 24, 2011	
<b>6. Current end date</b>	May 23, 2017	
<b>7. Proposed end date</b>	May 23, 2018	
<b>8. Current Maximum Liability or Estimated Liability</b>	\$ 0.00	
<b>9. Proposed Maximum Liability or Estimated Liability</b>	\$ 0.00	
<b>10. Strategic Technology Solutions Pre-Approval Endorsement Request</b> – information technology service (N/A to THDA)	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
<b>11. eHealth Pre-Approval Endorsement Request</b> – health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
<b>12. Human Resources Pre-Approval Endorsement Request</b> – state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
<b>13. Explain why the proposed amendment is needed</b>		
<p>Finance and Administration's current six-year contract with [REDACTED] is scheduled to end May 23, 2017. A competitively procured contract has been approved, but the transition to the new vendor is taking longer than anticipated. This extension will be used to continue use of the P-Card program without a lapse of services. If the transition is completed prior to the proposed end date the State will exercise its termination rights in this Contract.</p>		

<b>Agency request tracking #</b>	<b>31701-05021-3</b>
<b>14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.</b>  <b>N/A</b>	
<b>Signature of Agency head or authorized designee, title of signatory, and date</b> (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)	



## CONTRACT AMENDMENT COVER SHEET

<b>Agency Tracking #</b> 31701-05021	<b>Edison ID</b> 25807	<b>Contract #</b> 25807	<b>Amendment #</b> 3		
<b>Contractor Legal Entity Name</b> [REDACTED]			<b>Edison Vendor ID</b> 28993		
<b>Amendment Purpose &amp; Effect(s)</b> Amend the contract term allowing Finance and Administration more time to transition to the new competitively procured contract.					
<b>Amendment Changes Contract End Date:</b> <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		<b>End Date:</b> May 23, 2018			
<b>TOTAL Contract Amount INCREASE or DECREASE per this Amendment</b> (zero if N/A):			<b>\$ 0.00</b>		
<b>Funding —</b>					
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
<b>TOTAL:</b>					<b>0.00</b>
<b>American Recovery and Reinvestment Act (ARRA) Funding:</b> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
<b>Budget Officer Confirmation:</b> There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.			<i>CPO USE</i>		
<b>Speed Chart</b> (optional)		<b>Account Code</b> (optional)			

**AMENDMENT 3  
OF CONTRACT 25807**

This Amendment is made and entered by and between the State of Tennessee, -Department of Finance and Administration, hereinafter referred to as the "State" and [REDACTED] hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. Contract Section B.1 Contract Period is deleted in its entirety and replaced with the following:

B.1 Contract Term. This Contract shall be effective for the period beginning on May 24, 2011 ("Effective Date") and ending on May 23, 2018, ("Term"). The State shall have no obligation for goods delivered or services provided by the Contractor prior to the Effective Date.

2. Contract Section B.2 is deleted in its entirety and replaced with the following:

B.2 Term Extension. The State may extend the Term an additional period of time, not to three hundred and sixty (360) days beyond the expiration date of this Contract, under the same terms and conditions, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of eighty four (84) months.

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective May 23, 2017. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF,**

[REDACTED]

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**SIGNATURE**

**DATE**

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**PRINTED NAME AND TITLE OF SIGNATORY (above)**

**DEPARTMENT OF GENERAL SERVICES, CENTRAL PROCUREMENT OFFICE:**

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**MICHAEL F. PERRY, CHIEF PROCUREMENT OFFICER**

**DATE**

**DEPARTMENT OF FINANCE AND ADMINISTRATION:**

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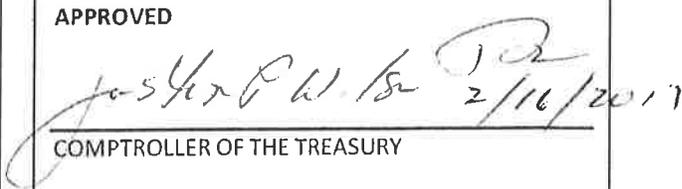
**LARRY MARTIN, COMMISSIONER OF FINANCE AND  
ADMINISTRATION**

**DATE**

# Rule Exception Request

Use this document to request changes to Central Procurement Office templates, policies, or other procurement documents or to modify the "necessary contract clauses" identified in Tenn. Comp. R. & Reg. 0690-03-01-.17 ("CPO Rule 17"). Complete this document in conformity with CPO Rule 17, which is available [here](#). Send the completed document in PDF format to: [Agsprrs.Agsprs@tn.gov](mailto:Agsprrs.Agsprs@tn.gov) All Rule Exception Requests are subject to review and approval by the Chief Procurement Officer. Rule Exception Requests that propose to modify any of CPO Rule 17's necessary contract clauses shall be subject to review and approval by the Comptroller of the Treasury.

**APPROVED**  
 Kevin C. Bartels for  
 Michael F. Perry  
Digitally signed by Kevin C. Bartels for Michael F. Perry  
 DN: cn=Kevin C. Bartels for Michael F. Perry, o=CPO, ou, email=Kevin.C.Bartels@tn.gov, c=US  
 Date: 2017.02.15 11:59:02 -06'00'  
 CHIEF PROCUREMENT OFFICER

**APPROVED**  
  
 2/16/2017  
 COMPTROLLER OF THE TREASURY

Agency request tracking #	31701-05021-3
1. Procuring Agency	Finance and Administration
2. Edison contract ID #	25807
3. Contractor or Grantee	[REDACTED]
4. Contract's Effective Date	May 24, 2011
5. Contract or grant contract's Term (with ALL options to extend exercised)	84 months
6. Contract's Maximum Liability (with ALL options to extend exercised)	\$ 0.00
7. Citation and explanation of the rule(s) for which the exception is requested	<p>Term of Contract: In no event shall the maximum term of a contract exceed a total of sixty (60) months.</p> <p>0690-03-01-.14(2)(c) Term Contract – General which states "... any multi-year contract shall be awarded pursuant to these Rules and shall not be for a period longer than sixty (60) months unless approved by the Chief Procurement Officer as being in the best interest of the State."</p> <p>Term of Contract: The State may extend the Term an additional period of time, not to exceed one hundred-eighty (180) days beyond the expiration date of this Contract, under the same terms and conditions, at the State's sole option.</p>
8. Description of requested changes If adding new provisions or modifying existing provisions, insert the new or modified provisions in their entirety.	<p>Finance and Administration is requesting to amend the term of a multi-year contract for a period to exceed sixty (60) months. The new end date requested is May 23, 2018.</p>

<p>9. Justification</p>	<p>Finance and Administration's current six-year contract with [REDACTED] is scheduled to end May 23, 2017. A competitively procured contract has been approved, but the transition to the new vendor is taking longer than anticipated as the RFP process was a collaborative effort between the State, UT and TBR. Lengthy negotiations occurred from the notice of intent to award in June until the effective date of the new contract on November 1<sup>st</sup>. In addition, award to the new vendor also resulted in a change from a Visa Platform to a MasterCard Platform which is currently causing interface issues with the daily data extraction file for both the State and UT. This amendment will be used to continue use of the P-Card program without a lapse of services. If the transition is completed prior to the proposed end date, the State will exercise its termination rights in this Contract.</p>
<p>Signature of Agency head or designee and date</p> <p><i>Buddy Lee</i>, ASSISTANT COMMISSIONER      2/9/17</p>	

 <b>CONTRACT</b> (state revenue contract with an individual, business, non-profit, or government entity of another state or country and from which the state receives monetary compensation)			
<b>Begin Date</b> May 24, 2011	<b>End Date</b> May 23, 2016	<b>Agency Tracking #</b> 31701-05021	<b>Edison ID</b> 000000000000000000025807
<b>Procuring Party Legal Entity Name</b> [REDACTED]		<b>Procuring Party Registration ID</b> 28993	
<b>Service Caption</b> State Payment Card and Corporate Travel Card Services		<b>FEIN or SSN</b> [REDACTED]	
<b>Ownership/Control</b>			
<input type="checkbox"/> African American	<input type="checkbox"/> Asian	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Native American <input type="checkbox"/> Female
<input type="checkbox"/> Person w/Disability	<input type="checkbox"/> Small Business	<input type="checkbox"/> Government	<input checked="" type="checkbox"/> NOT Minority/Disadvantaged
<input type="checkbox"/> Other:			
<b>Selection Method &amp; Process Summary</b> (mark the correct response to confirm the associated summary)			
<input checked="" type="checkbox"/> RFP	The procurement process was completed in accordance with the approved RFP document and associated regulations.		
<input type="checkbox"/> Competitive Negotiation	The predefined, competitive, impartial, negotiation process was completed in accordance with the associated, approved procedures and evaluation criteria.		
<input type="checkbox"/> Alternative Competitive Method	The predefined, competitive, impartial, procurement process was completed in accordance with the associated, approved procedures and evaluation criteria.		
<input type="checkbox"/> Non-Competitive Negotiation	The non-competitive procuring party selection was completed as approved, and the procurement process included a negotiation of best possible terms & price.		
<input type="checkbox"/> Other	The procuring party selection was directed by law, court order, settlement agreement, or resulted from the state making the same agreement with <u>all</u> interested parties or <u>all</u> parties in a predetermined "class."		
<b>Agency Contact &amp; Telephone #</b> Rhonda Hicks, 615-741-9795		OCR USE - RV	

**CONTRACT  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
AND**

[REDACTED]

This Contract, by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the 'State' and [REDACTED] hereinafter referred to as the "Contractor," is for the provision of state payment card and corporate travel card services, as further defined in the "SCOPE OF SERVICES."

The Contractor is a National Banking Association organized under the laws of the United States. Contractor Federal Employer Identification, Social Security, or Edison Registration ID # [REDACTED] Contractor Place of Incorporation or Organization: Organized under the laws of the United States

**A. SCOPE OF SERVICES:**

A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.

A.2. State Payment Card Program.

The Contractor shall provide State Payment Card Services (collectively known as Payment Cards whether a plastic card or a cardless account) with the following provisions:

- a. The Contractor shall provide services to all participating state agencies. At the option of the State, non-participating state agencies may be added to the program by written notice to the Contractor. Upon receipt of the written notice, the Contractor shall establish a master account number for the newly added agency and provide that number to the State. All individual Payment Cards for an agency shall be organized under the state agency's established master account number.
- b. State Payment Card. The state agencies will designate state employees who are anticipated to incur expenses on behalf of the State of Tennessee during the term of this Contract, and who are to receive Payment Cards, by submitting completed, duly authorized Payment Card applications in a format specified by the Contractor. State employees to whom Payment Cards are issued are referred to as Cardholders. At the option of the State, the Contractor agrees to accept group applications or an application for as few as one (1) employee at a time. Individual credit checks shall not be done on Cardholders, nor shall State Payment Card activity show upon Cardholder personal credit histories. The Contractor reserves the right to conduct credit checks on the State with respect to any application.
- c. The Contractor shall offer various types of cards or accounts including but not limited to the following:
  - i. General State Payment Cards. The Contractor will provide the State with Payment Cards used to make payment for a wide variety of goods and services.
  - ii. Event Cards. The Contractor will provide the State with Payment Cards designed to capture event-related expenses. The State and the Contractor will establish agreed-upon procedures for the use of such cards.
  - iii. Emergency Cards. The Contractor will provide the State with Payment Cards for use in the event of a state declared emergency. The State and the Contractor will establish agreed-upon procedures for the use of emergency cards. The Contractor will provide the State contact individuals, titles, addresses, phone numbers, fax numbers and e-mail addresses of those individuals who can

activate and perform maintenance on emergency cards 24 hours a day, 365 days a year.

- iv. Central Purchasing Accounts (CPA). The State may request the Contractor to establish a Central Purchasing Account (CPA) relationship with any entity that provides goods or services to the State. In the event that a CPA capability is established, all transactions initiated by such entity by virtue of such capability shall in all respects be treated as though the transaction was initiated through the use of a Payment Card.
- v. Central Travel Account (CTA). The Contractor will provide the State with a sufficient number of central travel accounts for the purpose of capturing airline charges made by the state travel agency. The Contractor will not issue plastic cards on any CTA. Except as otherwise provided by applicable law, the Contractor shall not be liable for any act or omission of any air carrier, agent or other firm providing goods or services including any defect or deficiency in goods or services provided that the Contractor has no responsibility and or/involvement with the particular act or omission. The State shall not withhold payment properly owed to the Contractor because of any claims or disputes arising from such act or omission, provided that the Contractor has no responsibility and/or involvement with such act or omission.
- d. The Contractor shall provide a VISA or MasterCard branded card designed specifically and exclusively for the State of Tennessee State Payment Card Program. The card must be accepted at a wide variety of merchants that accept credit and debit cards. The Contractor's payment card program shall not allow cash advances.
- e. Card Format/Design.

Each plastic card issued shall, at a minimum:

- i. Display on the face of the card, the name "State of Tennessee" and the State's official seal.
- ii. Display on the face of the card, the phrase "For Official Use Only – Tax Exempt". However, no Tax ID # should be displayed.
- iii. Display on the face of the card in embossed lettering the name of the state employee to whom the card is issued.
- iv. Display on the back of the card, the Contractor's toll-free "help" telephone number.
- v. Display on the face of the card, the credit card number. Upon contract award the Contractor and the State shall agree on a numbering sequence for the credit card number that will be on the face of the card.

Each plastic card issued shall not:

- vi. Contain any reference to Automatic Teller Machine (ATM) machine usage.
- vii. Contain the words "purchasing" or "procurement" on the face of the card.
- viii. Display other wording, design or card formats unless agreed to between the Contractor and the State.

Upon written request by the State, the Contractor will provide generic cards with no reference to the State of Tennessee.

- f. Card Management.
  - i. The Contractor will issue initial Payment Cards to the State on or before June 15, 2011. The Payment Cards will be shipped via certified or express mail, for delivery during standard State working hours, 8:00 am to 4:30 pm Central time, Monday through Friday, to be delivered to the State Payment Card Program Manager's address set forth in Section E.2 below.

ii. The Contractor will issue, at no cost to the State, new and replacement Payment Cards within one (1) business day of receipt of requests for replacement from the State. Unless a Payment Card has been terminated or canceled, as provided herein, all Payment Cards will expire upon the termination of this Contract. If during the term of the Contract, the Contractor elects to offer an across the board replacement of all Payment Cards and the State accepts the offer, this will be at no additional cost to the State.

(1) Standard Payment Card replacement shall include but not be limited to damaged, broken, malfunctioning magnetic strip, lost, or stolen cards, or cards with compromised data.

(2) During the term of the Contract, the Contractor will ship Payment Cards to the State via certified or express mail, for delivery during standard State working hours, 8:00 am to 4:30 pm Central Time, Monday through Friday. Unless otherwise directed in writing by the State, Payment Cards are to be delivered to the State Payment Card Program Manager's address set forth in Section E.2 below.

iii. The Contractor shall provide for a secured card activation mechanism prior to use.

iv. The Contractor shall provide the State with the ability to order, change, or cancel Payment Cards through its web-based management and reporting solution, which is detailed in Section A.4 below. The Contractor shall provide the participating state agency coordinators with the ability to change or cancel Payment Cards through its web-based management and reporting solution.

The State shall not be liable for any purchase or charge authorized after cancellation of a Payment Card by the State or participating state agency.

v. Lost or Stolen Cards (includes cards with compromised data). The Contractor will provide a toll-free help line and established policies and procedures to handle lost or stolen Payment Cards. The State, the participating state agency, or the Cardholder shall promptly notify the Contractor by telephone of any lost or stolen Payment Card. The Contractor shall immediately terminate and promptly replace such Payment Card. The State shall not be liable for any purchase or other charges incurred or arising by virtue of the use of a Payment Card following notification to the Contractor.

g. Card Controls and Restrictions.

The Contractor shall provide selective card controls which include, but are not limited to, single purchase or transaction dollar limits, Cycle dollar limits and temporary limits which can be established for a period of time. The Contractor shall be capable of providing such controls on an individual cardholder basis as well as on an agency-wide basis. The Contractor shall disallow and prevent cash advances from banks or automated teller machines. Cash advances are neither permitted nor authorized under this Contract.

h. Standard Industry Classifications (SIC) or Merchant Category Codes (MCC) Restrictions.

Based upon SIC's or card association MCC's and as instructed by the State, the Contractor shall establish charge authorization procedures to ensure certain transactions are denied. The Contractor shall have no liability or responsibility with respect to the verification or correction of SIC's or MCC's selected by the State or implemented with respect to any provider of goods and/or services. The Contractor shall be capable of providing such restrictions on an individual cardholder basis as well as on an agency-wide basis.

i. Disputed and Fraudulent Charges. Disputed items, fraudulent charges, and other forms of charges in which the Cardholder has communicated to the Contractor, via telephone or written communication, were not authorized will be credited to the Cardholder's account until resolved by the Contractor and the merchant. All disputed charges, and or

fraudulent charges reported by the Cardholder will be reported back to the State Payment Card Program Manager. Such reporting shall include Cardholder name and account number, dollar amount of any dispute or suspected error, reference number and a description of the dispute or error disputed date, posted date, and the current status of the resolution in process. Disputed billings are categorized as, but not necessarily limited to, failure to receive goods or services charged, fraud, forgery, altered charges and charges incurred by telephone where the authenticity of the charge is in question.

- j. Fraud Detection. The Contractor shall monitor, identify and alert the State of potentially fraudulent transactions.
- k. Insurance. The Contractor will provide liability waiver, travel and other insurance related to Payment Card use.
- l. Customer Service. The Contractor shall provide a toll-free telephone help line to assist the State and its Cardholders with the program and any problems related there to. The help line is available at no cost to the State or its Cardholders and it shall be available 24 hours a day, 365 days a year.
- m. Transaction Data Extract File. The Contractor shall provide the State with a transaction data extract file in either the MasterCard Common Data Format (CDF 3.0) or the Visa Commercial Format 4.0 for upload into the State's [REDACTED] accounting system. This transaction data extract file shall be furnished on a daily basis. The transaction data extract file must be encrypted using a cryptographic module validated to FIPS 140-2 before it leaves the Contractor's secure network. A secure transport must also be provided. The delivery method must be agreed to by the State. The file shall be delivered to the State no later than a time mutually agreed to by the State and Contractor. The frequency of the transaction data extract file may be changed at any time as agreed to in writing by both the Contractor and the State.  
  
If during the Contract term the MasterCard Common Data Format (CDF 3.0) or the Visa Commercial Format 4.0 for payment card loads is not a [REDACTED] supported format, the Contractor shall provide the transaction data extract file in a [REDACTED] supported format. The transaction data extract file's encryption and transport shall comply with all applicable security policies and standards including the Payment Card Industry Data Security Standard (PCI DSS) and the "State of Tennessee Enterprise Information Security Policies", as amended from time to time. The "State of Tennessee Enterprise Information Security Policies" are posted on  
  
<http://www.tn.gov/finance/oir/security/secpolicy.html>
- n. Policies and Procedures. The State will develop its own policies and procedures for the issuance, security and operational matters related to the State Payment Card program. The Contractor shall assist the State when asked with development, implementation, modification or enhancement of these policies and procedures.
- o. Responsibility. Except as expressly provided to the contrary herein, the State shall be liable for all purchases and other charges incurred or arising by virtue of the Cardholder use of a Payment Card. The obligation of the State to make payments under the terms of this Contract shall continue until fully performed. This provision shall survive the termination of this Contract.
- p. Internal Revenue Services (IRS) Requirements. The Contractor shall comply with all applicable IRS requirements and provide information required for reporting by the State of Tennessee in the performance of this Contract.
- q. Annual Report. The Contractor shall provide an annual report for all transactions and dollar volumes processed under this Contract. The report shall be prepared on a fiscal

year basis and shall be due August 1<sup>st</sup> of each year, with the first report due on August 1, 2011. The report shall include the following information: transaction counts, annual dollar volume, and type and number of cards issued per state agency utilizing services under this Contract. The report shall be provided in electronic format to the State contact specified per Section E.2.

A.3. Corporate Travel Card Program.

The Contractor shall provide Corporate Travel Card Services with the following provisions:

- a. The Contractor shall provide corporate travel card services to state employees who routinely incur expenses on behalf of the state and who the State wishes to receive corporate travel cards. The Contractor and the State will establish a mutually agreed-upon procedure for travel card applications. The Contractor shall issue corporate travel cards at no cost to the State or to the state employee. The Contractor reserves the right to ascertain the creditworthiness of designated state employees by obtaining credit bureau and other reports it deems necessary, and it may decline the issuance of a corporate travel card to any employee at its sole discretion. State employees to whom corporate travel cards are issued are referred to as Travel Cardholders.
- b. SIC or MCC Restrictions. The State and the Contractor shall establish agreed upon procedures to limit corporate travel card use to travel related purposes. These limitations will be based upon the Standard Industry Classifications (SIC) or card association Merchant Category Codes (MCC).
- c. Corporate Travel Card Termination. The Contractor may terminate the Travel Cardholder's agreement once payment is 90 days past due. The State will work with the Contractor to keep slow payment and non-payment as low as possible.
- d. Customer Service. The Contractor shall provide a toll-free assistance number for Travel Cardholders to access account information including balance and payment information, dispute resolution, loss or theft of card, and card replacement. Such services shall be available 24 hours a day, 365 days a year.
- e. Cancellation of Corporate Travel Cards. The State may notify the Contractor to cancel any corporate travel card at any time with or without cause and without prior notice to the Travel Cardholders. The State agrees to notify the Contractor of terminated employees and the termination effective date. The Contractor and the State will establish agreed upon procedures to ensure the Contractor is informed of terminated employees so the corporate travel cards may be cancelled. The Contractor may suspend the charge privileges of or cancel any corporate travel card at any time, with or without cause and without prior notice to the State Travel Cardholder. The Contractor will subsequently notify the State and the Travel Cardholder of card closure.
- f. Unauthorized Use. The State and the Travel Cardholders are not liable for charges resulting from any unauthorized use of the corporate travel card. For purposes of this clause, an unauthorized use is a use that did not benefit either the State or the Travel Cardholder and that was incurred by someone who is not the Travel Cardholder and who did not have authority to use the card.
- g. Travel Cardholder Information. The State agrees to provide the Contractor with any information available to the State, within legal and reasonable limitations, on the whereabouts of the Travel Cardholder, his or her last known address. The State also agrees to cooperate with the Contractor to the extent legally and reasonably permissible in any investigation, litigation or prosecution by the Contractor arising in connection with the use of a corporate travel card.
- h. Corporate Travel Cardholder Agreement. As specified in the Travel Cardholder agreement, the Contractor reserves the right to change the Travel Cardholder agreement at any time. The Contractor shall notify the State of any change by sending to the State a

copy of the changes at least 30 days prior to the effective date of the change, and to the Travel Cardholders a copy of the changes at least 15 days prior to the change.

A.4. Web-Based Program Management and Reporting Solution.

- a. The Contractor shall provide a web-based online program management and reporting solution hosted by the Contractor. The reporting solution shall comply with all applicable security policies and standards including PCI DSS and "State of Tennessee Enterprise Information Security Policies", as amended from time to time.
- b. The Contractor shall provide access at a statewide (corporate) level as well as the agency master account and individual cardholder levels.
- c. The Contractor shall control access to its reporting solution as required by the above-referenced "State of Tennessee Enterprise Information Security Policies".
- d. For State Payment Card Program, the reporting solution must allow, at a minimum, for the creation of new accounts, maintenance of current accounts, termination of accounts, and the generation of standard reports which shall include, but not be limited to : User Access reports, Taxes Paid reports, Declined transactions reports, Fraudulent Transactions report, Disputed Transaction report.
- e. For Corporate Travel Card Services, the solution must allow, at a minimum, for the creation of a current listing of all Travel Cardholders and regular collections reports indicating Travel Cardholders past due.
- f. The Contractor shall provide any reports that are not available via the solution that are reasonably necessary for the State to effectively operate and manage both card programs to include, but not be limited to : Trend Analysis Reporting on various factors effecting the State Payment Card Program to improve program performance, Benchmarking analysis reports. Delivery methods and timeframes for such reports will be mutually agreed upon by the State and the Contractor.
- g. The Contractor's web-based online program management and reporting solution shall provide the State with the capability to create on demand reports for ad hoc reporting.
- h. Training and assistance with the Contractor's web-based online program management and reporting solution must be provided as mutually agreed upon by the State and the Contractor.

A.5. The Contractor shall provide Program Support Services with the following Core Team personnel at a minimum:

- a. One Relationship Manager with a minimum of two (2) years of current experience in managing large card programs with outstanding interpersonal and communication skills. The Relationship Manager must have management responsibility for program quality and meeting time frames. He/she must have sufficient authority to act independently to resolve quality related issues at the program level. The Relationship Manager must maintain current knowledge of the program's status and be accessible to State program management.
- b. One Customer Service Representative with a minimum of one (1) year of current experience as a Customer Service Representative with excellent interpersonal and communication skills. The Customer Service representative is expected to be the lead role for the day-to-day operations and interactions that may occur between the State and the Contractor. Areas of knowledge should include, but not be limited to billing, card issuance, card controls, denials, disputes, and reporting.
- c. One Technical Solutions Representative with a minimum of one (1) year of current experience in the card industry. The technical solutions representative is expected to coordinate the successful resolution of technological issues that are encountered above and beyond day-to-day operations.

A.6. Statewide Rollout. The Contractor shall comply with the Initial Contract Transition Plan included in the Contractor's proposal responding to RFP-31701-05021 (Attachment 6.2 Section C.6) and resulting in this Contract.

A.7. Security. The Contractor shall ensure that all transactions are compliant with the most current version of PCI DSS or its successor. The Contractor shall maintain and ensure data integrity and user confidentiality and privacy as described in Section E.5 of this Contract. The Contractor shall ensure that security provisions described in the Contractor's proposal to the State are maintained throughout the length of this Contract. The Contractor will report any compromise or breach of network security involving State of Tennessee transactional data in accordance with *Tennessee Code Annotated*, Section 47-18-2107. Upon execution of this Contract the State will provide current Data Breach Notification Procedures and contact information for the personnel that are to be notified of any compromise or breach.

The Contractor may not sell or use any cardholder information, including names and addresses, for purposes other than those agreed upon in writing by the State.

A.8. Alternate Site and Systems. The Contractor will establish and maintain an alternative processing arrangement adequate to resume immediately the card services provided under this agreement, in the event the Contractor's primary operation site or equipment is unavailable due to either human error, equipment failure, man made or natural disaster.

A.9. The State's definition of "business days" is Monday through Friday, excluding Federal Holidays.

**B. CONTRACT PERIOD:**

This Contract shall be effective for the period beginning May 24, 2011 and ending on May 23, 2016. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

**C. PAYMENT TERMS AND CONDITIONS:**

**C.1. State Payment Card Program.**

a. Payment of State Payment Card Charges. The State agrees to pay the Contractor the Net Total Charges for which the State is liable as set forth in Section A.2.o., Responsibility, herein subject to applicable law. Net Total Charges includes all charges less formally disputed transactions.

The State shall pay the Contractor on either a weekly, monthly or other basis mutually agreed upon in writing by the Contractor and the State within thirty (30) days prior to the use of State Payment Cards authorized pursuant to this Contract. The payment schedule may be changed at any time as agreed to by both the Contractor and the State. All amounts due with respect to participation in the program shall be paid by the State and shall be paid to Contractor by means of Automated Clearing House ("ACH") transaction or other electronic means agreeable to the State and Contractor.

b. Dollar Volume Rebate. After every three (3) month period ("Quarter"), the Contractor shall calculate the rebate amount and remit such to the State within fifteen (15) days of the end of the Quarter.

The rebate amount is the Net Total Charges for the Quarter multiplied by the applicable Dollar Volume Rebate Percentage.

The applicable Dollar Volume Rebate Percentage is determined by the total contract-to-date cumulative amount of Net Charge Volumes and that rebate percentage is applied to the amount of the Net Total Charges for the Quarter only.

The applicable Dollar Volume Rebate Percentages follow:

<b>Dollar Volume Rebate Description</b>	<b>Rebate Percentage</b>
From a cumulative amount of Net Charge Volume of \$.01 up to a cumulative amount of Net Charge Volume of \$25,000,000.00	1.20%
From a cumulative amount of Net Charge Volume of \$25,000,000.01 up to a cumulative amount of Net Charge Volume of \$50,000,000.00	1.40%
From a cumulative amount of Net Charge Volume of \$50,000,000.01 up to a cumulative amount of Net Charge Volume of \$75,000,000.00	1.47%
From a cumulative amount of Net Charge Volume of \$75,000,000.01 up to a cumulative amount of Net Charge Volume of \$100,000,000.00	1.48%
From a cumulative amount of Net Charge Volume of \$100,000,000.01 up to a cumulative amount of Net Charge Volume of \$150,000,000.00	1.50%
From a cumulative amount of Net Charge Volume of \$150,000,000.01 up to a cumulative amount of Net Charge Volume of \$200,000,000.00	1.55%
From a cumulative amount of Net Charge Volume of \$200,000,000.01 up to a cumulative amount of Net Charge Volume of \$300,000,000.00	1.56%
From a cumulative amount of Net Charge Volume of \$300,000,000.01 up to a cumulative amount of Net Charge Volume of \$400,000,000.00	1.57%
A cumulative amount of Net Charge Volume exceeding \$400,000,000.00	1.58%

The State will review the Contractor's rebate calculations and Net Charge Volume amounts upon receipt. Adjustments, if any that are necessary will be agreed on by the State and the Contractor and the Contractor shall adjust the subsequent dollar volume rebate payment accordingly.

- c. Expedited Payment Rebate. After every three (3) month period ("Quarter"), the Contractor shall calculate the rebate amount and remit such to the State within fifteen (15) days of the end of the Quarter.

The rebate amount is the Net Total Charges on each individual monthly Master Account Billing Statement multiplied by the applicable Expedited Payment Rebate Percentage.

The applicable Expedited Payment Rebate Percentages follow:

<b>Expedited Payment Rebate Description</b>	<b>Rebate Percentage</b>
Master Account Billing Statement paid-in-full within 1 business day of statement received date	.24%
Master Account Billing Statement paid-in-full within 2 to 5 business days of statement received date	.22%
Master Account Billing Statement paid-in-full within 6 to 7 business days of statement received date	.19%

Expedited Payment Rebate Description	Rebate Percentage
Master Account Billing Statement paid-in-full within 8 to 15 business days of statement received date	.15%
Master Account Billing Statement paid-in-full within 16 to 25 business days of statement received date	.05%

The State will review the Contractor's rebate calculations and amounts upon receipt. Adjustments, if any that are necessary will be agreed on by the State and the Contractor and the Contractor shall adjust the subsequent expedited payment rebate payment accordingly.

d. The State will maintain a demand account in good standing ("the Account") with a financial institution and account number as the State may determine, to be communicated to the Contractor in writing. Such financial institution shall be a State Depository institution pursuant to Tennessee Code Annotated, Section 9-4-107. Unless otherwise directed by the State all rebate payments herein under shall be made to the financial institution at the account number specified. All other credits or transfers shall be unauthorized transfers. The State shall take all action necessary to ensure that the Contractor has the right to credit the Account under the terms of this Contract.

e. Billing and Account Statements. The Contractor shall provide monthly Master Account Billing Statements for each state agency's master account number documenting the Net Total Charges. The Contractor shall provide all Master Account Billing Statements to the State Payment Card Program Manager within three (3) business days of each statement close date (i.e., last date on the statement). The delivery method for the Master Account Billing Statements must be agreed to by the State.

The Contractor shall provide monthly individual cardholder account statements documenting all card transactions. These statements must be available via mail and the Contractor's web-based program management and reporting solution.

The frequency of statements may be changed at any time as agreed to by both the Contractor and the State.

C.2. Corporate Travel Card Program.

a. Payment of Corporate Travel Card Charges. For the corporate travel card services provided by the Contractor, in accordance with Section A.3., the Travel Cardholders are solely responsible for payment of corporate travel card charges.

b. Billing Statements. The Contractor will send monthly statements of charges to each Travel Cardholder. The State shall not be liable for any charges including purchases, delinquency assessments, or other assessments. The Contractor agrees to hold the State harmless from any and all charges arising as a result of the corporate travel card program. Therefore there is no liability to the State under the corporate travel card program. It is understood that the State will promptly reimburse employees for appropriate costs while on official travel status. The Contractor agrees to waive any annual corporate travel card fees.

C.3. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.

a. If the agreed upon payment method in Section C.1.a. is by means of ACH, the Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic

Deposit (ACH Credits) Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once said form is received by the State, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH).

- b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.

**D. STANDARD TERMS AND CONDITIONS:**

- D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Personnel, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Personnel, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee.

- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Prohibition of Illegal Immigrants. The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment A, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.
  - b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
  - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
  - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.
  - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.
- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed

representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.

- D.10. **Prevailing Wage Rates.** All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401 *et seq.*
- D.11. **Monitoring.** The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.12. **Progress Reports.** The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.13. **Strict Performance.** Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.14. **Independent Contractor.** The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.
- D.15. **State Liability.** The State shall have no liability except as specifically provided in this Contract.
- D.16. **Force Majeure.** The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.17. **State and Federal Compliance.** The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.18. **Governing Law.** This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.19. **Completeness.** This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.20. **Severability.** If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall

remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.

D.21. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

**E. SPECIAL TERMS AND CONDITIONS:**

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.

E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

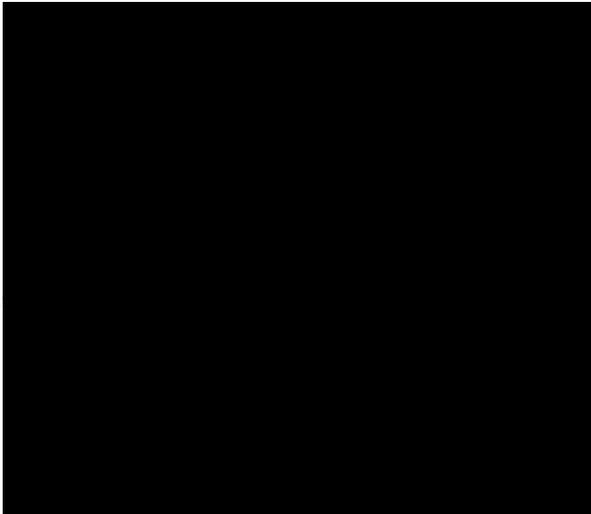
**The State:**

**State Payment Card Program:**

Tonya Vanterpool, State Payment Card Program Manager  
Department of Finance and Administration, Division of Accounts  
312 Rosa L. Parks Avenue, 14th Floor Tennessee Tower, Nashville, TN 37243-1102  
[Tonya.Vanterpool@tn.gov](mailto:Tonya.Vanterpool@tn.gov)  
Telephone # 615.741.9740  
FAX # 615.532.2332

**Corporate Travel Card Program:**

Jack Hill, Director of Policy Development  
Department of Finance and Administration, Division of Accounts  
312 Rosa L. Parks Avenue, 13th Floor Tennessee Tower, Nashville, TN 37243-1102  
[Jack.Hill@tn.gov](mailto:Jack.Hill@tn.gov)  
Telephone # 615.532.9612  
FAX # 615.253.6980



All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.
- E.5. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.6. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below.
- a. this Contract document with any attachments or exhibits (excluding the items listed at subsections b. through e., below);
  - b. any clarifications of or addenda to the Contractor's proposal seeking this Contract;

- c. the State solicitation, as may be amended, requesting proposals in competition for this Contract;
  - d. any technical specifications provided to proposers during the procurement process to award this Contract;
  - e. the Contractor's proposal seeking this Contract.
- E.7. **Prohibited Advertising.** The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.
- E.8. **Contractor Commitment to Diversity.** The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's proposal responding to RFP-31701-05021 (Attachment 6.2 Section B.15) and resulting in this Contract.
- The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and persons with a disability. Such reports shall be provided to the state of Tennessee Governor's Office of Diversity Business Enterprise in form and substance as required by said office.
- E.9. **Disclosure of Personal Identity Information.** The Contractor shall report to the State any instances of unauthorized disclosure of confidential information that come to the attention of the Contractor. Any such report shall be made by the Contractor within twenty-four (24) hours after the instance has come to the attention of the Contractor. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals that are deemed to be part of a potential disclosure. The Contractor shall bear the cost of notification to individuals having personal identity information involved in a potential disclosure event, including individual letters and/or public notice.
- E.10. **Registered Marks and Trademarks.** State and Contractor each recognize that they have no right, title or interest, proprietary or otherwise, in or to the name or any logo, copyright, service mark or trademark owned or licensed by the other party. State and Contractor each agree that they will not use any material owned or licensed by the other party that would violate laws relating to copyright, service mark, or trademark protection unless authorized by this Contract or by the other party in writing.
- E.11. **Contract Services Transition.** One hundred eighty (180) days prior to the Contract End Date, for reason of Contract expiration or Contract termination for convenience, the Contractor shall assist the State to ensure an orderly transfer of responsibility and/or continuity of those services required under the terms of the Contract for the next Contract period. The Contractor shall discontinue providing the service or accepting new assignments under the terms of this Contract, in a manner and on the date specified by the State, in order to insure the completion of such service prior to the termination of the Contract.

IN WITNESS WHEREOF,

[REDACTED]

CONTRACTOR SIGNATURE

DATE

04/24/11

[REDACTED]

CFO

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION:

*Mark A. Emkes*

MARK A. EMKES, COMMISSIONER

4/29/11

DATE

*of*

**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

<b>SUBJECT CONTRACT NUMBER:</b>	
<b>CONTRACTOR LEGAL ENTITY NAME:</b>	[REDACTED]
<b>FEDERAL EMPLOYER IDENTIFICATION NUMBER:</b> (or Social Security Number)	[REDACTED]

**The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.**

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**CONTRACTOR SIGNATURE**

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

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**PRINTED NAME AND TITLE OF SIGNATORY**

---

**DATE OF ATTESTATION**



**AMENDMENT # 1  
OF CONTRACT #RV1135141**

This Amendment ("Amendment") to Contract No. RV1135141, as amended (the "Contract"), by and between the State of Tennessee, Department of General Services, Central Procurement Office (as amended herein) and the Department of Finance and Administration (as provided for herein), hereinafter individually and collectively referred to as the "State", and [REDACTED] (as amended herein) hereinafter referred to as the "Contractor." Capitalized terms used in this Amendment and defined in the Contract shall be used herein as so defined, except as otherwise provided. It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Contract is hereby amended as follows:

**WHEREAS**, the Department of General Services and the Department of Finance and Administration desire to amend the Contract in order to transfer the administration of the Contract and the administration of the State Payment Card Program to the Department of General Services; and,

**WHEREAS**, the Department of General Services and the Department of Finance and Administration desire to amend Contract Section A.3. to provide for the administration of the Corporate Travel Card Program provisions to continue to be the responsibility of the Department of Finance and Administration, and for such provisions to remain under the purview of the Department of Finance and Administration; and,

**WHEREAS**, the parties desire to otherwise amend the Contract as provided for in this Amendment.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. The following is added as Contract section E.12.:

E.12. Contractor Name. Notwithstanding anything in the Contract to the contrary, all references in this Contract to "[REDACTED], N.A." shall be deleted and replaced with "[REDACTED]"

2. The following is added as Contract section E.13.:

E.13. Federal Employer Identification Number. All references in this Contract to FEIN, "[REDACTED]" shall be deleted and replaced with FEIN, "[REDACTED]"

3. The text of Contract Section A.2. State Payment Card Program. is deleted in its entirety and replaced with the following:

A.2. State Payment Card Program.

The Contractor shall provide State Payment Card Services (collectively known as "Payment Cards" whether a plastic card or a cardless account) with the following provisions:

- a. The Contractor shall provide services to all participating state agencies. At the option of the Department of General Services, non-participating state agencies may be added to the program by written notice to the Contractor. Upon receipt of the written notice, the Contractor shall establish a master account number for the newly added agency and provide that number to the Department of General Services. All individual Payment Cards for an agency shall be organized under the state agency's established master account number.
- b. State Payment Card. The state agencies will designate state employees who are anticipated to incur expenses on behalf of the State of Tennessee during the term of this Contract, and who are to receive Payment Cards, by submitting completed, duly authorized Payment Card applications in a format specified by



the Contractor. State employees to whom Payment Cards are issued are referred to as Cardholders. At the option of the Department of General Services, the Contractor agrees to accept group applications or an application for as few as one (1) employee at a time. Individual credit checks shall not be done on Cardholders of Payment Cards, nor shall State Payment Card activity show upon Cardholder personal credit histories. The Contractor reserves the right to conduct credit checks on the Department of General Services with respect to any application.

- c. The Contractor shall offer various types of cards or accounts including but not limited to the following:
  - i. General State Payment Cards. The Contractor will provide Payment Cards used to make payment for a wide variety of goods and services.
  - ii. Event Cards. The Contractor will provide Payment Cards designed to capture event-related expenses. The Department of General Services and the Contractor will establish agreed-upon procedures for the use of such cards.
  - iii. Emergency Cards. The Contractor will provide Payment Cards for use in the event of a state declared emergency. The Department of General Services and the Contractor will establish agreed-upon procedures for the use of emergency cards. The Contractor will provide the Department of General Services contact individuals, titles, addresses, phone numbers, fax numbers and e-mail addresses of those individuals who can activate and perform maintenance on emergency cards 24 hours a day, 365 days a year.
  - iv. Central Purchasing Accounts (CPA). The Department of General Services may request the Contractor to establish a Central Purchasing Account (CPA) relationship with any entity that provides goods or services to the State of Tennessee. In the event that a CPA capability is established, all transactions initiated by such entity by virtue of such capability shall in all respects be treated as though the transaction was initiated through the use of a Payment Card.
  - v. Central Travel Account (CTA). The Contractor will provide a sufficient number of central travel accounts for the purpose of capturing airline charges made by the state travel agency. Unless otherwise requested, the Contractor will not issue plastic cards on any CTA. Except as otherwise provided by applicable law, the Contractor shall not be liable for any act or omission of any air carrier, agent or other firm providing goods or services including any defect or deficiency in goods or services provided that the Contractor has no responsibility and or/involvement with the particular act or omission. The Department of General Services shall not withhold payment properly owed to the Contractor because of any claims or disputes arising from such act or omission, provided that the Contractor has no responsibility and/or involvement with such act or omission.
- d. The Contractor shall provide a VISA or MasterCard branded card designed specifically and exclusively for the State of Tennessee State Payment Card Program. The card must be accepted at a wide variety of merchants that accept credit and debit cards. The Contractor's payment card program shall not allow cash advances.
- e. Card Format/Design.  
Each plastic card issued shall, at a minimum:
  - i. Display on the face of the card, the name "State of Tennessee" and the State's official seal.



- ii. Display on the face of the card, the phrase "For Official Use Only – Tax Exempt". However, no Tax ID # should be displayed.
- iii. Display on the face of the card in embossed lettering the name of the state employee to whom the card is issued.
- iv. Display on the back of the card, the Contractor's toll-free "help" telephone number.
- v. Display on the face of the card, the credit card number. Upon contract award the Contractor and the State shall agree on a numbering sequence for the credit card number that will be on the face of the card.

Each plastic card issued shall not:

- vi. Contain any reference to Automatic Teller Machine (ATM) machine usage.
- vii. Contain the words "purchasing" or "procurement" on the face of the card.
- viii. Display other wording, design or card formats unless agreed to between the Contractor and the Department of General Services.

Upon written request by the Department of General Services, the Contractor will provide generic cards with no reference to the State of Tennessee.

f. Card Management.

- i. The Contractor will issue initial Payment Cards to the State on or before June 15, 2011. The Payment Cards will be shipped via certified or express mail, for delivery during standard State working hours, 8:00 am to 4:30 pm Central time, Monday through Friday, to be delivered to the State Payment Card Program Manager's address set forth in Section E.2 below.
- ii. The Contractor will issue, at no cost to the Department of General Services, new and replacement Payment Cards within one (1) business day of receipt of requests for replacement from the Department of General Services. Unless a Payment Card has been terminated or canceled, as provided herein, all Payment Cards will expire upon the termination of this Contract. If during the term of the Contract, the Contractor elects to offer an across the board replacement of all Payment Cards and the Department of General Services accepts the offer, this will be at no additional cost to the Department of General Services.
  - (1) Standard Payment Card replacement shall include but not be limited to damaged, broken, malfunctioning magnetic strip, lost, or stolen cards, or cards with compromised data.
  - (2) During the term of the Contract, the Contractor will ship Payment Cards to the Department of General Services via certified or express mail, for delivery during standard State working hours, 8:00 am to 4:30 pm Central Time, Monday through Friday. Unless otherwise directed in writing by the Department of General Services, Payment Cards are to be delivered to the State Payment Card Program Manager's address set forth in Section E.2 below.
- iii. The Contractor shall provide for a secured card activation mechanism prior to use.
- iv. The Contractor shall provide the Department of General Services with the ability to order, change, or cancel Payment Cards through its web-based management and reporting solution, which is detailed in Section



A.4 below. The Contractor shall provide the participating state agency coordinators with the ability to change or cancel Payment Cards through its web-based management and reporting solution.

The Department of General Services shall not be liable for any purchase or charge authorized after cancellation of a Payment Card by the Department of General Services or participating state agency.

- v. Lost or Stolen Cards (includes cards with compromised data). The Contractor will provide a toll-free help line and established policies and procedures to handle lost or stolen Payment Cards. The Department of General Services, the participating state agency, or the Cardholder shall promptly notify the Contractor by telephone of any lost or stolen Payment Card. The Contractor shall immediately terminate and promptly replace such Payment Card. The Department of General Services shall not be liable for any purchase or other charges incurred or arising by virtue of the use of a Payment Card following notification to the Contractor.
  
- g. Card Controls and Restrictions.

The Contractor shall provide selective card controls which include, but are not limited to, single purchase or transaction dollar limits, Cycle dollar limits and temporary limits which can be established for a period of time. The Contractor shall be capable of providing such controls on an individual cardholder basis as well as on an agency-wide basis. The Contractor shall disallow and prevent cash advances from banks or automated teller machines. Cash advances are neither permitted nor authorized under this Contract.
  
- h. Standard Industry Classifications (SIC) or Merchant Category Codes (MCC) Restrictions.

Based upon SIC's or card association MCC's and as instructed by the Department of General Services, the Contractor shall establish charge authorization procedures to ensure certain transactions are denied. The Contractor shall have no liability or responsibility with respect to the verification or correction of SIC's or MCC's selected by the Department of General Services or implemented with respect to any provider of goods and/or services. The Contractor shall be capable of providing such restrictions on an individual cardholder basis as well as on an agency-wide basis.
  
- i. Disputed and Fraudulent Charges. Disputed items, fraudulent charges, and other forms of charges in which the Cardholder has communicated to the Contractor, via telephone or written communication, were not authorized will be credited to the Cardholder's account until resolved by the Contractor and the merchant. All disputed charges, and or fraudulent charges reported by the Cardholder will be reported back to the State Payment Card Program Manager. Such reporting shall include Cardholder name and account number, dollar amount of any dispute or suspected error, reference number provided by the merchant, and a description of the dispute or error disputed date, posted date, and the current status of the resolution in process. Disputed billings are categorized as, but not necessarily limited to, failure to receive goods or services charged, fraud, forgery, altered charges and charges incurred by telephone where the authenticity of the charge is in question.
  
- j. Fraud Detection. The Contractor shall monitor, identify and alert the Department of General Services of potentially fraudulent transactions.
  
- k. Insurance. The bankcard association will provide liability waiver, travel and other insurance related to Payment Card use.
  
- l. Customer Service. The Contractor shall provide a toll-free telephone help line to assist the Department of General Services, state agencies and Cardholders with



the program and any problems related thereto. The help line is available at no cost to the Department of General Services or its Cardholders and it shall be available 24 hours a day, 365 days a year.

- m. Transaction Data Extract File. The Contractor shall provide the Department of General Services with a transaction data extract file in either the MasterCard Common Data Format (CDF 3.0) for MasterCard branded cards or the Visa Commercial Format 4.0 for Visa branded cards for upload into the State's [REDACTED] accounting system. This transaction data extract file shall be furnished on a daily basis. The transaction data extract file must be encrypted using a cryptographic module validated to FIPS 140-2 before it leaves the Contractor's secure network. A secure transport must also be provided. The delivery method must be agreed to by the Department of General Services. The file shall be delivered to the Department of General Services no later than a time mutually agreed to by the Department of General Services and Contractor. The frequency of the transaction data extract file may be changed at any time as agreed to in writing by both the Contractor and the Department of General Services.

If during the Contract term the MasterCard Common Data Format (CDF 3.0) or the Visa Commercial Format 4.0 for payment card loads is not a [REDACTED] supported format, the Contractor shall provide the transaction data extract file in a [REDACTED] supported format. The transaction data extract file's encryption and transport shall comply with all applicable security policies and standards including the Payment Card Industry Data Security Standard (PCI DSS) and the "State of Tennessee Enterprise Information Security Policies", as amended from time to time. The "State of Tennessee Enterprise Information Security Policies" are posted on

<http://www.tn.gov/finance/oir/security/secpolicy.html>

- n. Policies and Procedures. The Department of General Services will develop its own policies and procedures for the issuance, security and operational matters related to the State Payment Card program. The Contractor shall assist the Department of General Services when asked with development, implementation, modification or enhancement of these policies and procedures.
- o. Responsibility. Except as expressly provided to the contrary herein, the Department of General Services shall be liable for all purchases and other charges incurred or arising by virtue of the Cardholder use of a Payment Card. The obligation of the Department of General Services to make payments under the terms of this Contract shall continue until fully performed. This provision shall survive the termination of this Contract.
- p. Internal Revenue Services (IRS) Requirements. The Contractor shall comply with all applicable IRS requirements and provide information required for reporting by the State of Tennessee in the performance of this Contract.
- q. Annual Report. The Contractor shall provide an annual report for all transactions and dollar volumes processed under this Contract. The report shall be prepared on a fiscal year basis and shall be due August 1<sup>st</sup> of each year, with the first report due on August 1, 2011. The report shall include the following information: transaction counts, annual dollar volume, and type and number of cards issued per state agency utilizing services under this Contract. The report shall be provided in electronic format to the Department of General Services contact specified per Section E.2.

- 4. The text of Contract Section A.3. Corporate Travel Card Program. is deleted in its entirety and replaced with the following:

A.3. Corporate Travel Card Program.



The Contractor shall provide Corporate Travel Card Services with the following provisions:

- a. The Contractor shall provide corporate travel card services to employees of the State of Tennessee who routinely incur expenses on behalf of the State of Tennessee and who the Department of Finance and Administration wishes to receive corporate travel cards. The Contractor and the Department of Finance and Administration will establish a mutually agreed-upon procedure for travel card applications. The Contractor shall issue corporate travel cards at no cost to the State of Tennessee or its employees. The Contractor reserves the right to ascertain the creditworthiness of designated State of Tennessee employees by obtaining credit bureau and other reports it deems necessary, and it may decline the issuance of a corporate travel card to any employee at its sole discretion. State employees to whom corporate travel cards are issued are referred to as Travel Cardholders.
- b. SIC or MCC Restrictions. The Department of Finance and Administration, and the Contractor shall establish agreed upon procedures to limit corporate travel card use to travel related purposes. These limitations will be based upon the Standard Industry Classifications (SIC) or card association Merchant Category Codes (MCC).
- c. Corporate Travel Card Termination. The Contractor may terminate the Travel Cardholder's agreement once payment is 90 days past due. The Department of Finance and Administration will work with the Contractor to keep slow payment and non-payment as low as possible.
- d. Customer Service. The Contractor shall provide a toll-free assistance number for Travel Cardholders to access account information including balance and payment information, dispute resolution, loss or theft of card, and card replacement. Such services shall be available 24 hours a day, 365 days a year.
- e. Cancellation of Corporate Travel Cards. The Department of Finance and Administration may notify the Contractor to cancel any corporate travel card at any time with or without cause and without prior notice to the Travel Cardholders. The Department of Finance and Administration agrees to notify the Contractor of terminated employees and the termination effective date. The Contractor and the Department of Finance and Administration will establish agreed upon procedures to ensure the Contractor is informed of terminated employees so the corporate travel cards may be cancelled. The Contractor may suspend the charge privileges of or cancel any corporate travel card at any time, with or without cause and without prior notice to the Travel Cardholder. The Contractor will subsequently notify the Department of Finance and Administration and the Travel Cardholder of card closure.
- f. Unauthorized Use. The State of Tennessee and the Travel Cardholders are not liable for charges resulting from any unauthorized use of the corporate travel card. For purposes of this clause, an unauthorized use is a use that did not benefit either the State of Tennessee or the Travel Cardholder and that was incurred by someone who is not the Travel Cardholder and who did not have authority to use the card.
- g. Travel Cardholder Information. The Department of Finance and Administration agrees to provide the Contractor with any information available to the department, within legal and reasonable limitations, on the whereabouts of the Travel Cardholder, his or her last known address. The Department of Finance and Administration also agrees to cooperate with the Contractor to the extent legally and reasonably permissible in any investigation, litigation or prosecution by the Contractor arising in connection with the use of a corporate travel card.



- h. Corporate Travel Cardholder Agreement. As specified in the Travel Cardholder agreement, the Contractor reserves the right to change the Travel Cardholder agreement at any time. The Contractor shall notify the Department of Finance and Administration of any change by sending to the Department of Finance and Administration a copy of the changes at least 30 days prior to the effective date of the change, and to the Travel Cardholders a copy of the changes at least 15 days prior to the change.

5. The text of Contract Section C.1. State Payment Card Program. is deleted in its entirety and replaced with the following:

C.1. State Payment Card Program.

- a. Payment of State Payment Card Charges. The Department of General Services agrees to pay the Contractor the Net Total Charges for which the department is liable as set forth in Section A.2.o., Responsibility, herein subject to applicable law. Net Total Charges includes all charges less formally disputed transactions.

The Department of General Services shall pay the Contractor on either a weekly, monthly or other basis mutually agreed upon in writing by the Contractor and the State within thirty (30) days prior to the use of State Payment Cards authorized pursuant to this Contract. The payment schedule may be changed at any time as agreed to by both the Contractor and the Department of General Services. All amounts due with respect to participation in the program shall be paid by the Department of General Services and shall be paid to Contractor by means of Automated Clearing House ("ACH") transaction or other electronic means agreeable to the Department of General Services and Contractor.

- b. Dollar Volume Rebate. After every three (3) month period ("Quarter"), the Contractor shall calculate the rebate amount and remit such to the Department of General Services within forty-five (45) days of the end of the Quarter.

The rebate amount is the Net Total Charges for the Quarter multiplied by the applicable Dollar Volume Rebate Percentage.

The cumulative amount of Net Charge Volume is the contract-to-date total of all Net Total Charges.

The applicable Dollar Volume Rebate Percentage is determined by the total contract-to-date cumulative amount of Net Charge Volumes and that rebate percentage is applied to the amount of the Net Total Charges for the Quarter only.

The applicable Dollar Volume Rebate Percentages follow:

Dollar Volume Rebate Description	Rebate Percentage
From a cumulative amount of Net Charge Volume of \$.01 up to a cumulative amount of Net Charge Volume of \$25,000,000.00	1.20%
From a cumulative amount of Net Charge Volume of \$25,000,000.01 up to a cumulative amount of Net Charge Volume of \$50,000,000.00	1.40%
From a cumulative amount of Net Charge Volume of \$50,000,000.01 up to a cumulative amount of Net Charge Volume of \$75,000,000.00	1.47%
From a cumulative amount of Net Charge Volume of \$75,000,000.01 up to a cumulative amount of Net Charge Volume of \$100,000,000.00	1.48%



Dollar Volume Rebate Description	Rebate Percentage
From a cumulative amount of Net Charge Volume of \$100,000,000.01 up to a cumulative amount of Net Charge Volume of \$150,000,000.00	1.50%
From a cumulative amount of Net Charge Volume of \$150,000,000.01 up to a cumulative amount of Net Charge Volume of \$200,000,000.00	1.55%
From a cumulative amount of Net Charge Volume of \$200,000,000.01 up to a cumulative amount of Net Charge Volume of \$300,000,000.00	1.56%
From a cumulative amount of Net Charge Volume of \$300,000,000.01 up to a cumulative amount of Net Charge Volume of \$400,000,000.00	1.57%
A cumulative amount of Net Charge Volume exceeding \$400,000,000.00	1.58%

The Department of General Services will review the Contractor's rebate calculations and Net Charge Volume amounts upon receipt. Adjustments, if any that are necessary will be agreed on by the Department of General Services and the Contractor and the Contractor shall adjust the subsequent dollar volume rebate payment accordingly.

- c. Expedited Payment Rebate. After every three (3) month period ("Quarter"), the Contractor shall calculate the rebate amount and remit such to the Department of General Services within fifteen (15) days of the end of the Quarter.

The rebate amount is the Net Total Charges on each individual monthly Master Account Billing Statement multiplied by the applicable Expedited Payment Rebate Percentage.

The applicable Expedited Payment Rebate Percentages follow:

Expedited Payment Rebate Description	Rebate Percentage
Master Account Billing Statement paid-in-full within 1 business day of statement received date	.24%
Master Account Billing Statement paid-in-full within 2 to 5 business days of statement received date	.22%
Master Account Billing Statement paid-in-full within 6 to 7 business days of statement received date	.19%
Master Account Billing Statement paid-in-full within 8 to 15 business days of statement received date	.15%
Master Account Billing Statement paid-in-full within 16 to 25 business days of statement received date	.05%

The Department of General Services will review the Contractor's rebate calculations and amounts upon receipt. Adjustments, if any that are necessary



will be agreed on by the Department of General Services and the Contractor and the Contractor shall adjust the subsequent expedited payment rebate payment accordingly.

- d. The State will maintain a demand account in good standing ("the Account") with a financial institution and account number as the State may determine, to be communicated to the Contractor in writing. Such financial institution shall be a State Depository institution pursuant to Tennessee Code Annotated, Section 9-4-107. Unless otherwise directed by the State all rebate payments herein under shall be made to the financial institution at the account number specified. All other credits or transfers shall be unauthorized transfers. The State shall take all action necessary to ensure that the Contractor has the right to credit the Account under the terms of this Contract.

- e. Billing and Account Statements. The Contractor shall provide monthly Master Account Billing Statements for each state agency's master account number documenting the Net Total Charges. The Contractor shall provide all Master Account Billing Statements to the State Payment Card Program Manager within three (3) business days of each statement close date (i.e., last date on the statement). The delivery method for the Master Account Billing Statements must be agreed to by the Department of General Services.

The Contractor shall provide monthly individual cardholder account statements documenting all card transactions. These statements must be available via mail or via the Contractor's web-based program management and reporting solution, as requested by Cardholders.

The frequency of statements may be changed at any time as agreed to by both the Contractor and the Department of General Services.

6. The text of Contract Section C.2. Corporate Travel Card Program, is deleted in its entirety and replaced with the following:

C.2. Corporate Travel Card Program.

- a. Payment of Corporate Travel Card Charges. For the corporate travel card services provided by the Contractor, in accordance with Section A.3., the Travel Cardholders are solely responsible for payment of individual liability corporate travel card charges.
- b. Billing Statements. The Contractor will send monthly statements of charges to each Travel Cardholder. The Department of Finance and Administration and the State of Tennessee shall not be liable for any charges including purchases, delinquency assessments, or other assessments. The Contractor agrees to hold the State of Tennessee harmless from any and all charges arising as a result of the corporate travel card program. Therefore there is no liability to the State of Tennessee under the Department of Finance and Administration's corporate travel card program. It is understood that employees will promptly be reimbursed for appropriate costs while on official travel status. The Contractor agrees to waive any annual corporate travel card fees.

7. The text of Contract Section E.2. Communications and Contacts, is deleted in its entirety and replaced with the following:

- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, SMS message as agreed by Cardholders, or by EMAIL or facsimile transmission with recipient confirmation. Any such



communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

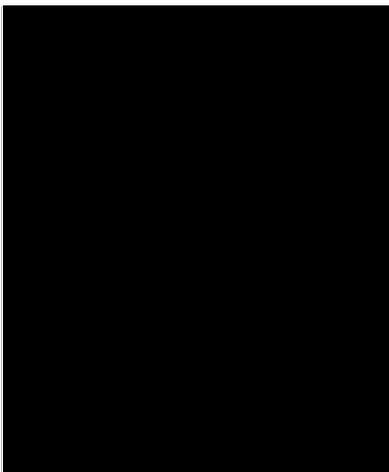
The State:

State Payment Card Program:

Tonya Vanterpool, State Payment Card Program Manager  
Department of General Services, Central Procurement Office  
312 Rosa L. Parks Avenue, 3rd Floor Tennessee Tower, Nashville, TN 37243  
[Tonya.Vanterpool@tn.gov](mailto:Tonya.Vanterpool@tn.gov)  
Telephone # 615.741-9740  
FAX # 615.615.253-1540

Corporate Travel Card Program:

Jack Hill, Director of Policy Development  
Department of Finance and Administration, Division of Accounts  
312 Rosa L. Parks Avenue, 21<sup>st</sup> Floor Tennessee Tower, Nashville, TN 37243-1102  
[Jack.Hill@tn.gov](mailto:Jack.Hill@tn.gov)  
Telephone # 615.532.9612  
FAX # 615.782.6633



All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).



All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

[Redacted]

  
\_\_\_\_\_  
CONTRACTOR SIGNATURE 07/25/13  
DATE  
[Redacted] Vice President  
\_\_\_\_\_  
PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF GENERAL SERVICES, CENTRAL PROCUREMENT OFFICE:

  
\_\_\_\_\_  
MICHAEL F. PERRY, CHIEF PROCUREMENT OFFICER 7/30/2013  
DATE

DEPARTMENT OF FINANCE AND ADMINISTRATION:

  
\_\_\_\_\_  
Larry Martin, COMMISSIONER 8-5-2013  
DATE



## CONTRACT AMENDMENT COVER SHEET

<b>Agency Tracking #</b> 31701-05021	<b>Edison ID</b> 25807	<b>Contract #</b> 25807	<b>Amendment #</b> 2		
<b>Contractor Legal Entity Name</b> [REDACTED]			<b>Edison Vendor ID</b> 28993		
<b>Amendment Purpose &amp; Effect(s)</b> 360 day extension allowing Finance and Administration more time to complete the RFP process for re-procurement. Adds Joint and Several Liability language to the contract.					
<b>Amendment Changes Contract End Date:</b> <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		<b>End Date:</b> May 23, 2017			
<b>TOTAL Contract Amount INCREASE or DECREASE per this Amendment</b> (zero if N/A):			<b>0.00</b>		
<b>Funding —</b>					
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
2011					
2012					
2013					
2014					
2015					
2016					
<b>TOTAL:</b>					<b>0.00</b>
<b>American Recovery and Reinvestment Act (ARRA) Funding:</b> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
<b>Budget Officer Confirmation:</b> There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.  <i>Felenceo M. Hill</i> Digitally signed by Felenceo Hill Date: 2016.02.24 09:48:52 -06'00'			CPO USE		
<b>Speed Chart (optional)</b>		<b>Account Code (optional)</b>			



## AMENDMENT 2 OF CONTRACT 25807

This Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the "State" and [REDACTED], hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. Contract Section B.1 Contract Period is deleted in its entirety and replaced with the following:
  - B.1. **Contract Term.** This Contract shall be effective for the period beginning May 24, 2011, and ending on May 23, 2017 (the "Contract Term"). The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.
2. Contract Section B.2. is added in its entirety:
  - B.2. **Term Extension.** The State may extend the Term an additional period of time, not to exceed three hundred and sixty (360) days beyond the expiration date of this Contract, under the same terms and conditions, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of seventy two (72) months.
3. Contract Section C.2. is deleted in its entirety and replaced with the following:
  - C.2. **Corporate Travel Card Program.**
    1. **Corporate Travel Card Program – Individual Bill/Individual Liability Cards**
      - a. **Payment of Corporate Travel Card Charges.** For the corporate travel card services provided by the Contractor, in accordance with Section A.3., the Travel Cardholders are solely responsible for payment of individual liability corporate travel card charges.
      - b. **Billing Statements.** The Contractor will send monthly statements of charges to each Travel Cardholder. The Department of Finance and Administration and the State of Tennessee shall not be liable for any charges including purchases, delinquency assessments, or other assessments. The Contractor agrees to hold the State of Tennessee harmless from any and all charges arising as a result of the corporate travel card program. Therefore there is no liability to the State of Tennessee under the Department of Finance and Administration's corporate travel card program. It is understood that employees will promptly be reimbursed for appropriate costs while on official travel status. The Contractor agrees to waive any annual corporate travel card fees.
    2. **Corporate Travel Card Program – Individual Bill/Joint and Several Liability Cards**
      - a. **Payment of Corporate Travel Card Charges.** For the corporate travel card services provided by the Contractor, in accordance with Section A.3., the Travel Cardholders are jointly and severally responsible with the Department of Finance and Administration and the State of Tennessee for the payment of joint and several liability corporate travel card charges.
      - b. **Billing Statements.** The Contractor will send monthly statements of charges to each Travel Cardholder. The Contractor will also provide the



Department of Finance and Administration with information on a monthly basis, or such other period as the Contractor and the Department of Finance and Administration may agree, with respect to all charges made by Travel Cardholders to the respective corporate travel cards during each statement period. The Department of Finance and Administration and the State of Tennessee are jointly and severally liable with each Travel Cardholder for any charges including purchases, delinquency assessments, or other assessments. The Department of Finance and Administration and the State of Tennessee shall pay all amounts that are incurred on a joint and several liability corporate travel cards for which payment has not been received by the Contractor within 60 days of the due date set forth on the statement where such amounts were first billed. Such payment by the Department of Finance and Administration and the State of Tennessee shall be due within thirty (30) days of the Contractor's request for payment. Notwithstanding the foregoing, the Department of Finance and Administration and the State of Tennessee shall pay all amounts incurred and unpaid on a joint and several liability travel card within 30 days of the cancellation of such joint and several liability card. Notwithstanding anything to the contrary, the Department of Finance and Administration and the State of Tennessee shall pay to the Contractor all amounts incurred on each joint and several liability card even if for any reason (including under any consumer protection legislation) the relevant Cardholder is not bound by a Travel Cardholder agreement or the relevant Travel Cardholder agreement is or may be unenforceable. If a Travel Cardholder and the Department of Finance and Administration and the State of Tennessee both remit payment for the same charges on any such joint and several liability card, the Department of Finance and Administration and the State of Tennessee shall have such payment refunded to it. It is understood that employees will promptly be reimbursed for appropriate costs while on official travel status. The Contractor agrees to waive any annual corporate travel card fees. For purposes hereof, "Travel Cardholder agreement" means the terms and conditions governing the use of a card or account, as amended from time to time, which may be included with the card application completed by a prospective Cardholder.

- c. Notwithstanding anything in In the Contract to the contrary, the following provision applies with respect to joint and several liability corporate travel card:

The State shall have and shall maintain reasonable procedures to collect, maintain and verify the personal information (which will include name, home address, SSN or other government-issued identification number and date of birth) of each proposed Cardholder in connection with the employment process ("State Verification Procedures"). Upon Contractor's request, the State agrees to annually confirm to Contractor that it continues to maintain such procedures in connection with their employment process. The State further agrees to cooperate shall cooperate, with the Contractor in any reasonable efforts to obtain and verify (i) any personal information required by applicable law regarding each proposed Cardholder and/or (ii) the State Verification Procedures, including without limitation, providing Contractor with a copy of the blank forms that employees are required to complete in connection with the employment process and a copy of the State's policy that details the State Verification Procedures.

**Required Approvals.** The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations



(depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective May 23, 2016. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

[Redacted]

[Redacted Signature]

02/22/16

SIGNATURE

DATE

[Redacted Name]

Vice President

PRINTED NAME AND TITLE OF SIGNATORY (above)



**DEPARTMENT OF GENERAL SERVICES, CENTRAL PROCUREMENT OFFICE:**

*Michael F. Perry*  
MICHAEL F. PERRY, CHIEF PROCUREMENT OFFICER

*05/09/16*  
DATE

**DEPARTMENT OF FINANCE AND ADMINISTRATION:**

*Larry B. Martin*  
LARRY MARTIN, COMMISSIONER

*2-24-16*  
DATE



**STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**REQUEST FOR PROPOSALS  
FOR  
STATE PAYMENT CARDS AND CORPORATE TRAVEL CARDS**

**RFP # 31701-05021**

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## 1. INTRODUCTION

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The State of Tennessee, Department of Finance and Administration, hereinafter referred to as ~~the State,~~ has issued this Request for Proposals (RFP) to define minimum service requirements; solicit proposals; detail proposal requirements; and, outline the State's process for evaluating proposals and selecting a contractor to provide the needed service.

Through this RFP, the State seeks to buy the best services at the most favorable, competitive prices and to give ALL qualified businesses, including those that are owned by minorities, women, persons with a handicap or disability, and small business enterprises, opportunity to do business with the state as contractors and sub-contractors.

### 1.1. Statement of Procurement Purpose

Via this RFP, the State intends to secure a single contract for services related to the following card programs:

#### (1) State Payment Card Program

This is a corporate liability program in which the State is responsible for payment of card charges to the contractor.

The following account types are to fall under the State Payment Card program:

- (a) **General State Payment Card**  
A card or cardless account issued to the State and used to make payment for a wide variety of goods and services. Each card account is assigned to a specific individual state employee who needs to make purchases on the State's behalf.
- (b) **Event Card**  
A card or cardless account issued to the State and assigned to a specific state employee who needs to make payment for event-related expenses.
- (c) **Emergency Card**  
A card or cardless account issued to the State and assigned to a specific state employee who needs to make payment for emergency expenses.
- (d) **Central Purchase Account (CPA)**  
A cardless, centrally billed account issued to the State and assigned to a specific state business unit/department ID
- (e) **Central Travel Account (CTA)**  
A cardless, centrally billed account assigned to a specific state business unit/department ID to capture payment for air travel charges made via the State's contracted travel agency. The State maintains a separate contract with a travel agency which is responsible for providing travel agency services to state agencies and departments. When the travel agency books airline tickets, it charges the central travel account for the appropriate state agency.

This RFP does not contain any provisions for fees to be charged to the State by the contractor. The State shall accept a Dollar Volume Rebate and an Expedited Payment Rebate applied only to the State Payment Card program. The Dollar Volume Rebate is further described in RFP Attachment 6.6. Pro Forma Contract, Section C.1.b. The Expedited Payment Rebate is further described in RFP Attachment 6.6. Pro Forma Contract, Section C.1.c. Any rebate information must be included in the sealed Rebate Proposal detailed in RFP Section 3.1.2. Rebate Proposal. The inclusion of any rebate or fee information in the Technical Proposal shall make the proposal non-responsive and the State shall reject it.

For additional information about the State Payment Card Program, please refer to RFP Attachments 6.7., 6.8., and 6.9.

## **(2) Corporate Travel Card Program**

This is an individual liability program where the cardholder, not the State, is responsible for the payment of card charges to the contractor. The contractor will issue corporate travel cards to approved state employees for the purpose of charging legitimate travel expenses incurred in the course of official state travel.

This RFP does not contain any provisions for fees to be charged directly to the State by the contractor. The State shall NOT accept a rebate applied to Corporate Travel Card activity. Any attempt to include a rebate related to Corporate Travel Card activity shall **make the proposal non-responsive and the State shall reject it.**

For additional information about the Corporate Travel Card Program, please refer to RFP Attachment 6.8.

In order to facilitate a transition period, the State desires that all State Payment Cards and all travel cards under the terms of this contract be available for use by May 15, 2011. The detailed requirements for card services can be found in the RFP Attachment 6.6. *Pro Forma* Contract. The current contract with Citibank (South Dakota), N. A. expires May 23, 2011.

Please note that the services being procured through this RFP are not intended to purchase services currently provided through the General Services Department, Motor Transportation Pool, which provides a gas card and telephone credit card to state agencies.

### **1.2. Scope of Service, Contract Period, & Required Terms and Conditions**

The RFP Attachment 6.6., *Pro Forma* Contract details the State's required:

- Scope of Services and Deliverables (Section A);
- Contract Period (Section B);
- Payment Terms (Section C);
- Standard Terms and Conditions (Section D); and,
- Special Terms and Conditions (Section E).

The *pro forma* contract substantially represents the contract document that the successful Proposer must sign.

### **1.3. Nondiscrimination**

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a Contract pursuant to this RFP or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Contractor pursuant to this RFP shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

### **1.4. RFP Communications**

1.4.1. The State has assigned the following RFP identification number that must be referenced in all communications regarding this RFP:

**RFP # 31701-05021**

1.4.2. **Unauthorized contact about this RFP with employees or officials of the State of Tennessee except as detailed below may result in disqualification from consideration under this procurement process.**

- 1.4.2.1. Potential proposers must direct communications relating to this RFP to the following person designated as the RFP Coordinator.

Mitzi R. Hale  
Department of Finance and Administration  
312 Rosa L. Parks Avenue, 17th Floor Tennessee Tower,  
Nashville, TN 37243  
Telephone: (615) 741-3735  
Fax: (615) 741-6164  
Email: [Mitzi.Hale@tn.gov](mailto:Mitzi.Hale@tn.gov)

- 1.4.2.2. Notwithstanding the foregoing, potential proposers may contact:

- a. staff of the Governor's Office of Diversity Business Enterprise for assistance available to minority-owned, women-owned, and small businesses as well as general, public information relating to this RFP; and
- b. the following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

Greg Spradley  
Senior Management Consultant  
Tennessee Department of Finance and Administration  
Office of Consulting Services  
312 Rosa L. Parks Avenue, Suite 1200  
Nashville, TN 37243  
(615) 253-8703 telephone  
(615) 532-1892 fax  
[Greg.Spradley@tn.gov](mailto:Greg.Spradley@tn.gov)  
[http://www.tennessee.gov/finance/rds/rdsAuditConsulting/consulting\\_services\\_home.shtml](http://www.tennessee.gov/finance/rds/rdsAuditConsulting/consulting_services_home.shtml)

- 1.4.3. Only the State's official, written responses and communications will be binding with regard to this RFP. The State will consider oral communications of any type to be unofficial and non-binding.
- 1.4.4. Potential proposers must ensure that the State receives all written comments, including questions and requests for clarification, no later than the Written Comments Deadline detailed in the RFP Section 2, Schedule of Events.
- 1.4.5. Proposers must assume the risk of the method of dispatching any communication or proposal to the State. The State assumes no responsibility for delays or delivery failures resulting from the method of dispatch. Actual or digital "postmarking" of a communication or proposal to the State by a specified deadline date will not substitute for the State's actual receipt of a communication or proposal.
- 1.4.6. The State will convey all official responses and communications related to this RFP to the potential proposers from whom the State has received a Notice of Intent to Propose (refer to RFP Section 1.8.).
- 1.4.7. The State reserves the right to determine, at its sole discretion, the method of conveying official, written responses and communications related to this RFP. Such written communications may be transmitted by mail, hand-delivery, facsimile, electronic mail, Internet posting, or any other means deemed reasonable by the State.

- 1.4.8. The State reserves the right to determine, at its sole discretion, the appropriate and adequate responses to written comments, questions, and requests related to this RFP. The State's official, written responses will constitute an amendment of this RFP.
- 1.4.9. Any data or factual information provided by the State (in this RFP, an RFP amendment or any other communication relating to this RFP) is for informational purposes only. The State will make reasonable efforts to ensure the accuracy of such data or information, however it is within the discretion of Proposers to independently verify any information before relying thereon.

1.5. **Assistance to Proposers With a Handicap or Disability**

Potential proposers with a handicap or disability may receive accommodation relating to the communication of this RFP and participating in the RFP process. Potential proposers may contact the RFP Coordinator to request such reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in the RFP Section 2, Schedule of Events.

1.6. **Proposer Required Review & Waiver of Objections**

- 1.6.1. Each potential proposer must carefully review this RFP, including but not limited to, attachments, the RFP Attachment 6.6., *Pro Forma* Contract, and any amendments, for questions, comments, defects, objections, or any other matter requiring clarification or correction (collectively called "questions and comments").
- 1.6.2. Any potential proposer having questions and comments concerning this RFP must provide such in writing to the State no later than the Written Comments Deadline detailed in the RFP Section 2, Schedule of Events.
- 1.6.3. Protests based on any objection shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the Written Comments Deadline.

1.7. **Pre-Proposal Conference**

A Pre-Proposal Conference will be held at the time and date detailed in the RFP Section 2, Schedule of Events. Pre-Proposal Conference attendance is not mandatory, and potential proposers may be limited to a maximum number of attendees depending upon overall attendance and space limitations.

The conference will be held at:

Tennessee Tower, 312 Rosa L Parks Avenue, Nashville, TN (Additional directions on the location of the conference in the Tennessee Tower will be available the day of the conference at the 7th Avenue Security checkpoint.) A photo ID is required for entrance to the Tennessee Tower.

A potential Proposer may request information on a Dial-In option by submitting a written request to the RFP coordinator listed in RFP Section 1.4.2.1.

The purpose of the conference is to discuss the RFP scope of services. The State will entertain questions, however potential proposers must understand that the State's response to any question at the Pre-Proposal Conference shall be tentative and non-binding. Potential proposers should submit questions concerning the RFP in writing and must submit them prior to the Written Comments Deadline date detailed in the RFP Section 2, Schedule of Events. The State will send the official response to questions to potential proposers as indicated in RFP Section 1.8. and on the date detailed in the RFP Section 2, Schedule of Events.

1.8. **Notice of Intent to Propose**

Before the Notice of Intent to Propose Deadline detailed in the RFP Section 2, Schedule of Events, potential proposers should submit to the RFP Coordinator a Notice of Intent to Propose (in the form of a simple e-mail or other written communication). Such notice should include the following information:

- the business or individual's name (as appropriate)
- a contact person's name and title
- the contact person's mailing address, telephone number, facsimile number, and e-mail address

**A Notice of Intent to Propose creates no obligation and is not a prerequisite for making a proposal, however, it is necessary to ensure receipt of any RFP amendments or other notices and communications relating to this RFP.**

1.9. **Proposal Deadline**

A Proposer must ensure that the State receives a proposal no later than the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events. A proposal must respond, as required, to this RFP (including its attachments) as may be amended. The State will not accept late proposals, and a Proposer's failure to submit a proposal before the deadline will result in disqualification of the proposal.

## 2. RFP SCHEDULE OF EVENTS

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2.1. The following RFP Schedule of Events represents the State's best estimate for this RFP.

EVENT	TIME (central time zone)	DATE (all dates are state business days)
1. RFP Issued		January 20, 2011
2. Disability Accommodation Request Deadline	2:00 p.m.	January 25, 2011
3. Pre-proposal Conference	9:00 a.m.	January 26, 2011
4. Notice of Intent to Propose Deadline	2:00 p.m.	January 27, 2011
5. Written "Questions & Comments" Deadline	2:00 p.m.	February 1, 2011
6. State Response to Written "Questions & Comments"		February 15, 2011
7. Proposal Deadline	2:00 p.m.	February 25, 2011
8. State Completion of Technical Proposal Evaluations		March 9, 2011
9. State Opening & Scoring of Rebate Proposals	2:00 p.m.	March 10, 2011
10. State Evaluation Notice Released <u>and</u> RFP Files Opened for Public Inspection	2:00 p.m.	March 11, 2011
11. Contract Signing		March 23, 2011
12. Contractor Contract Signature Deadline	2:00 p.m.	March 30, 2011

2.2. **The State reserves the right, at its sole discretion, to adjust the RFP Schedule of Events as it deems necessary.** Any adjustment of the Schedule of Events shall constitute an RFP amendment, and the State will communicate such to potential proposers from whom the State has received a Notice of Intent to Propose (refer to section 1.8.).

### 3. PROPOSAL REQUIREMENTS

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#### 3.1. Proposal Form

A response to this RFP must consist of two parts, a Technical Proposal and a Rebate Proposal.

- 3.1.1. **Technical Proposal.** The RFP Attachment 6.2., Technical Proposal & Evaluation Guide details specific requirements for making a Technical Proposal in response to this RFP. The guide includes mandatory requirement items, general qualifications and experience items, and technical qualifications, experience, and approach items all of which must be addressed with a written response and, in some instances, additional documentation.

**NOTICE: A technical proposal must not include any pricing or rebate information. If any pricing or rebate information amounts of any type (even pricing relating to other projects) is included in any part of the technical proposal, the state will deem the proposal to be non-responsive and reject it.**

- 3.1.1.1. A Proposer must use the RFP Attachment 6.2., Technical Proposal & Evaluation Guide to organize, reference, and draft the Technical Proposal by duplicating the attachment, adding appropriate proposal page numbers as required, and using the guide as a table of contents covering the Technical Proposal.
- 3.1.1.2. A proposal should be economically prepared, with emphasis on completeness and clarity. A proposal, as well as any reference material presented, must be written in English and must be written on standard 8 ½" x 11" pages (although oversized exhibits are permissible). All proposal pages must be numbered.
- 3.1.1.3. All information and documentation included in a Technical Proposal should respond to or address a specific requirement detailed in the RFP Attachment 6.2., Technical Proposal & Evaluation Guide. All information must be incorporated into a response to a specific requirement and clearly referenced. Any information not meeting these criteria will be deemed extraneous and will not contribute to evaluations.
- 3.1.1.4. The State may determine a proposal to be non-responsive and reject it if:
- the Proposer fails to organize and properly reference the Technical Proposal as required by this RFP and the RFP Attachment 6.2., Technical Proposal & Evaluation Guide; or
  - the Technical Proposal document does not appropriately respond to, address, or meet all of the requirements and proposal items detailed in the RFP Attachment 6.2., Technical Proposal & Evaluation Guide.

- 3.1.2. **Rebate Proposal.** A Rebate Proposal must be recorded on an exact duplicate of the RFP Attachment 6.3., Rebate Proposal & Scoring Guide.

**NOTICE: If a proposer fails to submit a rebate proposal exactly as required, the state will deem the proposal to be non-responsive and reject it.**

- 3.1.2.1. A Proposer must only record the proposed rebate exactly as required by the RFP Attachment 6.3., Rebate Proposal & Scoring Guide and must NOT record any other rates, amounts, or information.

- 3.1.2.2. The proposed rebate shall incorporate ALL rebates for services under the contract for the total contract period.
- 3.1.2.3. A Proposer must sign and date the Rebate Proposal.
- 3.1.2.4. A Proposer must submit the Rebate Proposal to the State in a sealed package separate from the Technical proposal (as detailed in RFP Sections 3.2.3., *et seq.*).

### 3.2. Proposal Delivery

A Proposer must deliver a proposal in response to this RFP as detailed below. The State will not accept a proposal delivered by any other method.

- 3.2.1. A Proposer must ensure that both the original Technical Proposal and Rebate Proposal documents meet all form and content requirements detailed within this RFP for such proposals including but not limited to required signatures.
- 3.2.2. A Proposer must submit original Technical Proposal and Rebate Proposal documents and copies as specified below.
  - 3.2.2.1. One (1) original Technical Proposal paper document labeled:  
  
**–RFP # 31701-05021 TECHNICAL PROPOSAL ORIGINAL”**  
  
and six (6) copies of the Technical Proposal each in the form of one (1) digital document in “PDF” format properly recorded on its own otherwise blank, standard CD-R recordable disc labeled:  
  
**–RFP # 31701-05021 TECHNICAL PROPOSAL COPY”**  
  
The digital copies should not include copies of sealed customer references, however any other discrepancy between the paper Technical Proposal document and any digital copies may result in the State rejecting the proposal as non-responsive.
  - 3.2.2.2. One (1) original Rebate Proposal paper document labeled:  
  
**–RFP # 31701-05021 REBATE PROPOSAL ORIGINAL”**
- 3.2.3. A Proposer must separate, seal, package, and label the documents and discs for delivery as follows.
  - 3.2.3.1. The Technical Proposal original document and copy discs must be placed in a sealed package that is clearly labeled:  
  
**–DO NOT OPEN... RFP # 31701-05021 TECHNICAL PROPOSAL FROM [PROPOSER LEGAL ENTITY NAME]”**
  - 3.2.3.2. The Rebate Proposal original document must be placed in a separate, sealed package that is clearly labeled:  
  
**–DO NOT OPEN... RFP # 31701-05021 REBATE PROPOSAL FROM [PROPOSER LEGAL ENTITY NAME]”**
  - 3.2.3.3. The separately, sealed Technical Proposal and Rebate Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:

**-RFP # 31701-05021 SEALED TECHNICAL PROPOSAL & SEALED REBATE  
PROPOSAL FROM [PROPOSER LEGAL ENTITY NAME]"**

- 3.2.4. A Proposer must ensure that the State receives a proposal in response to this RFP no later than the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events at the following address.

Mitzi R. Hale  
Department of Finance and Administration  
312 Rosa L. Parks Avenue, 17th Floor Tennessee Tower,  
Nashville, TN 37243

**3.3. Proposal & Proposer Prohibitions**

- 3.3.1. A proposal must not include the Proposer's own contract terms and conditions. If a proposal contains such terms and conditions, the State, at its sole discretion, may determine the proposal to be a non-responsive counteroffer and reject it.
- 3.3.2. A proposal must not restrict the rights of the State or otherwise qualify either the offer to deliver services as required by this RFP or the Rebate Proposal. If a proposal restricts the rights of the State or otherwise qualifies either the offer to deliver services as required by this RFP or the Rebate Proposal, the State, at its sole discretion, may determine the proposal to be a non-responsive counteroffer and reject it.
- 3.3.3. A proposal must not propose alternate services (*i.e.*, offer services different from those requested and required by this RFP). The State will consider a proposal of alternate services to be non-responsive and reject it.
- 3.3.4. A Rebate Proposal must not result from any collusion between Proposers. The State will reject any Rebate Proposal that was not prepared independently without collusion, consultation, communication, or agreement with any other Proposer. Regardless of the time of detection, the State will consider any such actions to be grounds for proposal rejection or contract termination.
- 3.3.5. A Proposer must not provide, for consideration in this RFP process or subsequent contract negotiations, incorrect information that the Proposer knew or should have known was materially incorrect. If the State determines that a Proposer has provided such incorrect information, the State will deem the Proposer's proposal non-responsive and reject it.
- 3.3.6. A Proposer must not submit more than one Technical Proposal and one Rebate Proposal in response to this RFP. If a Proposer submits more than one Technical Proposal or more than one Rebate Proposal, the State will deem all of the proposals non-responsive and reject them.
- 3.3.7. A Proposer must not submit a proposal as a prime contractor while also permitting one or more other Proposers to offer the Proposer as a subcontractor in their own proposals. Such may result in the disqualification of all Proposers knowingly involved. This restriction does not, however, prohibit different Proposers from offering the same subcontractor as a part of their proposals (provided that the subcontractor does not also submit a proposal as a prime contractor).
- 3.3.8. A Proposer must not be (and the State will not award a contract to):
- a. an individual who is, or within the past six months has been, an employee of the State of Tennessee or who is a volunteer member of a State board or commission that votes for, lets out, overlooks, or any manner superintends the services being procured in this RFP;
  - b. a company, corporation, or any other contracting entity in which an ownership of two percent (2%) or more is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee (this will not apply either to financial interests that have been placed into a "blind trust" arrangement pursuant to which the employee does not have

knowledge of the retention or disposition of such interests or to the ownership of publicly traded stocks or bonds where such ownership constitutes less than 2% of the total outstanding amount of the stocks or bonds of the issuing entity);

- c. a company, corporation, or any other contracting entity which employs an individual who is, or within the past six months has been, an employee of the State of Tennessee in a position that would allow the direct or indirect use or disclosure of information, which was obtained through or in connection with his or her employment and not made available to the general public, for the purpose of furthering the private interest or personal profit of any person; or,
- d. any individual, company, or other entity involved in assisting the State in the development, formulation, or drafting of this RFP or its scope of services (such person or entity being deemed by the State as having information that would afford an unfair advantage over other Proposers).

For the purposes of applying the requirements of this RFP subsection 3.3.8., the State will deem an individual to be an employee of the State of Tennessee until such time as all compensation for salary, termination pay, and annual leave has been paid, but the term "employee of the State of Tennessee" shall not include individuals performing volunteer services for the State of Tennessee.

#### 3.4. **Proposal Errors & Revisions**

A Proposer is liable for any and all proposal errors or omissions. A Proposer will not be allowed to alter or revise proposal documents after the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events unless such is formally requested, in writing, by the State.

#### 3.5. **Proposal Withdrawal**

A Proposer may withdraw a submitted proposal at any time before the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events by submitting a written request signed by an authorized Proposer representative. After withdrawing a proposal, a Proposer may submit another proposal at any time before the Proposal Deadline.

#### 3.6. **Proposal of Additional Services**

If a proposal offers services in addition to those required by and described in this RFP, the State, at its sole discretion, may add such services to the contract awarded as a result of this RFP. Notwithstanding the foregoing, a Proposer must not propose any additional cost amount(s) or rate(s) for additional services. Regardless of any additional services offered in a proposal, the Proposer's Rebate Proposal must only record the proposed rebates as required in this RFP and must not record any other rates, amounts, or information.

**NOTICE: If a Proposer fails to submit a Rebate Proposal exactly as required, the State will deem the proposal non-responsive and reject it.**

#### 3.7. **Proposal Preparation Costs**

The State will not pay any costs associated with the preparation, submittal, or presentation of any proposal.

## 4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS

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### 4.1. RFP Amendment

The State reserves the right to amend this RFP at any time, provided that it is amended in writing. However, prior to any such amendment, the State will consider whether it would negatively impact the ability of potential proposers to meet the proposal deadline and revise the RFP Schedule of Events if deemed appropriate. If an RFP amendment is issued, the State will convey it to potential proposers who submitted a Notice of Intent to Propose (refer to RFP Section 1.8.). A proposal must respond, as required, to the final RFP (including its attachments) as may be amended.

### 4.2. RFP Cancellation

The State reserves the right, at its sole discretion, to cancel or to cancel and reissue this RFP in accordance with applicable laws and regulations.

### 4.3. State Right of Rejection

4.3.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all proposals.

4.3.2. The State may deem as non-responsive and reject any proposal that does not comply with all terms, conditions, and performance requirements of this RFP. Notwithstanding the foregoing, the State reserves the right to waive, at its sole discretion, a proposal's minor variances from full compliance with this RFP. If the State waives variances in a proposal, such waiver shall not modify the RFP requirements or excuse the Proposer from full compliance with such, and the State may hold any resulting Contractor to strict compliance with this RFP.

### 4.4. Assignment & Subcontracting

4.4.1. The Contractor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFP without prior approval of the State. The State reserves the right to refuse approval, at its sole discretion, of any subcontract, transfer, or assignment.

4.4.2. If a Proposer intends to use subcontractors, the proposal in response to this RFP must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFP Attachment 6.2., Section B, General Qualifications & Experience Item B.14.).

4.4.3. Subcontractors identified within a proposal in response to this RFP will be deemed as approved by the State unless the State expressly disapproves one or more of the proposed subcontractors prior to signing the Contract.

4.4.4. The Contractor resulting from this RFP may only substitute another subcontractor for a proposed subcontractor at the discretion of the State and with the State's prior, written approval.

4.4.5. Notwithstanding any State approval relating to subcontracts, the Contractor resulting from this RFP will be the prime contractor and will be responsible for all work under the Contract.

### 4.5. Right to Refuse Personnel

The State reserves the right to refuse, at its sole discretion and notwithstanding any prior approval, any personnel of the prime contractor or a subcontractor providing service in the performance of a contract resulting from this RFP. The State will document in writing the reason(s) for any rejection of personnel.

### 4.6. Insurance

At any time, the State may require the Contractor resulting from this RFP to provide a valid, Certificate of

Insurance indicating current insurance coverage meeting minimum requirements as may be specified by this RFP. A failure to provide said documentation will be considered a material breach and grounds for contract termination.

#### 4.7. **Licensure**

- 4.7.1. All persons, agencies, firms, or other entities that provide legal or financial opinions, which a Proposer provides for consideration and evaluation by the State as a part of a proposal in response to this RFP, shall be properly licensed to render such opinions.
- 4.7.2. Before the Contract resulting from this RFP is signed, the apparent successful Proposer (and Proposer employees and subcontractors, as applicable) must hold all necessary, appropriate business and professional licenses to provide service as required. The State may require any Proposer to submit evidence of proper licensure.

#### 4.8. **Disclosure of Proposal Contents**

- 4.8.1. Each proposal and all materials submitted to the State in response to this RFP become the property of the State of Tennessee. Selection or rejection of a proposal does not affect this right. By submitting a proposal, a Proposer acknowledges and accepts that the full proposal contents and associated documents will become open to public inspection in accordance with the laws of the State of Tennessee.
- 4.8.2. The State will hold all proposal information, including both technical and rebate information, in confidence during the evaluation process. Notwithstanding the foregoing, a list of actual Proposers submitting timely proposals may be available to the public, upon request, after technical proposals are opened.
- 4.8.3. Upon completion of proposal evaluations, indicated by public release of an Evaluation Notice, the proposals and associated materials will be open for review by the public in accordance with *Tennessee Code Annotated*, Section 10-7-504(a)(7).

#### 4.9. **Contract Approval and Contract Payments**

- 4.9.1. This RFP and its contractor selection processes do not obligate the State and do not create rights, interests, or claims of entitlement in either the Proposer with the apparent best-evaluated proposal or any other Proposer. State obligations pursuant to a contract award shall commence only after the contract is signed by the State agency head and the Contractor and after the Contract is approved by all other state officials as required by applicable laws and regulations.
- 4.9.2. No payment will be obligated or made until the relevant Contract is approved as required by applicable statutes and rules of the State of Tennessee.
  - 4.9.2.1. The State shall not be liable for payment of any type associated with the Contract resulting from this RFP (or any amendment thereof) or responsible for any work done by the Contractor, even work done in good faith and even if the Contractor is orally directed to proceed with the delivery of services, if it occurs before the Contract start date or after the Contract end date.
  - 4.9.2.2. All payments relating to this procurement will be made in accordance with the Payment Terms and Conditions of the Contract resulting from this RFP (refer to RFP Attachment 6.6., *Pro Forma* Contract, Section C).
  - 4.9.2.3. If any provision of the Contract provides direct funding or reimbursement for the competitive purchase of services or items to be delivered to the State as a component of contract performance or otherwise provides for the reimbursement of specified, actual costs, the State will employ all reasonable means and will require all such documentation that it deems necessary to ensure that such purchases were competitive

and costs were reasonable, necessary, and actual. The Contractor shall provide reasonable assistance and access related to such review. Further, the State shall not remit, as funding or reimbursement pursuant to such provisions, any amount(s) which it determines did not result from a reasonably competitive purchase or do not represent reasonable, necessary, and actual costs.

**4.10. Contractor Performance**

The Contractor resulting from this RFP will be responsible for the completion of all service set out in this RFP (including attachments) as may be amended. All service is subject to inspection and evaluation by the State. The State will employ all reasonable means to ensure that service is progressing and being performed in compliance with the Contract, and the Contractor must cooperate with such efforts.

**4.11. Contract Amendment**

During the course of a Contract pursuant to this RFP, the State may request the Contractor to perform additional work within the general scope of the Contract and this RFP, but beyond the specified scope of service, and for which the Contractor may be compensated. In such instances, the State will provide the Contractor a written description of the additional work. The Contractor must respond to the State with a time schedule for accomplishing the additional work and a price for the additional work based on the rates included in the Contractor's proposal to this RFP. If the State and the Contractor reach an agreement regarding the work and associated compensation, such agreement must be effected by means of a Contract Amendment. Further, any such amendment requiring additional work must be signed by both the State agency head and the Contractor and must be approved by other state officials as required by applicable statutes and rules of the State of Tennessee. The Contractor must not commence additional work until the State has issued a written Contract Amendment with all required approvals.

**4.12. Severability**

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, said decision will not affect the validity of the remaining RFP terms and provisions, and the rights and obligations of the State and Proposers will be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

## 5. PROPOSAL EVALUATION & CONTRACT AWARD

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### 5.1. Evaluation Categories & Maximum Points

The State will consider qualifications, experience, technical approach, and rebate in the evaluation of proposals and award points in each of the categories detailed below (up to the maximum evaluation points indicated) to each apparently responsive proposal.

EVALUATION CATEGORY	MAXIMUM POINTS POSSIBLE
<b>General Qualifications &amp; Experience</b> (refer to RFP Attachment 6.2., Section B)	30
<b>Technical Qualifications, Experience &amp; Approach</b> (refer to RFP Attachment 6.2., Section C)	40
<b>Rebate Proposal</b> (refer to RFP Attachment 6.3.)	30

### 5.2. Evaluation Process

The proposal evaluation process is designed to award the contract resulting from this RFP not necessarily to the Proposer offering the highest rebate, but rather to the responsive and responsible Proposer offering the best combination of attributes based upon the evaluation criteria. (~~Responsive Proposer~~ is defined as a Proposer that has submitted a proposal that conforms in all material respects to the RFP. ~~Responsible Proposer~~ is defined as a Proposer that has the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.)

5.2.1. **Technical Proposal Evaluation.** The RFP Coordinator and the Proposal Evaluation Team (consisting of three or more State employees) will use the RFP Attachment 6.2., Technical Proposal & Evaluation Guide to manage the Technical Proposal Evaluation and maintain evaluation records.

- 5.2.1.1. The State reserves the right, at its sole discretion, to request Proposer clarification of a Technical Proposal or to conduct clarification discussions with any or all Proposers. Any such clarification or discussion will be limited to specific sections of the proposal identified by the State. The subject Proposer must put any resulting clarification in writing as may be required and in accordance with any deadline imposed by the State.
- 5.2.1.2. The RFP Coordinator will review each Technical Proposal to determine compliance with RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section A— Mandatory Requirements. If the RFP Coordinator determines that a proposal may have failed to meet one or more of the mandatory requirements, the Proposal Evaluation Team will review the proposal and document the team's determination of whether:
  - a. the proposal adequately meets requirements for further evaluation;
  - b. the State will request clarifications or corrections for consideration prior to further evaluation; or,
  - c. the State will determine the proposal non-responsive to the RFP and reject it.
- 5.2.1.3. Proposal Evaluation Team members will independently evaluate each Technical Proposal (that appears responsive to the RFP) against the evaluation criteria in this RFP, rather than against other proposals and will score each in accordance with the RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section B and Section C.

- 5.2.1.4. For each proposal evaluated, the RFP Coordinator will calculate the average of the Proposal Evaluation Team member scores for RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section B and for Section C, and record each average as the proposal score for the respective Technical Proposal section.
- 5.2.1.5. Before Rebate Proposals are opened, the Proposal Evaluation Team will review the Technical Proposal Evaluation record and any other available information pertinent to whether or not each Proposer is responsive and responsible. If the Proposal Evaluation Team identifies any Proposer that appears not to meet the responsive and responsible thresholds such that the team would not recommend the Proposer for Rebate Proposal Evaluation and potential contract award, the team members will fully document the determination.
- 5.2.2. **Rebate Proposal Evaluation.** The RFP Coordinator will open for evaluation the Rebate Proposal of each apparently responsive and responsible Proposer that the Proposal Evaluation Team has effectively recommended for potential contract award and will calculate and record each Rebate Proposal score in accordance with the RFP Attachment 6.3., Rebate Proposal & Scoring Guide.
- 5.2.3. **Total Proposal Score.** The RFP Coordinator will calculate the sum of the Technical Proposal section scores and the Rebate Proposal score and record the resulting number as the total score for the subject Proposal (refer to RFP Attachment 6.5., Proposal Score Summary Matrix).

### 5.3. **Contract Award Process**

- 5.3.1 The RFP Coordinator will submit the Proposal Evaluation Team determinations and proposal scores to the head of the procuring agency for consideration along with any other relevant information that might be available and pertinent to contract award.
- 5.3.2. The procuring agency head will determine the apparent best-evaluated proposal. (To effect a contract award to a Proposer other than the one receiving the highest evaluation process score, the head of the procuring agency must provide written justification and obtain the written approval of the Commissioner of Finance and Administration and the Comptroller of the Treasury.)
- 5.3.3. The State reserves the right to make an award without further discussion of any proposal.
- 5.3.4. The State will issue an Evaluation Notice identifying the apparent best-evaluated proposal and make the RFP files available for public inspection at the time and date specified in the RFP Section 2, Schedule of Events.

**NOTICE: The Evaluation Notice shall not create rights, interests, or claims of entitlement in either the Proposer with apparent best-evaluated proposal or any other Proposer.**

- 5.3.5. The Proposer identified as offering the apparent best-evaluated proposal must sign a contract drawn by the State pursuant to this RFP. The contract shall be substantially the same as the RFP Attachment 6.6., *Pro Forma* Contract. The Proposer must sign said contract no later than the Contract Signature by Contractor Deadline detailed in the RFP Section 2, Schedule of Events. If the Proposer fails to provide the signed contract by the deadline, the State may determine that the Proposer is non-responsive to this RFP and reject the proposal.
- 5.3.6. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited negotiation prior to contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State's best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall NOT materially affect the basis of proposal evaluations or negatively impact the competitive nature of the RFP and contractor selection process.

- 5.3.7. If the State determines that a proposal is non-responsive and rejects it after opening Rebate Proposals, the RFP Coordinator will re-calculate scores for each remaining responsive Rebate Proposal to determine (or re-determine) the apparent best-evaluated proposal.

**RFP # 31701-05021 PROPOSAL STATEMENT OF CERTIFICATIONS AND ASSURANCES**

The Proposer must sign and complete the Proposal Statement of Certifications and Assurances below as required, and it must be included in the Technical Proposal (as required by RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section A, Item A.1.).

**The Proposer does, hereby, expressly affirm, declare, confirm, certify, and assure ALL of the following:**

1. The Proposer will comply with all of the provisions and requirements of the RFP.
2. The Proposer will provide all services as defined in the Scope of Services of the RFP Attachment 6.6., *Pro Forma Contract* for the total contract period.
3. The Proposer accepts and agrees to all terms and conditions set out in the RFP Attachment 6.6., *Pro Forma Contract*.
4. The Proposer acknowledges and agrees that a contract resulting from the RFP shall incorporate, by reference, all proposal responses as a part of the contract.
5. The Proposer will comply with:
  - (a) the laws of the State of Tennessee;
  - (b) Title VI of the federal Civil Rights Act of 1964;
  - (c) Title IX of the federal Education Amendments Act of 1972;
  - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
  - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the knowledge of the undersigned, the information detailed within the proposal submitted in response to the RFP is accurate.
7. The proposal submitted in response to the RFP was independently prepared, without collusion, under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the RFP or any resulting contract.
9. Both the Technical Proposal and the Rebate Proposal submitted in response to the RFP shall remain valid for at least 120 days subsequent to the date of the Rebate Proposal opening and thereafter in accordance with any contract pursuant to the RFP.

**By signing this Proposal Statement of Certifications and Assurances, below, the signatory also certifies legal authority to bind the proposing entity to the provisions of this RFP and any contract awarded pursuant to it. If the signatory is not the Proposer (if an individual) or the Proposer’s company *President or Chief Executive Officer*, this document must attach evidence showing the individual’s authority to bind the proposing entity.**

**DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO BIND THE PROPOSING ENTITY**

**SIGNATURE:**

\_\_\_\_\_

**PRINTED NAME & TITLE:**

\_\_\_\_\_

**DATE:**

\_\_\_\_\_

**PROPOSER LEGAL ENTITY NAME:**

\_\_\_\_\_

**PROPOSER FEDERAL EMPLOYER IDENTIFICATION NUMBER (or SSN):**

\_\_\_\_\_

### TECHNICAL PROPOSAL & EVALUATION GUIDE

**SECTION A: MANDATORY REQUIREMENTS.** The Proposer must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Proposer must also detail the proposal page number for each item in the appropriate space below.

The RFP Coordinator will review the proposal to determine if the Mandatory Requirement Items are addressed as required and mark each with pass or fail. For each item that is not addressed as required, the Proposal Evaluation Team must review the proposal and attach a written determination. In addition to the Mandatory Requirement Items, the RFP Coordinator will review each proposal for compliance with all RFP requirements.

PROPOSER LEGAL ENTITY NAME:			
Proposal Page # (Proposer completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		The Proposal must be delivered to the State no later than the Proposal Deadline specified in the RFP Section 2, Schedule of Events.	
		The Technical Proposal and the Rebate Proposal documentation must be packaged separately as required (refer to RFP Section 3.2., <i>et. seq.</i> ).	
		The Technical Proposal must NOT contain rebate, cost or pricing information of any type.	
		The Technical Proposal must NOT contain any restrictions of the rights of the State or other qualification of the proposal.	
		A Proposer must NOT submit alternate proposals.	
		A Proposer must NOT submit multiple proposals in different forms (as a prime and a sub-contractor).	
	<b>A.1.</b>	Provide the Proposal Statement of Certifications and Assurances (RFP Attachment 6.1.) completed and signed by an individual empowered to bind the Proposer to the provisions of this RFP and any resulting contract. The document must be signed without exception or qualification.	
	<b>A.2.</b>	Provide a statement, based upon reasonable inquiry, of whether the Proposer or any individual who shall perform work under the contract has a possible conflict of interest ( <i>e.g.</i> , employment by the State of Tennessee) and, if so, the nature of that conflict.  NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award.	
	<b>A.3.</b>	Provide a current bank reference indicating that the Proposer's business relationship with the financial institution is in positive standing. Such reference must be written in the form of a standard business letter, signed, and dated within the past three (3) months.	
	<b>A.4.</b>	Provide two current positive credit references from vendors with which the Proposer has done business written in the form of standard business letters, signed, and dated within the past three (3) months.	
	<b>A.5.</b>	Provide an official document or letter from an accredited credit bureau, verified and dated within the last three (3) months and indicating a positive credit rating for the Proposer (NOTE: A credit bureau report number without the full report is insufficient and will <u>not</u> be considered responsive.)	

<b>PROPOSER LEGAL ENTITY NAME:</b>			
<b>Proposal Page # (Proposer completes)</b>	<b>Item Ref.</b>	<b>Section A— Mandatory Requirement Items</b>	<b>Pass/Fail</b>
	<b>A.6.</b>	<p>Provide a statement confirming the Proposer can and shall provide the transaction data extract file required by RFP Attachment 6.6 - <i>Pro Forma</i> Contract Scope of Services, Section A.2.m. <u>Transaction Data Extract File</u> in either the MasterCard Common Data Format (CDF 3.0) or the Visa Commercial Format 4.0 for payment card loads.</p> <p><i>Information on these industry standard formats may be found on the following links:</i>  <a href="http://usa.visa.com/corporate/corporate_solutions/im/vcf/contact.jsp">http://usa.visa.com/corporate/corporate_solutions/im/vcf/contact.jsp</a> and  <a href="http://smartdatasupport.mastercard.com/cdf3intro_overview.pdf">http://smartdatasupport.mastercard.com/cdf3intro_overview.pdf</a>.</p>	
State Use – RFP Coordinator Signature, Printed Name & Date:			

**TECHNICAL PROPOSAL & EVALUATION GUIDE**

**SECTION B: GENERAL QUALIFICATIONS & EXPERIENCE.** The Proposer must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Proposer must also detail the proposal page number for each item in the appropriate space below. Proposal Evaluation Team members will independently evaluate and assign one score for all responses to Section B— General Qualifications & Experience Items.

<b>PROPOSER LEGAL ENTITY NAME:</b>		
<b>Proposal Page # (Proposer completes)</b>	<b>Item Ref.</b>	<b>Section B— General Qualifications &amp; Experience Items</b>
	<b>B.1.</b>	Detail the name, e-mail address, mailing address, telephone number, and facsimile number of the person the State should contact regarding the proposal.
	<b>B.2.</b>	Describe the Proposer’s form of business ( <i>i.e.</i> , individual, sole proprietor, corporation, non-profit corporation, partnership, limited liability company) and business location (physical location or domicile).
	<b>B.3.</b>	Detail the number of years the Proposer has been in business.
	<b>B.4.</b>	Briefly describe how long the Proposer has been performing the services required by this RFP.
	<b>B.5.</b>	Describe the Proposer’s number of employees, client base, and location of offices.
	<b>B.6.</b>	Provide a statement of whether there have been any mergers, acquisitions, or sales of the Proposer within the last ten years. If so, include an explanation providing relevant details.
	<b>B.7.</b>	Provide a statement of whether the Proposer or, to the Proposer’s knowledge, any of the Proposer’s employees, agents, independent contractors, or subcontractors, proposed to provide work on a contract pursuant to this RFP, have been convicted of, pled guilty to, or pled <i>nolo contendere</i> to any felony. If so, include an explanation providing relevant details.
	<b>B.8.</b>	Provide a statement of whether, in the last ten years, the Proposer has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation providing relevant details.
	<b>B.9.</b>	Provide a statement of whether there is any material, pending litigation against the Proposer that the Proposer should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this RFP or is likely to have a material adverse effect on the Proposer’s financial condition. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it would impair the Proposer’s performance in a contract pursuant to this RFP.  NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Proposer must be properly licensed to render such opinions. The State may require the Proposer to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders such opinions.
	<b>B.10.</b>	Provide a statement of whether there are any pending or in progress Securities Exchange Commission investigations involving the Proposer. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it will impair the Proposer’s performance in a contract pursuant to this RFP.  NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Proposer must be properly licensed to render such opinions. The State may require the Proposer to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders such opinions.

<b>PROPOSER LEGAL ENTITY NAME:</b>		
<b>Proposal Page # (Proposer completes)</b>	<b>Item Ref.</b>	<b>Section B— General Qualifications &amp; Experience Items</b>
	<b>B.11.</b>	Provide a brief, descriptive statement detailing evidence of the Proposer's ability to deliver the services sought under this RFP (e.g., prior experience, training, certifications, resources, program and quality management systems, etc.).
	<b>B.12.</b>	Provide a narrative description of the proposed project team, its members, and organizational structure along with an organizational chart identifying the key people who will be assigned to accomplish the work required by this RFP, illustrating the lines of authority, and designating the individual responsible for the completion of each service component and deliverable of the RFP.
	<b>B.13.</b>	Provide a personnel roster listing the names of key people who the Proposer will assign to perform duties or services required by this RFP along with the estimated number of hours that each individual will devote to that performance. Follow the personnel roster with a resume for each of the people listed. The resumes must detail the individual's title, education, current position with the Proposer, and employment history.
	<b>B.14.</b>	Provide a statement of whether the Proposer intends to use subcontractors to accomplish the work required by this RFP, and if so, detail: <ul style="list-style-type: none"> <li>(a) the names of the subcontractors along with the contact person, mailing address, telephone number, and e-mail address for each;</li> <li>(b) a description of the scope and portions of the work each subcontractor will perform; <u>and</u></li> <li>(c) a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Proposer's response to this RFP.</li> </ul>
	<b>B.15.</b>	Provide documentation of the Proposer's commitment to diversity as represented by its business strategy, business relationships, and workforce— this documentation should detail <u>all</u> of the following: <ul style="list-style-type: none"> <li>(a) a description of the Proposer's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, persons with a handicap or disability and small business enterprises;</li> <li>(b) a listing of the Proposer's current contracts with business enterprises owned by minorities, women, persons with a handicap or disability and small business enterprises, including the following information: <ul style="list-style-type: none"> <li>(i) contract description and total value</li> <li>(ii) contractor name and ownership characteristics (i.e., ethnicity, sex, disability)</li> <li>(iii) contractor contact and telephone number;</li> </ul> </li> <li>(c) an estimate of the level of participation by business enterprises owned by minorities, women, persons with a handicap or disability and small business enterprises in a contract awarded to the Proposer pursuant to this RFP, including the following information: <ul style="list-style-type: none"> <li>(i) participation estimate (expressed as a percent of the total contract value that will be dedicated to business with subcontractors and supply contractors having such ownership characteristics — <b>PERCENTAGES ONLY — DO NOT INCLUDE DOLLAR AMOUNTS</b>)</li> <li>(ii) descriptions of anticipated contracts</li> <li>(iii) names and ownership characteristics (i.e., ethnicity, sex, disability) of anticipated subcontractors and supply contractors anticipated; and</li> </ul> </li> <li>(d) the percent of the Proposer's total current employees by ethnicity, sex, and handicap or disability.</li> </ul> <p>NOTE: Proposers that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and sub-contractors. Proposal evaluations will recognize the positive qualifications and experience of a Proposer that does business with enterprises owned by minorities, women, persons with a handicap or disability and small business</p>

PROPOSER LEGAL ENTITY NAME:		
Proposal Page # (Proposer completes)	Item Ref.	Section B— General Qualifications & Experience Items
		enterprises and that offers a diverse workforce to meet service needs.
	<b>B.16.</b>	<p>Provide a statement of whether or not the Proposer has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous 5-year period. If so, provide the following information for all of the current and completed contracts:</p> <ul style="list-style-type: none"> <li>(a) the name, title, telephone number and e-mail address of the State contact knowledgeable about the contract;</li> <li>(b) the procuring State agency name;</li> <li>(c) a brief description of the contract's scope of services;</li> <li>(d) the contract term; and</li> <li>(e) the contract number.</li> </ul> <p>NOTES:</p> <ul style="list-style-type: none"> <li>▪ Current or prior contracts with the State are <u>not</u> a prerequisite and are <u>not</u> required for the maximum evaluation score, and the existence of such contracts with the State will <u>not</u> automatically result in the addition or deduction of evaluation points.</li> <li>▪ Each evaluator will generally consider the results of inquiries by the State regarding all contracts noted.</li> </ul>
	<b>B.17.</b>	<p>Provide customer references from individuals (who are <u>not</u> current or former officials or staff of the State of Tennessee) for projects similar to the services sought under this RFP and which represent:</p> <ul style="list-style-type: none"> <li>▪ three of the larger accounts currently serviced by the Proposer or that the Proposer has serviced in the last three years.</li> </ul> <p>All references must be provided in the form of standard reference questionnaires that have been fully completed by the individual providing the reference as required. The standard reference questionnaire, which <u>must</u> be used and completed as required, is detailed at RFP Attachment 6.4. References that are not completed as required will be considered non-responsive and will not be considered.</p> <p>The Proposer will be <u>solely</u> responsible for obtaining the fully completed reference questionnaires, and for including them within the Proposer's sealed Technical Proposal. In order to obtain and submit the completed reference questionnaires, as required, follow the process detailed below.</p> <ul style="list-style-type: none"> <li>(a) —<u>Customize</u> the standard reference questionnaire at RFP Attachment 6.4. by adding the subject Proposer's name, and make exact duplicates for completion by references.</li> <li>(b) Send the customized reference questionnaires to each individual chosen to provide a reference along with a new standard #10 envelope.</li> <li>(c) Instruct the person that will provide a reference for the Proposer to: <ul style="list-style-type: none"> <li>(i) complete the reference questionnaire (on the form provided or prepared, completed, and printed using an exact duplicate of the document);</li> <li>(ii) sign <u>and</u> date the completed, reference questionnaire;</li> <li>(iii) seal the completed, signed, and dated, reference questionnaire within the envelope provided;</li> <li>(iv) sign his or her name in ink across the sealed portion of the envelope; and</li> <li>(v) return the sealed envelope containing the completed reference questionnaire directly to the Proposer (the Proposer may wish to give each reference a deadline, such that the Proposer will be able to collect all required references in time to include them within the sealed Technical Proposal).</li> </ul> </li> <li>(d) <u>Do NOT open the sealed references upon receipt.</u></li> <li>(e) Enclose all <u>sealed</u> reference envelopes within a larger, labeled envelope for inclusion in the Technical Proposal as required.</li> </ul>

<b>PROPOSER LEGAL ENTITY NAME:</b>		
<b>Proposal Page # (Proposer completes)</b>	<b>Item Ref.</b>	<b>Section B— General Qualifications &amp; Experience Items</b>
		<p>NOTES:</p> <ul style="list-style-type: none"> <li>▪ The State will not accept late references or references submitted by any means other than that which is described above, and each reference questionnaire submitted must be completed as required.</li> <li>▪ The State will not review more than the number of required references indicated above.</li> <li>▪ While the State will base its reference check on the contents of the sealed reference envelopes included in the Technical Proposal package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references.</li> <li>▪ The State is under <u>no</u> obligation to clarify any reference information.</li> </ul>
<p><b>SCORE (for <u>all</u> Section B—Qualifications &amp; Experience Items above):</b>  <i>(maximum possible score = 30)</i></p>		
<p><i>State Use – Evaluator Identification:</i></p>		

**TECHNICAL PROPOSAL & EVALUATION GUIDE**

**SECTION C: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH.** The Proposer must address all items (below) and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Proposer must also detail the proposal page number for each item in the appropriate space below.

A Proposal Evaluation Team, made up of three or more State employees, will independently evaluate and score the proposal's response to each item. Each evaluator will use the following whole number, raw point scale for scoring each item:

**0 = little value      1 = poor      2 = fair      3 = satisfactory      4 = good      5 = excellent**

The RFP Coordinator will multiply the Item Score by the associated Evaluation Factor (indicating the relative emphasis of the item in the overall evaluation). The resulting product will be the item's raw, weighted score for purposes of calculating the section score as indicated.

<b>PROPOSER LEGAL ENTITY NAME:</b>					
<b>Proposal Page # (Proposer completes)</b>	<b>Item Ref.</b>	<b>Section C— Technical Qualifications, Experience &amp; Approach Items</b>	<b>Item Score</b>	<b>Evaluation Factor</b>	<b>Raw Weighted Score</b>
	<b>C.1.</b>	Provide a narrative that illustrates the Proposer's understanding of the State's requirements and project schedule.		<b>5</b>	
	<b>C.2.</b>	Describe the Proposer's understanding and approach to providing <b>State Payment Card Program</b> services as described in RFP Attachment 6.6 - <i>Pro Forma</i> Contract Scope of Services, Section A.2.  <b>A.2.a to A.2.q must be identified and addressed.</b>		<b>30</b>	
	<b>C.3.</b>	Describe the Proposer's understanding and approach to providing <b>Corporate Travel Card Program</b> services as described in RFP Attachment 6.6 - <i>Pro Forma</i> Contract Scope of Services, Section A.3.  <b>A.3.a to A.3.h must be identified and addressed.</b>		<b>10</b>	
	<b>C.4.</b>	Describe the Proposer's understanding and approach to providing a <b>Web-Based Program Management and Reporting Solution</b> as described in RFP Attachment 6.6 - <i>Pro Forma</i> Contract Scope of Services, Section A.4.  <b>A.4.a to A.4.h must be identified and addressed.</b>  <b>The Proposer shall provide samples of the available reports including the reports specifically mentioned in Section A.4.</b>		<b>20</b>	
	<b>C.5.</b>	Describe the Proposer's understanding and approach to providing <b>Program Support Services</b> as described in RFP Attachment 6.6 - <i>Pro Forma</i> Contract Scope of Services,		<b>5</b>	

PROPOSER LEGAL ENTITY NAME:					
Proposal Page # (Proposer completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		Section A.5.  <b>A.5.a to A.5.c must be identified and addressed.</b>			
	<b>C.6.</b>	<p>The Proposer shall provide a detailed <u>Initial Contract Transition Plan</u> that must include at a minimum:</p> <ul style="list-style-type: none"> <li>a. Proposer’s implementation team members</li> <li>b. timeline, tasks and responsible parties for issuing Payment Cards by the expected available use date of May 15, 2011</li> <li>c. timeline, tasks and responsible parties for issuing Corporate Travel Cards by the expected available use date of May 15, 2011</li> <li>d. all customer support that will be provided during initial transition such as on-site visits, technical assistance, program documentation assistance, etc.</li> <li>e. training plan for the <u>Proposer’s Web-Based Program Management and Reporting System</u> for the following groups : <ul style="list-style-type: none"> <li>i) Division of Accounts State Program Staff</li> <li>ii) State Agency Coordinators</li> <li>iii) Fiscal Office and field staff that will perform accounting code approvals and/or reallocations</li> <li>iv) Cardholders that will need to access their Individual Cardholder Account Statements</li> </ul> </li> <li>f. process, including sample documentation and file specifications, for establishing agency master accounts with their corresponding contact, hierarchy, Standard Industry Classifications or card association Merchant Category Codes specifications and accounting code validation values</li> <li>g. process, including sample documentation and file specifications, for establishing current cardholder accounts as well as future mass cardholder account setups</li> </ul>		<b>10</b>	

PROPOSER LEGAL ENTITY NAME:					
Proposal Page # (Proposer completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		<p>h. process, including sample documentation and file specifications, for establishing and receiving the <u>Transaction Data Extract File</u> as described in RFP Attachment 6.6 - <i>Pro Forma</i> Contract Scope of Services, Section A.2.m.</p> <p>i. process, including file specifications, for establishing user ids and appropriate access to the <u>Proposer's Web-Based Program Management and Reporting Solution</u></p>			
	<b>C.7.</b>	<p>Describe the Proposer's understanding and approach to providing services in accordance with RFP Attachment 6.6 - <i>Pro Forma</i> Contract Scope of Services, Section A.7., <u>Security</u>.</p> <p><u>In addition</u>, the Proposer shall describe its approach to security and its ability to meet requirements including but not limited to:</p> <ul style="list-style-type: none"> <li>• The implementation and maintenance of the Payment Card Industry Data Security Standard (PCI DSS), protocols and procedures.</li> <li>• Fraud detection systems that will be used to identify potentially fraudulent transactions and the process to notify the State.</li> <li>• Audit trails that identify security breaches.</li> <li>• Management, administrative and technical security controls within the environment.</li> <li>• Ensure full cooperation with state officials and law enforcement agencies in case of security breaches involving criminal and/or no criminal activity.</li> </ul>		<b>5</b>	
	<b>C.8.</b>	<p>Describe the Proposer's understanding and approach to providing services in accordance with RFP Attachment 6.6 - <i>Pro Forma</i> Contract Scope of Services, Section A.8., <u>Alternate Site and Systems</u>.</p>		<b>5</b>	
	<b>C.9.</b>	<p>Provide an approximate count of U.S. accepting merchants for the proposed card association brand and services available to identify Tennessee vendors that accept the card.</p>		<b>5</b>	
	<b>C.10.</b>	<p>Provide an example of :</p> <p>a. Master Account Billing Statement</p>		<b>5</b>	

<b>PROPOSER LEGAL ENTITY NAME:</b>					
<b>Proposal Page # (Proposer completes)</b>	<b>Item Ref.</b>	<b>Section C— Technical Qualifications, Experience &amp; Approach Items</b>	<b>Item Score</b>	<b>Evaluation Factor</b>	<b>Raw Weighted Score</b>
		b. Individual Cardholder Account Statement c. Central Purchase Account (CPA) statement d. Central Travel Account (CTA) statement - The State prefers that statement does not use airport codes to illustrate destinations e. Individual Corporate Travel Card statements			
<i>The RFP Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.</i>					<b>Total Raw Weighted Score:</b> <i>(sum of Raw Weighted Scores above)</i>
$\frac{\text{Total Raw Weighted Score}}{\text{Maximum Possible Raw Weighted Score}}$ <i>(i.e., 5 x the sum of item weights above)</i>		<b>X 40</b> <i>(maximum possible score)</i>	<b>= SCORE:</b>		
<i>State Use – Evaluator Identification:</i>					
<i>State Use – RFP Coordinator Signature, Printed Name &amp; Date:</i>					

**REBATE PROPOSAL & SCORING GUIDE**

*NOTICE: THIS REBATE PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED*

**REBATE PROPOSAL SCHEDULE**—The Rebate Proposal shall remain valid for at least 120 days subsequent to the date of the Rebate Proposal opening and thereafter in accordance with any contract resulting from this RFP. All monetary amounts shall be in U.S. currency and limited to two (2) places to the right of the decimal point. The Proposer should not leave any —Proposed Rebate %” cells blank; blanks will be interpreted as zero (0).

The State’s net charge volume for fiscal year 2010 approximated \$18,300,000. The State anticipates future expenditures to be comparable but does not guarantee any amount.

**The Proposer must not leave any Dollar Volume Rebate percentage cell blank; if the Proposer leaves any required Dollar Volume Rebate percentage cell blank, the State shall disqualify the Proposer.**

**NOTICE:** The Evaluation Factor associated with each cost item is for evaluation purposes only. The evaluation factors do NOT and should NOT be construed as any type of volume guarantee. The evaluation factors shall NOT create rights, interests, or claims of entitlement in the Proposer.

This Rebate Proposal must be signed, in the space below, by an individual empowered to bind the proposing entity to the provisions of this RFP and any contract awarded pursuant to it. If said individual is not the *President* or *Chief Executive Officer*, this document must attach evidence showing the individual’s authority to legally bind the proposing entity.

<b>PROPOSER SIGNATURE:</b>	
<b>PRINTED NAME &amp; TITLE:</b>	
<b>DATE:</b>	
<b>PROPOSER LEGAL ENTITY NAME:</b>	

**RFP ATTACHMENT 6.3, SECTION A, DOLLAR VOLUME REBATE**

After every three (3) month period (—Quarter”), the State Payment Card Dollar Volume Rebate amount will be calculated and remitted to the State. The rebate amount is the State Payment Card Net Total Charges for the Quarter multiplied by the following applicable Dollar Volume Rebate Percentage. The cumulative amount of Net Charge Volume is the contract-to-date total of all Net Total Charges [i.e., Net Total Charges from the beginning of the contract term pursuant to *pro forma* contract Section B. Contract Term (refer to RFP Attachment 6.6.)].

**INSTRUCTIONS:** Insert your proposed Dollar Volume Rebate percentages below. The Proposer must not leave any Dollar Volume Rebate percentage cell blank; if the Proposer leaves any required Dollar Volume Rebate percentage cell blank, the State shall disqualify the Proposer.

State Payment Card Rebate Item Description	Proposed Rebate %	Evaluation Factor	Evaluation Rebate (rebate % x factor)
From a cumulative amount of Net Charge Volume of \$.01 up to a cumulative amount of Net Charge Volume of \$25,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	% / Dollar Volume	20	
From a cumulative amount of Net Charge Volume of \$25,000,000.01 up to a cumulative amount of Net Charge Volume of \$50,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	% / Dollar Volume	20	

State Payment Card Rebate Item Description	Proposed Rebate %	Evaluation Factor	Evaluation Rebate (rebate % x factor)
From a cumulative amount of Net Charge Volume of \$50,000,000.01 up to a cumulative amount of Net Charge Volume of \$75,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	% / Dollar Volume	15	
From a cumulative amount of Net Charge Volume of \$75,000,000.01 up to a cumulative amount of Net Charge Volume of \$100,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	% / Dollar Volume	15	
From a cumulative amount of Net Charge Volume of \$100,000,000.01 up to a cumulative amount of Net Charge Volume of \$150,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	% / Dollar Volume	10	
From a cumulative amount of Net Charge Volume of \$150,000,000.01 up to a cumulative amount of Net Charge Volume of \$200,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	% / Dollar Volume	10	
From a cumulative amount of Net Charge Volume of \$200,000,000.01 up to a cumulative amount of Net Charge Volume of \$300,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	% / Dollar Volume	5	
From a cumulative amount of Net Charge Volume of \$300,000,000.01 up to a cumulative amount of Net Charge Volume of \$400,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	% / Dollar Volume	3	
A cumulative amount of Net Charge Volume exceeding \$400,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	% / Dollar Volume	2	
<p align="center"><b>SECTION A EVALUATION REBATE AMOUNT</b> (sum of evaluation rebates above):</p> <p>The RFP Coordinator will use this sum and the formula below to calculate the Rebate Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.</p>			
<p><b>evaluation rebate amount being evaluated</b></p>			
<p><b>highest evaluation rebate amount from <u>all</u> proposals</b></p>			
<p><i>State Use – RFP Coordinator Signature, Printed Name &amp; Date:</i></p>			

**RFP ATTACHMENT 6.3, SECTION B, EXPEDITED PAYMENT REBATE**

The State will attempt to make payment of all Master Account Statements within 25 business days after receipt. The State would like to receive a rebate for each individual Master Account Statement paid in 25 business days or less. The State would like a proposed rebate intervals of 1 business day, 5 business days, 7 business days, 15 business days and 25 business days after of receipt of the statements.

After every three (3) month period (—Quarter”), the Contractor shall calculate the rebate amount and remit such to the State within fifteen (15) days of the end of the Quarter. The rebate amount is the Net Total Charges on each individual Master Account Billing Statement multiplied by the applicable Expedited Payment Rebate Percentage.

**Insert your proposed rebate percentage for Expedited Payments below. The Proposer must not leave any Dollar Volume Rebate percentage cell blank; if the Proposer leaves any required Dollar Volume Rebate percentage cell blank, the State shall disqualify the Proposer.**

State Payment Card Rebate Item Description	Proposed Rebate %	Evaluation Factor	Evaluation Rebate (rebate % x factor)
Master Account Billing Statement paid-in-full within 1 business day of statement received date	% / Dollar Volume	20	
Master Account Billing Statement paid-in-full within 2 to 5 business days of statement received date	% / Dollar Volume	20	
Master Account Billing Statement paid-in-full within 6 to 7 business days of statement received date	% / Dollar Volume	20	
Master Account Billing Statement paid-in-full within 8 to 15 business days of statement received date	% / Dollar Volume	20	
Master Account Billing Statement paid-in-full within 16 to 25 business days of statement received date	% / Dollar Volume	20	

**SECTION B EVALUATION REBATE AMOUNT** (sum of evaluation rebates above):

The RFP Coordinator will use this sum and the formula below to calculate the Rebate Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.

<p><b>evaluation rebate amount being evaluated</b></p> <hr/>	
<p><b>highest evaluation rebate amount from <u>all</u> proposals</b></p>	<p><b>SCORE:</b> <math>\frac{\text{evaluation rebate amount}}{\text{highest evaluation rebate amount from all proposals}} \times 3</math> (maximum section score)</p>

State Use – RFP Coordinator Signature, Printed Name & Date:

**EVALUATION REBATE AMOUNT AND REBATE PROPOSAL SCORE**

**TOTAL EVALUATION REBATE AMOUNT** (The RFP Coordinator will add the final SCORES from the Evaluation Rebate Calculations in Tables A and B)  
**= TOTAL REBATE PROPOSAL SCORE:**

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*State Use – RFP Coordinator Signature, Printed Name & Date:*

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**REFERENCE QUESTIONNAIRE**

**The standard reference questionnaire provided on the following pages of this attachment MUST be completed by all individuals offering a reference for the Proposer.**

The Proposer will be solely responsible for obtaining completed reference questionnaires as required (refer to RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section B, Item B.17.), and for enclosing the sealed reference envelopes within the Proposer's Technical Proposal.

**RFP # 31701-05021 PROPOSAL REFERENCE QUESTIONNAIRE**

**REFERENCE SUBJECT:** **PROPOSER NAME** (completed by proposer before reference is requested)

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The "reference subject" specified above, intends to submit a proposal to the State of Tennessee in response to the Request for Proposals (RFP) indicated. As a part of such proposal, the reference subject must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
  - sign and date the completed questionnaire;
  - seal the completed, signed, and dated questionnaire in a new standard #10 envelope;
  - sign in ink across the sealed portion of the envelope; and
  - return the sealed envelope containing the completed questionnaire directly to the reference subject.
- 

(1) **What is the name of the individual, company, organization, or entity responding to this reference questionnaire?**

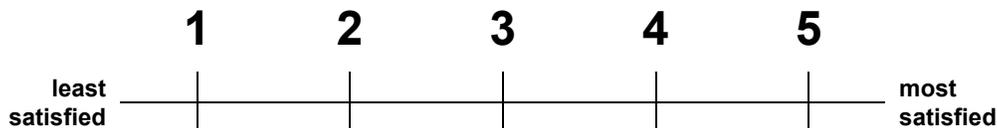
(2) **Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.**

<b>NAME:</b>	
<b>TITLE:</b>	
<b>TELEPHONE #</b>	
<b>E-MAIL ADDRESS:</b>	

(3) **What services does /did the reference subject provide to your company or organization?**

(4) **What is the level of your overall satisfaction with the reference subject as a vendor of the services described above?**

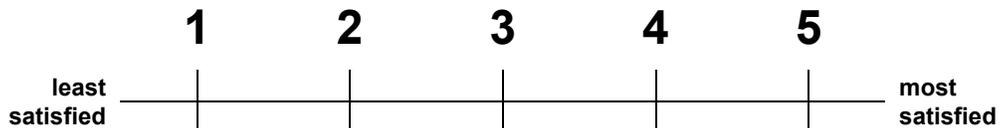
*Please respond by circling the appropriate number on the scale below.*



If you circled 3 or less above, what could the reference subject have done to improve that rating?

- (5) If the services that the reference subject provided to your company or organization are completed, were the services completed in compliance with the terms of the contract, on time, and within budget? If not, please explain.
  
- (6) If the reference subject is still providing services to your company or organization, are these services being provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.
  
- (7) How satisfied are you with the reference subject's ability to perform based on your expectations and according to the contractual arrangements?
  
- (8) In what areas of service delivery does /did the reference subject excel?
  
- (9) In what areas of service delivery does /did the reference subject fall short?
  
- (10) What is the level of your satisfaction with the reference subject's project management structures, processes, and personnel?

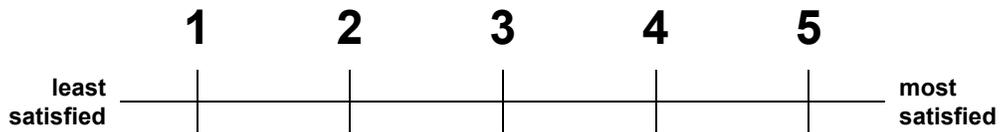
*Please respond by circling the appropriate number on the scale below.*



What, if any, comments do you have regarding the score selected above?

- (11) Considering the staff assigned by the reference subject to deliver the services described in response to question 3 above, how satisfied are you with the technical abilities, professionalism, and interpersonal skills of the individuals assigned?

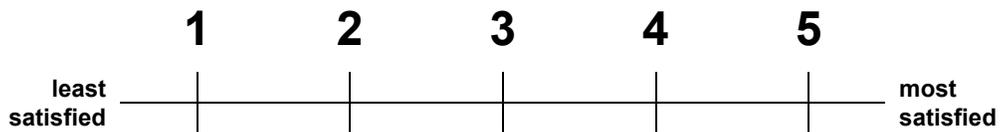
*Please respond by circling the appropriate number on the scale below.*



What, if any, comments do you have regarding the score selected above?

- (12) Would you contract again with the reference subject for the same or similar services?

*Please respond by circling the appropriate number on the scale below.*



What, if any, comments do you have regarding the score selected above?

**REFERENCE SIGNATURE:**

(by the individual completing this request for reference information)

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(must be the same as the signature across the envelope seal)

**DATE:**

**PROPOSAL SCORE SUMMARY MATRIX**

	<i>PROPOSER NAME</i>		<i>PROPOSER NAME</i>		<i>PROPOSER NAME</i>	
<b>GENERAL QUALIFICATIONS &amp; EXPERIENCE</b> (maximum: 30)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	<b>AVERAGE:</b>		<b>AVERAGE:</b>		<b>AVERAGE:</b>	
<b>TECHNICAL QUALIFICATIONS, EXPERIENCE &amp; APPROACH</b> (maximum: 40)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	<b>AVERAGE:</b>		<b>AVERAGE:</b>		<b>AVERAGE:</b>	
<b>REBATE PROPOSAL</b> (maximum: 30)	<b>SCORE:</b>		<b>SCORE:</b>		<b>SCORE:</b>	
<b>TOTAL PROPOSAL EVALUATION SCORE:</b> (maximum: 100)						

RFP Coordinator Signature, Printed Name & Date:

**RFP # 31701-05021 PRO FORMA CONTRACT**

The *pro forma* contract detailed in following pages of this exhibit contains some “blanks” (signified by descriptions in capital letters) that will be completed with appropriate information in the final contract resulting from the RFP.

**CONTRACT**  
**BETWEEN THE STATE OF TENNESSEE,**  
**DEPARTMENT OF FINANCE AND ADMINISTRATION**  
**AND**  
**CONTRACTOR NAME**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the "State" and **Contractor Legal Entity Name**, hereinafter referred to as the "Contractor," is for the provision of state payment card and corporate travel card services, as further defined in the "SCOPE OF SERVICES."

The Contractor is **a/an Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Or Limited Liability Company**.  
Contractor Federal Employer Identification, Social Security, or Edison Registration ID # **Number**  
Contractor Place of Incorporation or Organization: **Location**

**A. SCOPE OF SERVICES:**

A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.

A.2. State Payment Card Program.

The Contractor shall provide State Payment Card Services (collectively known as Payment Cards whether a plastic card or a cardless account) with the following provisions:

- a. The Contractor shall provide services to all participating state agencies. At the option of the State, non-participating state agencies may be added to the program by written notice to the Contractor. Upon receipt of the written notice, the Contractor shall establish a master account number for the newly added agency and provide that number to the State. All individual Payment Cards for an agency shall be organized under the state agency's established master account number.
- b. State Payment Card. The state agencies will designate state employees who are anticipated to incur expenses on behalf of the State of Tennessee during the term of this Contract, and who are to receive Payment Cards, by submitting completed, duly authorized Payment Card applications in a format specified by the Contractor. State employees to whom Payment Cards are issued are referred to as Cardholders. At the option of the State, the Contractor agrees to accept group applications or an application for as few as one (1) employee at a time. Individual credit checks shall not be done on Cardholders, nor shall State Payment Card activity show upon Cardholder personal credit histories. The Contractor reserves the right to conduct credit checks on the State with respect to any application.
- c. The Contractor shall offer various types of cards or accounts including but not limited to the following:
  - i. General State Payment Cards. The Contractor will provide the State with Payment Cards used to make payment for a wide variety of goods and services.
  - ii. Event Cards. The Contractor will provide the State with Payment Cards designed to capture event-related expenses. The State and the Contractor will establish agreed-upon procedures for the use of such cards.
  - iii. Emergency Cards. The Contractor will provide the State with Payment Cards for use in the event of a state declared emergency. The State and the Contractor will establish agreed-upon procedures for the use of emergency cards. The Contractor will provide the State contact individuals, titles, addresses, phone numbers, fax numbers and e-mail addresses of those individuals who can

activate and perform maintenance on emergency cards 24 hours a day, 365 days a year.

- iv. Central Purchasing Accounts (CPA). The State may request the Contractor to establish a Central Purchasing Account (CPA) relationship with any entity that provides goods or services to the State. In the event that a CPA capability is established, all transactions initiated by such entity by virtue of such capability shall in all respects be treated as though the transaction was initiated through the use of a Payment Card.
  - v. Central Travel Account (CTA). The Contractor will provide the State with a sufficient number of central travel accounts for the purpose of capturing airline charges made by the state travel agency. The Contractor will not issue plastic cards on any CTA. Except as otherwise provided by applicable law, the Contractor shall not be liable for any act or omission of any air carrier, agent or other firm providing goods or services including any defect or deficiency in goods or services provided that the Contractor has no responsibility and or/involvement with the particular act or omission. The State shall not withhold payment properly owed to the Contractor because of any claims or disputes arising from such act or omission, provided that the Contractor has no responsibility and/or involvement with such act or omission.
- d. The Contractor shall provide a VISA or MasterCard branded card designed specifically and exclusively for the State of Tennessee State Payment Card Program. The card must be accepted at a wide variety of merchants that accept credit and debit cards. The Contractor's payment card program shall not allow cash advances.

e. Card Format/Design.

Each plastic card issued shall, at a minimum:

- i. Display on the face of the card, the name —~~St~~te of Tennessee” and the State’s official seal.
- ii. Display on the face of the card, the phrase —~~Fr~~ Official Use Only – Tax Exempt”.
- iii. Display on the face of the card in embossed lettering the name of the state employee to whom the card is issued.
- iv. Display on the back of the card, the Contractor’s toll-free ~~h~~elp” telephone number.
- v. Display on the face of the card, the credit card number. Upon contract award the Contractor and the State shall agree on a numbering sequence for the credit card number that will be on the face of the card.

Each plastic card issued shall not:

- vi. Contain any reference to Automatic Teller Machine (ATM) machine usage.
- vii. Contain the words ~~p~~urchasing” or ~~p~~rourement” on the face of the card.
- viii. Display other wording, design or card formats unless agreed to between the Contractor and the State.

Upon written request by the State, the Contractor will provide generic cards with no reference to the State of Tennessee.

f. Card Management.

- i. The Contractor will issue initial Payment Cards to the State on or before May 15, 2011. The Payment Cards will be shipped via certified or express mail, for delivery during standard State working hours, 8:00 am to 4:30 pm Central time, Monday through Friday, to be delivered to the State Payment Card Program Manager’s address set forth in Section E.2 below.

- ii. The Contractor will issue, at no cost to the State, new and replacement Payment Cards within one (1) business day of receipt of requests for replacement from the State. Unless a Payment Card has been terminated or canceled, as provided herein, all Payment Cards will expire upon the termination of this Contract. If during the term of the Contract, the Contractor elects to offer an across the board replacement of all Payment Cards and the State accepts the offer, this will be at no additional cost to the State.
  - (1) Standard Payment Card replacement shall include but not be limited to damaged, broken, malfunctioning magnetic strip, lost, or stolen cards, or cards with compromised data.
  - (2) During the term of the Contract, the Contractor will ship Payment Cards to the State via certified or express mail, for delivery during standard State working hours, 8:00 am to 4:30 pm Central Time, Monday through Friday. Unless otherwise directed in writing by the State, Payment Cards are to be delivered to the State Payment Card Program Manager's address set forth in Section E.2 below.
- iii. The Contractor shall provide for a secured card activation mechanism prior to use.
- iv. The Contractor shall provide the State with the ability to order, change, or cancel Payment Cards through its web-based management and reporting solution, which is detailed in Section A.4 below. The Contractor shall provide the participating state agency coordinators with the ability to change or cancel Payment Cards through its web-based management and reporting solution.
 

The State shall not be liable for any purchase or charge authorized after cancellation of a Payment Card by the State or participating state agency.
- v. Lost or Stolen Cards (includes cards with compromised data). The Contractor will provide a toll-free help line and established policies and procedures to handle lost or stolen Payment Cards. The State, the participating state agency, or the Cardholder shall promptly notify the Contractor by telephone of any lost or stolen Payment Card. The Contractor shall immediately terminate and promptly replace such Payment Card. The State shall not be liable for any purchase or other charges incurred or arising by virtue of the use of a Payment Card following notification to the Contractor.
- g. Card Controls and Restrictions.
 

The Contractor shall provide selective card controls which include, but are not limited to, single purchase or transaction dollar limits, Cycle dollar limits and temporary limits which can be established for a period of time. The Contractor shall be capable of providing such controls on an individual cardholder basis as well as on an agency-wide basis. The Contractor shall disallow and prevent cash advances from banks or automated teller machines. Cash advances are neither permitted nor authorized under this Contract.
- h. Standard Industry Classifications (SIC) or Merchant Category Codes (MCC) Restrictions.
 

Based upon SIC's or card association MCC's and as instructed by the State, the Contractor shall establish charge authorization procedures to ensure certain transactions are denied. The Contractor shall have no liability or responsibility with respect to the verification or correction of SIC's or MCC's selected by the State or implemented with respect to any provider of goods and/or services. The Contractor shall be capable of providing such restrictions on an individual cardholder basis as well as on an agency-wide basis.
- i. Disputed and Fraudulent Charges. Disputed items, fraudulent charges, and other forms of charges in which the Cardholder has communicated to the Contractor, via telephone or written communication, were not authorized will be credited to the Cardholder's account until resolved by the Contractor and the merchant. All disputed charges, and or

fraudulent charges reported by the Cardholder will be reported back to the State Payment Card Program Manager. Such reporting shall include Cardholder name and account number, dollar amount of any dispute or suspected error, reference number and a description of the dispute or error disputed date, posted date, and the current status of the resolution in process. Disputed billings are categorized as, but not necessarily limited to, failure to receive goods or services charged, fraud, forgery, altered charges and charges incurred by telephone where the authenticity of the charge is in question.

- j. Fraud Detection. The Contractor shall monitor, identify and alert the State of potentially fraudulent transactions.
- k. Insurance. The Contractor will provide liability waiver, travel and other insurance related to Payment Card use.
- l. Customer Service. The Contractor shall provide a toll-free telephone help line to assist the State and its Cardholders with the program and any problems related there to. The help line is available at no cost to the State or its Cardholders and it shall be available 24 hours a day, 365 days a year.
- m. Transaction Data Extract File. The Contractor shall provide the State with a transaction data extract file in either the MasterCard Common Data Format (CDF 3.0) or the Visa Commercial Format 4.0 for upload into the State's [REDACTED] accounting system. This transaction data extract file shall be furnished on a daily basis. The transaction data extract file must be encrypted using a cryptographic module validated to FIPS 140-2 before it leaves the Contractor's secure network. A secure transport must also be provided. The delivery method must be agreed to by the State. The file shall be delivered to the State no later than a time mutually agreed to by the State and Contractor. The frequency of the transaction data extract file may be changed at any time as agreed to in writing by both the Contractor and the State.  
  
If during the Contract term the MasterCard Common Data Format (CDF 3.0) or the Visa Commercial Format 4.0 for payment card loads is not a [REDACTED] supported format, the Contractor shall provide the transaction data extract file in a [REDACTED] supported format. The transaction data extract file's encryption and transport shall comply with all applicable security policies and standards including the Payment Card Industry Data Security Standard (PCI DSS) and the "State of Tennessee Enterprise Information Security Policies", as amended from time to time. The "State of Tennessee Enterprise Information Security Policies" are posted on <http://tennessee.gov/finance/oir/security/PUBLIC-Enterprise-Information-Security-Policies-v1-6.pdf>.
- n. Policies and Procedures. The State will develop its own policies and procedures for the issuance, security and operational matters related to the State Payment Card program. The Contractor shall assist the State when asked with development, implementation, modification or enhancement of these policies and procedures.
- o. Responsibility. Except as expressly provided to the contrary herein, the State shall be liable for all purchases and other charges incurred or arising by virtue of the Cardholder use of a Payment Card. The obligation of the State to make payments under the terms of this Contract shall continue until fully performed. This provision shall survive the termination of this Contract.
- p. Internal Revenue Services (IRS) Requirements. The Contractor shall comply with all applicable IRS requirements and provide information required for reporting by the State of Tennessee in the performance of this Contract.
- q. Annual Report. The Contractor shall provide an annual report for all transactions and dollar volumes processed under this Contract. The report shall be prepared on a fiscal

year basis and shall be due August 1<sup>st</sup> of each year. The report shall include the following information: transaction counts, annual dollar volume, and type and number of cards issued per state agency utilizing services under this Contract. The report shall be provided in electronic format to the State contact specified per Section E.2.

A.3. Corporate Travel Card Program.

The Contractor shall provide Corporate Travel Card Services with the following provisions:

- a. The Contractor shall provide corporate travel card services to state employees who routinely incur expenses on behalf of the state and who the State wishes to receive corporate travel cards. The Contractor and the State will establish a mutually agreed-upon procedure for travel card applications. The Contractor shall issue corporate travel cards at no cost to the State or to the state employee. The Contractor reserves the right to ascertain the creditworthiness of designated state employees by obtaining credit bureau and other reports it deems necessary, and it may decline the issuance of a corporate travel card to any employee at its sole discretion. State employees to whom corporate travel cards are issued are referred to as Travel Cardholders.
- b. SIC or MCC Restrictions. The State and the Contractor shall establish agreed upon procedures to limit corporate travel card use to travel related purposes. These limitations will be based upon the Standard Industry Classifications (SIC) or card association Merchant Category Codes (MCC).
- c. Corporate Travel Card Termination. The Contractor may terminate the Travel Cardholder's agreement once payment is 90 days past due. The State will work with the Contractor to keep slow payment and non-payment as low as possible.
- d. Customer Service. The Contractor shall provide a toll-free assistance number for Travel Cardholders to access account information including balance and payment information, dispute resolution, loss or theft of card, and card replacement. Such services shall be available 24 hours a day, 365 days a year.
- e. Cancellation of Corporate Travel Cards. The State may notify the Contractor to cancel any corporate travel card at any time with or without cause and without prior notice to the Travel Cardholders. The State agrees to notify the Contractor of terminated employees and the termination effective date. The Contractor and the State will establish agreed upon procedures to ensure the Contractor is informed of terminated employees so the corporate travel cards may be cancelled. The Contractor may suspend the charge privileges of or cancel any corporate travel card at any time, with or without cause and without prior notice to the State Travel Cardholder. The Contractor will subsequently notify the State and the Travel Cardholder of card closure.
- f. Unauthorized Use. The State and the Travel Cardholders are not liable for charges resulting from any unauthorized use of the corporate travel card. For purposes of this clause, an unauthorized use is a use that did not benefit either the State or the Travel Cardholder and that was incurred by someone who is not the Travel Cardholder and who did not have authority to use the card.
- g. Travel Cardholder Information. The State agrees to provide the Contractor with any information available to the State, within legal and reasonable limitations, on the whereabouts of the Travel Cardholder, his or her last known address. The State also agrees to cooperate with the Contractor to the extent legally and reasonably permissible in any investigation, litigation or prosecution by the Contractor arising in connection with the use of a corporate travel card.
- h. Corporate Travel Cardholder Agreement. As specified in the Travel Cardholder agreement, the Contractor reserves the right to change the Travel Cardholder agreement at any time. The Contractor shall notify the State of any change by sending to the State a copy of the changes at least 30 days prior to the effective date of the change, and to the Travel Cardholders a copy of the changes at least 15 days prior to the change.

A.4. Web-Based Program Management and Reporting Solution.

- a. The Contractor shall provide a web-based online program management and reporting solution hosted by the Contractor. The reporting solution shall comply with all applicable security policies and standards including PCI DSS and "State of Tennessee Enterprise Information Security Policies", as amended from time to time.
- b. The Contractor shall provide access at a statewide (corporate) level as well as the agency master account and individual cardholder levels.
- c. The Contractor shall control access to its reporting solution as required by the above-referenced "State of Tennessee Enterprise Information Security Policies".
- d. For State Payment Card Program, the reporting solution must allow, at a minimum, for the creation of new accounts, maintenance of current accounts, termination of accounts, and the generation of standard reports which shall include, but not be limited to : User Access reports, Taxes Paid reports, Declined transactions reports, Fraudulent Transactions report, Disputed Transaction report.
- e. For Corporate Travel Card Services, the solution must allow, at a minimum, for the creation of a current listing of all Travel Cardholders and regular collections reports indicating Travel Cardholders past due.
- f. The Contractor shall provide any reports that are not available via the solution that are reasonably necessary for the State to effectively operate and manage both card programs to include, but not be limited to : Trend Analysis Reporting on various factors effecting the State Payment Card Program to improve program performance, Benchmarking analysis reports. Delivery methods and timeframes for such reports will be mutually agreed upon by the State and the Contractor.
- g. The Contractor's web-based online program management and reporting solution shall provide the State with the capability to create on demand reports for ad hoc reporting.
- h. Training and assistance with the Contractor's web-based online program management and reporting solution must be provided as mutually agreed upon by the State and the Contractor.

A.5. The Contractor shall provide Program Support Services with the following Core Team personnel at a minimum:

- a. One Relationship Manager with a minimum of two (2) years of current experience in managing large card programs with outstanding interpersonal and communication skills. The Relationship Manager must have management responsibility for program quality and meeting time frames. He/she must have sufficient authority to act independently to resolve quality related issues at the program level. The Relationship Manager must maintain current knowledge of the program's status and be accessible to State program management.
- b. One Customer Service Representative with a minimum of one (1) year of current experience as a Customer Service Representative with excellent interpersonal and communication skills. The Customer Service representative is expected to be the lead role for the day-to-day operations and interactions that may occur between the State and the Contractor. Areas of knowledge should include, but not be limited to billing, card issuance, card controls, denials, disputes, and reporting.
- c. One Technical Solutions Representative with a minimum of one (1) year of current experience in the card industry. The technical solutions representative is expected to coordinate the successful resolution of technological issues that are encountered above and beyond day-to-day operations.

A.6. Statewide Rollout. The Contractor shall comply with the Initial Contract Transition Plan included in the Contractor's proposal responding to RFP-31701-05021 (Attachment 6.2 Section C.6) and resulting in this Contract.

A.7. Security. The Contractor shall ensure that all transactions are compliant with the most current version of PCI DSS or its successor. The Contractor shall maintain and ensure data integrity and user confidentiality and privacy as described in Section E.5 of this Contract. The Contractor shall ensure that security provisions described in the Contractor's proposal to the State are maintained throughout the length of this Contract. The Contractor will report any compromise or breach of network security involving State of Tennessee transactional data in accordance with *Tennessee Code Annotated*, Section 47-18-2107. Upon execution of this Contract the State will provide current Data Breach Notification Procedures and contact information for the personnel that are to be notified of any compromise or breach.

The Contractor may not sell or use any cardholder information, including names and addresses, for purposes other than those agreed upon in writing by the State.

A.8. Alternate Site and Systems. The Contractor will establish and maintain an alternative processing arrangement adequate to resume immediately the card services provided under this agreement, in the event the Contractor's primary operation site or equipment is unavailable due to either human error, equipment failure, man made or natural disaster.

**B. CONTRACT PERIOD:**

This Contract shall be effective for the period beginning April 15, 2011 and ending on April 16, 2016. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

**C. PAYMENT TERMS AND CONDITIONS:**

C.1. State Payment Card Program.

a. Payment of State Payment Card Charges. The State agrees to pay the Contractor the Net Total Charges for which the State is liable as set forth in Section A.2.o., Responsibility, herein subject to applicable law. Net Total Charges includes all charges less formally disputed transactions.

The State shall pay the Contractor on either a weekly, monthly or other basis mutually agreed upon in writing by the Contractor and the State within thirty (30) days prior to the use of State Payment Cards authorized pursuant to this Contract. The payment schedule may be changed at any time as agreed to by both the Contractor and the State. All amounts due with respect to participation in the program shall be paid by the State and shall be paid to Contractor by means of Automated Clearing House (-ACH") transaction or other electronic means agreeable to the State and Contractor.

b. Dollar Volume Rebate. After every three (3) month period (-Quarter"), the Contractor shall calculate the rebate amount and remit such to the State within fifteen (15) days of the end of the Quarter.

The rebate amount is the Net Total Charges for the Quarter multiplied by the applicable Dollar Volume Rebate Percentage.

The applicable Dollar Volume Rebate Percentage is determined by the total contract-to-date cumulative amount of Net Charge Volumes and that rebate percentage is applied to the amount of the Net Total Charges for the Quarter only.

The applicable Dollar Volume Rebate Percentages follow:

Dollar Volume Rebate Description	Rebate Percentage
From a cumulative amount of Net Charge Volume of \$.01 up to a cumulative amount of Net Charge Volume of \$25,000,000.00	X.XX%

<b>Dollar Volume Rebate Description</b>	<b>Rebate Percentage</b>
From a cumulative amount of Net Charge Volume of \$25,000,000.01 up to a cumulative amount of Net Charge Volume of \$50,000,000.00	X.XX%
From a cumulative amount of Net Charge Volume of \$50,000,000.01 up to a cumulative amount of Net Charge Volume of \$75,000,000.00	X.XX%
From a cumulative amount of Net Charge Volume of \$75,000,000.01 up to a cumulative amount of Net Charge Volume of \$100,000,000.00	X.XX%
From a cumulative amount of Net Charge Volume of \$100,000,000.01 up to a cumulative amount of Net Charge Volume of \$150,000,000.00	X.XX%
From a cumulative amount of Net Charge Volume of \$150,000,000.01 up to a cumulative amount of Net Charge Volume of \$200,000,000.00	X.XX%
From a cumulative amount of Net Charge Volume of \$200,000,000.01 up to a cumulative amount of Net Charge Volume of \$300,000,000.00	X.XX%
From a cumulative amount of Net Charge Volume of \$300,000,000.01 up to a cumulative amount of Net Charge Volume of \$400,000,000.00	X.XX%
A cumulative amount of Net Charge Volume exceeding \$400,000,000.00	X.XX%

The State will review the Contractor's rebate calculations and Net Charge Volume amounts upon receipt. Adjustments, if any that are necessary will be agreed on by the State and the Contractor and the Contractor shall adjust the subsequent dollar volume rebate payment accordingly.

- c. Expedited Payment Rebate. After every three (3) month period (-Quarter"), the Contractor shall calculate the rebate amount and remit such to the State within fifteen (15) days of the end of the Quarter.

The rebate amount is the Net Total Charges on each individual monthly Master Account Billing Statement multiplied by the applicable Expedited Payment Rebate Percentage.

The applicable Expedited Payment Rebate Percentages follow:

<b>Expedited Payment Rebate Description</b>	<b>Rebate Percentage</b>
Master Account Billing Statement paid-in-full within 1 business day of statement received date	X.XX%
Master Account Billing Statement paid-in-full within 2 to 5 business days of statement received date	X.XX%
Master Account Billing Statement paid-in-full within 6 to 7 business days of statement received date	X.XX%
Master Account Billing Statement paid-in-full within 8 to 15 business days of statement received date	X.XX%
Master Account Billing Statement paid-in-full within 16 to 25 business days of statement received date	X.XX%

The State will review the Contractor's rebate calculations and amounts upon receipt. Adjustments, if any that are necessary will be agreed on by the State and the Contractor and the Contractor shall adjust the subsequent expedited payment rebate payment accordingly.

- d. The State will maintain a demand account in good standing ("the Account") with a financial institution and account number as the State may determine, to be communicated to the Contractor in writing. Such financial institution shall be a State Depository institution pursuant to Tennessee Code Annotated, Section 9-4-107. Unless otherwise directed by the State all rebate payments herein under shall be made to the financial institution at the account number specified. All other credits or transfers shall be unauthorized transfers. The State shall take all action necessary to ensure that the Contractor has the right to credit the Account under the terms of this Contract.
- e. Billing and Account Statements. The Contractor shall provide monthly Master Account Billing Statements for each state agency's master account number documenting the Net Total Charges. The Contractor shall provide all Master Account Billing Statements to the State Payment Card Program Manager within three (3) business days of each statement close date (i.e., last date on the statement). The delivery method for the Master Account Billing Statements must be agreed to by the State.

The Contractor shall provide monthly individual cardholder account statements documenting all card transactions. These statements must be available via mail and the Contractor's web-based program management and reporting solution.

The frequency of statements may be changed at any time as agreed to by both the Contractor and the State.

#### C.2. Corporate Travel Card Program.

- a. Payment of Corporate Travel Card Charges. For the corporate travel card services provided by the Contractor, in accordance with Section A.3., the Travel Cardholders are solely responsible for payment of corporate travel card charges.
- b. Billing Statements. The Contractor will send monthly statements of charges to each Travel Cardholder. The State shall not be liable for any charges including purchases, delinquency assessments, or other assessments. The Contractor agrees to hold the State harmless from any and all charges arising as a result of the corporate travel card program. Therefore there is no liability to the State under the corporate travel card program. It is understood that the State will promptly reimburse employees for appropriate costs while on official travel status. The Contractor agrees to waive any annual corporate travel card fees.

#### C.3. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.

- a. If the agreed upon payment method in Section C.1.a. is by means of ACH, the Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once said form is received by the State, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH).
- b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.

#### D. **STANDARD TERMS AND CONDITIONS:**

- D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and

regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Personnel, and the Comptroller of the Treasury).

- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Personnel, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Prohibition of Illegal Immigrants. The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment A, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.
  - b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
  - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
  - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.
  - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.
- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.10. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401 *et seq.*.
- D.11. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.12. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.

- D.13. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.14. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.
- D.15. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.16. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.17. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.18. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.19. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.20. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.21. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

**E. SPECIAL TERMS AND CONDITIONS:**

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient

confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

State Payment Card Program:

Tonya Vanterpool, State Payment Card Program Manager  
Department of Finance and Administration, Division of Accounts  
312 Rosa L. Parks Avenue, 14th Floor Tennessee Tower, Nashville, TN 37243-1102  
[Tonya.Vanterpool@tn.gov](mailto:Tonya.Vanterpool@tn.gov)  
Telephone # 615.741.9740  
FAX # 615.532.2332

Corporate Travel Card Program:

Jack Hill, Director of Policy Development  
Department of Finance and Administration, Division of Accounts  
312 Rosa L. Parks Avenue, 13th Floor Tennessee Tower, Nashville, TN 37243-1102  
[Jack.Hill@tn.gov](mailto:Jack.Hill@tn.gov)  
Telephone # 615.532.9612  
FAX # 615.253.6980

The Contractor:

**NAME & TITLE OF CONTRACTOR CONTACT PERSON**  
**CONTRACTOR NAME**  
**ADDRESS**  
**EMAIL ADDRESS**  
Telephone # **NUMBER**  
FAX # **NUMBER**

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.
- E.5. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information,

regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

E.6. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below.

- a. this Contract document with any attachments or exhibits (excluding the items listed at subsections b. through e., below);
- b. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
- c. the State solicitation, as may be amended, requesting proposals in competition for this Contract;
- d. any technical specifications provided to proposers during the procurement process to award this Contract;
- e. the Contractor's proposal seeking this Contract.

E.7. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.

E.8. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's proposal responding to RFP-31701-05021 (Attachment 6.2 Section B.15) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and persons with a disability. Such reports shall be provided to the state of Tennessee Governor's Office of Diversity Business Enterprise in form and substance as required by said office.

E.9. Disclosure of Personal Identity Information. The Contractor shall report to the State any instances of unauthorized disclosure of confidential information that come to the attention of the Contractor. Any such report shall be made by the Contractor within twenty-four (24) hours after the instance

has come to the attention of the Contractor. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals that are deemed to be part of a potential disclosure. The Contractor shall bear the cost of notification to individuals having personal identity information involved in a potential disclosure event, including individual letters and/or public notice.

- E.10. Registered Marks and Trademarks. State and Contractor each recognize that they have no right, title or interest, proprietary or otherwise, in or to the name or any logo, copyright, service mark or trademark owned or licensed by the other party. State and Contractor each agree that they will not use any material owned or licensed by the other party that would violate laws relating to copyright, service mark, or trademark protection unless authorized by this Contract or by the other party in writing.
- E.11. Contract Services Transition. Within one hundred eighty (180) days of Contract End Date, for whatever reason (expiration or termination), the Contractor shall assist the State to ensure an orderly transfer of responsibility and/or continuity of those services required under the terms of the Contract for the next Contract period. The Contractor shall discontinue providing the service or accepting new assignments under the terms of this Contract, in a manner and on the date specified by the State, in order to insure the completion of such service prior to the termination of the Contract.

**IN WITNESS WHEREOF,**

**CONTRACTOR LEGAL ENTITY NAME:**

---

**CONTRACTOR SIGNATURE**

**DATE**

---

**PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)**

**DEPARTMENT OF FINANCE AND ADMINISTRATION:**

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**MARK A. EMKES, COMMISSIONER**

**DATE**

**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

<b>SUBJECT CONTRACT NUMBER:</b>	
<b>CONTRACTOR LEGAL ENTITY NAME:</b>	
<b>FEDERAL EMPLOYER IDENTIFICATION NUMBER:</b> (or Social Security Number)	

**The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.**

---

**CONTRACTOR SIGNATURE**

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

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**PRINTED NAME AND TITLE OF SIGNATORY**

---

**DATE OF ATTESTATION**

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**STATE PAYMENT CARD PROGRAM - BACKGROUND**

In May 2001, the State awarded its first contract for State Payment Card services. The contract term commenced August 1, 2001 and the first cards were issued in November 2001. A Request for Proposals was issued in March 2006 for both State Payment Card services and Corporate Travel Card services. The term of the contract resulting from this RFP is May 24, 2006 through May 23, 2011.

The State Payment Card Program is administered by the Department of Finance and Administration's Division of Accounts. The Division of Accounts has a designated State Payment Card Program Manager. The State Payment Card Program Manager with the oversight of the Director of Accounts is responsible for developing general program policies and procedures. Each participating agency's Chief Fiscal Officer serves as or designates an Agency Coordinator who is the individual responsible for the day-to-day operations of that agency's State Payment Card Program.

The major use of the State Payment Card is an alternative method of payment for small-value delegated purchases of \$5,000 or less that do not require bid solicitation or state issued purchase orders. The purchase limit for the State Payment Card was increased from \$2,000 to \$5,000 effective November 1, 2009. The limit was initially \$400 and was increased to \$2,000 on July 1, 2006. The State Payment Card is also used by authorized agency central office fiscal personnel for payment of certain items that do not require a purchase order such as conference registrations, association fees and subscriptions. A few agencies have been granted approval to use the State Payment Card to make payments against professional service contracts obtained through the Department of Finance and Administration's Office of Contracts Review.

The State hopes to establish a relationship with a card issuer that will allow the State to enhance and expand the program. It is the State's current expectation that use of the State Payment Card expand to include payments for purchases up to \$5000 which require state-issued purchase orders and for statewide and agency term contracts. The State reserves the right to ultimately decide when and to what extent it increases the use of the State Payment Card.

As of June 2010, the State had approximately 2,100 cardholders and 49 participating state agencies. There are approximately 66 ghost cards for a Central Travel Account which is held at the State's travel agency for booking airfare travel for 41 participating state agencies.

Attachments 6.9 and 6.10 present historical program information.

**CORPORATE TRAVEL CARD PROGRAM – BACKGROUND**

The current contract provides for corporate travel cards for state employees who are determined to be eligible by the contractor. These travel cards provide a mechanism for employees who may not have credit or debit cards they can use for travel, and reduces the number of travel cash advances issued to state employees. As of May 2010, there were 417 active cards in the program. The contractor has the right to review an applicant's credit and approve or deny an application. Approximately 50% of applications are currently rejected. The corporate travel cards are entirely the liability of the employees. These cards may be used for employees only for official state travel, and Merchant Category Codes for non-travel entities are blocked.

Between July 1, 2009 and December 31, 2009, \$679,937 of charges were placed on the State's corporate travel cards.

As of May 2010, 23 cards carrying \$18,520 in charges were in past due (over 60 days) status. The State is not aware of any specific instances of fraud under the current corporate travel cards program.

## STATE PAYMENT CARD NET CHARGE VOLUME

	<b>Purchases</b>	<b>Credits</b>	<b>Net Charge Volume</b>
<b>Program-to-Date</b>	<b>\$ 128,229,579.47</b>	<b>\$ (2,354,829.68)</b>	<b>\$ 125,874,749.79</b>

<b>Statement Date</b>	<b>Purchases</b>	<b>Credits</b>	<b>Net Charge Volume</b>
<b>FYE 2010</b>	<b>\$18,517,900.96</b>	<b>\$(302,276.14)</b>	<b>\$18,215,624.82</b>
6/15/2010	1,935,578.41	(21,559.37)	1,914,019.04
5/15/2010	1,825,497.35	(42,828.99)	1,782,668.36
4/15/2010	1,686,164.10	(21,515.04)	1,664,649.06
3/15/2010	1,322,274.61	(25,951.28)	1,296,323.33
2/15/2010	1,237,745.58	(27,474.70)	1,210,270.88
1/15/2010	1,227,745.35	(12,889.55)	1,214,855.80
12/15/2009	1,332,644.72	(21,551.93)	1,311,092.79
11/15/2009	1,346,283.01	(20,146.24)	1,326,136.77
10/15/2009	1,651,729.18	(21,502.76)	1,630,226.42
9/15/2009	1,696,458.11	(24,244.50)	1,672,213.61
8/15/2009	1,619,212.32	(29,048.82)	1,590,163.50
7/15/2009	1,636,568.22	(33,562.96)	1,603,005.26
<b>FYE 2009</b>	<b>\$20,756,788.90</b>	<b>\$(352,058.00)</b>	<b>\$ 20,404,730.90</b>
6/15/2009	1,786,215.99	(26,869.54)	1,759,346.45
5/15/2009	1,607,996.70	(18,330.19)	1,589,666.51
4/15/2009	1,711,800.84	(24,619.21)	1,687,181.63
3/15/2009	1,528,195.91	(14,522.09)	1,513,673.82
2/15/2009	1,379,984.69	(19,331.01)	1,360,653.68
1/15/2009	1,120,292.93	(18,125.84)	1,102,167.09
12/15/2008	1,485,698.61	(28,741.41)	1,456,957.20
11/15/2008	1,745,836.18	(26,692.91)	1,719,143.27
10/15/2008	2,058,143.66	(44,916.83)	2,013,226.83
9/15/2008	2,585,573.59	(91,166.32)	2,494,407.27
8/15/2008	1,899,805.77	(21,042.21)	1,878,763.56
7/15/2008	1,847,244.03	(17,700.44)	1,829,543.59
<b>FYE 2008</b>	<b>\$26,963,078.54</b>	<b>\$(538,982.46)</b>	<b>\$26,424,096.08</b>
6/15/2008	1,640,726.09	(49,950.01)	1,590,776.08
5/15/2008	2,792,794.74	(48,842.70)	2,743,952.04
4/15/2008	2,374,095.50	(47,777.58)	2,326,317.92
3/15/2008	1,881,303.40	(56,346.35)	1,824,957.05
2/15/2008	2,354,916.85	(47,703.46)	2,307,213.39
1/15/2008	1,712,750.66	(29,953.63)	1,682,797.03
12/15/2007	2,006,839.12	(42,748.24)	1,964,090.88
11/15/2007	2,447,586.00	(48,710.62)	2,398,875.38
10/15/2007	2,416,614.94	(41,605.81)	2,375,009.13
9/15/2007	2,628,270.58	(39,282.30)	2,588,988.28
8/15/2007	2,449,902.87	(44,590.19)	2,405,312.68
7/15/2007	2,257,277.79	(41,471.57)	2,215,806.22

<b>Statement Date</b>	<b>Purchases</b>	<b>Credits</b>	<b>Net Charge Volume</b>
<b>FYE 2007</b>	<b>\$22,895,864.41</b>	<b>\$(448,627.63)</b>	<b>\$22,447,236.78</b>
6/15/2007	2,324,482.64	(33,844.35)	2,290,638.29
5/15/2007	2,126,192.16	(37,330.43)	2,088,861.73
4/15/2007	2,208,303.06	(46,310.02)	2,161,993.04
3/15/2007	1,955,341.09	(39,184.10)	1,916,156.99
2/15/2007	1,851,116.99	(39,768.01)	1,811,348.98
1/15/2007	1,423,303.64	(31,969.79)	1,391,333.85
12/15/2006	1,883,458.97	(51,855.41)	1,831,603.56
11/15/2006	1,928,951.43	(44,203.78)	1,884,747.65
10/15/2006	1,997,870.71	(38,923.43)	1,958,947.28
9/15/2006	1,982,872.22	(36,972.51)	1,945,899.71
8/15/2006	1,849,079.36	(19,950.69)	1,829,128.67
7/15/2006 & 7/20/2006	1,364,892.14	(28,315.11)	1,336,577.03
<b>FYE 2006</b>	<b>\$13,447,345.59</b>	<b>\$( 221,020.31)</b>	<b>\$13,226,325.28</b>
6/20/2006	1,545,745.07	(22,293.39)	1,523,451.68
5/22/2006	1,593,196.96	(21,975.10)	1,571,221.86
4/20/2006	1,120,876.70	(17,548.47)	1,103,328.23
3/20/2006	988,749.59	(21,451.68)	967,297.91
2/20/2006	897,740.28	(14,731.02)	883,009.26
1/20/2006	751,454.86	(12,237.45)	739,217.41
12/20/2005	812,835.29	(13,404.63)	799,430.66
11/21/2005	1,230,384.46	(30,515.12)	1,199,869.34
10/20/2005	1,061,185.12	(14,424.35)	1,046,760.77
9/20/2005	1,245,004.17	(24,111.40)	1,220,892.77
8/22/2005	1,224,576.59	(14,473.45)	1,210,103.14
7/20/2005	975,596.50	(13,854.25)	961,742.25
<b>FYE 2005</b>	<b>\$10,123,305.85</b>	<b>\$( 140,923.25)</b>	<b>\$9,982,382.60</b>
6/20/2005	991,484.59	(12,285.29)	979,199.30
5/20/2005	987,636.46	(10,822.52)	976,813.94
4/20/2005	753,297.50	(11,198.58)	742,098.92
3/21/2005	744,949.40	(8,045.80)	736,903.60
2/21/2005	872,994.87	(16,394.38)	856,600.49
1/20/2005	621,242.49	(9,926.30)	611,316.19
12/20/2004	689,275.17	(8,893.73)	680,381.44
11/22/2004	887,877.27	(14,004.27)	873,873.00
10/20/2004	1,020,145.68	(12,778.81)	1,007,366.87
9/20/2004	754,586.92	(11,888.44)	742,698.48
8/20/2004	946,050.63	(11,587.43)	934,463.20
7/20/2004	853,764.87	(13,097.70)	840,667.17

<b>Statement Date</b>	<b>Purchases</b>	<b>Credits</b>	<b>Net Charge Volume</b>
<b>FYE 2004</b>	<b>\$8,060,337.52</b>	<b>\$(153,020.76)</b>	<b>\$7,907,316.76</b>
6/21/2004	734,768.16	(19,128.82)	715,639.34
5/20/2004	824,140.31	(14,551.39)	809,588.92
4/20/2004	586,999.30	(14,249.73)	572,749.57
3/22/2004	679,969.99	(13,987.49)	665,982.50
2/20/2004	598,472.95	(8,418.99)	590,053.96
1/20/2004	437,188.65	(6,800.61)	430,388.04
12/22/2003	632,153.54	(12,131.24)	620,022.30
11/20/2003	690,347.58	(16,720.41)	673,627.17
10/20/2003	721,437.99	(12,153.20)	709,284.79
9/22/2003	784,915.51	(13,406.27)	771,509.24
8/20/2003	752,628.12	(10,369.09)	742,259.03
7/21/2003	617,315.42	(11,103.52)	606,211.90
<b>FYE 2003</b>	<b>\$5,942,119.14</b>	<b>\$(178,249.04)</b>	<b>\$5,763,870.10</b>
6/20/2003	623,899.57	(15,711.88)	608,187.69
5/20/2003	538,542.39	(8,289.81)	530,252.58
4/21/2003	564,850.27	(12,312.78)	552,537.49
3/20/2003	485,259.48	(10,651.57)	474,607.91
2/20/2003	535,910.72	(9,638.03)	526,272.69
1/20/2003	362,740.95	(6,506.87)	356,234.08
12/20/2002	594,987.46	(8,316.72)	586,670.74
11/20/2002	630,188.46	(85,121.63)	545,066.83
10/21/2002	406,511.25	(5,705.81)	400,805.44
9/20/2002	549,282.17	(7,469.86)	541,812.31
8/20/2002	367,801.83	(3,714.96)	364,086.87
7/22/2002	282,144.59	(4,809.12)	277,335.47
<b>FYE 2002</b>	<b>\$1,522,838.56</b>	<b>\$(19,672.09)</b>	<b>\$1,503,166.47</b>
6/20/2002	305,344.88	(3,162.28)	302,182.60
5/20/2002	244,285.11	(3,688.96)	240,596.15
4/22/2002	241,261.10	(2,396.61)	238,864.49
3/20/2002	196,457.17	(2,865.41)	193,591.76
2/20/2002	187,671.56	(3,572.51)	184,099.05
1/21/2002	150,643.08	(1,426.38)	149,216.70
12/20/2001	143,187.10	(1,325.21)	141,861.89
11/20/2001	53,988.56	(1,234.73)	52,753.83

Attachment 6.9 FYE data is presented by monthly cycle which currently ends on the 15<sup>th</sup> day of each month; thus the difference in volumes on this attachment and Attachment 6.10.

**STATE PAYMENT CARD TRANSACTION COUNT & DOLLAR VOLUME BY BUSINESS UNIT  
FISCAL YEAR ENDING JUNE 30, 2010**

BUS UNIT	AGENCY	Number of Active Cards	Debit Amount for Purchases	No. of Debit Trans	Average Spend per Debit Trans	Credit Amount	No. of Credit Trans	Total Spend
30101	Legislative Administration	3	758.34	4	189.59	-	0	758.34
30150	Fiscal Review Committee	1	1,534.99	5	307.00	-	0	1,534.99
30201	Admin office of the Courts	7	68,195.27	212	321.68	(4,049.04)	12	64,146.23
30235	State Board of Law Examiners- <i>*DNP</i>							
30301	Attorney General's Office	14	15,052.01	104	144.73	(770.91)	9	14,281.10
30410	District Attorney's General Conference- <i>*DNP</i>							
30501	Secretary of State	1	11,436.42	28	408.44	-	0	11,436.42
30601	Public Defenders Conference	12	8,727.80	81	107.75	(89.97)	2	8,637.83
30701	Comptroller of the Treasury	12	206,718.21	575	359.51	(2,395.28)	19	204,322.93
30799	Bond and Local Finance- <i>*DNP</i>							
30800	Post Conviction Defenders	2	70,109.00	199	352.31	(790.91)	9	69,318.09
30901	Treasury	2	117,047.67	347	337.31	(2,472.80)	16	114,574.87
31301	Treasury- <i>*DNP</i>							
31501	Governor's Office	2	43,032.82	142	303.05	(45.82)	1	42,987.00
31602	Commission on Aging & Disability	2	398.17	2	199.09	-	0	398.17
31603	Alcoholic Beverage Commission	2	21,280.93	107	198.89	(29.21)	3	21,251.72
31607	Health Facilities Commission	1	1,648.50	1	1,648.50	-	0	1,648.50
31608	TN Correctional Enterprise - TRICOR	9	51,947.35	235	221.05	(2,022.90)	9	49,924.45
31609	TN State Correctional Institute	1	1,445.50	5	289.10	-	0	1,445.50
31611	TN Regulatory Authority	2	8,524.03	73	116.77	(13.53)	1	8,510.50
31612	Advisory Commission	2	13,461.81	95	141.70	(73.32)	2	13,388.49
31620	TN Housing Development Authority	31	121,238.31	454	267.04	(4,789.81)	23	116,448.50
31701	Finance and Administration	12	149,065.89	349	427.12	(3,957.01)	18	145,108.88
31718	Shared Services includes: 316.01 Children's Services Commission 316.04 Human Rights Commission 316.25 State Museum 316.27 TN Arts Commission	4	110,410.18	297	371.75	(1,774.83)	15	108,635.35
31865	Bureau of TennCare	4	35,304.66	82	430.54	(2,474.61)	9	32,830.05

BUS UNIT	AGENCY	Number of Active Accounts	Debit Amount for Purchases	No. of Debit Trans	Average Spend per Debit Trans	Credit Amount	No. of Credit Trans	Total Spend
31901	Personnel	2	29,822.94	71	420.04	(156.38)	1	29,666.56
32101	General Services	79	3,208,582.85	8,526	376.33	(30,566.18)	141	3,178,016.67
32301	Veteran's Affairs	8	17,095.66	37	462.04	(1,558.15)	6	15,537.51
32401	Board of Probation and Parole	18	12,781.84	85	150.37	(230.95)	3	12,550.89
32501	Agriculture	174	527,268.18	3,419	154.22	(8,463.79)	116	518,804.39
32601	Tourist Development	16	272,296.20	1,849	147.27	(3,933.60)	36	268,362.60
32701	Environment and Conservation	318	5,217,560.32	17,638	295.81	(76,883.56)	505	5,140,676.76
32801	Tennessee Wildlife Resource Agency	545	3,153,860.64	15,274	206.49	(52,697.77)	37	3,101,162.87
32901	Corrections	1	7,009.90	19	368.94	(815.41)	3	6,194.49
33001	Economic and Community Development	3	274,984.36	309	889.92	(1,453.31)	17	273,531.05
33101	Education	10	60,698.20	365	166.30	(686.02)	17	60,012.18
33201	Higher Education	2	7,434.28	36	206.51	(117.07)	2	7,317.21
33501	Commerce and Insurance	3	87,523.58	185	473.10	(894.72)	7	86,628.86
33601	Financial Institutions	1	93,144.47	254	366.71	(851.22)	7	92,293.25
33701	Labor and Workforce Development	6	98,797.99	383	257.96	(1,654.75)	1	97,143.24
33901	Mental Health	18	112,644.94	617	182.57	(1,259.24)	19	111,385.70
34101	Department of the Military	34	367,909.91	512	718.57	(4,888.16)	12	363,021.75
34301	Health	96	567,324.21	1,670	339.72	(21,332.46)	85	545,991.75
34501	Human Services	47	309,409.97	1,748	177.01	(7,447.10)	72	301,962.87
34730	Revenue	10	19,866.82	91	218.32	(607.62)	6	19,259.20
34801	Tennessee Bureau of Investigations	39	305,731.69	575	531.71	(4,790.75)	18	300,940.94
34901	Safety	82	403,105.96	1,287	313.21	(5,519.85)	37	397,586.11
35910	Children's Services	204	1,484,843.50	10,336	143.66	(15,139.93)	194	1,469,703.57
40101	Department of Transportation- <b>*PP</b>	179	52,876.37	129	409.89	(2,645.64)	5	50,230.73
34401	Dept of Intellectual Disabilities	37	125,045.45	606	206.35	(424.50)	15	124,620.95
CPA	CPA State Travel Agency	66	825,197.88	4,215	195.78	(31,186.09)	101	794,011.79
	<b>Program Totals</b>	2,124	18,700,155.97	73,633	15,521.70	(301,954.17)	1,611	18,398,201.80

**\*DNP**=Does not Participate

**\*PP**=Partial Participation by the Department of Transportation (TDOT). TDOT has 179 open accounts but only 6 accounts are actively purchasing.



STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION

**REQUEST FOR PROPOSALS # 31701-05021  
AMENDMENT # 1  
FOR STATE PAYMENT CARDS AND CORPORATE  
TRAVEL CARDS**

**DATE: February 15, 2011**

**RFP # 31701-05021 IS AMENDED AS FOLLOWS:**

- 1. This RFP Schedule of Events updates and confirms scheduled RFP dates.**

	EVENT	TIME	DATE	UPDATED / CONFIRMED
1	State Issues RFP		January 20, 2011	Confirmed
2	Disability Accommodation Request Deadline	2:00 p.m.	January 25, 2011	Confirmed
3	Pre-proposal Conference	9:00 a.m.	January 26, 2011	Confirmed
4	Notice of Intent to Propose Deadline	2:00 p.m.	January 27, 2011	Confirmed
5	Written Comments Deadline	2:00 p.m.	February 1, 2011	Confirmed
6	State Responds to Written Comments		February 18, 2011	Updated
7	Proposal Deadline	2:00 p.m.	March 4, 2011	Updated
8	State Completes Technical Proposal Evaluations		March 14, 2011	Updated
9	State Opens Cost Proposals & Calculates Scores	2:00 p.m.	March 15, 2011	Updated
10	State Issues Evaluation Notice & Opens RFP Files for Public Inspection	2:00 p.m.	March 16, 2011	Updated
11	Contract Signing		March 28, 2011	Updated
12	Contract Signature Deadline		April 4, 2011	Updated
13	Contract Start Date		April 15, 2011	Confirmed



STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION

**REQUEST FOR PROPOSALS # 31701-05021  
AMENDMENT # 2  
FOR STATE PAYMENT CARDS AND CORPORATE  
TRAVEL CARDS**

**DATE: February 18, 2011**

**RFP # 31701-05021 IS AMENDED AS FOLLOWS:**

**1. This RFP Schedule of Events updates and confirms scheduled RFP dates.**

	EVENT	TIME	DATE	UPDATED / CONFIRMED
1	State Issues RFP		January 20, 2011	Confirmed
2	Disability Accommodation Request Deadline	2:00 p.m.	January 25, 2011	Confirmed
3	Pre-proposal Conference	9:00 a.m.	January 26, 2011	Confirmed
4	Notice of Intent to Propose Deadline	2:00 p.m.	January 27, 2011	Confirmed
5	Written Comments Deadline	2:00 p.m.	February 1, 2011	Confirmed
6	State Responds to Written Comments		February 18, 2011	Confirmed
7	Proposal Deadline	2:00 p.m.	March 4, 2011	Confirmed
8	State Completes Technical Proposal Evaluations		March 14, 2011	Confirmed
9	State Opens Cost Proposals & Calculates Scores	2:00 p.m.	March 15, 2011	Confirmed
10	State Issues Evaluation Notice & Opens RFP Files for Public Inspection	2:00 p.m.	March 16, 2011	Confirmed
11	Contract Signing		March 28, 2011	Confirmed
12	Contract Signature Deadline		April 4, 2011	Confirmed
13	Contract Start Date		April 15, 2011	Confirmed

**2. Informational Note**

Pursuant to this Amendment #2, the State is also amending RFP Attachment 6.3 – Rebate Proposal & Scoring Guide. **In preparing their Proposals, all Proposers must be sure that they have downloaded the latest version of the Rebate Proposal Spreadsheet, dated February 18, 2011, from the following website:**

Note that the spreadsheet downloaded from this website supersedes, in its entirety, any and all versions of the Rebate Proposal Spreadsheet that previously appeared on the website.

**3. State responses to questions and comments in the table below amend and clarify this RFP.**

Any restatement of RFP text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFP document.

	QUESTION / COMMENT	STATE RESPONSE
	<b>Note: In the questions that follow, any vendor's restatement of the text of the Request for Proposals (RFP) is for reference purposes only and shall not be construed to change the original RFP wording.</b>	
1.	Please accept this email as a request for the above mentioned RFP in Word format.	The RFP in Word format has been provided to the requesting vendor prior to the release of the State's response.  Please note the RFP in Word format was published on the following website: <a href="http://www.tennessee.gov/finance/act/rfps/rfps.shtml">http://www.tennessee.gov/finance/act/rfps/rfps.shtml</a>
2.	Section 1.1 (2) Corporate Travel Card Program, page 2  Would the State consider making the travel card charges „corporate liability" versus „individual liability"?	No. The State does not agree to the requested change.
3.	Attachment 6.3, Section A, Rebate Proposal & Scoring Guide, page 28  Would the State consider adding a discrete line for a „program incentive payment", as a one-time payment?	No. The State does not agree to the requested change.
4.	Also, we request the RFP document be made available in MS-Word to facilitate ease and correctness of a response.	The RFP in Word format has been provided to the requesting vendor prior to the release of the State's response.  See also the State's Response to Question #1 above.
5.	<b>1 Introduction</b>  <b>1.1 Statement of Procurement Purpose</b> <b>(2) Corporate Travel Card Program</b>  Concerning both the State Payment Card Program and the Corporate Travel Program, the statement appears: This RFP does not contain any provisions for fees to be charged directly to the State by the Contractor. Is the bidder able to assess any mandatory fees such as late payment fees or international exchange fees to the individual cardholder travel statement or for the state payment card program, the primary agency card account?	<u>State Payment Card Program:</u>  The Contractor will not be allowed to charge mandatory fees. However, <i>Tennessee Code Annotated</i> , Title 12 Chapter 4 Part 7, known as the Prompt Pay Act of 1985, provides for interest charges on overdue payments.  <u>See Contract Sections A.3. and C.2.b. for the Corporate Travel Card Program:</u>  Contract Section A.3.a. requires the Contractor to issue corporate travel cards at no cost to the State or to the State employee. However, all other fees shall be in accordance with the agreement between the Contractor and the individual Cardholder. For example, see the current Agreement that has been attached as Attachment

	QUESTION / COMMENT	STATE RESPONSE
		6.13. in "RFP Release 2" in Item #4 below.
6.	<p><b>Contract Card Availability</b></p> <p>The bidder would like to stress that the success of implementation by the desired date is contingent upon getting appropriate and necessary information from the State and its agencies in a timely manner.</p> <p>[a] Other than cardholder data collected and submitted to the contractors, does the State believe that its resources will be available so that training and file testing can be completed in order to meet the desired implementation date?</p> <p>[b] Is the State willing to extend any latitude with regard to the desired implementation date of May 15, 2011 should it be deemed necessary and appropriate?</p>	<p>[a] Yes. The State will make available the resources so that training and file testing can be completed to meet the desired implementation date.</p> <p>[b] The current contract end date is May 23, 2011; therefore the implementation date of May 15, 2011 cannot be changed.</p>
7.	<p><b>5 PROPOSAL EVALUATION &amp; CONTRACT AWARD</b></p> <p><b>5.3.5</b> Can the State clarify that any additional terms, and conditions, or revisions to the <i>pro forma</i> will be submitted to the entity identified as the apparent best-evaluated proposer prior to signature and in enough time to evaluate the impact of the changes in order to sign the contract by the deadline indicated in the RFP?</p>	<p>The <i>pro forma</i> contract contained in the final amendment prior to the Proposal Deadline is the contract the State intends to sign. The only changes the State anticipates making after Proposal Deadline may be to the Contract Term if the Schedule of Events change.</p> <p>See also the State's Response to Question #8 below, specifically subsection [b].</p>
8.	<p><b>PRO FORMA CONTRACT</b></p> <p>[a] Is the State willing to negotiate certain terms and provisions in the <i>pro forma</i> contract to include regulatory and credit-related terms that are not currently included in the <i>pro forma</i>?</p> <p>[b] Is there an opportunity after the contract is awarded for the bidder's counsel to understand and negotiate some of the terms in the <i>pro forma</i> contract?</p>	<p>[a] This Written Questions and Comments procedure was the time to ask or comment specifically on any terms and conditions and to suggest proposed changes to <i>pro forma</i> Contract terms. The State will change some provisions based on written questions and comments. However, we cannot make an open-ended commitment to renegotiate contract terms.</p> <p>[b] The State expects the Proposer to sign the <i>pro forma</i> contract as it exists after the comment and amendment period, although the State may agree to additional language from the best evaluated Proposer that the State finds in its best interest to accept. See RFP Sections 5.3.5. and 5.3.6.</p>
9.	<p>A. <b>SCOPE OF SERVICES:</b></p> <p><b>A.2.c</b> Please provide an example of an act or omission that would prevent the State from paying the contractor an amount owed as indicated in A.2.c.5.</p> <p>Please clarify what is intended by responsibility and/or involvement with such act or omission as indicated in A.2.c.5.</p>	<p>In reference to Contract Section A.2.c.v.:</p> <p>The responsibility of the Contractor is to settle payment with the Vendor accepting the card in a timely manner such that the Vendor receives payment (settlement) and provides the goods and services.</p> <p>An example of an act or omission "by responsibility and/or involvement of the contractor " would mean in the event the Contractor did not settle payment with the travel agency in a timely manner, usually 72 hrs after authorization of the charge, and an airfare travel arrangement was canceled by the travel agency due to the act of non-payment or omission of payment to the travel agency for reasons on the Contractor's part.</p>

	QUESTION / COMMENT	STATE RESPONSE
10.	<p><b>A.2.e</b> [a] On page 39, e. 7., regarding the Card Format/Design, the Visa card network rules may require a word on the face of the card to describe the card product. Please indicate why the State does NOT want the words “purchasing” or “procurement” on the face of the card. Is there a special grouping of cards that have this requirement?</p> <p>[b] Will the state allow language identifying the Payment Card as a “Corporate Card” as may be required by Visa rules and regulations?</p>	<p>[a] The State does not want the words "purchasing" or "procurement" on the face of the card because the card is considered by the State to provide only an alternative method of payment without impact on State purchasing policies and procedures. There is not a special grouping of cards that have this requirement.</p> <p>[b] Yes.</p>
11.	<p><b>A.2.f</b> On page 40, under iv. Cancellation of Card and v. Lost or Stolen Cards</p> <p>There may be instances where legitimate or authorized transactions settle after the receipt of notification, as it will take 1 – 2 days from the time of purchase for a transaction to settle.</p> <p>[a] Could the wording of these sections be clarified to specify that the time of purchase or transaction not the settlement date and time is the factor?</p> <p>[b] Could the wording also clarify that the cardholder(travel) / State (purchasing) would be liable for charges that occurred prior to the notice of termination or cancellation, but posted after such action.</p>	<p>[a ] No. The State does not agree to the requested change.</p> <p>[ b] No. The State does not agree to the requested change.</p>
12.	<p><b>A.2.i</b> [a] In the event of notification by either the cardholder or the issuing bank of suspected fraud or lost/stolen card, is the State willing to work with the contractor’s dispute area and in accordance with the Visa rules and regulations to validate legitimate transactions?</p> <p>[b] Does the contract awarded issuer have reasonable time to act upon the notice of a lost/stolen card?</p>	<p>[a] Yes.</p> <p>[b] See Contract Section A.2.f.v. “The Contractor shall immediately terminate and promptly replace such Payment Card.”</p>
13.	<p><b>A.3 Corporate Travel Card Services</b></p> <p>[a] Do the current corporate card cardholders hold an agreement between the Corporate Card member and the current Contractor, which defines the roles and responsibilities of each party?</p> <p>[b] Will the State allow the bidder to submit a separate Agreement to be issued between Travel Cardholders and the contractors, which defines the rules and responsibilities of each party?</p> <p>[c] Can bidder negotiate a maximum credit limit for all individual Travel Cards?</p> <p>[d] Can the State share with the bidder the selection criteria used to identify Travel Card Cardholders within the State?</p>	<p>[a] Yes.</p> <p>[b] Yes.</p> <p>[c] Yes.</p> <p>[d] State employees who travel and wish to apply for the card are allowed to apply, and alternately, State employees who request travel advances are encouraged to apply for the travel card.</p>

	QUESTION / COMMENT	STATE RESPONSE
14.	<b>A.3.c</b> Can the days that constitute termination as a result of past due payments be modified to reflect the separate Agreement to be issued between Travel Cardholders and the contractor?	No. The State does not agree to the requested change.
15.	<b>D.3 <u>Termination for Convenience</u></b>  [a] Can the State clarify whether the terms and conditions under this section apply to the Payment Card Program, Travel Card Program, or both?  [b] Can the State clarify its meaning of “no liability” to the Contractor? The contractor is assuming all charges incurred up to and through the termination period will be the responsibility of the state including charges that occurred prior to the notice of termination or cancellation, but posted after such action.  [c] Does the reference to “compensate” in sections D.3 and D.4 mean that the contractor would have to provide the services up to the termination date?  [d] Can the termination provisions in sections D.3 and D.4 be mutual?	[a] Contract Section D.3 applies to the entire Contract and thus includes both card programs.  [b] The liability in question is that which could arise as a result of the Contract being terminated early and does not apply to obligations incurred by the State prior to such termination.  [c] Both parties are fully bound to perform under the Contract up to the date it is terminated and thereafter to the extent expressly provided for in the Contract.  [d] No.
16.	<b>D.9</b> Can the State confirm that it understands any expenses related to an extensive audit will be borne by the State?	Regardless of the extent of an audit performed under Contract Section D.9, the Contractor will be responsible for its own expenses related to any such audit. However, the State does not expect the Contractor to pay for expenses incurred by the State during the audit.
17.	<b>D.18</b> [a] Does the language mean that the contractor’s only recourse against the State and its employees for recovery of nonpayment of the outstanding balances is the claims process detailed in these sections?  [b] Can jury waiver language be added to the pro forma contract?	[a] Yes.  [b] No.
18.	<b>E.2 <u>Communications and Contacts</u></b>  Can the State confirm that the instructions, notices, consents, demands, or other communications referenced in this section are pertaining to the items relative to this contract and is NOT intended to include items related to the day-to-day operations of the program.	Yes. The State confirms that “the instructions, notices, consents, demands, or other communications” are contract related and do not apply to the day-to-day program operations.
19.	<b>E.5</b> [a] Is it permissible for the bidder to maintain records as required by regulatory agencies?  [b] We understand that the language E.5 needs to appear but what is the interpretation of the statute? Does this mean that the State is not liable for services (transactions charged) rendered by the vendor if the contractor committed a computer error or does this provision only shield the state from third party claims?	[a] Contract Section E.5 only addresses the confidentiality of information the Contractor receives through its contract performance regardless of whether or not it is maintained in records mandated by a regulatory.  [b] We do not understand this questions relation to Contract Section E.5.

	QUESTION / COMMENT	STATE RESPONSE
20.	<p>[a] How are cardholders submitting expenses for approval?</p> <p>[b] Do the travel card employees across the State utilize a travel reimbursement software program to log their receipts/expenditures and route for approval? If so, what is the program?</p>	<p>[a &amp; b] Cardholders submit their travel expenses online through Edison, the State's Enterprise Resource Planning (ERP) system by [REDACTED]</p>
21.	<p>What are the data format specifications and file transfer protocol(s) used by the State today? Whatever is provided to the bidders, is that what the State wishes to implement with the new contract(s)?</p>	<p>The current data format is customized.</p> <p>See Contract Section A.2.m. for the data format and transfer protocol specifications provided that will be implemented with this new contract.</p>
22.	<p>What is the expected billing hierarchy expected by the State? Will this be at the State level, agency level, site level?</p>	<p>See Contract Section C.1.e., <u>Billing and Account Statements</u>.</p>
23.	<p>Can the State provide a recent annual spending history for transactions from \$401.00 to \$5000.00?</p>	<p>Yes. The annual spending History for transactions from \$401.00 to \$5,000.00 for the year 2010 is as follows:</p> <p>12,354 transactions within this range,</p> <p>Total dollar volume was \$12,335,764.61,</p> <p>The average transaction being \$997.00</p>
24.	<p>Can the State specify the aggregate dollar amount of all transactions, which have been written off for the current Payment Card program and Travel Card program?</p>	<p><u>State Payment Card Program:</u></p> <p>The State Payment Card Program has provisions in place for payment to be made for all transactions incurred. All transactions made by State employees are to be for State use and personal charges are not allowed on the card. In the event this happens, the employee is responsible for reimbursing the State for any such charges, and disciplinary action is taken, up to the extent of loss of employment and/or legal action to recover the funds. Since the inception of the State's Payment Card Program to date, there have not been any transactions that have been written off.</p> <p><u>Corporate Travel Card Program:</u></p> <p>No information is held such as this for the Corporate Travel Cards as they are not State liability cards.</p>
25.	<p>Can default, indemnity and remedy provisions be added to the pro forma contract that would be typical for a purchasing card agreement giving the contractor certain remedies upon the State's failure to comply with the contract?</p>	<p>No. The default and remedy provisions in the <i>pro forma</i> contract are the only provisions to which the State will agree. The State does not indemnify its contractors.</p>
26.	<p>How does Title IX of the Federal Education Amendments Act of 1972 apply to this RFP?</p>	<p>The State complies with all applicable federal laws.</p>
27.	<p>Can the language in Attachment 6.1 be modified to reflect that any commitment to provide the services requested in the RFP is subject to approval by the contractor's credit department?</p>	<p>No, the State does not agree to the requested change. Contract Section A.3.a. does allow the Contractor to "...ascertain the creditworthiness of designated state employees..." in regards to the Corporate Travel Card. However, Contract Section A.2.b. only allows the Contractor to "...conduct credit checks on the State with respect to any application" for Cardholders in the State</p>

	QUESTION / COMMENT	STATE RESPONSE
		Payment Card Program.
28.	For item A.5 of the Technical Proposal can banks submit a letter stating and nature and size of its business or can it provide a website substantiating its financial strength etc.	No, the State does not agree to the items listed. See the State's Response to Question #101 below.
29.	Will the State allow a proposer to aggregate spend from the T&E program into the overall card program for purposes of tier level rebates even if it <b>does not pay a rebate</b> on the T&E spend?	No.
30.	If we bid on the State Payment Card program, are we required to also bid on the Corporate Travel Card program?	Yes, as stated in RFP Section 1.1., "...the State intends to secure a single contract for services."  Note that while the selected Contractor will always be the responsible party for fulfillment of the contract, the Contractor may choose to subcontract with other parties to deliver the full suite of required services.
31.	Does the State assume that insurance is provided on Central Travel Account (CTA) transactions?	No.
32.	Are we allowed to charge late fees?	See the State's Response to Question #5 above.
33.	(Rebate Attachment 6.3) Please break out the following information between payment card and corporate travel card programs  [a] -Average transaction size [b] -Payment history and payment terms [c] -History of credit losses (corporate card program only)	<u>Travel Payment Card Program:</u>  [a] The Average transaction is approximately \$250.00.  [b] The State has been late on payment once or twice over a period of eight (8) years and that would be due to the 2008-9 implementation of a new ERP system. The State was not late on the full payment only on payment to a few billing statements. Other than this issue, the State has consistently paid within 14 days after the cycle end date. The payment terms are for 31 days after the cycle end date.  [c] The State does not have a history of credit losses.  <u>Corporate Travel Card Program:</u>  The State does not track this information on the Corporate Travel Card as it is an individual liability card and [REDACTED] has that information.
34.	(Rebate Attachment 6.3) Are Agencies and Political Subdivisions allowed as participants on the program? (Ex: Will this include State Proper only, or might it also include Agencies and/or PolySubs?)	No. Only State Agencies Proper.
35.	(Rebate Attachment 6.3) Is the following assumption acceptable? Rebate schedules A&B are NOT mutually exclusive. For example--if the State fails to meet a requirement for timing of payment, no rebate (either section A or B) will be paid.	No. The listed assumption is not acceptable. The rebate schedules A & B <b>ARE</b> mutually exclusive.
36.	(Rebate Attachment 6.3) Our rebates are paid based on the entire portfolio, rather than individual accounts. Is this acceptable?	Yes. See also the State's Response to Question #35 above.

	QUESTION / COMMENT	STATE RESPONSE
37.	(Rebate Attachment 6.3) Does an entry of (0%) as any rebate response constitute our proposal as "non-responsive"?	No, an entry of 0% will not make the Proposer's Proposal nonresponsive.  NOTE: The State is amending RFP Attachment 6.3, Rebate Proposal & Scoring Guide, Sections A. and B. to clarify the Instructions. The Proposers must download the amended Rebate Proposal Spreadsheet from the following website: <a href="http://www.tennessee.gov/finance/act/rfps/rfps.shtml">http://www.tennessee.gov/finance/act/rfps/rfps.shtml</a>  See also the INFORMATIONAL NOTE in Item #2 below.
38.	(Rebate Attachment 6.3)  [a] Is the State requesting one central rebate payment, or does each individual agency require a separate check?  [b] If each agency is requesting its own rebate payment, is it permissible to submit one central rebate payment with a breakdown of individual program information?	[a] The State is requesting one central rebate payment.  [b] No individual payment, yet the reporting of the breakdown is required.
39.	(Rebate Attachment 6.3) We have listed the following assumptions for our rebate offer. Are these assumptions acceptable?: [a] One central calculation at the State level (volume & speed of pay) [b] One central quarterly payout	[a] No.  The Dollar Volume Rebate is one calculation at Agency Level.  The Expedient Payment Rebate is a second calculation at Agency Level  [b] Yes. One central quarterly payout.
40.	(Rebate Attachment 6.3, section B)  [a] What is the State's definition of "Business Days"?  [b] If the definition is M-F, would you instead accept a rebate in the form of FTD? Our product set is based on File Turn Days (FTD) rather than Client Held Days (CHD) or Business days. We define CHD as FTD minus 15 days. Will you accept our rebate proposal in this format?	[a] The State's definition of "Business Days" is Monday through Friday, excluding Federal Holidays.  The definition has been added as Contract Section A.9. in "RFP Release 2" in Item #4 below.  [b] No.
41.	(Rebate Attachment 6.3, section A)  [a] What are the underlying conditions associated with the required rebate grids? [b] -How is fraud handled? [c] -Large ticket will receive a separate rebate offer, is this acceptable?	[a] The underlying conditions associated with the required rebate grids are based on prior spending analysis, total spend, and future anticipated spending. Payment methods and timing were also an underlying condition.  [b] Fraudulent charges that have been credited back to the cardholder account are netted from the total charges by which the rebates are calculated.  [c] No. The Proposer may not add fields, additional rebates, notes, or any other additional information to the Rebate Proposal and Scoring Guide to accommodate additional services the vendor wishes to propose.
42.	Would the State consider changing the rebate payout timing to within 90 days after end of quarter (rather than within 15 days)? The amount of data	No. The State does not agree to the requested change.

	QUESTION / COMMENT	STATE RESPONSE
	gathering required facilitates the need for extra time.	
43.	[a] In regards to Item 3.3.1 in the RFP; If there are certain terms and conditions in the State's contract with which we have concerns, can we include our concerns or requests for clarifications in our response?  [b] Would that make our proposal "non-responsive"?	[a] See the State's Response to Question #8 above.  [b] Yes. Per RFP Section 3.3.1, including "concerns or requests" would make the Proposer's proposal nonresponsive.
44.	Is it acceptable for the final contract to include certain information from the Contractor that reflects (1) services relating to the extension of credit, and (2) laws and regulations that the Contractor is required to follow as a national banking institution? The Contractor proposes that such information be reviewed by the State for inclusion upon an award so that the Contractor can maintain compliance with its regulatory obligations.	The State is not aware of any provisions in the <i>pro forma</i> contract that are in conflict with current banking regulations. The <i>pro forma</i> contract will not be amended after its award unless such a conflict arises and/or both the State and the Contractor agree that a Contract amendment is necessary.
45.	What works well about your existing program?	The State does not agree to provide the requested information as the State does not consider it relevant to prepare the proposal.
46.	Are there opportunities for improvement with the existing program?	See the State's Response to Question #45 above.
47.	[a] How many days is your current billing cycle?  [b] What is your grace period with your current program?	See the State's Response to Question #45 above.
48.	Section 1.1 states that it is the State's intent to secure a single contract for services related to the State Payment Card Program (corporate liability) and the State Corporate Travel Card Program (individual cardholder liability). Will the State entertain the possibility of contracting with separate providers for these two programs?	See the State's Response to Question #30 above.
49.	Is your current card program Visa or MasterCard?	Visa.
50.	Are the State's General State Payment Cards, Event Cards and Emergency Cards centrally billed?	Yes.
51.	Attachment 6.8 provides charge volume statistics for July 1, 2009 – December 31, 2009 and 60 day delinquency information as of May 2010. Will the state please provide 2010 charge volume statistics for the Corporate Travel Card program and delinquency statistics for Q3 or Q4 2010?	The total charge volume for the corporate travel card program for calendar year 2010 was \$585,541.54.  The current amount that is 60 days past due on all active corporate travel cards (as of February 8, 2010) is \$2,299.31.
52.	In RFP Attachment 6.3 we understand that bidders should insert their proposed Dollar Volume Rebate Percentages for each Cumulative Spend level in the chart. Should bidders also multiply the applicable percentage at each level by the Evaluation Factor, and include the product of such calculation in the Evaluation Rebate column? If	No, the Proposer is not required to complete the calculations in the shaded areas of the Cost Proposal. The shaded areas are for State Use Only.  Also note that, in accordance with the instructions for each Rebate Proposal table, the Proposer should not leave any Proposed Rebate % cell blank. For evaluation and

	<b>QUESTION / COMMENT</b>	<b>STATE RESPONSE</b>
	yes, would you please provide an example of such calculation?	contractual purposes, the State will interpret a blank Proposal Rebate % cell as zero percent (0.00 %).
53.	RFP Attachment 6.3 States: "All monetary amounts shall be in U.S. currency and limited to two (2) places to the right of the decimal point." Please explain how this statement is applicable to this RFP.	The statement in question is standard language included in all RFP Cost Proposals. This requirement is invoked only when applicable. In the case of this RFP, it is not applicable and is being deleted.  See the amended RFP Attachment 6.3. Rebate Proposal & Scoring Guide in "RFP Release 2" in Item #4 below. See also the INFORMATIONAL NOTE in Item #2 below.
54.	The way we read Section 3.2.2 it appears the State is requesting only one paper copy of the Technical Proposal and six digital copies. Please confirm our interpretation is correct.	Yes. The interpretation is correct. Per RFP Section 3.2.2.1., the State is requiring only one (1) original paper document and six (6) digital copies in PDF format of the Technical Proposal.
55.	In Attachment 6.2 items A.3, A.4 and A.5 seem more applicable to non-bank bidders. In lieu of the items requested in these three sections, will the State accept the bank's credit ratings from Standard & Poor's, Moody's and Fitch?	The State agrees to amend RFP Attachment 6.2, Section A. See the State's Response to Question #101 below for details.
56.	Section B.17 states references cannot be current or former officials or staff of the State. Does this include current staff of Tennessee Board of Regents (TBR) schools or TN municipalities?	No.
57.	In the Pro Forma contract Paragraph A.2.b., for purposes of Patriot Act compliance, will the State be responsible for verifying the identity of each cardholder applicant, and if necessary, the recertification of such data?	Only State employees will become Cardholders under the Contract. Purchases made by State employee Cardholders are subject to State procurement laws, regulations and rule and are presumed to be in compliance with the applicable requirements of the Patriot Act.
58.	In the Pro Forma contract Paragraph A.2.c.ii., does the State currently have in place agreed-upon procedures for Event Cards that it will make available for review by potential proposers?	No. The State does not currently have agreed upon procedures for the event card.
59.	In the Pro Forma contract Paragraph A.2.c.iii., does the State currently have in place agreed-upon procedures for Emergency Cards that it will make available for review by potential proposers?	Yes. The State has procedures for Emergency Cards. The procedures have been attached as Attachment 6.11. in "RFP Release 2" in Item #4 below.
60.	In the Pro Forma contract Paragraph A.2.f.ii., in the event of a data breach and Contractor elects to offer replacement of any portion of the Payment Cards issued, and providing that there is no additional cost to the State, the Contractor would work with the State on coordinating replacement of the cards but the State would not have the sole discretion to reject the card replacement offer.	No. The State does not agree to the requested change.
61.	In the Pro Forma contract Paragraph A.2.i., any disputes reported by the Cardholder require written verification of the dispute and any provisional credits to the Cardholder's account are made in accordance with applicable law. In the event of fraudulent charges, Cardholder may be requested to file a police report with local law enforcement agencies.	No. The State does not agree to the requested change.

	QUESTION / COMMENT	STATE RESPONSE
62.	In the Pro Forma contract Paragraph A.2.n., does the State currently have in place its own policies and procedures for the issuance, security and operational matters related to the State Payment Card program that it will make available for review by potential proposers?	Yes. The State currently has policies and procedures for the issuance, security and operational matters related to the State Payment Card program. The policies and procedures have been attached as Attachment 6.12. in "RFP Release 2" in Item #4 below.
63.	In the Pro Forma contract Paragraph A.2.q., if the Award of Contract is effective as of April 2011, should the Contractor expect to file its first Annual Report on August 1, 2011, April 2012, or August 2012?	The Contractor should file its first annual report on August 1, 2011, and each year after.  See amended Contract Section A.2.q. in "RFP Release 2" in Item #4 below.
64.	In the Pro Forma contract Paragraph A.3.a, does the State currently have in place agreed-upon procedures for travel card applications that it will make available for review by potential proposers?	The State currently has a Corporate Travel Card Agreement that must be signed by the Travel Cardholder. The Agreement has been attached, for informational purposes only, as Attachment 6.13. in "RFP Release 2" in Item #4 below.
65.	In the Pro Forma contract Paragraph A.3.a,  [a] will Contractor or State have the obligation to determine that all charges on a travel card are related to state business?  [b] Can we block such accounts from any use unless and until we receive representation from an appropriate state officer that proposed travel charges are related to state business?	[a] State Travel Cardholders are responsible for all authorized charges on their corporate travel cards.  [b] No. The cards will have Merchant Category Codes (MCC) blocks for non-travel related codes. See Contract Section A.3.b.
66.	In the Pro Forma contract Paragraph A.3.A and A.4.e., will the State or the Contractor obtain travel cardholders' consent for the Contractor to provide information regarding the employees' accounts to the State?	The Contractor and the State will establish a mutually agreed upon procedure.
67.	In the Pro Forma contract Paragraph A.4.a., will the State make available a copy the State of Tennessee Enterprise Information Security Policies for review by potential proposers?	The link to access the "State of Tennessee Enterprise Information Security Policies" can be found in Contract Section A.2.m.  Note the link has been revised. See the revised link in Contract Section A.2.m. in "RFP Release 2" in Item #4 below.
68.	In the Pro Forma contract Paragraph C.1.a., does the term "Net Total Charges" include finance charges and costs of collection?	Yes.
69.	In the Pro Forma contract Paragraph E.9., can Contractor add that it will provide notice of unauthorized access to confidential information within 24 hours of notice of same EXCEPT as prohibited by court order or requested by law enforcement officials?	It is assumed that this question is directed to Contract Section E.5 and not E.9.  Proper notice of unauthorized access to confidential information is addressed in the applicable state and federal laws and varies depending on the type of information. The Contractor is expected to know and follow the applicable laws.
70.	For purposes of Patriot Act compliance, will the State be responsible for verifying the identity of each cardholder applicant, and if necessary, the	See the State's Response to Question #57 above.

	QUESTION / COMMENT	STATE RESPONSE
	recertification of such data?	
71.	Page 10, 3.6 Is it correct that a proposer may offer additional services as long as they comply with Section 3.6 of the RFP and this would not be in violation of Section 3.3.3?	<p>The two RFP sections the vendor has referenced apply to different circumstances, and should not be confused.</p> <p>RFP Section 3.6 refers to services <u>in addition to</u> the State's requirements, as stated in the <i>Pro Forma</i> Contract. RFP Section 3.3.3 refers to "alternate services (i.e., . . . services different from those requested and required by this RFP)," <u>which are not permitted</u>.</p> <p>The proposer may propose additional services in accordance with Section 3.6, provided that costs for such services are accounted for within the Rebate Percentages proposed in RFP Attachment 6.3. There must be no additional cost to the State for such services. In other words, the Proposer may not add fields, rates, notes, or any other additional information to the Rebate Proposal and Scoring Guide to accommodate additional services the vendor wishes to Propose.</p>
72.	Page 18, A. 3. Since we are a bank responding to this RFP is the response to A.3. required?	See the State's Response to Question #101 below.
73.	Page 18, A.4. and A.5. May the proposers submit its public debt ratings in lieu of A.4. and A.5.?	See the State's Response to Question #101 below.
74.	Page 51, E.6. Does the State consider incorporating VISA or Master Card agreement/rules into the "Additional Documents?"	No. See also the State's Response to Question #44 above.
75.	Can the State confirm the FYE 2010 net charge volume of \$18,215,624.82 includes Event card, Emergency card, CPA and CTA spend? If no, can you provide the net charge volume for each card type?	Yes. The FYE 2010 net charge volume includes the Event card, Emergency card, CPA and CTA spend.
76.	Can the State provide Corporate Travel Card charge-off amounts for FYE 2008, 2009, and 2010?	No. The State does not have the amounts.
77.	Would the State be willing to expand card payments within Accounts Payable to settle supplier invoices?	No.
78.	For State employees that are denied a travel card, how do they pay for their travel expenses?	See the State's Response to Question #45 above.
79.	How many participating agencies receive a data file feed, i.e. CDF, VCF, SBF, from the current issuing bank?	None. The State receives centralized data files.
80.	For the State Payment Card Program, how many company/corporate billing accounts are currently active?	Forty-eight (48) corporate billing accounts are currently active.
81.	How many participating agencies require a custom mapper file to import card data into their internal application?	None.
82.	Can the State clarify the following section and give an example?	An example of this would be where one vendor would hold on file certain non-plastic account numbers (Ghost Cards) for designated state agencies. When an order was placed

	QUESTION / COMMENT	STATE RESPONSE
	<b>Scope of Services, A2, C, iv: Central Purchasing Accounts (CPA).</b> The State may request the Contractor to establish a Central Purchasing Account (CPA) relationship with any entity that provides goods or services to the State. In the event that a CPA capability is established, all transactions initiated by such entity by virtue of such capability shall in all respects be treated as though the transaction was initiated through the use of a Payment Card.	by an authorized individual(s) from one of the state agencies (cardholder) the designated card would be charged
83.	In section <b>Scope of Services, A2, C, iv: Central Purchasing Accounts (CPA), is the State requesting the State Payment Card Contractor to campaign, enroll and assign vendors/merchants/suppliers CPA account numbers?</b>	No. The Contractor shall not campaign vendors, merchants, or suppliers for enrollment. In the event vendors/merchants/suppliers are needed for such purpose, the State will notify the Contractor whom the vendor is, request them to be enrolled and request the assignment of the CPA account numbers.
84.	Please confirm that the State is committed to moving to a cardless (i.e. ePayables) environment for paying vendors?	No. The State will not commit to moving forward during this Contract to a cardless environment for paying vendors.
85.	Please share your annual A/P send excluding payroll?	See the State's Response to Question #45 above.
86.	Please share the number of annual paper checks issued to vendors?	See the State's Response to Question #45 above.
87.	[a] Please confirm that the State will not require custom cards and that both card programs (State Payment and Corporate Travel) can be issued in the same color and that the State seal is in one color.  [b] Please confirm for the State Payment Card that it will require cardholder name, "State of Tennessee" and "For Official Use Only – Tax Exempt" on the face of the card, but no tax ID #.	[a] The State will not require custom cards beyond the requirements in Contract Section A.2.e. However, the State does prefer different Single Background Colors for each program.  [b] Yes, Contract Sections A.2.e.i – iii. require the items listed but no tax ID #.  See amended Contract Section A.2.e.ii. in "RFP Release 2" in Item #4 below.
88.	Please confirm that six (6) <b>copies</b> of the technical response are to be furnished on CD ROM in PDF format and only one (1) paper <b>copy is</b> required.	See the State's Response to Question #54 above.
89.	Section B. Contract Period (page 44) is the end date April 16, 2016 correct? Typically, contract dates end the day prior to the start day.	The State has amended the Contract End Date to April 14, 2016 in Contract Section B. Please see "RFP Release 2" in Item #4 below.
90.	Section D.6 Conflicts of Interest (page 47) in the second paragraph the phrase "controlling interest" is used, but it is not clear what it means. This raises two (2) questions.  [a] First, can a Proposer interpret "controlling interest" to be two (2) percent or more of ownership as stated in Section 3.3.8.b (page 9)?  [b] Second, does the exclusion for an entity where an employee of the State of Tennessee ownership of publicly traded stock of less than two (2) percent of the total outstanding amount of the stocks or bonds of the issuing entity apply to this	[a] No. The term "controlling interest" has the meaning normally attributed to it in the context of corporate and partnership governance.  [b] No. The less than two (2) percent of the total outstanding amount of the stocks or bonds of the issuing entity applies only to the Proposer's eligibility prior to Contract award.

	QUESTION / COMMENT	STATE RESPONSE
	subsection?	
91.	Section D.11 Monitoring (page 48) the language does not give any indication how "monitoring" will be accomplished and how is "monitoring" different than the right to audit that is included in Section D.9 Records (page 48). Please clarify.	Since this is standard language contained in all state service contracts, the specifics on the State's monitoring activities are determined by what is normal and reasonable in terms of the type of services being performed. The objective of our monitoring is to keep close track of a Contractor's performance without interfering with that performance.
92.	<p>Section E.11 Contract Services Transition (page 52) states that "within one hundred eighty (180) days of Contract End Date, for whatever reason (expiration or termination), the Contractor shall assist the State to ensure an orderly transfer of responsibility..." The provision further states that "the Contractor shall discontinue providing the service ...on the date specified by the State ... in order to insure the completion of such service prior to the termination of the Contract."</p> <p>With regard to termination of the Contract the language does not align with Section D.3 Termination for Convenience and Section D. 4 Termination for Cause (page 47). In Section D. 3 the State will provide at least thirty (30) days notice before the effective termination date. In Section D. 4 the State has the right to immediately terminate the services. Under both of these provisions the Contract will be effectively terminated. Therefore, we do not understand how services are to be provided "within one hundred eighty (180) days of Contract End Date". We interpret the word "within" to mean before. In addition, it is not clear from Section E. 11 whether the Contractor would be entitled to compensation.</p>	<p>Contract Section E.11 is to be revised as follows to apply only to a Contract End Date resulting from expiration or termination for convenience.</p> <p><u>Contract Services Transition.</u> One hundred eighty (180) days prior to the Contract End Date, for reason of Contract expiration or Contract termination for convenience, the Contractor shall assist the State to ensure an orderly transfer of responsibility and/or continuity of those services required under the terms of the Contract for the next Contract period. The Contractor shall discontinue providing the service or accepting new assignments under the terms of this Contract, in a manner and on the date specified by the State, in order to insure the completion of such service prior to the termination of the Contract.</p> <p>See amended Contract Section E.11. in "RFP Release 2" in Item #4 below.</p>
93.	<p>ASSIGNMENT &amp; SUBCONTRACTING (Section 4.4.1, page 11) Subcontracting (Section D.5, page 47) [VENDOR NAME REDACTED] does not anticipate assigning, conveying or transferring any rights, obligations or interest under this contract. However, should it become necessary, [VENDOR NAME REDACTED] reserves the right to make these business decisions in the best interest of our clients, and reserves the right to do so without the client's written consent. Further, the Bank generally reserves the right to assign to a [VENDOR NAME REDACTED] affiliate without consent. While the Bank would certainly discuss with the State any potential assignment of the contract to an affiliate and would stipulate that any affiliate to which the contract is assigned would conform to the terms, conditions and requirements of the contract, the Bank would propose that the Bank have the ability to assign the contract to another [VENDOR NAME REDACTED] affiliate. Further, as a federally chartered national banking association, any successor institution must assume (by law) our rights and responsibilities. This type of assignment cannot be condition upon a client's agreement. In addition, by entering into a card product agreement with you, the Bank is</p>	<p>The State wishes to reserve the right to consent to any subcontracting of the services provided under the Contract and will not be unreasonable with respect to giving such consent. The "Assignment and Subcontracting" provisions of the RFP and Contract will not be modified as suggested by this question.</p>

	QUESTION / COMMENT	STATE RESPONSE
	<p>assuming responsibility for providing the covered services, regardless of any subcontractors which the Bank may employ in providing the services. In the performance of the card service, it is the Bank's general practice to retain subcontractors to service any or all of its clients in general rather than to service a particular client. The retention or contractual relationship with such subcontractors may pre-exist at the time of the Bank's contractual arrangement with the State. Because the Bank has many thousands of clients, it is not practical for the Bank to request one or more client's approval of general subcontractor agreements. [VENDOR NAME REDACTED] cannot agree to limit itself to not subcontract out work, or to obtain the consent of a client in the future if it deems it to be in the best interest of the Bank to subcontract work. Is the State willing to consider modification of the "Assignment &amp; Subcontracting" Section 4.4.1. along the lines suggested in this question (23)?</p>	
94.	<p>SCOPE OF SERVICES (Section A.4a &amp; c., page 43) and (Section A.7, page 44)</p> <p>These sections detail requirements regarding security standards and compliance with PCI DSS and the State of Tennessee Enterprise Information Security Policies. Can you please provide the State's Enterprise Information Security Policies for our review?</p>	See the State's Response to Question #67 above.
95.	<p>STANDARD TERMS AND CONDITIONS- Modification and Amendment (Section D.2, page 47)</p> <p>The Bank agrees to obtain the State's prior written approval for changes that the Bank may require. However, because the services involve card products, both the Bank and the State is subject to changes in the law and the Card Associations. The Card Associations may require certain changes that must be implemented without the State's prior approval. Does the State recognize that Card Association and other law changes must be implemented without the State's prior approval?</p>	The State is not aware of any provisions in the <i>pro forma</i> contract that are in conflict with current banking law or Card Association requirements. The State wishes to reserve the right to approve any Contract amendments and will not be unreasonable with respect to giving such approval.
96.	<p>STANDARD TERMS AND CONDITIONS- Termination for Convenience (Section D.3, page 47) and Termination for Cause (Section D.4, page 47) [VENDOR NAME REDACTED] requests that the right to terminate for convenience and cause be mutual upon a 60-days prior written notice of termination to the other party. Would the State consider this change to its contract?</p>	No. The State does not agree to the requested change.
97.	<p>STANDARD TERMS AND CONDITIONS- Records (Section D.9, page 48) All Bank Records and documents are retained for, and then destroyed on a seven (7) years rolling calendar basis. The Bank does not have the ability to segregate customers' records and maintain them beyond our standard retention policy. Therefore, all records may not be available at the end of eight (8) years. For example, the records for the contract year 2011 would be available in 2018 (7 years) however not in 2019 (8 years). Does this meet the State's 3</p>	No. The Vendor's standard retention policy does not meet the State's "...period of three (3) full years from the date of the final payment."

	QUESTION / COMMENT	STATE RESPONSE
	year requirement of retention of records?	
98.	STANDARD TERMS AND CONDITIONS- Records (Section D.9, page 48) [VENDOR NAME REDACTED] agrees that the documentation that pertain to the services provided under the contract can be audited by the State or its representatives, provided, however, that at least five (5) business days prior written notice of the audit is given to the Bank, and no more than two such audits are conducted during any twelve (12) month period. Would these stipulations be acceptable to the State?	Subject to the standard of reasonableness, the State wishes to reserve the right to audit contractors as often as required under the circumstances. The changes proposed in this question are not acceptable to the State.
99.	STANDARD TERMS AND CONDITIONS- Governing Law (Section D.18, page 49) Would the State accept the following language for governing law? "The Agreement and the Service(s) are governed by the respecting national banking associations and, to the extent not so covered by those laws, by the laws of the State of Tennessee, without reference to that state's principles of conflicts of law, regardless of where the parties resides or where a Cardholder uses the a Card Account at any time."	See the State's Response to Question #95 above. In the event of a dispute, a court would be free to look for resolution by application of other authority if the laws of the State of Tennessee are silent or superceded by other law.
100.	SCOPE OF SERVICES (Section 1.2, page 2) and CONTRACT AWARD PROCESS (Section 5.3.5, page 15) These provisions state that the pro forma contract substantially represent the contract that the successful Proposer <u>must</u> sign. The Bank's standard contract terms and conditions may not be included. Though at the pre-bid the State mentioned that they would be willing to consider our Terms & Conditions as a part of the final contract. To eliminate the possibility of being disqualified for inclusion of our Terms & Conditions in the RFP response the Bank upon request is pleased to provide a copy of the Terms & Conditions for your review and consideration.	<p>In accordance with RFP Section 1.6, the appropriate time to propose additional contract language for the State's consideration was prior to the Written Comments Deadline. The State does not intend to consider additional vendor terms and conditions (Ts &amp; Cs) submitted after this deadline.</p> <p>However, to the extent that vendor Ts &amp; Cs are the required by Federal law, State law, or officially imposed regulatory requirements (in other words, the provisions are imposed upon the industry as a whole and are not unique to the vendor in question), the State is willing to consider such Ts &amp; Cs. Any such consideration does not insure or imply that the State will accept the Ts &amp; Cs.</p> <p>As Stated in RFP Section 5.3.6, the outcome of any such negotiations must be in the State's best interest and the "revision of terms and conditions or performance requirements shall NOT materially affect the basis of proposal evaluations or negatively impact the competitive nature of the RFP and contractor selection process."</p>
101.	<p>Attachment 6.2, Section A that A.3, A.4 and A.5 (see below) within the Mandatory Requirements appear to be more appropriate for a non-financial service procurement. Would the State consider waiving or removing these requirements from the RFP?</p> <p>A.3. Provide a current bank reference indicating that the Proposer's business relationship with the financial institution is in positive standing. Such reference must be written in the form of a standard business letter, signed, and dated within the past three (3) months.</p> <p>A.4. Provide two current positive credit references from vendors with which the Proposer has done business written in the form of standard</p>	<p>The State agrees to remove the following Item Refs. A.3. and A.4., Mandatory Requirements in RFP Attachment 6.2, Section A.</p> <p>For Item Ref. A.5., the State does not agree to amend or remove this Mandatory Requirement.</p> <p>Note that the required "...official document or letter...credit bureau reports..." can be submitted from Dun &amp; Bradstreet, Standard &amp; Poor's, Moody's and Fitch.</p>

	QUESTION / COMMENT	STATE RESPONSE
	<p>business letters, signed, and dated within the past three (3) months.</p> <p>A.5. Provide an official document or letter from an accredited credit bureau, verified and dated within the last three (3) months and indicating a positive credit rating for the Proposer (NOTE: A credit bureau report number without the full report is insufficient and will not be considered responsive.)</p>	
102.	<p>1.1 Statement of Procurement Purpose</p> <p>(1) State Payment Card Program</p> <p>“This RFP does not contain any provisions for fees to be charged to the State by the contractor. The State shall accept a Dollar Volume Rebate and an Expedited Payment Rebate applied only to the State Payment Card program. The Dollar Volume Rebate is further described in RFP Attachment 6.6. Pro Forma Contract, Section C.1.b. The Expedited Payment Rebate is further described in RFP Attachment 6.6. Pro Forma Contract, Section C.1.c. Any rebate information must be included in the sealed Rebate Proposal detailed in RFP Section 3.1.2. Rebate Proposal. The inclusion of any rebate or fee information in the Technical Proposal shall make the proposal non-responsive and the State shall reject it.”</p> <p>Please confirm that the “fees” referred to in the above paragraph do not include any currency exchange fees on travel cards used outside of the United States or delinquency fees.</p>	See the State’s Response to Question #5 above.
103.	<p>3.3. Proposal &amp; Proposer Prohibitions 3.3.1</p> <p>“A proposal must <u>not</u> include the Proposer’s own contract terms and conditions. If a proposal contains such terms and conditions, the State, at its sole discretion, may determine the proposal to be a non-responsive counteroffer and reject it.”</p> <p>Please confirm that the Contractor may offer comments or clarifications on the State’s <i>proforma</i> contract.</p>	See the State’s Response to Question #100 above.

4. Delete RFP # 31701-05021, in its entirety, and replace it with RFP # 31701-05021, Release # 2, attached to this amendment. Revisions of the original RFP document are emphasized within the new release. Any sentence or paragraph comprised by revised or new text is highlighted in yellow.



STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION

REQUEST FOR PROPOSALS  
FOR  
STATE PAYMENT CARDS AND CORPORATE TRAVEL CARDS

RFP # 31701-05021

**RELEASE TWO**

RFP CONTENTS

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## 1. INTRODUCTION

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The State of Tennessee, Department of Finance and Administration, hereinafter referred to as ~~the State,~~ has issued this Request for Proposals (RFP) to define minimum service requirements; solicit proposals; detail proposal requirements; and, outline the State's process for evaluating proposals and selecting a contractor to provide the needed service.

Through this RFP, the State seeks to buy the best services at the most favorable, competitive prices and to give ALL qualified businesses, including those that are owned by minorities, women, persons with a handicap or disability, and small business enterprises, opportunity to do business with the state as contractors and sub-contractors.

### 1.1. Statement of Procurement Purpose

Via this RFP, the State intends to secure a single contract for services related to the following card programs:

#### (1) State Payment Card Program

This is a corporate liability program in which the State is responsible for payment of card charges to the contractor.

The following account types are to fall under the State Payment Card program:

- (a) **General State Payment Card**  
A card or cardless account issued to the State and used to make payment for a wide variety of goods and services. Each card account is assigned to a specific individual state employee who needs to make purchases on the State's behalf. **See Attachment 6.12., State Payment Card Policies and Procedures.**
- (b) **Event Card**  
A card or cardless account issued to the State and assigned to a specific state employee who needs to make payment for event-related expenses.
- (c) **Emergency Card**  
A card or cardless account issued to the State and assigned to a specific state employee who needs to make payment for emergency expenses. **See Attachment 6.11., Emergency Card Procedures.**
- (d) **Central Purchase Account (CPA)**  
A cardless, centrally billed account issued to the State and assigned to a specific state business unit/department ID
- (e) **Central Travel Account (CTA)**  
A cardless, centrally billed account assigned to a specific state business unit/department ID to capture payment for air travel charges made via the State's contracted travel agency. The State maintains a separate contract with a travel agency which is responsible for providing travel agency services to state agencies and departments. When the travel agency books airline tickets, it charges the central travel account for the appropriate state agency.

This RFP does not contain any provisions for fees to be charged to the State by the contractor. The State shall accept a Dollar Volume Rebate and an Expedited Payment Rebate applied only to the State Payment Card program. The Dollar Volume Rebate is further described in RFP Attachment 6.6. Pro Forma Contract, Section C.1.b. The Expedited Payment Rebate is further described in RFP Attachment 6.6. Pro Forma Contract, Section C.1.c. Any rebate information must be included in the sealed Rebate Proposal detailed in RFP Section 3.1.2. Rebate Proposal. The inclusion of any rebate or fee information in the Technical Proposal shall make the proposal non-responsive and the State shall reject it.

For additional information about the State Payment Card Program, please refer to RFP Attachments 6.7., 6.8., and 6.9.

## **(2) Corporate Travel Card Program**

This is an individual liability program where the cardholder, not the State, is responsible for the payment of card charges to the contractor. The contractor will issue corporate travel cards to approved state employees for the purpose of charging legitimate travel expenses incurred in the course of official state travel.

This RFP does not contain any provisions for fees to be charged directly to the State by the contractor. The State shall NOT accept a rebate applied to Corporate Travel Card activity. Any attempt to include a rebate related to Corporate Travel Card activity shall **make the proposal non-responsive and the State shall reject it.**

For additional information about the Corporate Travel Card Program, please refer to RFP Attachments 6.8. and 6.13.

In order to facilitate a transition period, the State desires that all State Payment Cards and all travel cards under the terms of this contract be available for use by May 15, 2011. The detailed requirements for card services can be found in the RFP Attachment 6.6. *Pro Forma* Contract. The current contract with [REDACTED] N. A. expires May 23, 2011.

Please note that the services being procured through this RFP are not intended to purchase services currently provided through the General Services Department, Motor Transportation Pool, which provides a gas card and telephone credit card to state agencies.

### **1.2. Scope of Service, Contract Period, & Required Terms and Conditions**

The RFP Attachment 6.6., *Pro Forma* Contract details the State's required:

- Scope of Services and Deliverables (Section A);
- Contract Period (Section B);
- Payment Terms (Section C);
- Standard Terms and Conditions (Section D); and,
- Special Terms and Conditions (Section E).

The *pro forma* contract substantially represents the contract document that the successful Proposer must sign.

### **1.3. Nondiscrimination**

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a Contract pursuant to this RFP or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Contractor pursuant to this RFP shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

### **1.4. RFP Communications**

1.4.1. The State has assigned the following RFP identification number that must be referenced in all communications regarding this RFP:

**RFP # 31701-05021**

1.4.2. **Unauthorized contact about this RFP with employees or officials of the State of Tennessee except as detailed below may result in disqualification from consideration under this procurement process.**

1.4.2.1. Potential proposers must direct communications relating to this RFP to the following person designated as the RFP Coordinator.

Mitzi R. Hale  
Department of Finance and Administration  
312 Rosa L. Parks Avenue, 17th Floor Tennessee Tower,  
Nashville, TN 37243  
Telephone: (615) 741-3735  
Fax: (615) 741-6164  
Email: [Mitzi.Hale@tn.gov](mailto:Mitzi.Hale@tn.gov)

1.4.2.2. Notwithstanding the foregoing, potential proposers may contact:

- a. staff of the Governor's Office of Diversity Business Enterprise for assistance available to minority-owned, women-owned, and small businesses as well as general, public information relating to this RFP; and
- b. the following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

Greg Spradley  
Senior Management Consultant  
Tennessee Department of Finance and Administration  
Office of Consulting Services  
312 Rosa L. Parks Avenue, Suite 1200  
Nashville, TN 37243  
(615) 253-8703 telephone  
(615) 532-1892 fax  
[Greg.Spradley@tn.gov](mailto:Greg.Spradley@tn.gov)  
[http://www.tennessee.gov/finance/rds/rdsAuditConsulting/consulting\\_services\\_home.shtml](http://www.tennessee.gov/finance/rds/rdsAuditConsulting/consulting_services_home.shtml)

- 1.4.3. Only the State's official, written responses and communications will be binding with regard to this RFP. The State will consider oral communications of any type to be unofficial and non-binding.
- 1.4.4. Potential proposers must ensure that the State receives all written comments, including questions and requests for clarification, no later than the Written Comments Deadline detailed in the RFP Section 2, Schedule of Events.
- 1.4.5. Proposers must assume the risk of the method of dispatching any communication or proposal to the State. The State assumes no responsibility for delays or delivery failures resulting from the method of dispatch. Actual or digital "postmarking" of a communication or proposal to the State by a specified deadline date will not substitute for the State's actual receipt of a communication or proposal.
- 1.4.6. The State will convey all official responses and communications related to this RFP to the potential proposers from whom the State has received a Notice of Intent to Propose (refer to RFP Section 1.8.).
- 1.4.7. The State reserves the right to determine, at its sole discretion, the method of conveying official, written responses and communications related to this RFP. Such written communications may be transmitted by mail, hand-delivery, facsimile, electronic mail, Internet posting, or any other means deemed reasonable by the State.

1.4.8. The State reserves the right to determine, at its sole discretion, the appropriate and adequate responses to written comments, questions, and requests related to this RFP. The State's official, written responses will constitute an amendment of this RFP.

1.4.9. Any data or factual information provided by the State (in this RFP, an RFP amendment or any other communication relating to this RFP) is for informational purposes only. The State will make reasonable efforts to ensure the accuracy of such data or information, however it is within the discretion of Proposers to independently verify any information before relying thereon.

1.5. **Assistance to Proposers With a Handicap or Disability**

Potential proposers with a handicap or disability may receive accommodation relating to the communication of this RFP and participating in the RFP process. Potential proposers may contact the RFP Coordinator to request such reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in the RFP Section 2, Schedule of Events.

1.6. **Proposer Required Review & Waiver of Objections**

1.6.1. Each potential proposer must carefully review this RFP, including but not limited to, attachments, the RFP Attachment 6.6., *Pro Forma* Contract, and any amendments, for questions, comments, defects, objections, or any other matter requiring clarification or correction (collectively called "questions and comments").

1.6.2. Any potential proposer having questions and comments concerning this RFP must provide such in writing to the State no later than the Written Comments Deadline detailed in the RFP Section 2, Schedule of Events.

1.6.3. Protests based on any objection shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the Written Comments Deadline.

1.7. **Pre-Proposal Conference**

A Pre-Proposal Conference will be held at the time and date detailed in the RFP Section 2, Schedule of Events. Pre-Proposal Conference attendance is not mandatory, and potential proposers may be limited to a maximum number of attendees depending upon overall attendance and space limitations.

The conference will be held at:

Tennessee Tower, 312 Rosa L Parks Avenue, Nashville, TN (Additional directions on the location of the conference in the Tennessee Tower will be available the day of the conference at the 7th Avenue Security checkpoint.) A photo ID is required for entrance to the Tennessee Tower.

A potential Proposer may request information on a Dial-In option by submitting a written request to the RFP coordinator listed in RFP Section 1.4.2.1.

The purpose of the conference is to discuss the RFP scope of services. The State will entertain questions, however potential proposers must understand that the State's response to any question at the Pre-Proposal Conference shall be tentative and non-binding. Potential proposers should submit questions concerning the RFP in writing and must submit them prior to the Written Comments Deadline date detailed in the RFP Section 2, Schedule of Events. The State will send the official response to questions to potential proposers as indicated in RFP Section 1.8. and on the date detailed in the RFP Section 2, Schedule of Events.

1.8. **Notice of Intent to Propose**

Before the Notice of Intent to Propose Deadline detailed in the RFP Section 2, Schedule of Events,

potential proposers should submit to the RFP Coordinator a Notice of Intent to Propose (in the form of a simple e-mail or other written communication). Such notice should include the following information:

- the business or individual's name (as appropriate)
- a contact person's name and title
- the contact person's mailing address, telephone number, facsimile number, and e-mail address

**A Notice of Intent to Propose creates no obligation and is not a prerequisite for making a proposal, however, it is necessary to ensure receipt of any RFP amendments or other notices and communications relating to this RFP.**

1.9. **Proposal Deadline**

A Proposer must ensure that the State receives a proposal no later than the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events. A proposal must respond, as required, to this RFP (including its attachments) as may be amended. The State will not accept late proposals, and a Proposer's failure to submit a proposal before the deadline will result in disqualification of the proposal.

**2. RFP SCHEDULE OF EVENTS**

2.1. The following RFP Schedule of Events represents the State's best estimate for this RFP.

EVENT	TIME (central time zone)	DATE (all dates are state business days)
1. RFP Issued		January 20, 2011
2. Disability Accommodation Request Deadline	2:00 p.m.	January 25, 2011
3. Pre-proposal Conference	9:00 a.m.	January 26, 2011
4. Notice of Intent to Propose Deadline	2:00 p.m.	January 27, 2011
5. Written "Questions & Comments" Deadline	2:00 p.m.	February 1, 2011
6. State Response to Written "Questions & Comments"		February 18, 2011
7. Proposal Deadline	2:00 p.m.	March 4, 2011
8. State Completion of Technical Proposal Evaluations		March 14, 2011
9. State Opening & Scoring of Rebate Proposals	2:00 p.m.	March 15, 2011
10. State Evaluation Notice Released and RFP Files Opened for Public Inspection	2:00 p.m.	March 16, 2011
11. Contract Signing		March 28, 2011
12. Contractor Contract Signature Deadline	2:00 p.m.	April 4, 2011

2.2. **The State reserves the right, at its sole discretion, to adjust the RFP Schedule of Events as it deems necessary.** Any adjustment of the Schedule of Events shall constitute an RFP amendment, and the State will communicate such to potential proposers from whom the State has received a Notice of Intent to Propose (refer to section 1.8.).

### 3. PROPOSAL REQUIREMENTS

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#### 3.1. Proposal Form

A response to this RFP must consist of two parts, a Technical Proposal and a Rebate Proposal.

- 3.1.1. **Technical Proposal.** The RFP Attachment 6.2., Technical Proposal & Evaluation Guide details specific requirements for making a Technical Proposal in response to this RFP. The guide includes mandatory requirement items, general qualifications and experience items, and technical qualifications, experience, and approach items all of which must be addressed with a written response and, in some instances, additional documentation.

**NOTICE: A technical proposal must not include any pricing or rebate information. If any pricing or rebate information amounts of any type (even pricing relating to other projects) is included in any part of the technical proposal, the state will deem the proposal to be non-responsive and reject it.**

- 3.1.1.1. A Proposer must use the RFP Attachment 6.2., Technical Proposal & Evaluation Guide to organize, reference, and draft the Technical Proposal by duplicating the attachment, adding appropriate proposal page numbers as required, and using the guide as a table of contents covering the Technical Proposal.
- 3.1.1.2. A proposal should be economically prepared, with emphasis on completeness and clarity. A proposal, as well as any reference material presented, must be written in English and must be written on standard 8 ½" x 11" pages (although oversized exhibits are permissible). All proposal pages must be numbered.
- 3.1.1.3. All information and documentation included in a Technical Proposal should respond to or address a specific requirement detailed in the RFP Attachment 6.2., Technical Proposal & Evaluation Guide. All information must be incorporated into a response to a specific requirement and clearly referenced. Any information not meeting these criteria will be deemed extraneous and will not contribute to evaluations.
- 3.1.1.4. The State may determine a proposal to be non-responsive and reject it if:
- a. the Proposer fails to organize and properly reference the Technical Proposal as required by this RFP and the RFP Attachment 6.2., Technical Proposal & Evaluation Guide; or
  - b. the Technical Proposal document does not appropriately respond to, address, or meet all of the requirements and proposal items detailed in the RFP Attachment 6.2., Technical Proposal & Evaluation Guide.

- 3.1.2. **Rebate Proposal.** A Rebate Proposal must be recorded on an exact duplicate of the RFP Attachment 6.3., Rebate Proposal & Scoring Guide.

**NOTICE: If a proposer fails to submit a rebate proposal exactly as required, the state will deem the proposal to be non-responsive and reject it.**

- 3.1.2.1. A Proposer must only record the proposed rebate exactly as required by the RFP Attachment 6.3., Rebate Proposal & Scoring Guide and must NOT record any other rates, amounts, or information.

- 3.1.2.2. The proposed rebate shall incorporate ALL rebates for services under the contract for the total contract period.
- 3.1.2.3. A Proposer must sign and date the Rebate Proposal.
- 3.1.2.4. A Proposer must submit the Rebate Proposal to the State in a sealed package separate from the Technical proposal (as detailed in RFP Sections 3.2.3., *et seq.*).

### 3.2. Proposal Delivery

A Proposer must deliver a proposal in response to this RFP as detailed below. The State will not accept a proposal delivered by any other method.

- 3.2.1. A Proposer must ensure that both the original Technical Proposal and Rebate Proposal documents meet all form and content requirements detailed within this RFP for such proposals including but not limited to required signatures.
- 3.2.2. A Proposer must submit original Technical Proposal and Rebate Proposal documents and copies as specified below.
  - 3.2.2.1. One (1) original Technical Proposal paper document labeled:  
**–RFP # 31701-05021 TECHNICAL PROPOSAL ORIGINAL”**  
  
and six (6) copies of the Technical Proposal each in the form of one (1) digital document in “PDF” format properly recorded on its own otherwise blank, standard CD-R recordable disc labeled:  
**–RFP # 31701-05021 TECHNICAL PROPOSAL COPY”**  
  
The digital copies should not include copies of sealed customer references, however any other discrepancy between the paper Technical Proposal document and any digital copies may result in the State rejecting the proposal as non-responsive.
  - 3.2.2.2. One (1) original Rebate Proposal paper document labeled:  
**–RFP # 31701-05021 REBATE PROPOSAL ORIGINAL”**
- 3.2.3. A Proposer must separate, seal, package, and label the documents and discs for delivery as follows.
  - 3.2.3.1. The Technical Proposal original document and copy discs must be placed in a sealed package that is clearly labeled:  
**–DO NOT OPEN... RFP # 31701-05021 TECHNICAL PROPOSAL FROM [PROPOSER LEGAL ENTITY NAME]”**
  - 3.2.3.2. The Rebate Proposal original document must be placed in a separate, sealed package that is clearly labeled:  
**–DO NOT OPEN... RFP # 31701-05021 REBATE PROPOSAL FROM [PROPOSER LEGAL ENTITY NAME]”**
  - 3.2.3.3. The separately, sealed Technical Proposal and Rebate Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:

**-RFP # 31701-05021 SEALED TECHNICAL PROPOSAL & SEALED REBATE  
PROPOSAL FROM [PROPOSER LEGAL ENTITY NAME]"**

- 3.2.4. A Proposer must ensure that the State receives a proposal in response to this RFP no later than the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events at the following address.

Mitzi R. Hale  
Department of Finance and Administration  
312 Rosa L. Parks Avenue, 17th Floor Tennessee Tower,  
Nashville, TN 37243

**3.3. Proposal & Proposer Prohibitions**

- 3.3.1. A proposal must not include the Proposer's own contract terms and conditions. If a proposal contains such terms and conditions, the State, at its sole discretion, may determine the proposal to be a non-responsive counteroffer and reject it.
- 3.3.2. A proposal must not restrict the rights of the State or otherwise qualify either the offer to deliver services as required by this RFP or the Rebate Proposal. If a proposal restricts the rights of the State or otherwise qualifies either the offer to deliver services as required by this RFP or the Rebate Proposal, the State, at its sole discretion, may determine the proposal to be a non-responsive counteroffer and reject it.
- 3.3.3. A proposal must not propose alternate services (*i.e.*, offer services different from those requested and required by this RFP). The State will consider a proposal of alternate services to be non-responsive and reject it.
- 3.3.4. A Rebate Proposal must not result from any collusion between Proposers. The State will reject any Rebate Proposal that was not prepared independently without collusion, consultation, communication, or agreement with any other Proposer. Regardless of the time of detection, the State will consider any such actions to be grounds for proposal rejection or contract termination.
- 3.3.5. A Proposer must not provide, for consideration in this RFP process or subsequent contract negotiations, incorrect information that the Proposer knew or should have known was materially incorrect. If the State determines that a Proposer has provided such incorrect information, the State will deem the Proposer's proposal non-responsive and reject it.
- 3.3.6. A Proposer must not submit more than one Technical Proposal and one Rebate Proposal in response to this RFP. If a Proposer submits more than one Technical Proposal or more than one Rebate Proposal, the State will deem all of the proposals non-responsive and reject them.
- 3.3.7. A Proposer must not submit a proposal as a prime contractor while also permitting one or more other Proposers to offer the Proposer as a subcontractor in their own proposals. Such may result in the disqualification of all Proposers knowingly involved. This restriction does not, however, prohibit different Proposers from offering the same subcontractor as a part of their proposals (provided that the subcontractor does not also submit a proposal as a prime contractor).
- 3.3.8. A Proposer must not be (and the State will not award a contract to):
- a. an individual who is, or within the past six months has been, an employee of the State of Tennessee or who is a volunteer member of a State board or commission that votes for, lets out, overlooks, or any manner superintends the services being procured in this RFP;
  - b. a company, corporation, or any other contracting entity in which an ownership of two percent (2%) or more is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee (this will not apply either to financial interests that have been placed into a "blind trust" arrangement pursuant to which the employee does not have

knowledge of the retention or disposition of such interests or to the ownership of publicly traded stocks or bonds where such ownership constitutes less than 2% of the total outstanding amount of the stocks or bonds of the issuing entity);

- c. a company, corporation, or any other contracting entity which employs an individual who is, or within the past six months has been, an employee of the State of Tennessee in a position that would allow the direct or indirect use or disclosure of information, which was obtained through or in connection with his or her employment and not made available to the general public, for the purpose of furthering the private interest or personal profit of any person; or,
- d. any individual, company, or other entity involved in assisting the State in the development, formulation, or drafting of this RFP or its scope of services (such person or entity being deemed by the State as having information that would afford an unfair advantage over other Proposers).

For the purposes of applying the requirements of this RFP subsection 3.3.8., the State will deem an individual to be an employee of the State of Tennessee until such time as all compensation for salary, termination pay, and annual leave has been paid, but the term "employee of the State of Tennessee" shall not include individuals performing volunteer services for the State of Tennessee.

#### 3.4. **Proposal Errors & Revisions**

A Proposer is liable for any and all proposal errors or omissions. A Proposer will not be allowed to alter or revise proposal documents after the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events unless such is formally requested, in writing, by the State.

#### 3.5. **Proposal Withdrawal**

A Proposer may withdraw a submitted proposal at any time before the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events by submitting a written request signed by an authorized Proposer representative. After withdrawing a proposal, a Proposer may submit another proposal at any time before the Proposal Deadline.

#### 3.6. **Proposal of Additional Services**

If a proposal offers services in addition to those required by and described in this RFP, the State, at its sole discretion, may add such services to the contract awarded as a result of this RFP. Notwithstanding the foregoing, a Proposer must not propose any additional cost amount(s) or rate(s) for additional services. Regardless of any additional services offered in a proposal, the Proposer's Rebate Proposal must only record the proposed rebates as required in this RFP and must not record any other rates, amounts, or information.

**NOTICE: If a Proposer fails to submit a Rebate Proposal exactly as required, the State will deem the proposal non-responsive and reject it.**

#### 3.7. **Proposal Preparation Costs**

The State will not pay any costs associated with the preparation, submittal, or presentation of any proposal.

## 4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS

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### 4.1. RFP Amendment

The State reserves the right to amend this RFP at any time, provided that it is amended in writing. However, prior to any such amendment, the State will consider whether it would negatively impact the ability of potential proposers to meet the proposal deadline and revise the RFP Schedule of Events if deemed appropriate. If an RFP amendment is issued, the State will convey it to potential proposers who submitted a Notice of Intent to Propose (refer to RFP Section 1.8.). A proposal must respond, as required, to the final RFP (including its attachments) as may be amended.

### 4.2. RFP Cancellation

The State reserves the right, at its sole discretion, to cancel or to cancel and reissue this RFP in accordance with applicable laws and regulations.

### 4.3. State Right of Rejection

4.3.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all proposals.

4.3.2. The State may deem as non-responsive and reject any proposal that does not comply with all terms, conditions, and performance requirements of this RFP. Notwithstanding the foregoing, the State reserves the right to waive, at its sole discretion, a proposal's minor variances from full compliance with this RFP. If the State waives variances in a proposal, such waiver shall not modify the RFP requirements or excuse the Proposer from full compliance with such, and the State may hold any resulting Contractor to strict compliance with this RFP.

### 4.4. Assignment & Subcontracting

4.4.1. The Contractor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFP without prior approval of the State. The State reserves the right to refuse approval, at its sole discretion, of any subcontract, transfer, or assignment.

4.4.2. If a Proposer intends to use subcontractors, the proposal in response to this RFP must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFP Attachment 6.2., Section B, General Qualifications & Experience Item B.14.).

4.4.3. Subcontractors identified within a proposal in response to this RFP will be deemed as approved by the State unless the State expressly disapproves one or more of the proposed subcontractors prior to signing the Contract.

4.4.4. The Contractor resulting from this RFP may only substitute another subcontractor for a proposed subcontractor at the discretion of the State and with the State's prior, written approval.

4.4.5. Notwithstanding any State approval relating to subcontracts, the Contractor resulting from this RFP will be the prime contractor and will be responsible for all work under the Contract.

### 4.5. Right to Refuse Personnel

The State reserves the right to refuse, at its sole discretion and notwithstanding any prior approval, any personnel of the prime contractor or a subcontractor providing service in the performance of a contract resulting from this RFP. The State will document in writing the reason(s) for any rejection of personnel.

### 4.6. Insurance

At any time, the State may require the Contractor resulting from this RFP to provide a valid, Certificate of

Insurance indicating current insurance coverage meeting minimum requirements as may be specified by this RFP. A failure to provide said documentation will be considered a material breach and grounds for contract termination.

#### 4.7. **Licensure**

- 4.7.1. All persons, agencies, firms, or other entities that provide legal or financial opinions, which a Proposer provides for consideration and evaluation by the State as a part of a proposal in response to this RFP, shall be properly licensed to render such opinions.
- 4.7.2. Before the Contract resulting from this RFP is signed, the apparent successful Proposer (and Proposer employees and subcontractors, as applicable) must hold all necessary, appropriate business and professional licenses to provide service as required. The State may require any Proposer to submit evidence of proper licensure.

#### 4.8. **Disclosure of Proposal Contents**

- 4.8.1. Each proposal and all materials submitted to the State in response to this RFP become the property of the State of Tennessee. Selection or rejection of a proposal does not affect this right. By submitting a proposal, a Proposer acknowledges and accepts that the full proposal contents and associated documents will become open to public inspection in accordance with the laws of the State of Tennessee.
- 4.8.2. The State will hold all proposal information, including both technical and rebate information, in confidence during the evaluation process. Notwithstanding the foregoing, a list of actual Proposers submitting timely proposals may be available to the public, upon request, after technical proposals are opened.
- 4.8.3. Upon completion of proposal evaluations, indicated by public release of an Evaluation Notice, the proposals and associated materials will be open for review by the public in accordance with *Tennessee Code Annotated*, Section 10-7-504(a)(7).

#### 4.9. **Contract Approval and Contract Payments**

- 4.9.1. This RFP and its contractor selection processes do not obligate the State and do not create rights, interests, or claims of entitlement in either the Proposer with the apparent best-evaluated proposal or any other Proposer. State obligations pursuant to a contract award shall commence only after the contract is signed by the State agency head and the Contractor and after the Contract is approved by all other state officials as required by applicable laws and regulations.
- 4.9.2. No payment will be obligated or made until the relevant Contract is approved as required by applicable statutes and rules of the State of Tennessee.
  - 4.9.2.1. The State shall not be liable for payment of any type associated with the Contract resulting from this RFP (or any amendment thereof) or responsible for any work done by the Contractor, even work done in good faith and even if the Contractor is orally directed to proceed with the delivery of services, if it occurs before the Contract start date or after the Contract end date.
  - 4.9.2.2. All payments relating to this procurement will be made in accordance with the Payment Terms and Conditions of the Contract resulting from this RFP (refer to RFP Attachment 6.6., *Pro Forma* Contract, Section C).
  - 4.9.2.3. If any provision of the Contract provides direct funding or reimbursement for the competitive purchase of services or items to be delivered to the State as a component of contract performance or otherwise provides for the reimbursement of specified, actual costs, the State will employ all reasonable means and will require all such documentation that it deems necessary to ensure that such purchases were competitive

and costs were reasonable, necessary, and actual. The Contractor shall provide reasonable assistance and access related to such review. Further, the State shall not remit, as funding or reimbursement pursuant to such provisions, any amount(s) which it determines did not result from a reasonably competitive purchase or do not represent reasonable, necessary, and actual costs.

**4.10. Contractor Performance**

The Contractor resulting from this RFP will be responsible for the completion of all service set out in this RFP (including attachments) as may be amended. All service is subject to inspection and evaluation by the State. The State will employ all reasonable means to ensure that service is progressing and being performed in compliance with the Contract, and the Contractor must cooperate with such efforts.

**4.11. Contract Amendment**

During the course of a Contract pursuant to this RFP, the State may request the Contractor to perform additional work within the general scope of the Contract and this RFP, but beyond the specified scope of service, and for which the Contractor may be compensated. In such instances, the State will provide the Contractor a written description of the additional work. The Contractor must respond to the State with a time schedule for accomplishing the additional work and a price for the additional work based on the rates included in the Contractor's proposal to this RFP. If the State and the Contractor reach an agreement regarding the work and associated compensation, such agreement must be effected by means of a Contract Amendment. Further, any such amendment requiring additional work must be signed by both the State agency head and the Contractor and must be approved by other state officials as required by applicable statutes and rules of the State of Tennessee. The Contractor must not commence additional work until the State has issued a written Contract Amendment with all required approvals.

**4.12. Severability**

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, said decision will not affect the validity of the remaining RFP terms and provisions, and the rights and obligations of the State and Proposers will be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

## 5. PROPOSAL EVALUATION & CONTRACT AWARD

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### 5.1. Evaluation Categories & Maximum Points

The State will consider qualifications, experience, technical approach, and rebate in the evaluation of proposals and award points in each of the categories detailed below (up to the maximum evaluation points indicated) to each apparently responsive proposal.

EVALUATION CATEGORY	MAXIMUM POINTS POSSIBLE
<b>General Qualifications &amp; Experience</b> (refer to RFP Attachment 6.2., Section B)	30
<b>Technical Qualifications, Experience &amp; Approach</b> (refer to RFP Attachment 6.2., Section C)	40
<b>Rebate Proposal</b> (refer to RFP Attachment 6.3.)	30

### 5.2. Evaluation Process

The proposal evaluation process is designed to award the contract resulting from this RFP not necessarily to the Proposer offering the highest rebate, but rather to the responsive and responsible Proposer offering the best combination of attributes based upon the evaluation criteria. (~~Responsive Proposer~~ is defined as a Proposer that has submitted a proposal that conforms in all material respects to the RFP. ~~Responsible Proposer~~ is defined as a Proposer that has the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.)

5.2.1. **Technical Proposal Evaluation.** The RFP Coordinator and the Proposal Evaluation Team (consisting of three or more State employees) will use the RFP Attachment 6.2., Technical Proposal & Evaluation Guide to manage the Technical Proposal Evaluation and maintain evaluation records.

5.2.1.1. The State reserves the right, at its sole discretion, to request Proposer clarification of a Technical Proposal or to conduct clarification discussions with any or all Proposers. Any such clarification or discussion will be limited to specific sections of the proposal identified by the State. The subject Proposer must put any resulting clarification in writing as may be required and in accordance with any deadline imposed by the State.

5.2.1.2. The RFP Coordinator will review each Technical Proposal to determine compliance with RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section A—Mandatory Requirements. If the RFP Coordinator determines that a proposal may have failed to meet one or more of the mandatory requirements, the Proposal Evaluation Team will review the proposal and document the team's determination of whether:

- a. the proposal adequately meets requirements for further evaluation;
- b. the State will request clarifications or corrections for consideration prior to further evaluation; or,
- c. the State will determine the proposal non-responsive to the RFP and reject it.

5.2.1.3. Proposal Evaluation Team members will independently evaluate each Technical Proposal (that appears responsive to the RFP) against the evaluation criteria in this RFP, rather than against other proposals and will score each in accordance with the RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section B and Section C.

- 5.2.1.4. For each proposal evaluated, the RFP Coordinator will calculate the average of the Proposal Evaluation Team member scores for RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section B and for Section C, and record each average as the proposal score for the respective Technical Proposal section.
- 5.2.1.5. Before Rebate Proposals are opened, the Proposal Evaluation Team will review the Technical Proposal Evaluation record and any other available information pertinent to whether or not each Proposer is responsive and responsible. If the Proposal Evaluation Team identifies any Proposer that appears not to meet the responsive and responsible thresholds such that the team would not recommend the Proposer for Rebate Proposal Evaluation and potential contract award, the team members will fully document the determination.
- 5.2.2. **Rebate Proposal Evaluation.** The RFP Coordinator will open for evaluation the Rebate Proposal of each apparently responsive and responsible Proposer that the Proposal Evaluation Team has effectively recommended for potential contract award and will calculate and record each Rebate Proposal score in accordance with the RFP Attachment 6.3., Rebate Proposal & Scoring Guide.
- 5.2.3. **Total Proposal Score.** The RFP Coordinator will calculate the sum of the Technical Proposal section scores and the Rebate Proposal score and record the resulting number as the total score for the subject Proposal (refer to RFP Attachment 6.5., Proposal Score Summary Matrix).

### 5.3. **Contract Award Process**

- 5.3.1 The RFP Coordinator will submit the Proposal Evaluation Team determinations and proposal scores to the head of the procuring agency for consideration along with any other relevant information that might be available and pertinent to contract award.
- 5.3.2. The procuring agency head will determine the apparent best-evaluated proposal. (To effect a contract award to a Proposer other than the one receiving the highest evaluation process score, the head of the procuring agency must provide written justification and obtain the written approval of the Commissioner of Finance and Administration and the Comptroller of the Treasury.)
- 5.3.3. The State reserves the right to make an award without further discussion of any proposal.
- 5.3.4. The State will issue an Evaluation Notice identifying the apparent best-evaluated proposal and make the RFP files available for public inspection at the time and date specified in the RFP Section 2, Schedule of Events.

**NOTICE: The Evaluation Notice shall not create rights, interests, or claims of entitlement in either the Proposer with apparent best-evaluated proposal or any other Proposer.**

- 5.3.5. The Proposer identified as offering the apparent best-evaluated proposal must sign a contract drawn by the State pursuant to this RFP. The contract shall be substantially the same as the RFP Attachment 6.6., *Pro Forma* Contract. The Proposer must sign said contract no later than the Contract Signature by Contractor Deadline detailed in the RFP Section 2, Schedule of Events. If the Proposer fails to provide the signed contract by the deadline, the State may determine that the Proposer is non-responsive to this RFP and reject the proposal.
- 5.3.6. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited negotiation prior to contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State's best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall NOT materially affect the basis of proposal evaluations or negatively impact the competitive nature of the RFP and contractor selection process.

- 5.3.7. If the State determines that a proposal is non-responsive and rejects it after opening Rebate Proposals, the RFP Coordinator will re-calculate scores for each remaining responsive Rebate Proposal to determine (or re-determine) the apparent best-evaluated proposal.

**RFP # 31701-05021 PROPOSAL STATEMENT OF CERTIFICATIONS AND ASSURANCES**

The Proposer must sign and complete the Proposal Statement of Certifications and Assurances below as required, and it must be included in the Technical Proposal (as required by RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section A, Item A.1.).

**The Proposer does, hereby, expressly affirm, declare, confirm, certify, and assure ALL of the following:**

1. The Proposer will comply with all of the provisions and requirements of the RFP.
2. The Proposer will provide all services as defined in the Scope of Services of the RFP Attachment 6.6., *Pro Forma Contract* for the total contract period.
3. The Proposer accepts and agrees to all terms and conditions set out in the RFP Attachment 6.6., *Pro Forma Contract*.
4. The Proposer acknowledges and agrees that a contract resulting from the RFP shall incorporate, by reference, all proposal responses as a part of the contract.
5. The Proposer will comply with:
  - (a) the laws of the State of Tennessee;
  - (b) Title VI of the federal Civil Rights Act of 1964;
  - (c) Title IX of the federal Education Amendments Act of 1972;
  - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
  - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the knowledge of the undersigned, the information detailed within the proposal submitted in response to the RFP is accurate.
7. The proposal submitted in response to the RFP was independently prepared, without collusion, under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the RFP or any resulting contract.
9. Both the Technical Proposal and the Rebate Proposal submitted in response to the RFP shall remain valid for at least 120 days subsequent to the date of the Rebate Proposal opening and thereafter in accordance with any contract pursuant to the RFP.

**By signing this Proposal Statement of Certifications and Assurances, below, the signatory also certifies legal authority to bind the proposing entity to the provisions of this RFP and any contract awarded pursuant to it. If the signatory is not the Proposer (if an individual) or the Proposer’s company *President or Chief Executive Officer*, this document must attach evidence showing the individual’s authority to bind the proposing entity.**

**DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO BIND THE PROPOSING ENTITY**

**SIGNATURE:**

\_\_\_\_\_

**PRINTED NAME & TITLE:**

\_\_\_\_\_

**DATE:**

\_\_\_\_\_

**PROPOSER LEGAL ENTITY NAME:**

\_\_\_\_\_

**PROPOSER FEDERAL EMPLOYER IDENTIFICATION NUMBER (or SSN):**

\_\_\_\_\_

### TECHNICAL PROPOSAL & EVALUATION GUIDE

**SECTION A: MANDATORY REQUIREMENTS.** The Proposer must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Proposer must also detail the proposal page number for each item in the appropriate space below.

The RFP Coordinator will review the proposal to determine if the Mandatory Requirement Items are addressed as required and mark each with pass or fail. For each item that is not addressed as required, the Proposal Evaluation Team must review the proposal and attach a written determination. In addition to the Mandatory Requirement Items, the RFP Coordinator will review each proposal for compliance with all RFP requirements.

PROPOSER LEGAL ENTITY NAME:			
Proposal Page # (Proposer completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		The Proposal must be delivered to the State no later than the Proposal Deadline specified in the RFP Section 2, Schedule of Events.	
		The Technical Proposal and the Rebate Proposal documentation must be packaged separately as required (refer to RFP Section 3.2., <i>et. seq.</i> ).	
		The Technical Proposal must NOT contain rebate, cost or pricing information of any type.	
		The Technical Proposal must NOT contain any restrictions of the rights of the State or other qualification of the proposal.	
		A Proposer must NOT submit alternate proposals.	
		A Proposer must NOT submit multiple proposals in different forms (as a prime and a sub-contractor).	
	A.1.	Provide the Proposal Statement of Certifications and Assurances (RFP Attachment 6.1.) completed and signed by an individual empowered to bind the Proposer to the provisions of this RFP and any resulting contract. The document must be signed without exception or qualification.	
	A.2.	Provide a statement, based upon reasonable inquiry, of whether the Proposer or any individual who shall perform work under the contract has a possible conflict of interest (e.g., employment by the State of Tennessee) and, if so, the nature of that conflict.  NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award.	
	A.3.	Provide an official document or letter from an accredited credit bureau, verified and dated within the last three (3) months and indicating a positive credit rating for the Proposer (NOTE: A credit bureau report number without the full report is insufficient and will <u>not</u> be considered responsive.)	
	A.4.	Provide a statement confirming the Proposer can and shall provide the transaction data extract file required by RFP Attachment 6.6 - <i>Pro Forma Contract Scope of Services</i> , Section A.2.m. <u>Transaction Data Extract File</u> in either the MasterCard Common Data Format (CDF 3.0) or the Visa Commercial Format 4.0 for payment card loads.  <i>Information on these industry standard formats may be found on the following links:</i> <a href="http://usa.visa.com/corporate/corporate_solutions/im/vcf/contact.jsp">http://usa.visa.com/corporate/corporate_solutions/im/vcf/contact.jsp</a> and	

<b>PROPOSER LEGAL ENTITY NAME:</b>			
<b>Proposal Page # (Proposer completes)</b>	<b>Item Ref.</b>	<b>Section A— Mandatory Requirement Items</b>	<b>Pass/Fail</b>
		<a href="http://smartdatasupport.mastercard.com/cdf3intro_overview.pdf">http://smartdatasupport.mastercard.com/cdf3intro_overview.pdf</a>	
<i>State Use – RFP Coordinator Signature, Printed Name &amp; Date:</i>			

**TECHNICAL PROPOSAL & EVALUATION GUIDE**

**SECTION B: GENERAL QUALIFICATIONS & EXPERIENCE.** The Proposer must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Proposer must also detail the proposal page number for each item in the appropriate space below. Proposal Evaluation Team members will independently evaluate and assign one score for all responses to Section B— General Qualifications & Experience Items.

<b>PROPOSER LEGAL ENTITY NAME:</b>		
<b>Proposal Page # (Proposer completes)</b>	<b>Item Ref.</b>	<b>Section B— General Qualifications &amp; Experience Items</b>
	<b>B.1.</b>	Detail the name, e-mail address, mailing address, telephone number, and facsimile number of the person the State should contact regarding the proposal.
	<b>B.2.</b>	Describe the Proposer’s form of business ( <i>i.e.</i> , individual, sole proprietor, corporation, non-profit corporation, partnership, limited liability company) and business location (physical location or domicile).
	<b>B.3.</b>	Detail the number of years the Proposer has been in business.
	<b>B.4.</b>	Briefly describe how long the Proposer has been performing the services required by this RFP.
	<b>B.5.</b>	Describe the Proposer’s number of employees, client base, and location of offices.
	<b>B.6.</b>	Provide a statement of whether there have been any mergers, acquisitions, or sales of the Proposer within the last ten years. If so, include an explanation providing relevant details.
	<b>B.7.</b>	Provide a statement of whether the Proposer or, to the Proposer’s knowledge, any of the Proposer’s employees, agents, independent contractors, or subcontractors, proposed to provide work on a contract pursuant to this RFP, have been convicted of, pled guilty to, or pled <i>nolo contendere</i> to any felony. If so, include an explanation providing relevant details.
	<b>B.8.</b>	Provide a statement of whether, in the last ten years, the Proposer has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation providing relevant details.
	<b>B.9.</b>	Provide a statement of whether there is any material, pending litigation against the Proposer that the Proposer should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this RFP or is likely to have a material adverse effect on the Proposer’s financial condition. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it would impair the Proposer’s performance in a contract pursuant to this RFP.  NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Proposer must be properly licensed to render such opinions. The State may require the Proposer to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders such opinions.
	<b>B.10.</b>	Provide a statement of whether there are any pending or in progress Securities Exchange Commission investigations involving the Proposer. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it will impair the Proposer’s performance in a contract pursuant to this RFP.  NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Proposer must be properly licensed to render such opinions. The State may require the Proposer to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders such opinions.

<b>PROPOSER LEGAL ENTITY NAME:</b>		
<b>Proposal Page # (Proposer completes)</b>	<b>Item Ref.</b>	<b>Section B— General Qualifications &amp; Experience Items</b>
	<b>B.11.</b>	Provide a brief, descriptive statement detailing evidence of the Proposer's ability to deliver the services sought under this RFP (e.g., prior experience, training, certifications, resources, program and quality management systems, etc.).
	<b>B.12.</b>	Provide a narrative description of the proposed project team, its members, and organizational structure along with an organizational chart identifying the key people who will be assigned to accomplish the work required by this RFP, illustrating the lines of authority, and designating the individual responsible for the completion of each service component and deliverable of the RFP.
	<b>B.13.</b>	Provide a personnel roster listing the names of key people who the Proposer will assign to perform duties or services required by this RFP along with the estimated number of hours that each individual will devote to that performance. Follow the personnel roster with a resume for each of the people listed. The resumes must detail the individual's title, education, current position with the Proposer, and employment history.
	<b>B.14.</b>	Provide a statement of whether the Proposer intends to use subcontractors to accomplish the work required by this RFP, and if so, detail: <ul style="list-style-type: none"> <li>(a) the names of the subcontractors along with the contact person, mailing address, telephone number, and e-mail address for each;</li> <li>(b) a description of the scope and portions of the work each subcontractor will perform; <u>and</u></li> <li>(c) a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Proposer's response to this RFP.</li> </ul>
	<b>B.15.</b>	Provide documentation of the Proposer's commitment to diversity as represented by its business strategy, business relationships, and workforce— this documentation should detail <u>all</u> of the following: <ul style="list-style-type: none"> <li>(a) a description of the Proposer's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, persons with a handicap or disability and small business enterprises;</li> <li>(b) a listing of the Proposer's current contracts with business enterprises owned by minorities, women, persons with a handicap or disability and small business enterprises, including the following information: <ul style="list-style-type: none"> <li>(i) contract description and total value</li> <li>(ii) contractor name and ownership characteristics (i.e., ethnicity, sex, disability)</li> <li>(iii) contractor contact and telephone number;</li> </ul> </li> <li>(c) an estimate of the level of participation by business enterprises owned by minorities, women, persons with a handicap or disability and small business enterprises in a contract awarded to the Proposer pursuant to this RFP, including the following information: <ul style="list-style-type: none"> <li>(i) participation estimate (expressed as a percent of the total contract value that will be dedicated to business with subcontractors and supply contractors having such ownership characteristics — <b>PERCENTAGES ONLY — DO NOT INCLUDE DOLLAR AMOUNTS</b>)</li> <li>(ii) descriptions of anticipated contracts</li> <li>(iii) names and ownership characteristics (i.e., ethnicity, sex, disability) of anticipated subcontractors and supply contractors anticipated; and</li> </ul> </li> <li>(d) the percent of the Proposer's total current employees by ethnicity, sex, and handicap or disability.</li> </ul> <p>NOTE: Proposers that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and sub-contractors. Proposal evaluations will recognize the positive qualifications and experience of a Proposer that does business with enterprises owned by minorities, women, persons with a handicap or disability and small business</p>

PROPOSER LEGAL ENTITY NAME:		
Proposal Page # (Proposer completes)	Item Ref.	Section B— General Qualifications & Experience Items
		enterprises and that offers a diverse workforce to meet service needs.
	<b>B.16.</b>	<p>Provide a statement of whether or not the Proposer has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous 5-year period. If so, provide the following information for all of the current and completed contracts:</p> <ul style="list-style-type: none"> <li>(a) the name, title, telephone number and e-mail address of the State contact knowledgeable about the contract;</li> <li>(b) the procuring State agency name;</li> <li>(c) a brief description of the contract's scope of services;</li> <li>(d) the contract term; and</li> <li>(e) the contract number.</li> </ul> <p>NOTES:</p> <ul style="list-style-type: none"> <li>▪ Current or prior contracts with the State are <u>not</u> a prerequisite and are <u>not</u> required for the maximum evaluation score, and the existence of such contracts with the State will <u>not</u> automatically result in the addition or deduction of evaluation points.</li> <li>▪ Each evaluator will generally consider the results of inquiries by the State regarding all contracts noted.</li> </ul>
	<b>B.17.</b>	<p>Provide customer references from individuals (who are <u>not</u> current or former officials or staff of the State of Tennessee) for projects similar to the services sought under this RFP and which represent:</p> <ul style="list-style-type: none"> <li>▪ three of the larger accounts currently serviced by the Proposer or that the Proposer has serviced in the last three years.</li> </ul> <p>All references must be provided in the form of standard reference questionnaires that have been fully completed by the individual providing the reference as required. The standard reference questionnaire, which <u>must</u> be used and completed as required, is detailed at RFP Attachment 6.4. References that are not completed as required will be considered non-responsive and will not be considered.</p> <p>The Proposer will be <u>solely</u> responsible for obtaining the fully completed reference questionnaires, and for including them within the Proposer's sealed Technical Proposal. In order to obtain and submit the completed reference questionnaires, as required, follow the process detailed below.</p> <ul style="list-style-type: none"> <li>(a) —<u>Customize</u> the standard reference questionnaire at RFP Attachment 6.4. by adding the subject Proposer's name, and make exact duplicates for completion by references.</li> <li>(b) Send the customized reference questionnaires to each individual chosen to provide a reference along with a new standard #10 envelope.</li> <li>(c) Instruct the person that will provide a reference for the Proposer to: <ul style="list-style-type: none"> <li>(i) complete the reference questionnaire (on the form provided or prepared, completed, and printed using an exact duplicate of the document);</li> <li>(ii) sign <u>and</u> date the completed, reference questionnaire;</li> <li>(iii) seal the completed, signed, and dated, reference questionnaire within the envelope provided;</li> <li>(iv) sign his or her name in ink across the sealed portion of the envelope; and</li> <li>(v) return the sealed envelope containing the completed reference questionnaire directly to the Proposer (the Proposer may wish to give each reference a deadline, such that the Proposer will be able to collect all required references in time to include them within the sealed Technical Proposal).</li> </ul> </li> <li>(d) <u>Do NOT open the sealed references upon receipt.</u></li> <li>(e) Enclose all <u>sealed</u> reference envelopes within a larger, labeled envelope for inclusion in the Technical Proposal as required.</li> </ul>

<b>PROPOSER LEGAL ENTITY NAME:</b>		
<b>Proposal Page # (Proposer completes)</b>	<b>Item Ref.</b>	<b>Section B— General Qualifications &amp; Experience Items</b>
		<p>NOTES:</p> <ul style="list-style-type: none"> <li>▪ The State will not accept late references or references submitted by any means other than that which is described above, and each reference questionnaire submitted must be completed as required.</li> <li>▪ The State will not review more than the number of required references indicated above.</li> <li>▪ While the State will base its reference check on the contents of the sealed reference envelopes included in the Technical Proposal package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references.</li> <li>▪ The State is under <u>no</u> obligation to clarify any reference information.</li> </ul>
<p><b>SCORE (for <u>all</u> Section B—Qualifications &amp; Experience Items above):</b>  <i>(maximum possible score = 30)</i></p>		
<p><i>State Use – Evaluator Identification:</i></p>		

**TECHNICAL PROPOSAL & EVALUATION GUIDE**

**SECTION C: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH.** The Proposer must address all items (below) and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Proposer must also detail the proposal page number for each item in the appropriate space below.

A Proposal Evaluation Team, made up of three or more State employees, will independently evaluate and score the proposal's response to each item. Each evaluator will use the following whole number, raw point scale for scoring each item:

**0 = little value      1 = poor      2 = fair      3 = satisfactory      4 = good      5 = excellent**

The RFP Coordinator will multiply the Item Score by the associated Evaluation Factor (indicating the relative emphasis of the item in the overall evaluation). The resulting product will be the item's raw, weighted score for purposes of calculating the section score as indicated.

<b>PROPOSER LEGAL ENTITY NAME:</b>					
<b>Proposal Page # (Proposer completes)</b>	<b>Item Ref.</b>	<b>Section C— Technical Qualifications, Experience &amp; Approach Items</b>	<b>Item Score</b>	<b>Evaluation Factor</b>	<b>Raw Weighted Score</b>
	<b>C.1.</b>	Provide a narrative that illustrates the Proposer's understanding of the State's requirements and project schedule.		<b>5</b>	
	<b>C.2.</b>	Describe the Proposer's understanding and approach to providing <b>State Payment Card Program</b> services as described in RFP Attachment 6.6 - <i>Pro Forma</i> Contract Scope of Services, Section A.2.  <b>A.2.a to A.2.q must be identified and addressed.</b>		<b>30</b>	
	<b>C.3.</b>	Describe the Proposer's understanding and approach to providing <b>Corporate Travel Card Program</b> services as described in RFP Attachment 6.6 - <i>Pro Forma</i> Contract Scope of Services, Section A.3.  <b>A.3.a to A.3.h must be identified and addressed.</b>		<b>10</b>	
	<b>C.4.</b>	Describe the Proposer's understanding and approach to providing a <b>Web-Based Program Management and Reporting Solution</b> as described in RFP Attachment 6.6 - <i>Pro Forma</i> Contract Scope of Services, Section A.4.  <b>A.4.a to A.4.h must be identified and addressed.</b>  <b>The Proposer shall provide samples of the available reports including the reports specifically mentioned in Section A.4.</b>		<b>20</b>	
	<b>C.5.</b>	Describe the Proposer's understanding and approach to providing <b>Program Support Services</b> as described in RFP Attachment 6.6 - <i>Pro Forma</i> Contract Scope of Services,		<b>5</b>	

PROPOSER LEGAL ENTITY NAME:					
Proposal Page # (Proposer completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		Section A.5.  <b>A.5.a to A.5.c must be identified and addressed.</b>			
	<b>C.6.</b>	<p>The Proposer shall provide a detailed <u>Initial Contract Transition Plan</u> that must include at a minimum:</p> <ul style="list-style-type: none"> <li>a. Proposer's implementation team members</li> <li>b. timeline, tasks and responsible parties for issuing Payment Cards by the expected available use date of May 15, 2011</li> <li>c. timeline, tasks and responsible parties for issuing Corporate Travel Cards by the expected available use date of May 15, 2011</li> <li>d. all customer support that will be provided during initial transition such as on-site visits, technical assistance, program documentation assistance, etc.</li> <li>e. training plan for the <u>Proposer's Web-Based Program Management and Reporting System</u> for the following groups : <ul style="list-style-type: none"> <li>i) Division of Accounts State Program Staff</li> <li>ii) State Agency Coordinators</li> <li>iii) Fiscal Office and field staff that will perform accounting code approvals and/or reallocations</li> <li>iv) Cardholders that will need to access their Individual Cardholder Account Statements</li> </ul> </li> <li>f. process, including sample documentation and file specifications, for establishing agency master accounts with their corresponding contact, hierarchy, Standard Industry Classifications or card association Merchant Category Codes specifications and accounting code validation values</li> <li>g. process, including sample documentation and file specifications, for establishing current cardholder accounts as well as future mass cardholder account setups</li> </ul>		<b>10</b>	

PROPOSER LEGAL ENTITY NAME:					
Proposal Page # (Proposer completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		<p>h. process, including sample documentation and file specifications, for establishing and receiving the <u>Transaction Data Extract File</u> as described in RFP Attachment 6.6 - <i>Pro Forma</i> Contract Scope of Services, Section A.2.m.</p> <p>i. process, including file specifications, for establishing user ids and appropriate access to the <u>Proposer's Web-Based Program Management and Reporting Solution</u></p>			
	<b>C.7.</b>	<p>Describe the Proposer's understanding and approach to providing services in accordance with RFP Attachment 6.6 - <i>Pro Forma</i> Contract Scope of Services, Section A.7., <u>Security</u>.</p> <p><u>In addition</u>, the Proposer shall describe its approach to security and its ability to meet requirements including but not limited to:</p> <ul style="list-style-type: none"> <li>• The implementation and maintenance of the Payment Card Industry Data Security Standard (PCI DSS), protocols and procedures.</li> <li>• Fraud detection systems that will be used to identify potentially fraudulent transactions and the process to notify the State.</li> <li>• Audit trails that identify security breaches.</li> <li>• Management, administrative and technical security controls within the environment.</li> <li>• Ensure full cooperation with state officials and law enforcement agencies in case of security breaches involving criminal and/or no criminal activity.</li> </ul>		<b>5</b>	
	<b>C.8.</b>	<p>Describe the Proposer's understanding and approach to providing services in accordance with RFP Attachment 6.6 - <i>Pro Forma</i> Contract Scope of Services, Section A.8., <u>Alternate Site and Systems</u>.</p>		<b>5</b>	
	<b>C.9.</b>	<p>Provide an approximate count of U.S. accepting merchants for the proposed card association brand and services available to identify Tennessee vendors that accept the card.</p>		<b>5</b>	
	<b>C.10.</b>	<p>Provide an example of :</p> <p>a. Master Account Billing Statement</p>		<b>5</b>	

<b>PROPOSER LEGAL ENTITY NAME:</b>					
<b>Proposal Page # (Proposer completes)</b>	<b>Item Ref.</b>	<b>Section C— Technical Qualifications, Experience &amp; Approach Items</b>	<b>Item Score</b>	<b>Evaluation Factor</b>	<b>Raw Weighted Score</b>
		b. Individual Cardholder Account Statement c. Central Purchase Account (CPA) statement d. Central Travel Account (CTA) statement - The State prefers that statement does not use airport codes to illustrate destinations e. Individual Corporate Travel Card statements			
<i>The RFP Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.</i>					<b>Total Raw Weighted Score:</b> <i>(sum of Raw Weighted Scores above)</i>
$\frac{\text{Total Raw Weighted Score}}{\text{Maximum Possible Raw Weighted Score}}$ <i>(i.e., 5 x the sum of item weights above)</i>		<b>X 40</b> <i>(maximum possible score)</i>	<b>= SCORE:</b>		
<i>State Use – Evaluator Identification:</i>					
<i>State Use – RFP Coordinator Signature, Printed Name &amp; Date:</i>					

**REBATE PROPOSAL & SCORING GUIDE**

**NOTICE: THIS REBATE PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED**

**REBATE PROPOSAL SCHEDULE**—The Rebate Proposal shall remain valid for at least 120 days subsequent to the date of the Rebate Proposal opening and thereafter in accordance with any contract resulting from this RFP.

The State's net charge volume for fiscal year 2010 approximated \$18,300,000. The State anticipates future expenditures to be comparable but does not guarantee any amount.

The Proposer should **not** leave any Rebate Proposal cells blank; for evaluation purposes the State will interpret a blank in a Rebate Proposal cell as a proposed amount of zero (0) for the item in question.

**NOTICE:** The Evaluation Factor associated with each cost item is for evaluation purposes only. The evaluation factors do NOT and should NOT be construed as any type of volume guarantee. The evaluation factors shall NOT create rights, interests, or claims of entitlement in the Proposer.

This Rebate Proposal must be signed, in the space below, by an individual empowered to bind the proposing entity to the provisions of this RFP and any contract awarded pursuant to it. If said individual is not the *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to legally bind the proposing entity.

<b>PROPOSER SIGNATURE:</b>	
<b>PRINTED NAME &amp; TITLE:</b>	
<b>DATE:</b>	
<b>PROPOSER LEGAL ENTITY NAME:</b>	

**RFP ATTACHMENT 6.3, SECTION A, DOLLAR VOLUME REBATE**

After every three (3) month period (—"Quarter"), the State Payment Card Dollar Volume Rebate amount will be calculated and remitted to the State. The rebate amount is the State Payment Card Net Total Charges for the Quarter multiplied by the following applicable Dollar Volume Rebate Percentage. The cumulative amount of Net Charge Volume is the contract-to-date total of all Net Total Charges [i.e., Net Total Charges from the beginning of the contract term pursuant to *pro forma* contract Section B. Contract Term (refer to RFP Attachment 6.6.)].

**INSTRUCTIONS:** Insert your proposed Dollar Volume Rebate percentages below. The Proposer must not leave any Dollar Volume Rebate percentage cell blank; for evaluation purposes the State will interpret a blank in a Dollar Volume Rebate percentage cell as a proposed amount of zero (0) for the item in question.

State Payment Card Rebate Item Description	Proposed Rebate %	Evaluation Factor	Evaluation Rebate (rebate % x factor)
From a cumulative amount of Net Charge Volume of \$.01 up to a cumulative amount of Net Charge Volume of \$25,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	<b>X.XX% / Dollar Volume</b>	20	
From a cumulative amount of Net Charge Volume of \$25,000,000.01 up to a cumulative amount of Net Charge Volume of \$50,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	<b>X.XX% / Dollar Volume</b>	20	

State Payment Card Rebate Item Description	Proposed Rebate %	Evaluation Factor	Evaluation Rebate (rebate % x factor)
From a cumulative amount of Net Charge Volume of \$50,000,000.01 up to a cumulative amount of Net Charge Volume of \$75,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	<b>X.XX% / Dollar Volume</b>	15	
From a cumulative amount of Net Charge Volume of \$75,000,000.01 up to a cumulative amount of Net Charge Volume of \$100,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	<b>X.XX% / Dollar Volume</b>	15	
From a cumulative amount of Net Charge Volume of \$100,000,000.01 up to a cumulative amount of Net Charge Volume of \$150,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	<b>X.XX% / Dollar Volume</b>	10	
From a cumulative amount of Net Charge Volume of \$150,000,000.01 up to a cumulative amount of Net Charge Volume of \$200,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	<b>X.XX% / Dollar Volume</b>	10	
From a cumulative amount of Net Charge Volume of \$200,000,000.01 up to a cumulative amount of Net Charge Volume of \$300,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	<b>X.XX% / Dollar Volume</b>	5	
From a cumulative amount of Net Charge Volume of \$300,000,000.01 up to a cumulative amount of Net Charge Volume of \$400,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	<b>X.XX% / Dollar Volume</b>	3	
A cumulative amount of Net Charge Volume exceeding \$400,000,000.00 -- percentage should be limited to two decimal places (e.g., 1.11%)	<b>X.XX% / Dollar Volume</b>	2	
<p style="text-align: center;"><b>SECTION A EVALUATION REBATE AMOUNT</b> (sum of evaluation rebates above):</p> <p>The RFP Coordinator will use this sum and the formula below to calculate the Rebate Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.</p>			
<p><b>evaluation rebate amount being evaluated</b> _____</p> <p style="text-align: right;"><b>x 27</b></p> <p style="text-align: right;"><b>(maximum section score) = SCORE:</b></p> <p><b>highest evaluation rebate amount from <u>all</u> proposals</b></p>			
<p><i>State Use – RFP Coordinator Signature, Printed Name &amp; Date:</i></p>			

**RFP ATTACHMENT 6.3, SECTION B, EXPEDITED PAYMENT REBATE**

The State will attempt to make payment of all Master Account Statements within 25 business days after receipt. The State would like to receive a rebate for each individual Master Account Statement paid in 25 business days or less. The State would like proposed rebate intervals of 1 business day, 5 business days, 7 business days, 15 business days and 25 business days after receipt of the statements.

After every three (3) month period (—Quarter”), the Contractor shall calculate the rebate amount and remit such to the State within fifteen (15) days of the end of the Quarter. The rebate amount is the Net Total Charges on each individual Master Account Billing Statement multiplied by the applicable Expedited Payment Rebate Percentage.

**Insert your proposed rebate percentage for Expedited Payments below. The Proposer must not leave any Dollar Volume Rebate percentage cell blank; for evaluation purposes the State will interpret a blank in a Dollar Volume Rebate percentage cell as a proposed amount of zero (0) for the item in question.**

State Payment Card Rebate Item Description	Proposed Rebate %	Evaluation Factor	Evaluation Rebate (rebate % x factor)
Master Account Billing Statement paid-in-full within 1 business day of statement received date -- percentage should be limited to two decimal places (e.g., 1.11%)	<b>X.XX% / Dollar Volume</b>	20	
Master Account Billing Statement paid-in-full within 2 to 5 business days of statement received date -- percentage should be limited to two decimal places (e.g., 1.11%)	<b>X.XX% / Dollar Volume</b>	20	
Master Account Billing Statement paid-in-full within 6 to 7 business days of statement received date -- percentage should be limited to two decimal places (e.g., 1.11%)	<b>X.XX% / Dollar Volume</b>	20	
Master Account Billing Statement paid-in-full within 8 to 15 business days of statement received date -- percentage should be limited to two decimal places (e.g., 1.11%)	<b>X.XX% / Dollar Volume</b>	20	
Master Account Billing Statement paid-in-full within 16 to 25 business days of statement received date -- percentage should be limited to two decimal places (e.g., 1.11%)	<b>X.XX% / Dollar Volume</b>	20	

**SECTION B EVALUATION REBATE AMOUNT** (sum of evaluation rebates above):

The RFP Coordinator will use this sum and the formula below to calculate the Rebate Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.

<b>evaluation rebate amount being evaluated</b>	
<b>highest evaluation rebate amount from <u>all</u> proposals</b>	<b>SCORE:</b>

$$\text{highest evaluation rebate amount from all proposals} \times 3 = \text{SCORE:}$$

(maximum section score)

State Use – RFP Coordinator Signature, Printed Name & Date:

<b>EVALUATION REBATE AMOUNT AND REBATE PROPOSAL SCORE</b>	
<b>TOTAL EVALUATION REBATE AMOUNT</b> (The RFP Coordinator will add the final SCORES from the Evaluation Rebate Calculations in Tables A and B) <b>= TOTAL REBATE PROPOSAL SCORE:</b>	
<i>State Use – RFP Coordinator Signature, Printed Name &amp; Date:</i>	

**REFERENCE QUESTIONNAIRE**

**The standard reference questionnaire provided on the following pages of this attachment MUST be completed by all individuals offering a reference for the Proposer.**

The Proposer will be solely responsible for obtaining completed reference questionnaires as required (refer to RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section B, Item B.17.), and for enclosing the sealed reference envelopes within the Proposer's Technical Proposal.

**RFP # 31701-05021 PROPOSAL REFERENCE QUESTIONNAIRE**

**REFERENCE SUBJECT:** **PROPOSER NAME** (completed by proposer before reference is requested)

---

The "reference subject" specified above, intends to submit a proposal to the State of Tennessee in response to the Request for Proposals (RFP) indicated. As a part of such proposal, the reference subject must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
  - sign and date the completed questionnaire;
  - seal the completed, signed, and dated questionnaire in a new standard #10 envelope;
  - sign in ink across the sealed portion of the envelope; and
  - return the sealed envelope containing the completed questionnaire directly to the reference subject.
- 

(1) **What is the name of the individual, company, organization, or entity responding to this reference questionnaire?**

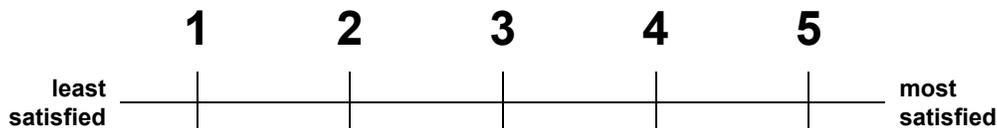
(2) **Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.**

<b>NAME:</b>	
<b>TITLE:</b>	
<b>TELEPHONE #</b>	
<b>E-MAIL ADDRESS:</b>	

(3) **What services does /did the reference subject provide to your company or organization?**

(4) **What is the level of your overall satisfaction with the reference subject as a vendor of the services described above?**

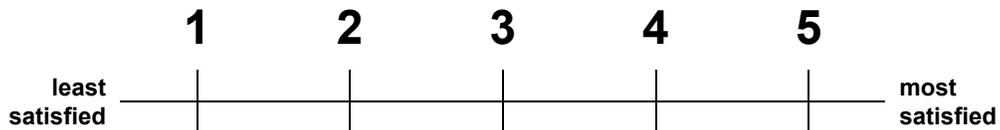
*Please respond by circling the appropriate number on the scale below.*



If you circled 3 or less above, what could the reference subject have done to improve that rating?

- (5) If the services that the reference subject provided to your company or organization are completed, were the services completed in compliance with the terms of the contract, on time, and within budget? If not, please explain.
  
- (6) If the reference subject is still providing services to your company or organization, are these services being provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.
  
- (7) How satisfied are you with the reference subject's ability to perform based on your expectations and according to the contractual arrangements?
  
- (8) In what areas of service delivery does /did the reference subject excel?
  
- (9) In what areas of service delivery does /did the reference subject fall short?
  
- (10) What is the level of your satisfaction with the reference subject's project management structures, processes, and personnel?

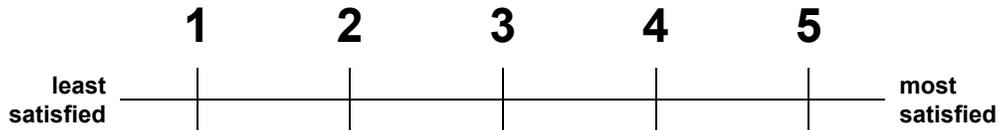
*Please respond by circling the appropriate number on the scale below.*



What, if any, comments do you have regarding the score selected above?

- (11) Considering the staff assigned by the reference subject to deliver the services described in response to question 3 above, how satisfied are you with the technical abilities, professionalism, and interpersonal skills of the individuals assigned?

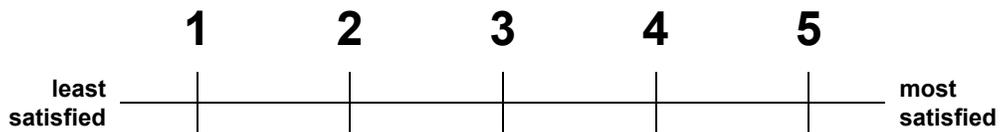
*Please respond by circling the appropriate number on the scale below.*



What, if any, comments do you have regarding the score selected above?

- (12) Would you contract again with the reference subject for the same or similar services?

*Please respond by circling the appropriate number on the scale below.*



What, if any, comments do you have regarding the score selected above?

**REFERENCE SIGNATURE:**

(by the individual completing this request for reference information)

---

(must be the same as the signature across the envelope seal)

**DATE:**

**PROPOSAL SCORE SUMMARY MATRIX**

	<i>PROPOSER NAME</i>		<i>PROPOSER NAME</i>		<i>PROPOSER NAME</i>	
<b>GENERAL QUALIFICATIONS &amp; EXPERIENCE</b> (maximum: 30)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	<b>AVERAGE:</b>		<b>AVERAGE:</b>		<b>AVERAGE:</b>	
<b>TECHNICAL QUALIFICATIONS, EXPERIENCE &amp; APPROACH</b> (maximum: 40)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	<b>AVERAGE:</b>		<b>AVERAGE:</b>		<b>AVERAGE:</b>	
<b>REBATE PROPOSAL</b> (maximum: 30)	<b>SCORE:</b>		<b>SCORE:</b>		<b>SCORE:</b>	
<b>TOTAL PROPOSAL EVALUATION SCORE:</b> (maximum: 100)						

RFP Coordinator Signature, Printed Name & Date:

**RFP # 31701-05021 PRO FORMA CONTRACT**

The *pro forma* contract detailed in following pages of this exhibit contains some “blanks” (signified by descriptions in capital letters) that will be completed with appropriate information in the final contract resulting from the RFP.

**CONTRACT**  
**BETWEEN THE STATE OF TENNESSEE,**  
**DEPARTMENT OF FINANCE AND ADMINISTRATION**  
**AND**  
**CONTRACTOR NAME**

This Contract, by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the "State" and **Contractor Legal Entity Name**, hereinafter referred to as the "Contractor," is for the provision of state payment card and corporate travel card services, as further defined in the "SCOPE OF SERVICES."

The Contractor is **a/an Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Or Limited Liability Company**.  
Contractor Federal Employer Identification, Social Security, or Edison Registration ID # **Number**  
Contractor Place of Incorporation or Organization: **Location**

**A. SCOPE OF SERVICES:**

A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.

A.2. State Payment Card Program.

The Contractor shall provide State Payment Card Services (collectively known as Payment Cards whether a plastic card or a cardless account) with the following provisions:

- a. The Contractor shall provide services to all participating state agencies. At the option of the State, non-participating state agencies may be added to the program by written notice to the Contractor. Upon receipt of the written notice, the Contractor shall establish a master account number for the newly added agency and provide that number to the State. All individual Payment Cards for an agency shall be organized under the state agency's established master account number.
- b. State Payment Card. The state agencies will designate state employees who are anticipated to incur expenses on behalf of the State of Tennessee during the term of this Contract, and who are to receive Payment Cards, by submitting completed, duly authorized Payment Card applications in a format specified by the Contractor. State employees to whom Payment Cards are issued are referred to as Cardholders. At the option of the State, the Contractor agrees to accept group applications or an application for as few as one (1) employee at a time. Individual credit checks shall not be done on Cardholders, nor shall State Payment Card activity show upon Cardholder personal credit histories. The Contractor reserves the right to conduct credit checks on the State with respect to any application.
- c. The Contractor shall offer various types of cards or accounts including but not limited to the following:
  - i. General State Payment Cards. The Contractor will provide the State with Payment Cards used to make payment for a wide variety of goods and services.
  - ii. Event Cards. The Contractor will provide the State with Payment Cards designed to capture event-related expenses. The State and the Contractor will establish agreed-upon procedures for the use of such cards.
  - iii. Emergency Cards. The Contractor will provide the State with Payment Cards for use in the event of a state declared emergency. The State and the Contractor will establish agreed-upon procedures for the use of emergency cards. The Contractor will provide the State contact individuals, titles, addresses, phone numbers, fax numbers and e-mail addresses of those individuals who can

activate and perform maintenance on emergency cards 24 hours a day, 365 days a year.

- iv. Central Purchasing Accounts (CPA). The State may request the Contractor to establish a Central Purchasing Account (CPA) relationship with any entity that provides goods or services to the State. In the event that a CPA capability is established, all transactions initiated by such entity by virtue of such capability shall in all respects be treated as though the transaction was initiated through the use of a Payment Card.
  - v. Central Travel Account (CTA). The Contractor will provide the State with a sufficient number of central travel accounts for the purpose of capturing airline charges made by the state travel agency. The Contractor will not issue plastic cards on any CTA. Except as otherwise provided by applicable law, the Contractor shall not be liable for any act or omission of any air carrier, agent or other firm providing goods or services including any defect or deficiency in goods or services provided that the Contractor has no responsibility and or/involvement with the particular act or omission. The State shall not withhold payment properly owed to the Contractor because of any claims or disputes arising from such act or omission, provided that the Contractor has no responsibility and/or involvement with such act or omission.
- d. The Contractor shall provide a VISA or MasterCard branded card designed specifically and exclusively for the State of Tennessee State Payment Card Program. The card must be accepted at a wide variety of merchants that accept credit and debit cards. The Contractor's payment card program shall not allow cash advances.

e. Card Format/Design.

Each plastic card issued shall, at a minimum:

- i. Display on the face of the card, the name —~~St~~te of Tennessee” and the State’s official seal.
- ii. Display on the face of the card, the phrase —~~Fr~~ Official Use Only – Tax Exempt”. **However, no Tax ID # should be displayed.**
- iii. Display on the face of the card in embossed lettering the name of the state employee to whom the card is issued.
- iv. Display on the back of the card, the Contractor’s toll-free ~~h~~elp” telephone number.
- v. Display on the face of the card, the credit card number. Upon contract award the Contractor and the State shall agree on a numbering sequence for the credit card number that will be on the face of the card.

Each plastic card issued shall not:

- vi. Contain any reference to Automatic Teller Machine (ATM) machine usage.
- vii. Contain the words ~~p~~urchasing” or ~~p~~rourement” on the face of the card.
- viii. Display other wording, design or card formats unless agreed to between the Contractor and the State.

Upon written request by the State, the Contractor will provide generic cards with no reference to the State of Tennessee.

f. Card Management.

- i. The Contractor will issue initial Payment Cards to the State on or before May 15, 2011. The Payment Cards will be shipped via certified or express mail, for delivery during standard State working hours, 8:00 am to 4:30 pm Central time, Monday through Friday, to be delivered to the State Payment Card Program Manager’s address set forth in Section E.2 below.

- ii. The Contractor will issue, at no cost to the State, new and replacement Payment Cards within one (1) business day of receipt of requests for replacement from the State. Unless a Payment Card has been terminated or canceled, as provided herein, all Payment Cards will expire upon the termination of this Contract. If during the term of the Contract, the Contractor elects to offer an across the board replacement of all Payment Cards and the State accepts the offer, this will be at no additional cost to the State.
  - (1) Standard Payment Card replacement shall include but not be limited to damaged, broken, malfunctioning magnetic strip, lost, or stolen cards, or cards with compromised data.
  - (2) During the term of the Contract, the Contractor will ship Payment Cards to the State via certified or express mail, for delivery during standard State working hours, 8:00 am to 4:30 pm Central Time, Monday through Friday. Unless otherwise directed in writing by the State, Payment Cards are to be delivered to the State Payment Card Program Manager's address set forth in Section E.2 below.
- iii. The Contractor shall provide for a secured card activation mechanism prior to use.
- iv. The Contractor shall provide the State with the ability to order, change, or cancel Payment Cards through its web-based management and reporting solution, which is detailed in Section A.4 below. The Contractor shall provide the participating state agency coordinators with the ability to change or cancel Payment Cards through its web-based management and reporting solution.

The State shall not be liable for any purchase or charge authorized after cancellation of a Payment Card by the State or participating state agency.
- v. Lost or Stolen Cards (includes cards with compromised data). The Contractor will provide a toll-free help line and established policies and procedures to handle lost or stolen Payment Cards. The State, the participating state agency, or the Cardholder shall promptly notify the Contractor by telephone of any lost or stolen Payment Card. The Contractor shall immediately terminate and promptly replace such Payment Card. The State shall not be liable for any purchase or other charges incurred or arising by virtue of the use of a Payment Card following notification to the Contractor.
- g. Card Controls and Restrictions.

The Contractor shall provide selective card controls which include, but are not limited to, single purchase or transaction dollar limits, Cycle dollar limits and temporary limits which can be established for a period of time. The Contractor shall be capable of providing such controls on an individual cardholder basis as well as on an agency-wide basis. The Contractor shall disallow and prevent cash advances from banks or automated teller machines. Cash advances are neither permitted nor authorized under this Contract.
- h. Standard Industry Classifications (SIC) or Merchant Category Codes (MCC) Restrictions.

Based upon SIC's or card association MCC's and as instructed by the State, the Contractor shall establish charge authorization procedures to ensure certain transactions are denied. The Contractor shall have no liability or responsibility with respect to the verification or correction of SIC's or MCC's selected by the State or implemented with respect to any provider of goods and/or services. The Contractor shall be capable of providing such restrictions on an individual cardholder basis as well as on an agency-wide basis.
- i. Disputed and Fraudulent Charges. Disputed items, fraudulent charges, and other forms of charges in which the Cardholder has communicated to the Contractor, via telephone or written communication, were not authorized will be credited to the Cardholder's account until resolved by the Contractor and the merchant. All disputed charges, and or

fraudulent charges reported by the Cardholder will be reported back to the State Payment Card Program Manager. Such reporting shall include Cardholder name and account number, dollar amount of any dispute or suspected error, reference number and a description of the dispute or error disputed date, posted date, and the current status of the resolution in process. Disputed billings are categorized as, but not necessarily limited to, failure to receive goods or services charged, fraud, forgery, altered charges and charges incurred by telephone where the authenticity of the charge is in question.

- j. Fraud Detection. The Contractor shall monitor, identify and alert the State of potentially fraudulent transactions.
- k. Insurance. The Contractor will provide liability waiver, travel and other insurance related to Payment Card use.
- l. Customer Service. The Contractor shall provide a toll-free telephone help line to assist the State and its Cardholders with the program and any problems related there to. The help line is available at no cost to the State or its Cardholders and it shall be available 24 hours a day, 365 days a year.
- m. Transaction Data Extract File. The Contractor shall provide the State with a transaction data extract file in either the MasterCard Common Data Format (CDF 3.0) or the Visa Commercial Format 4.0 for upload into the State's [REDACTED] accounting system. This transaction data extract file shall be furnished on a daily basis. The transaction data extract file must be encrypted using a cryptographic module validated to FIPS 140-2 before it leaves the Contractor's secure network. A secure transport must also be provided. The delivery method must be agreed to by the State. The file shall be delivered to the State no later than a time mutually agreed to by the State and Contractor. The frequency of the transaction data extract file may be changed at any time as agreed to in writing by both the Contractor and the State.

If during the Contract term the MasterCard Common Data Format (CDF 3.0) or the Visa Commercial Format 4.0 for payment card loads is not a [REDACTED] supported format, the Contractor shall provide the transaction data extract file in a [REDACTED] supported format. The transaction data extract file's encryption and transport shall comply with all applicable security policies and standards including the Payment Card Industry Data Security Standard (PCI DSS) and the "State of Tennessee Enterprise Information Security Policies", as amended from time to time. The "State of Tennessee Enterprise Information Security Policies" are posted on

<http://www.tn.gov/finance/oir/security/secpolicy.html>

- n. Policies and Procedures. The State will develop its own policies and procedures for the issuance, security and operational matters related to the State Payment Card program. The Contractor shall assist the State when asked with development, implementation, modification or enhancement of these policies and procedures.
- o. Responsibility. Except as expressly provided to the contrary herein, the State shall be liable for all purchases and other charges incurred or arising by virtue of the Cardholder use of a Payment Card. The obligation of the State to make payments under the terms of this Contract shall continue until fully performed. This provision shall survive the termination of this Contract.
- p. Internal Revenue Services (IRS) Requirements. The Contractor shall comply with all applicable IRS requirements and provide information required for reporting by the State of Tennessee in the performance of this Contract.
- q. Annual Report. The Contractor shall provide an annual report for all transactions and dollar volumes processed under this Contract. The report shall be prepared on a fiscal

year basis and shall be due August 1<sup>st</sup> of each year, with the first report due on August 1, 2011. The report shall include the following information: transaction counts, annual dollar volume, and type and number of cards issued per state agency utilizing services under this Contract. The report shall be provided in electronic format to the State contact specified per Section E.2.

A.3. Corporate Travel Card Program.

The Contractor shall provide Corporate Travel Card Services with the following provisions:

- a. The Contractor shall provide corporate travel card services to state employees who routinely incur expenses on behalf of the state and who the State wishes to receive corporate travel cards. The Contractor and the State will establish a mutually agreed-upon procedure for travel card applications. The Contractor shall issue corporate travel cards at no cost to the State or to the state employee. The Contractor reserves the right to ascertain the creditworthiness of designated state employees by obtaining credit bureau and other reports it deems necessary, and it may decline the issuance of a corporate travel card to any employee at its sole discretion. State employees to whom corporate travel cards are issued are referred to as Travel Cardholders.
- b. SIC or MCC Restrictions. The State and the Contractor shall establish agreed upon procedures to limit corporate travel card use to travel related purposes. These limitations will be based upon the Standard Industry Classifications (SIC) or card association Merchant Category Codes (MCC).
- c. Corporate Travel Card Termination. The Contractor may terminate the Travel Cardholder's agreement once payment is 90 days past due. The State will work with the Contractor to keep slow payment and non-payment as low as possible.
- d. Customer Service. The Contractor shall provide a toll-free assistance number for Travel Cardholders to access account information including balance and payment information, dispute resolution, loss or theft of card, and card replacement. Such services shall be available 24 hours a day, 365 days a year.
- e. Cancellation of Corporate Travel Cards. The State may notify the Contractor to cancel any corporate travel card at any time with or without cause and without prior notice to the Travel Cardholders. The State agrees to notify the Contractor of terminated employees and the termination effective date. The Contractor and the State will establish agreed upon procedures to ensure the Contractor is informed of terminated employees so the corporate travel cards may be cancelled. The Contractor may suspend the charge privileges of or cancel any corporate travel card at any time, with or without cause and without prior notice to the State Travel Cardholder. The Contractor will subsequently notify the State and the Travel Cardholder of card closure.
- f. Unauthorized Use. The State and the Travel Cardholders are not liable for charges resulting from any unauthorized use of the corporate travel card. For purposes of this clause, an unauthorized use is a use that did not benefit either the State or the Travel Cardholder and that was incurred by someone who is not the Travel Cardholder and who did not have authority to use the card.
- g. Travel Cardholder Information. The State agrees to provide the Contractor with any information available to the State, within legal and reasonable limitations, on the whereabouts of the Travel Cardholder, his or her last known address. The State also agrees to cooperate with the Contractor to the extent legally and reasonably permissible in any investigation, litigation or prosecution by the Contractor arising in connection with the use of a corporate travel card.
- h. Corporate Travel Cardholder Agreement. As specified in the Travel Cardholder agreement, the Contractor reserves the right to change the Travel Cardholder agreement at any time. The Contractor shall notify the State of any change by sending to the State a

copy of the changes at least 30 days prior to the effective date of the change, and to the Travel Cardholders a copy of the changes at least 15 days prior to the change.

A.4. Web-Based Program Management and Reporting Solution.

- a. The Contractor shall provide a web-based online program management and reporting solution hosted by the Contractor. The reporting solution shall comply with all applicable security policies and standards including PCI DSS and "State of Tennessee Enterprise Information Security Policies", as amended from time to time.
- b. The Contractor shall provide access at a statewide (corporate) level as well as the agency master account and individual cardholder levels.
- c. The Contractor shall control access to its reporting solution as required by the above-referenced "State of Tennessee Enterprise Information Security Policies".
- d. For State Payment Card Program, the reporting solution must allow, at a minimum, for the creation of new accounts, maintenance of current accounts, termination of accounts, and the generation of standard reports which shall include, but not be limited to : User Access reports, Taxes Paid reports, Declined transactions reports, Fraudulent Transactions report, Disputed Transaction report.
- e. For Corporate Travel Card Services, the solution must allow, at a minimum, for the creation of a current listing of all Travel Cardholders and regular collections reports indicating Travel Cardholders past due.
- f. The Contractor shall provide any reports that are not available via the solution that are reasonably necessary for the State to effectively operate and manage both card programs to include, but not be limited to : Trend Analysis Reporting on various factors effecting the State Payment Card Program to improve program performance, Benchmarking analysis reports. Delivery methods and timeframes for such reports will be mutually agreed upon by the State and the Contractor.
- g. The Contractor's web-based online program management and reporting solution shall provide the State with the capability to create on demand reports for ad hoc reporting.
- h. Training and assistance with the Contractor's web-based online program management and reporting solution must be provided as mutually agreed upon by the State and the Contractor.

A.5. The Contractor shall provide Program Support Services with the following Core Team personnel at a minimum:

- a. One Relationship Manager with a minimum of two (2) years of current experience in managing large card programs with outstanding interpersonal and communication skills. The Relationship Manager must have management responsibility for program quality and meeting time frames. He/she must have sufficient authority to act independently to resolve quality related issues at the program level. The Relationship Manager must maintain current knowledge of the program's status and be accessible to State program management.
- b. One Customer Service Representative with a minimum of one (1) year of current experience as a Customer Service Representative with excellent interpersonal and communication skills. The Customer Service representative is expected to be the lead role for the day-to-day operations and interactions that may occur between the State and the Contractor. Areas of knowledge should include, but not be limited to billing, card issuance, card controls, denials, disputes, and reporting.
- c. One Technical Solutions Representative with a minimum of one (1) year of current experience in the card industry. The technical solutions representative is expected to coordinate the successful resolution of technological issues that are encountered above and beyond day-to-day operations.

A.6. Statewide Rollout. The Contractor shall comply with the Initial Contract Transition Plan included in the Contractor's proposal responding to RFP-31701-05021 (Attachment 6.2 Section C.6) and resulting in this Contract.

A.7. Security. The Contractor shall ensure that all transactions are compliant with the most current version of PCI DSS or its successor. The Contractor shall maintain and ensure data integrity and user confidentiality and privacy as described in Section E.5 of this Contract. The Contractor shall ensure that security provisions described in the Contractor's proposal to the State are maintained throughout the length of this Contract. The Contractor will report any compromise or breach of network security involving State of Tennessee transactional data in accordance with *Tennessee Code Annotated*, Section 47-18-2107. Upon execution of this Contract the State will provide current Data Breach Notification Procedures and contact information for the personnel that are to be notified of any compromise or breach.

The Contractor may not sell or use any cardholder information, including names and addresses, for purposes other than those agreed upon in writing by the State.

A.8. Alternate Site and Systems. The Contractor will establish and maintain an alternative processing arrangement adequate to resume immediately the card services provided under this agreement, in the event the Contractor's primary operation site or equipment is unavailable due to either human error, equipment failure, man made or natural disaster.

A.9. The State's definition of "business days" is Monday through Friday, excluding Federal Holidays.

**B. CONTRACT PERIOD:**

This Contract shall be effective for the period beginning April 15, 2011 and ending on April 14, 2016. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

**C. PAYMENT TERMS AND CONDITIONS:**

C.1. State Payment Card Program.

a. Payment of State Payment Card Charges. The State agrees to pay the Contractor the Net Total Charges for which the State is liable as set forth in Section A.2.o., Responsibility, herein subject to applicable law. Net Total Charges includes all charges less formally disputed transactions.

The State shall pay the Contractor on either a weekly, monthly or other basis mutually agreed upon in writing by the Contractor and the State within thirty (30) days prior to the use of State Payment Cards authorized pursuant to this Contract. The payment schedule may be changed at any time as agreed to by both the Contractor and the State. All amounts due with respect to participation in the program shall be paid by the State and shall be paid to Contractor by means of Automated Clearing House ("ACH") transaction or other electronic means agreeable to the State and Contractor.

b. Dollar Volume Rebate. After every three (3) month period ("Quarter"), the Contractor shall calculate the rebate amount and remit such to the State within fifteen (15) days of the end of the Quarter.

The rebate amount is the Net Total Charges for the Quarter multiplied by the applicable Dollar Volume Rebate Percentage.

The applicable Dollar Volume Rebate Percentage is determined by the total contract-to-date cumulative amount of Net Charge Volumes and that rebate percentage is applied to the amount of the Net Total Charges for the Quarter only.

The applicable Dollar Volume Rebate Percentages follow:

Dollar Volume Rebate Description	Rebate Percentage
----------------------------------	-------------------

Dollar Volume Rebate Description	Rebate Percentage
From a cumulative amount of Net Charge Volume of \$.01 up to a cumulative amount of Net Charge Volume of \$25,000,000.00	X.XX%
From a cumulative amount of Net Charge Volume of \$25,000,000.01 up to a cumulative amount of Net Charge Volume of \$50,000,000.00	X.XX%
From a cumulative amount of Net Charge Volume of \$50,000,000.01 up to a cumulative amount of Net Charge Volume of \$75,000,000.00	X.XX%
From a cumulative amount of Net Charge Volume of \$75,000,000.01 up to a cumulative amount of Net Charge Volume of \$100,000,000.00	X.XX%
From a cumulative amount of Net Charge Volume of \$100,000,000.01 up to a cumulative amount of Net Charge Volume of \$150,000,000.00	X.XX%
From a cumulative amount of Net Charge Volume of \$150,000,000.01 up to a cumulative amount of Net Charge Volume of \$200,000,000.00	X.XX%
From a cumulative amount of Net Charge Volume of \$200,000,000.01 up to a cumulative amount of Net Charge Volume of \$300,000,000.00	X.XX%
From a cumulative amount of Net Charge Volume of \$300,000,000.01 up to a cumulative amount of Net Charge Volume of \$400,000,000.00	X.XX%
A cumulative amount of Net Charge Volume exceeding \$400,000,000.00	X.XX%

The State will review the Contractor's rebate calculations and Net Charge Volume amounts upon receipt. Adjustments, if any that are necessary will be agreed on by the State and the Contractor and the Contractor shall adjust the subsequent dollar volume rebate payment accordingly.

- c. Expedited Payment Rebate. After every three (3) month period (-Quarter"), the Contractor shall calculate the rebate amount and remit such to the State within fifteen (15) days of the end of the Quarter.

The rebate amount is the Net Total Charges on each individual monthly Master Account Billing Statement multiplied by the applicable Expedited Payment Rebate Percentage.

The applicable Expedited Payment Rebate Percentages follow:

Expedited Payment Rebate Description	Rebate Percentage
Master Account Billing Statement paid-in-full within 1 business day of statement received date	X.XX%
Master Account Billing Statement paid-in-full within 2 to 5 business days of statement received date	X.XX%
Master Account Billing Statement paid-in-full within 6 to 7 business days of statement received date	X.XX%
Master Account Billing Statement paid-in-full within 8 to 15 business days of statement received date	X.XX%

Expedited Payment Rebate Description	Rebate Percentage
Master Account Billing Statement paid-in-full within 16 to 25 business days of statement received date	X.XX%

The State will review the Contractor's rebate calculations and amounts upon receipt. Adjustments, if any that are necessary will be agreed on by the State and the Contractor and the Contractor shall adjust the subsequent expedited payment rebate payment accordingly.

- d. The State will maintain a demand account in good standing ("the Account") with a financial institution and account number as the State may determine, to be communicated to the Contractor in writing. Such financial institution shall be a State Depository institution pursuant to Tennessee Code Annotated, Section 9-4-107. Unless otherwise directed by the State all rebate payments herein under shall be made to the financial institution at the account number specified. All other credits or transfers shall be unauthorized transfers. The State shall take all action necessary to ensure that the Contractor has the right to credit the Account under the terms of this Contract.
- e. Billing and Account Statements. The Contractor shall provide monthly Master Account Billing Statements for each state agency's master account number documenting the Net Total Charges. The Contractor shall provide all Master Account Billing Statements to the State Payment Card Program Manager within three (3) business days of each statement close date (i.e., last date on the statement). The delivery method for the Master Account Billing Statements must be agreed to by the State.

The Contractor shall provide monthly individual cardholder account statements documenting all card transactions. These statements must be available via mail and the Contractor's web-based program management and reporting solution.

The frequency of statements may be changed at any time as agreed to by both the Contractor and the State.

C.2. Corporate Travel Card Program.

- a. Payment of Corporate Travel Card Charges. For the corporate travel card services provided by the Contractor, in accordance with Section A.3., the Travel Cardholders are solely responsible for payment of corporate travel card charges.
- b. Billing Statements. The Contractor will send monthly statements of charges to each Travel Cardholder. The State shall not be liable for any charges including purchases, delinquency assessments, or other assessments. The Contractor agrees to hold the State harmless from any and all charges arising as a result of the corporate travel card program. Therefore there is no liability to the State under the corporate travel card program. It is understood that the State will promptly reimburse employees for appropriate costs while on official travel status. The Contractor agrees to waive any annual corporate travel card fees.

C.3. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.

- a. If the agreed upon payment method in Section C.1.a. is by means of ACH, the Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once said form is received by the State, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH).
- b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must

agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.

**D. STANDARD TERMS AND CONDITIONS:**

- D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Personnel, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Personnel, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee.

- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request,

show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

- D.8. Prohibition of Illegal Immigrants. The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment A, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.
  - b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
  - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
  - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.
  - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.
- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.10. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401 *et seq.*

- D.11. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.12. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.13. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.14. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.
- D.15. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.16. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.17. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.18. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.19. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.20. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.21. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

**E. SPECIAL TERMS AND CONDITIONS:**

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

State Payment Card Program:

Tonya Vanterpool, State Payment Card Program Manager  
Department of Finance and Administration, Division of Accounts  
312 Rosa L. Parks Avenue, 14th Floor Tennessee Tower, Nashville, TN 37243-1102  
[Tonya.Vanterpool@tn.gov](mailto:Tonya.Vanterpool@tn.gov)  
Telephone # 615.741.9740  
FAX # 615.532.2332

Corporate Travel Card Program:

Jack Hill, Director of Policy Development  
Department of Finance and Administration, Division of Accounts  
312 Rosa L. Parks Avenue, 13th Floor Tennessee Tower, Nashville, TN 37243-1102  
[Jack.Hill@tn.gov](mailto:Jack.Hill@tn.gov)  
Telephone # 615.532.9612  
FAX # 615.253.6980

The Contractor:

**NAME & TITLE OF CONTRACTOR CONTACT PERSON**  
**CONTRACTOR NAME**  
**ADDRESS**  
**EMAIL ADDRESS**  
Telephone # **NUMBER**  
FAX # **NUMBER**

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship

between the Contractor and the State under this Contract is that of “employee/employer” and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.

- E.5. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor’s obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor’s knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State’s information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.6. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor’s duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below.

- a. this Contract document with any attachments or exhibits (excluding the items listed at subsections b. through e., below);
- b. any clarifications of or addenda to the Contractor’s proposal seeking this Contract;
- c. the State solicitation, as may be amended, requesting proposals in competition for this Contract;
- d. any technical specifications provided to proposers during the procurement process to award this Contract;
- e. the Contractor’s proposal seeking this Contract.

- E.7. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor’s relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor’s services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.

- E.8. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor’s proposal responding to RFP-31701-05021 (Attachment 6.2 Section B.15) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor’s performance of this commitment by providing, as requested, a quarterly report of participation in the performance of

this Contract by small business enterprises and businesses owned by minorities, women, and persons with a disability. Such reports shall be provided to the state of Tennessee Governor's Office of Diversity Business Enterprise in form and substance as required by said office.

- E.9. Disclosure of Personal Identity Information. The Contractor shall report to the State any instances of unauthorized disclosure of confidential information that come to the attention of the Contractor. Any such report shall be made by the Contractor within twenty-four (24) hours after the instance has come to the attention of the Contractor. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals that are deemed to be part of a potential disclosure. The Contractor shall bear the cost of notification to individuals having personal identity information involved in a potential disclosure event, including individual letters and/or public notice.
- E.10. Registered Marks and Trademarks. State and Contractor each recognize that they have no right, title or interest, proprietary or otherwise, in or to the name or any logo, copyright, service mark or trademark owned or licensed by the other party. State and Contractor each agree that they will not use any material owned or licensed by the other party that would violate laws relating to copyright, service mark, or trademark protection unless authorized by this Contract or by the other party in writing.
- E.11. Contract Services Transition. One hundred eighty (180) days prior to the Contract End Date, for reason of Contract expiration or Contract termination for convenience, the Contractor shall assist the State to ensure an orderly transfer of responsibility and/or continuity of those services required under the terms of the Contract for the next Contract period. The Contractor shall discontinue providing the service or accepting new assignments under the terms of this Contract, in a manner and on the date specified by the State, in order to insure the completion of such service prior to the termination of the Contract.

IN WITNESS WHEREOF,

**CONTRACTOR LEGAL ENTITY NAME:**

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**CONTRACTOR SIGNATURE**

**DATE**

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**PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)**

**DEPARTMENT OF FINANCE AND ADMINISTRATION:**

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**MARK A. EMKES, COMMISSIONER**

**DATE**

**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

<b>SUBJECT CONTRACT NUMBER:</b>	
<b>CONTRACTOR LEGAL ENTITY NAME:</b>	
<b>FEDERAL EMPLOYER IDENTIFICATION NUMBER:</b> (or Social Security Number)	

**The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.**

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**CONTRACTOR SIGNATURE**

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

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**PRINTED NAME AND TITLE OF SIGNATORY**

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**DATE OF ATTESTATION**

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### STATE PAYMENT CARD PROGRAM - BACKGROUND

In May 2001, the State awarded its first contract for State Payment Card services. The contract term commenced August 1, 2001 and the first cards were issued in November 2001. A Request for Proposals was issued in March 2006 for both State Payment Card services and Corporate Travel Card services. The term of the contract resulting from this RFP is May 24, 2011 through May 23, 2016.

The State Payment Card Program is administered by the Department of Finance and Administration's Division of Accounts. The Division of Accounts has a designated State Payment Card Program Manager. The State Payment Card Program Manager with the oversight of the Director of Accounts is responsible for developing general program policies and procedures. Each participating agency's Chief Fiscal Officer serves as or designates an Agency Coordinator who is the individual responsible for the day-to-day operations of that agency's State Payment Card Program.

The major use of the State Payment Card is an alternative method of payment for small-value delegated purchases of \$5,000 or less that do not require bid solicitation or state issued purchase orders. The purchase limit for the State Payment Card was increased from \$2,000 to \$5,000 effective November 1, 2009. The limit was initially \$400 and was increased to \$2,000 on July 1, 2006. The State Payment Card is also used by authorized agency central office fiscal personnel for payment of certain items that do not require a purchase order such as conference registrations, association fees and subscriptions. A few agencies have been granted approval to use the State Payment Card to make payments against professional service contracts obtained through the Department of Finance and Administration's Office of Contracts Review.

The State hopes to establish a relationship with a card issuer that will allow the State to enhance and expand the program. It is the State's current expectation that use of the State Payment Card expand to include payments for purchases up to \$5000 which require state-issued purchase orders and for statewide and agency term contracts. The State reserves the right to ultimately decide when and to what extent it increases the use of the State Payment Card.

As of June 2010, the State had approximately 2,100 cardholders and 49 participating state agencies. There are approximately 66 ghost cards for a Central Travel Account which is held at the State's travel agency for booking airfare travel for 41 participating state agencies.

Attachments 6.9 and 6.10 present historical program information.

**CORPORATE TRAVEL CARD PROGRAM – BACKGROUND**

The current contract provides for corporate travel cards for state employees who are determined to be eligible by the contractor. These travel cards provide a mechanism for employees who may not have credit or debit cards they can use for travel, and reduces the number of travel cash advances issued to state employees. As of May 2010, there were 417 active cards in the program. The contractor has the right to review an applicant's credit and approve or deny an application. Approximately 50% of applications are currently rejected. The corporate travel cards are entirely the liability of the employees. These cards may be used for employees only for official state travel, and Merchant Category Codes for non-travel entities are blocked.

Between July 1, 2009 and December 31, 2009, \$679,937 of charges were placed on the State's corporate travel cards.

As of May 2010, 23 cards carrying \$18,520 in charges were in past due (over 60 days) status. The State is not aware of any specific instances of fraud under the current corporate travel cards program.

## STATE PAYMENT CARD NET CHARGE VOLUME

	<b>Purchases</b>	<b>Credits</b>	<b>Net Charge Volume</b>
<b>Program-to-Date</b>	<b>\$ 128,229,579.47</b>	<b>\$ (2,354,829.68)</b>	<b>\$ 125,874,749.79</b>

<b>Statement Date</b>	<b>Purchases</b>	<b>Credits</b>	<b>Net Charge Volume</b>
<b>FYE 2010</b>	<b>\$18,517,900.96</b>	<b>\$(302,276.14)</b>	<b>\$18,215,624.82</b>
6/15/2010	1,935,578.41	(21,559.37)	1,914,019.04
5/15/2010	1,825,497.35	(42,828.99)	1,782,668.36
4/15/2010	1,686,164.10	(21,515.04)	1,664,649.06
3/15/2010	1,322,274.61	(25,951.28)	1,296,323.33
2/15/2010	1,237,745.58	(27,474.70)	1,210,270.88
1/15/2010	1,227,745.35	(12,889.55)	1,214,855.80
12/15/2009	1,332,644.72	(21,551.93)	1,311,092.79
11/15/2009	1,346,283.01	(20,146.24)	1,326,136.77
10/15/2009	1,651,729.18	(21,502.76)	1,630,226.42
9/15/2009	1,696,458.11	(24,244.50)	1,672,213.61
8/15/2009	1,619,212.32	(29,048.82)	1,590,163.50
7/15/2009	1,636,568.22	(33,562.96)	1,603,005.26
<b>FYE 2009</b>	<b>\$20,756,788.90</b>	<b>\$(352,058.00)</b>	<b>\$ 20,404,730.90</b>
6/15/2009	1,786,215.99	(26,869.54)	1,759,346.45
5/15/2009	1,607,996.70	(18,330.19)	1,589,666.51
4/15/2009	1,711,800.84	(24,619.21)	1,687,181.63
3/15/2009	1,528,195.91	(14,522.09)	1,513,673.82
2/15/2009	1,379,984.69	(19,331.01)	1,360,653.68
1/15/2009	1,120,292.93	(18,125.84)	1,102,167.09
12/15/2008	1,485,698.61	(28,741.41)	1,456,957.20
11/15/2008	1,745,836.18	(26,692.91)	1,719,143.27
10/15/2008	2,058,143.66	(44,916.83)	2,013,226.83
9/15/2008	2,585,573.59	(91,166.32)	2,494,407.27
8/15/2008	1,899,805.77	(21,042.21)	1,878,763.56
7/15/2008	1,847,244.03	(17,700.44)	1,829,543.59
<b>FYE 2008</b>	<b>\$26,963,078.54</b>	<b>\$(538,982.46)</b>	<b>\$26,424,096.08</b>
6/15/2008	1,640,726.09	(49,950.01)	1,590,776.08
5/15/2008	2,792,794.74	(48,842.70)	2,743,952.04
4/15/2008	2,374,095.50	(47,777.58)	2,326,317.92
3/15/2008	1,881,303.40	(56,346.35)	1,824,957.05
2/15/2008	2,354,916.85	(47,703.46)	2,307,213.39
1/15/2008	1,712,750.66	(29,953.63)	1,682,797.03
12/15/2007	2,006,839.12	(42,748.24)	1,964,090.88
11/15/2007	2,447,586.00	(48,710.62)	2,398,875.38
10/15/2007	2,416,614.94	(41,605.81)	2,375,009.13
9/15/2007	2,628,270.58	(39,282.30)	2,588,988.28
8/15/2007	2,449,902.87	(44,590.19)	2,405,312.68
7/15/2007	2,257,277.79	(41,471.57)	2,215,806.22

Statement Date	Purchases	Credits	Net Charge Volume
<b>FYE 2007</b>	<b>\$22,895,864.41</b>	<b>\$(448,627.63)</b>	<b>\$22,447,236.78</b>
6/15/2007	2,324,482.64	(33,844.35)	2,290,638.29
5/15/2007	2,126,192.16	(37,330.43)	2,088,861.73
4/15/2007	2,208,303.06	(46,310.02)	2,161,993.04
3/15/2007	1,955,341.09	(39,184.10)	1,916,156.99
2/15/2007	1,851,116.99	(39,768.01)	1,811,348.98
1/15/2007	1,423,303.64	(31,969.79)	1,391,333.85
12/15/2006	1,883,458.97	(51,855.41)	1,831,603.56
11/15/2006	1,928,951.43	(44,203.78)	1,884,747.65
10/15/2006	1,997,870.71	(38,923.43)	1,958,947.28
9/15/2006	1,982,872.22	(36,972.51)	1,945,899.71
8/15/2006	1,849,079.36	(19,950.69)	1,829,128.67
7/15/2006 & 7/20/2006	1,364,892.14	(28,315.11)	1,336,577.03
<b>FYE 2006</b>	<b>\$13,447,345.59</b>	<b>\$(221,020.31)</b>	<b>\$13,226,325.28</b>
6/20/2006	1,545,745.07	(22,293.39)	1,523,451.68
5/22/2006	1,593,196.96	(21,975.10)	1,571,221.86
4/20/2006	1,120,876.70	(17,548.47)	1,103,328.23
3/20/2006	988,749.59	(21,451.68)	967,297.91
2/20/2006	897,740.28	(14,731.02)	883,009.26
1/20/2006	751,454.86	(12,237.45)	739,217.41
12/20/2005	812,835.29	(13,404.63)	799,430.66
11/21/2005	1,230,384.46	(30,515.12)	1,199,869.34
10/20/2005	1,061,185.12	(14,424.35)	1,046,760.77
9/20/2005	1,245,004.17	(24,111.40)	1,220,892.77
8/22/2005	1,224,576.59	(14,473.45)	1,210,103.14
7/20/2005	975,596.50	(13,854.25)	961,742.25
<b>FYE 2005</b>	<b>\$10,123,305.85</b>	<b>\$(140,923.25)</b>	<b>\$9,982,382.60</b>
6/20/2005	991,484.59	(12,285.29)	979,199.30
5/20/2005	987,636.46	(10,822.52)	976,813.94
4/20/2005	753,297.50	(11,198.58)	742,098.92
3/21/2005	744,949.40	(8,045.80)	736,903.60
2/21/2005	872,994.87	(16,394.38)	856,600.49
1/20/2005	621,242.49	(9,926.30)	611,316.19
12/20/2004	689,275.17	(8,893.73)	680,381.44
11/22/2004	887,877.27	(14,004.27)	873,873.00
10/20/2004	1,020,145.68	(12,778.81)	1,007,366.87
9/20/2004	754,586.92	(11,888.44)	742,698.48
8/20/2004	946,050.63	(11,587.43)	934,463.20
7/20/2004	853,764.87	(13,097.70)	840,667.17

<b>Statement Date</b>	<b>Purchases</b>	<b>Credits</b>	<b>Net Charge Volume</b>
<b>FYE 2004</b>	<b>\$8,060,337.52</b>	<b>\$(153,020.76)</b>	<b>\$7,907,316.76</b>
6/21/2004	734,768.16	(19,128.82)	715,639.34
5/20/2004	824,140.31	(14,551.39)	809,588.92
4/20/2004	586,999.30	(14,249.73)	572,749.57
3/22/2004	679,969.99	(13,987.49)	665,982.50
2/20/2004	598,472.95	(8,418.99)	590,053.96
1/20/2004	437,188.65	(6,800.61)	430,388.04
12/22/2003	632,153.54	(12,131.24)	620,022.30
11/20/2003	690,347.58	(16,720.41)	673,627.17
10/20/2003	721,437.99	(12,153.20)	709,284.79
9/22/2003	784,915.51	(13,406.27)	771,509.24
8/20/2003	752,628.12	(10,369.09)	742,259.03
7/21/2003	617,315.42	(11,103.52)	606,211.90
<b>FYE 2003</b>	<b>\$5,942,119.14</b>	<b>\$(178,249.04)</b>	<b>\$5,763,870.10</b>
6/20/2003	623,899.57	(15,711.88)	608,187.69
5/20/2003	538,542.39	(8,289.81)	530,252.58
4/21/2003	564,850.27	(12,312.78)	552,537.49
3/20/2003	485,259.48	(10,651.57)	474,607.91
2/20/2003	535,910.72	(9,638.03)	526,272.69
1/20/2003	362,740.95	(6,506.87)	356,234.08
12/20/2002	594,987.46	(8,316.72)	586,670.74
11/20/2002	630,188.46	(85,121.63)	545,066.83
10/21/2002	406,511.25	(5,705.81)	400,805.44
9/20/2002	549,282.17	(7,469.86)	541,812.31
8/20/2002	367,801.83	(3,714.96)	364,086.87
7/22/2002	282,144.59	(4,809.12)	277,335.47
<b>FYE 2002</b>	<b>\$1,522,838.56</b>	<b>\$(19,672.09)</b>	<b>\$1,503,166.47</b>
6/20/2002	305,344.88	(3,162.28)	302,182.60
5/20/2002	244,285.11	(3,688.96)	240,596.15
4/22/2002	241,261.10	(2,396.61)	238,864.49
3/20/2002	196,457.17	(2,865.41)	193,591.76
2/20/2002	187,671.56	(3,572.51)	184,099.05
1/21/2002	150,643.08	(1,426.38)	149,216.70
12/20/2001	143,187.10	(1,325.21)	141,861.89
11/20/2001	53,988.56	(1,234.73)	52,753.83

Attachment 6.9 FYE data is presented by monthly cycle which currently ends on the 15<sup>th</sup> day of each month; thus the difference in volumes on this attachment and Attachment 6.10.

**STATE PAYMENT CARD TRANSACTION COUNT & DOLLAR VOLUME BY BUSINESS UNIT  
FISCAL YEAR ENDING JUNE 30, 2010**

<b>BUS UNIT</b>	<b>AGENCY</b>	<b>Number of Active Cards</b>	<b>Debit Amount for Purchases</b>	<b>No. of Debit Trans</b>	<b>Average Spend per Debit Trans</b>	<b>Credit Amount</b>	<b>No. of Credit Trans</b>	<b>Total Spend</b>
30101	Legislative Administration	3	758.34	4	189.59	-	0	758.34
30150	Fiscal Review Committee	1	1,534.99	5	307.00	-	0	1,534.99
30201	Admin office of the Courts	7	68,195.27	212	321.68	(4,049.04)	12	64,146.23
30235	State Board of Law Examiners- <i>*DNP</i>							
30301	Attorney General's Office	14	15,052.01	104	144.73	(770.91)	9	14,281.10
30410	District Attorney's General Conference- <i>*DNP</i>							
30501	Secretary of State	1	11,436.42	28	408.44	-	0	11,436.42
30601	Public Defenders Conference	12	8,727.80	81	107.75	(89.97)	2	8,637.83
30701	Comptroller of the Treasury	12	206,718.21	575	359.51	(2,395.28)	19	204,322.93
30799	Bond and Local Finance- <i>*DNP</i>							
30800	Post Conviction Defenders	2	70,109.00	199	352.31	(790.91)	9	69,318.09
30901	Treasury	2	117,047.67	347	337.31	(2,472.80)	16	114,574.87
31301	Treasury- <i>*DNP</i>							
31501	Governor's Office	2	43,032.82	142	303.05	(45.82)	1	42,987.00
31602	Commission on Aging & Disability	2	398.17	2	199.09	-	0	398.17
31603	Alcoholic Beverage Commission	2	21,280.93	107	198.89	(29.21)	3	21,251.72
31607	Health Facilities Commission	1	1,648.50	1	1,648.50	-	0	1,648.50
31608	TN Correctional Enterprise - TRICOR	9	51,947.35	235	221.05	(2,022.90)	9	49,924.45
31609	TN State Correctional Institute	1	1,445.50	5	289.10	-	0	1,445.50
31611	TN Regulatory Authority	2	8,524.03	73	116.77	(13.53)	1	8,510.50
31612	Advisory Commission	2	13,461.81	95	141.70	(73.32)	2	13,388.49
31620	TN Housing Development Authority	31	121,238.31	454	267.04	(4,789.81)	23	116,448.50
31701	Finance and Administration	12	149,065.89	349	427.12	(3,957.01)	18	145,108.88
31718	Shared Services includes: 316.01 Children's Services Commission 316.04 Human Rights Commission 316.25 State Museum 316.27 TN Arts Commission	4	110,410.18	297	371.75	(1,774.83)	15	108,635.35
31865	Bureau of TennCare	4	35,304.66	82	430.54	(2,474.61)	9	32,830.05

BUS UNIT	AGENCY	Number of Active Accounts	Debit Amount for Purchases	No. of Debit Trans	Average Spend per Debit Trans	Credit Amount	No. of Credit Trans	Total Spend
31901	Personnel	2	29,822.94	71	420.04	(156.38)	1	29,666.56
32101	General Services	79	3,208,582.85	8,526	376.33	(30,566.18)	141	3,178,016.67
32301	Veteran's Affairs	8	17,095.66	37	462.04	(1,558.15)	6	15,537.51
32401	Board of Probation and Parole	18	12,781.84	85	150.37	(230.95)	3	12,550.89
32501	Agriculture	174	527,268.18	3,419	154.22	(8,463.79)	116	518,804.39
32601	Tourist Development	16	272,296.20	1,849	147.27	(3,933.60)	36	268,362.60
32701	Environment and Conservation	318	5,217,560.32	17,638	295.81	(76,883.56)	505	5,140,676.76
32801	Tennessee Wildlife Resource Agency	545	3,153,860.64	15,274	206.49	(52,697.77)	37	3,101,162.87
32901	Corrections	1	7,009.90	19	368.94	(815.41)	3	6,194.49
33001	Economic and Community Development	3	274,984.36	309	889.92	(1,453.31)	17	273,531.05
33101	Education	10	60,698.20	365	166.30	(686.02)	17	60,012.18
33201	Higher Education	2	7,434.28	36	206.51	(117.07)	2	7,317.21
33501	Commerce and Insurance	3	87,523.58	185	473.10	(894.72)	7	86,628.86
33601	Financial Institutions	1	93,144.47	254	366.71	(851.22)	7	92,293.25
33701	Labor and Workforce Development	6	98,797.99	383	257.96	(1,654.75)	1	97,143.24
33901	Mental Health	18	112,644.94	617	182.57	(1,259.24)	19	111,385.70
34101	Department of the Military	34	367,909.91	512	718.57	(4,888.16)	12	363,021.75
34301	Health	96	567,324.21	1,670	339.72	(21,332.46)	85	545,991.75
34501	Human Services	47	309,409.97	1,748	177.01	(7,447.10)	72	301,962.87
34730	Revenue	10	19,866.82	91	218.32	(607.62)	6	19,259.20
34801	Tennessee Bureau of Investigations	39	305,731.69	575	531.71	(4,790.75)	18	300,940.94
34901	Safety	82	403,105.96	1,287	313.21	(5,519.85)	37	397,586.11
35910	Children's Services	204	1,484,843.50	10,336	143.66	(15,139.93)	194	1,469,703.57
40101	Department of Transportation- <b>*PP</b>	179	52,876.37	129	409.89	(2,645.64)	5	50,230.73
34401	Dept of Intellectual Disabilities	37	125,045.45	606	206.35	(424.50)	15	124,620.95
CPA	CPA State Travel Agency	66	825,197.88	4,215	195.78	(31,186.09)	101	794,011.79
	<b>Program Totals</b>	2,124	18,700,155.97	73,633	15,521.70	(301,954.17)	1,611	18,398,201.80

**\*DNP**=Does not Participate

**\*PP**=Partial Participation by the Department of Transportation (TDOT). TDOT has 179 open accounts but only 6 accounts are actively purchasing.

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**EMERGENCY CARD PROCEDURES**

**RFP ATTACHMENT 6.11. TO FOLLOW ON NEXT PAGE**



STATE OF TENNESSEE  
**DEPARTMENT OF GENERAL SERVICES**  
**OFFICE OF ADMINISTRATIVE SERVICES**  
 23rd Floor Tennessee Tower, 312 Eighth Avenue North, Nashville, Tennessee 37243-0537 (615) 741-3066

**Memorandum**

To: Mike Corricelli, Director of F&A Accounts  
 Terry Mason, Statewide Agency Coordinator

From: Steve Jenks, Agency Coordinator

Date: August 29, 2008

Subject: TEMA Declaration of Disaster Emergency Exceptions for State Payment Card

Upon the declaration of a disaster or an state of emergency situation by the Tennessee Emergency Management Agency (TEMA) we are requesting that the following exceptions in the Statewide Policies Governing State Payment Card Section Use 4.0 be allowed:

- 4.1 **NO** Travel Expenses shall be charged to the card. Hotel, restaurant, and other travel related expenses are not to be charged to a State Payment Card.
- 4.6 Purchases of any supply, material, or equipment covered by a statewide or agency term contract **shall not** be made using the State Payment Card. This is in violation of TCA section 12-3-105.
- 4.8. **NO** purchases of motor vehicle fuel for any vehicle or equipment leased from the Department of General Services' Division of Motor Vehicle Management shall be charged to the card. General Services will **not** reimburse any agency or Cardholder for any of the above charges.
- 4.9 The card is **not** to be used for repairs, maintenance, supplies or any other type charge for any vehicle or equipment leased from the Department of General Services' Division of Motor Vehicle Management. General Services will **not** reimburse any agency or Cardholder for any of the above charges.
- Upon the declaration of a disaster or an state of emergency situation by the Tennessee Emergency Management Agency (TEMA) we are requesting that cardholders have a single purchase limit of \$50,000 and cycle limit of \$250,000. The cards will be maintained with a single purchase buying limit of \$1.00 under normal circumstances until deployment of cardholder. We are also requesting all MCC codes be unblocked except for the following:
- 5944 JEWELRY, WATCH, CLOCK AND SILVERWARE STORES  
 7273 DATING AND ESCORT SERVICES  
 7297 MESSAGE PARLORS  
 7841 VIDEO TAPE RENTAL STORES  
 7995 GAMBLING TRANSACTIONS  
 9211 COURT COST INCLUDING ALIMONY AND CHILD SUPPORT  
 9222 FINES  
 9223 BAIL AND BOND PAYMENTS  
 9311 TAX PAYMENTS  
 9401 I-PURCHASING PILOT

EMERGENCY CARD PROCEDURES

I have enclosed Section 6 of the Department General Services VPC Policies and Procedures that will be applied to all purchases made under an emergency declaration.

This request **only** applies to the card holders that are listed in the following hierarchy sequence:

**98101 10002 32199.**

Your consideration of this request is appreciated.

Approved by Fiscal Director



## 6.0 Vendor Payment Card Use during TEMA Declared Disasters or State of Emergency Situations

Upon the declaration of a disaster or an state of emergency situation by the Tennessee Emergency Management Agency (TEMA) either by the activation of the Tennessee Emergency Management Plan (TEMP) or by an Executive Order, the Payment Card Coordinator (PCC) will be notified by the Department's Emergency Service Coordinator (ESC).

**6.1 Issuance of Payments Cards for the Use during TEMA Emergency Declarations**  
Upon notification from the Department's ESC, the PCC will designate by memorandum to the F&A Accounts' Statewide Program Administrator the cardholders who have been identified as individuals who will be on call to be deployed to TEMA upon the declaration of a disaster or a state of emergency situation. The PCC will request the availability of all merchant category codes except the following:

5944 JEWELRY, WATCH, CLOCK AND SILVERWARE STORES  
7273 DATING AND ESCORT SERVICES  
7297 MASSAGE PARLORS  
7841 VIDEO TAPE RENTAL STORES  
7995 GAMBLING TRANSACTIONS  
9211 COURT COST INCLUDING ALIMONY AND CHILD SUPPORT  
9222 FINES  
9223 BAIL AND BOND PAYMENTS  
9311 TAX PAYMENTS  
9401 I-PURCHASING PILOT

## 6.2 Training of Card Holders on Call for TEMA Deployments

Each cardholder will be required to attend a training class of the proper use of a State Payment Card with emphasis on the exceptions to the policies during emergencies. As with any purchase of goods and services, documentation and an audit trail will be required for all purchases. An original and detailed purchase receipt from the vendor must support each and every state payment card transaction. For a receipt to be considered to be detailed, it must include the following information:

- Vendor name
- Transaction or purchase date
- Description of each item purchased, including unit price and quantity
- Transaction total

Purchases made using the State Payment Card transaction will have the approval of the TEMA Logistic Officer and the Department's ESC. The Division of Purchasing with the approval of the Department's ESC will promulgate written policies and procedures outlining the work flow of goods and services procured during an emergency using the State Payment card. These policies will become an addendum to this document.

## EMERGENCY CARD PROCEDURES

**6.3 Maintenance of Emergency Card Holders**

The PCC will maintain a list of cardholders that are designated for deployment to TEMA. The cards will be maintained with a single purchase buying limit of \$1.00 under normal circumstances until deployment of cardholder. Upon deployment, card limits will be set at \$50,000.00 per transaction, \$250,000.00 cycle limit and category codes (See Section 6.1) will be suspended.

**6.4 Activation of the SPC Emergency Cards.**

Upon notification from the Department's ESC of a declared disaster or state of emergency the Department's PCC or F&A Accounts' Statewide Program Administrator will contact the 24 hour [REDACTED] hot line immediately to activate the increase spending limits on those employees that have been designated as emergency card holders.

**6.5 Use of Payment Card during a Declared State of Emergency or Disaster**

The emergency staff cardholder once activated and deployed to support emergency operations in the event of a state of emergency or declared disaster will adhere to all applicable guidelines establish by the Departments of Finance and Administration and General Services.

During an emergency situation there is a need to facilitate efficient procurement methods for the lodging, feeding and transportation of state personnel that have responded to the emergency. The following exceptions apply only during declared TEMA emergencies and will be strictly monitored during and after the emergency. Selected employees will be authorized to use their State Payment card to procure lodging, food and fuel for themselves and other state employees as approved by authorized TEMA and General Services ESC personnel and as provided below:

- Costs per person are within the State of Tennessee travel and per diem rates and whenever possible.
- Fuel and repairs for Department of General Services Motor Vehicle Management vehicles and equipment that do not have a State fuel card assigned or such card is not accepted at the time of fueling and the need is immediate.

Use of a State Payment card for supplies, materials, and/or equipment that are on Statewide or Departmental contracts will only be permitted if the vendor needs immediate payment.

**6.6 Cycle Statement and Reconciliation**

Statements will be available no later than 2 days after a cycle ends. A cycle ends on the 15<sup>th</sup> of a month and starts on the 16<sup>th</sup>. Statements will contain transactions that posted to the cardholder's account during that period. All transaction must be logged, reconciled, and proper documentation attached prior to be submitted for payment. Statements of transactions must be submitted to OAS before the last day of the month.

## EMERGENCY CARD PROCEDURES

All TEMA purchases will be audited by the Department's Fiscal and Internal Audit Offices to assure that travel, purchasing and financial regulations were followed or exceptions were documented.

**6.7 TEMA Emergency Stand Down Order has been Issued**

Upon the Stand Down Order from TEMA, the Department's ESC will notify the PCC that there is no longer an emergency and the cardholders have return to their regular duties. The PCC will notify the F&A Accounts' Statewide Program Administrator of the stand down and request that the daily card limit be reduced to \$1.00.

**STATE PAYMENT CARD POLICIES AND PROCEDURES**

**RFP ATTACHMENT 6.12. TO FOLLOW ON NEXT PAGE**

## STATE PAYMENT CARD POLICIES AND PROCEDURES

# State of Tennessee

## State Payment Card

### Cardholder/Approver Manual

## 1.0 Overview

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As of June 17, 2007, a revised statewide accounting Policy 29 went into effect making the State Payment Card the preferred method of payment for:

1. Small-value delegated (local) purchases of \$2,000 or less. In the past, these purchases were paid via TOPS OFST.
2. Payments for certain items that do not require a purchase order and that are made in accordance with agency guidelines for such purchases. These items include books, freight charges not incurred in connection with the purchase of supplies and equipment, postage, bonding fees, notary public fees, building permits, deed registration fees, court fees, title fees, title insurance, title searches, occasional charges for rooms for meetings including attendant expenses and expenses in connection with meetings such as coffee and doughnuts.
3. Payments by designated central office fiscal personnel for certain items listed in section 4.3 that do not require purchase orders
4. Payments resulting from F&A contracting rules with approval from the Division of Accounts

Per Policy 29, all departments and agencies are expected to use the card whenever feasible.

The State Payment Card is not a right of employment. Only employees who need to make purchases on the state's behalf will be issued a card. Each State Payment Card is a VISA credit card issued by ██████████, the issuing bank of ██████████. The employee to whom the card is assigned is the only individual authorized to use that card. Cardholders are responsible for their card's security and use at all times.

Payment with the State Payment Card eliminates the need to process vendor invoices in TOPS or STARS and to issue warrants for payment to the vendor. Also, vendors paid via the State Payment Card do not have to be registered in TOPS or STARS. The State Payment Card improves vendor relations by accelerating the payment process. By accepting the Card, a vendor will normally receive payment for State procured goods within 48 to 72 hours depending on the funds settlement process with the vendor's credit card processor.

## STATE PAYMENT CARD POLICIES AND PROCEDURES

**WARNING!!!**

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The State Payment is **NOT** a change in State Purchasing policies and procedures.

The AGE NCY PURCHASING PROCEDURES MANUAL is issued by the Department of General Services, Purchasing Division and supplements the Rules of the Department of General Services, Purchasing Division. It describes the procedures that are to be followed by State agencies in the handling of procurement activities (Tenn. Code Ann. § 4-3-1103).

Cardholders are not to avoid or bypass current, established State Purchasing policies or procedures prior to making payments to vendors with the State Payment Card.

If you need assistance with or training on State Purchasing policies and procedures, please contact your agency's central procurement office or the Department of General Services, Purchasing Division.

## 2.0 Card Management

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### 2.1 Card Application

To start the application process, a *State Payment Card New Account Application and Maintenance Form* (see **Appendix A**) must be completed. **It must be signed by the employee, the employee's supervisor and the Cardholder's division authority (as determined by each agency).** The form must be forwarded to your Agency Coordinator for approval. Once approved, the Agency Coordinator will request the account by faxing the application or by forwarding an AutoEnroll spreadsheet to F&A's Division of Accounts, Statewide Program Administrator.

### 2.2 Cardholder Training & Agreement

**Prior to a Cardholder receiving a State Payment Card,**

**The Cardholder must:**

- Take and pass the web-based Cardholder/Approver Training class or take a in-person class conducted by your Agency Coordinator
- Read this Cardholder/Approver Manual in its entirety
- Agree to and sign the *State Payment Card Cardholder Agreement* (see **Appendix B**)

**AND**

**The Cardholder's primary Approver must:**

- Take and pass the web-based Cardholder/Approver Training class or take a in-person class conducted by your Agency Coordinator
- Read this Cardholder/Approver Manual in its entirety
- Agree to and sign the *State Payment Card Approver Agreement* (see **Appendix C**) that is specifically for that Cardholder

## STATE PAYMENT CARD POLICIES AND PROCEDURES

## 2.3 Card Distribution & Activation

Once requirements listed in section 2.2 are met, the Agency Coordinator can distribute the [REDACTED] VISA card to the Cardholder. The card has the Cardholder's name embossed on its front. **The Cardholder must immediately sign the back of the card with the exact name embossed on the card's front.** The Cardholder must activate the card within 3 business days of receipt by calling the 1-800 number on the label attached to the card.

## 2.4 Card Terminations

A State Payment Card must be returned by the cardholder and terminated in the event of one of the following conditions:

- separation from the State for any reason
- transfer to another State department or agency
- change in job duties which no longer require the Cardholder to use the card
- intentional misuse/abuse of State Payment Card policies or procedures

Agency personnel aware of the termination should notify the Agency Coordinator immediately if such an event occurs and make a reasonable effort to retrieve the card.

The Agency Coordinator will terminate the account by calling [REDACTED] Customer Service at [REDACTED] option 0 or by processing the termination in the [REDACTED] Card Management System.

Once the State Payment Card is terminated with [REDACTED], the Agency Coordinator can instruct the approver and/or supervisor to destroy the card by cutting it down the magnetic stripe and the embossed card number. Once destroyed, the Agency Coordinator can instruct the approver and/or supervisor to dispose of the card remnants.

Once the card is terminated, vendors will receive a denied authorization at the point-of-sale. Any transaction authorized prior to termination will post against the Cardholder's account.

NOTE: Lost or stolen cards are closed by [REDACTED] upon phone notification by the Cardholder. See section 4.5 for details.

## STATE PAYMENT CARD POLICIES AND PROCEDURES

## 2.5 Cardholder Information Changes

Changes to existing State Payment Cards can be requested via email or by using the *State Payment Card New Account Application & Maintenance Form* (see Appendix A ). **The Cardholder's division authority must approve increases to single purchase dollar limits and cycle dollar limits.** The email or form must be sent to your Agency Coordinator for approval according to your agency's internal guidelines. Once approved, the Agency Coordinator can call [REDACTED] Customer Service at [REDACTED] option 0 or process the changes in the [REDACTED] Card Management System.

NOTE: In emergency situations where the division authority is not available the fiscal director (or designee as determined by each agency) can approve increases to single purchase dollar limits and cycle dollar limits. The division authority must be notified of the change as soon as possible and post-approval gained.

## 2.6 [REDACTED] Card Management System

To administer the program, [REDACTED] has provided the State with [REDACTED] Card Management System, a secure web-based application. The primary function of [REDACTED] is to provide account maintenance and transaction accounting code string reallocations. Designated Agency Coordinators and specific agency personnel will be given access to [REDACTED] and will perform certain functions on your agency's behalf. It is not necessary to have access to [REDACTED] in order to be a Cardholder or an Approver.

## 3.0 Card Controls

---

Your agency has placed certain controls on each of its State Payment Cards. Cardholders are responsible for knowing the controls placed on their card.

### 3.1 Spending Limits

#### Required Spending Limits:

**Single Purchase Limit (SPL):** The dollar amount that a Cardholder can spend per individual transaction. The SPL is determined by each agency on an individual Cardholder basis. The SPL cannot exceed \$2,000 unless approved by the Division of Accounts.

**Cycle Limit:** The dollar amount that a Cardholder can spend per cycle. A cycle usually runs from the 16th day of one month to the 15th day of the following month. The cycle limit is determined by each agency on an individual Cardholder basis. Cycle Limits cannot exceed \$50,000 unless approved by the Division of Accounts.

#### The following spending limit controls are not required but can be placed on a State Payment Card if an agency desires:

**Daily Dollar Limit:** The dollar amount the Cardholder can spend per day

**Daily Transaction Limit:** The number of transactions allowed per day

**Cycle Transaction Limit:** The number of transactions allowed per cycle

### 3.2 Merchant Category Code (MCC) Restrictions

Each VISA merchant is assigned a specific Merchant Category Code that identifies the primary goods or service they provide. F&A's Division of Accounts has blocked some MCC codes on all State Payment Cards to restrict purchases from certain types of merchants. **Appendix D** of this manual lists the standard statewide blocked MCC codes. Your agency may also have blocked additional MCC codes or requested an exception to remove standard statewide blocks on an agency-wide or individual cardholder basis. All exceptions to the standard statewide blocks must be requested via a memorandum to F&A's Division of Accounts, Statewide Program Administrator.

If an attempt is made to pay a merchant whose MCC code is blocked, the transaction will be rejected upon the merchant's request to obtain authorization. Keep in mind that just because the merchant receives authorization, it does not mean that the goods or services are appropriate to purchase under State purchasing rules and regulations.

## STATE PAYMENT CARD POLICIES AND PROCEDURES

**3.3 [REDACTED] Customer Service**

Cardholders can call [REDACTED] Customer Service at [REDACTED] option 0 if they have experienced a decline or have another problem with their account. Cardholders can also hit option 1 to obtain automated information on their account such as the available cycle limit balance.

## 4.0 Card Use

---

### 4.1 Statewide Policies Governing State Payment Card Use

1. State Payment Card purchases **must** be for the use and benefit of the State. **NO PERSONAL PURCHASES ARE ALLOWED.**
2. **NO** Tennessee Sales Tax shall be charged to the card.
3. **NO** Cash Withdrawals will be allowed on the State Payment Card. This includes ATM or other “debit” cash withdrawals.
4. **NO** Travel Expenses shall be charged to the card. Hotel, restaurant, and other travel related expenses are not to be charged to a State Payment Card.
5. Items that require commodity code approval **shall not** be paid for with the card (i.e. communications, printing, computer-related items).
6. Purchases of any supply, material, or equipment covered by a statewide or agency term contract **shall not** be made using the State Payment Card. This is in violation of TCA section 12-3-105.
7. The State Payment Card is **not** to be used to make payments to another state agency.
8. **NO** purchases of motor vehicle fuel for any vehicle or equipment leased from the Department of General Services’ Division of Motor Vehicle Management shall be charged to the card. *General Services will not reimburse any agency or Cardholder for any of the above charges.*
9. The card is **not** to be used for repairs, maintenance, supplies or any other type charge for any vehicle or equipment leased from the Department of General Services’ Division of Motor Vehicle Management. *General Services will not reimburse any agency or Cardholder for any of the above charges.*
10. **NO** Back Orders are allowed on the card. Verify that phone orders are in stock and ready for immediate shipment or that the purchase will be charged **ONLY** at or after date of shipment.
11. Each individual State Payment Card transaction **cannot** exceed its single purchase dollar limit including all delivery, shipping, and/or handling charges.
12. All purchases paid for with the State Payment Card **must** be made by the State employee to whom the card was issued. An employee cannot pay “after the fact” for purchases made by others.

## STATE PAYMENT CARD POLICIES AND PROCEDURES

13. Cardholders **must not** receive cash back for any refunds or exchanges. Refunds or exchanges must be credited to the same account number to which the original transaction was charged.
14. Purchases **shall not** be artificially divided so as to appear to be purchases under \$2,000. Such practice is referred to as a "split invoice" and is prohibited.

## 4.2 Additional Items Prohibited from State Payment Card Use

The State Payment Card **cannot** be used for payment of the following items:

1. Telephone billings
2. Political publications of any sort such as books, magazines, etc.
3. Charges on airline and gasoline credit cards
4. Utility billings and connection fees
5. Trash pickup and landfill charges
6. Rental of passenger vehicles of any kind
7. Rental or lease of property
8. Artifacts for historical or commemorative purposes
9. An employee's moving expenses
10. Service awards for State employees
11. Awards for private citizens
12. Honoraria expenses
13. Insurance policies
14. Gift cards or gift certificates

## STATE PAYMENT CARD POLICIES AND PROCEDURES

### 4.3 Items Restricted to designated Agency Central Fiscal Office Personnel

**Only** authorized Agency Central Fiscal Office personnel may use the State Payment Card to pay for the following items:

1. Tuition, fees and supplies for training of individuals
2. Occasional charges for rooms for meetings and attendant expenses in excess of \$200 per day or for more than five (5) days
3. Convention fees / Registration fees
4. Association entry fees
5. Organization membership dues and subscriptions to newspapers, periodicals, newsletters, or pamphlets
6. Internet, newspaper, radio or television advertisements

**The above items may be subject to agency fiscal office, agency head or another state agency's approval. Any such approvals must be gained prior to the above payments being made.**

A memorandum identifying the specific central fiscal personnel designated to make the above payments must be sent from the agency chief fiscal officer to the F&A's Division of Accounts, Statewide Program Administrator. Any exceptions to spending dollar limits and MCC code blocks should also be requested via memorandum. The memorandum should include a business justification for each requested exception.

### 4.4 Payments resulting from F&A contracting rules

Upon approval from the F&A's Division of Accounts, approved agency personnel may use the State Payment Card to pay fees for personal, consultant, and professional services when the contract is obtained through F&A's Office of Contract Review. To request approval, a memorandum stating the STARS document numbers and nature of the fees to be paid must be sent from the agency chief fiscal officer to the F&A's Division of Accounts, Statewide Program Administrator.

## STATE PAYMENT CARD POLICIES AND PROCEDURES

## 4.5 Lost or Stolen Cards

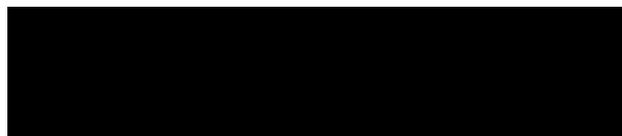
If a State Payment Card is lost, has been stolen or the card information has been compromised, the Cardholder must immediately contact [REDACTED] Customer Service at [REDACTED]. Upon such notification, outstanding authorizations will be confirmed and further use of the card will be blocked by [REDACTED]. Neither the State nor the Cardholder will be responsible for fraudulent charges made to a promptly reported lost or stolen card.

At the time of the notification, [REDACTED] will request the following information:

- Cardholder's name
- Account number
- last four digits of SSN
- Circumstances surrounding the loss of the card
- Any purchase(s) made prior to the card being lost or stolen

[REDACTED] will then issue a new card with a new account number which will be delivered to the Agency Coordinator. The Cardholder must then notify the Agency Coordinator of the card's loss or theft and make arrangements to receive the new card.

**To Report a Lost or Stolen Card**  
**IMMEDIATELY CALL**



## STATE PAYMENT CARD POLICIES AND PROCEDURES

**4.6 Card Delegation**

Card delegation is the practice of allowing an individual other than the Cardholder to have access to the card or card number to initiate or complete a transaction. **Card Delegation is strictly prohibited by our contract with Citibank.** If a Cardholder's supervisor, approver, or any other superior authority orders the Cardholder to violate this policy, those superiors are subject to disciplinary action including possible termination of employment. Agency Coordinators must report known or suspected instances of card delegation to F&A's Division of Accounts, Statewide Program Administrator.

**4.7 Card & Account Number Security**

It is the Cardholder's responsibility to keep the State Payment Card in an accessible yet secure location and to safeguard the confidentiality of the card's account number and expiration date. This card should not be secured in a location where others have access to the card. The card should be treated with the same care as cash, checks and personal credit/bank cards.

Keep any documents such as signature charge slips that contain the card number and expiration date secure. Except for the purchase documentation required in section 5.2 of this manual, shred or destroy any such documents to the extent the card information cannot be read. Do not dispose such documents or their remnants in public areas.

Do not provide your card information to a vendor for use on a standing or blanket basis. Also, when making internet transactions, make sure that the site is secure. A secured site has a closed "lock" at the bottom of the screen.

**4.8 Sales tax**

Purchases made for the State of Tennessee are exempt from Tennessee sales tax. It is the Cardholder's responsibility to inform the vendor that the transaction is tax-exempt and to provide the vendor with your department's tax-exempt certificate. To ensure that sales tax has not been charged, Cardholders must immediately review all purchase documentation upon receipt and request from the vendor a refund of any Tennessee Sales Tax that was charged.

## STATE PAYMENT CARD POLICIES AND PROCEDURES

## 4.9 Declined Transactions

The State Payment Card has certain M CC code restrictions as well as card controls that could cause the card to be denied. When a vendor notifies a Cardholder that the card was denied, the Cardholder must call [REDACTED] Customer Service at 1 [REDACTED] option 0 to determine the cause of the decline. Only after contacting [REDACTED] the Cardholder can contact the Agency Coordinator if additional assistance is necessary.

## 4.10 Sensitive Items

Only if your agency allows, payments for sensitive items can be made via the State Payment Card. Sensitive items are defined and listed in appendix B of the POST (Property of the State of Tennessee) User Manual issued by the Department of General Services, Office of Financial Management, Asset Management section.

The Agency Coordinator, or designee, is also responsible for ensuring the transaction is reallocated in [REDACTED] to object code 0 99. Purchased sensitive equipment must also be entered into POST. It is the responsibility of the Agency Coordinator, or designee, to notify the Department of General Services Office of Financial Management Asset Management section of the purchase of any sensitive equipment.

## 5.0 Cardholder Responsibilities

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While the State is responsible for payment to [REDACTED] each Cardholder is accountable for all transactions made on the card assigned to them. Card privileges will be revoked if misuse of the card is deemed intentional and may result in additional disciplinary action including possible termination of employment. A Cardholder may also be held financially responsible for such misuse of the card.

NOTE: Just because a vendor receives authorization for payment with the card, it does not mean that the purchase is appropriate according to the policies stated in this manual or State Purchasing rules and regulations.

### 5.1 Key Cardholder Responsibilities:

1. Report the loss of the card immediately to [REDACTED] at 1 [REDACTED] and then to your Agency Coordinator.
2. Safeguard the card and its number at all times.
3. Keep up-to-date on State Payment Card guidelines as issued by F & A's Division of Accounts or your Agency Coordinator.
4. Activate new cards by calling the 1-800 number provided.
5. Inform each vendor that the State is exempt from Tennessee Sales Tax and provide each vendor with your department's tax-exempt certificate if needed.
6. For all purchases, obtain a detailed receipt at the point-of-purchase and verify its accuracy as well as make certain that Tennessee Sales Tax was not charged.
7. Retain detailed receipts for each and every purchase.
8. Record each purchase immediately after it is made on an agency-specific or statewide Transaction Log.
9. Sign and date each [REDACTED] cycle statement upon receipt.
10. Reconcile each [REDACTED] cycle statement with that cycle's corresponding Transaction Log.
11. Sign each Transaction Log page, attach statement, attach reconciled/problem/disputed transaction receipts and forward to your approver for review.
12. Contact vendors if you need to return purchased items for exchange, replacement or credit.
13. Adhere to all card policies and guidelines listed in this manual.
14. Adhere to established State Purchasing policies and procedures at all times.

The State is responsible for payment to [REDACTED]. Therefore, cards are issued to the State and assigned on its behalf to specific State employees. No credit checks will be performed on individual employees nor will account activity be reported to credit rating agencies. **Use of this card will not impact your personal credit rating in any way.**

## STATE PAYMENT CARD POLICIES AND PROCEDURES

## 5.2 Purchase Documentation

An original and detailed purchase receipt from the vendor must support each and every state payment card transaction.

For a receipt to be considered to be detailed, it must include the following information:

- Vendor name
- Transaction or purchase date
- Description of each item purchased, including unit price and quantity
- Transaction total

The following are considered acceptable original receipts if they include the details required above:

- Vendor invoices on letterhead
- Charge slips
- Cash register receipts
- Packing slips
- E-mail printouts
- Transaction confirmation web page printouts

Faxes or photocopies are not acceptable unless they are stamped as originals as being verified that they have not been previously paid. Also, a signed VI SA charge slip alone does not provide proper purchase documentation unless it contains the details required above. A receipt description which only states "Miscellaneous" or "Merchandise" or only contains a vendor's stock or item number is not acceptable.

### **Missing Documentation Procedures:**

If acceptable purchase documentation is missing or not available from the vendor, the Cardholder shall provide a signed memorandum listing the required details as well as an explanation why the required purchase documentation is unavailable. Such occurrences must be reported as an exception on the agency's cycle certification memo to F&A's Division of Accounts. Your agency may set a threshold for missing documentation at which the card shall be revoked, and the Cardholder shall be held personally liable for charges and subject to disciplinary actions.

### 5.3 Transaction Log

A transaction log must be maintained by the Cardholder for all State Payment Card purchases. A sample copy of the standard statewide transaction log is located in **Appendix E** of this manual. Depending on your agency's needs, an agency-specific transaction log may instead be developed and used.

Each purchase must be recorded on the transaction log **immediately** after it is made. Logs can be maintained on paper format or on the Excel format. Regardless of the format used, purchases must be listed in the order in which they were made and not copied directly from the statement upon its receipt.

### 5.4 Cycle Statement & Reconciliation

For each cycle, a statement will be either mailed to or printed online for each Cardholder. The statement will contain transactions that posted by ████████ to the Cardholder's account during the cycle period. The cycle end date is the 15<sup>th</sup> of the month thus a cycle period normally covers the 16<sup>th</sup> of the previous month through the 15<sup>th</sup> of the current month.

**Upon receipt of the statement, the Cardholder must sign and date the cycle statement. The Cardholder must then reconcile that cycle statement to the corresponding cycle transaction log. Each transaction on the log must be marked reconciled (R), Problem (P), Disputed (D) or carryforward (C).**

**"Reconciled"** indicates that the transaction is valid, the good or services were received and the correct amount was charged. **"Problem"** indicates that there is a problem with the transaction but it has been resolved or is in the process of being resolved by the vendor. **"Disputed"** indicates that the vendor would not resolve a problem transaction or that the Cardholder did not authorize the transaction and is fraudulent. The Agency Coordinator must be notified immediately by phone or email of any transactions marked as "Disputed". **"Carryforward"** indicates that a purchase or payment has been made during the cycle period but did not post to the cycle statement. "Carryforward" transactions should be carried forward to the next cycle's transaction log and reconciled accordingly.

The Cardholder must attach receipts for all "Reconciled" transactions to the log. Receipts for any "Problem" or "Disputed" transactions (if they exist) must also be attached. Receipts for "Carryforward" transactions must be retained and attached to the cycle transaction log in which those transactions post to the cycle statement.

## STATE PAYMENT CARD POLICIES AND PROCEDURES

The Cardholder must certify each transaction log page by signing and dating it. The certified transaction log page(s), receipts and signed cycle statement must be forwarded to your designated Approver for review and approval. The Approver will also certify the transaction log page(s) and then will forward the documentation to your Agency Coordinator. Your agency may provide additional reconciliation procedures as well as deadlines for Cardholders completing and forwarding reconciled statements and logs to their Approver.

If a Cardholder is leaving the agency prior to the end of the cycle, the Cardholder must complete the log for activity in the open cycle and sign the log page(s). The Cardholder must also ensure that receipts are included for all items listed. The signed transaction log page(s) and receipts must be provided to the Approver.

## 5.5 Credits and Refunds

It is the Cardholder's responsibility to contact the vendor if purchased items need to be returned for exchange, replacement or credit. Cardholders **must not** receive cash back for any refunds or exchanges. Refunds or exchanges **must** be credited to the **same** State Payment Card on which the original purchase was made.

## 5.6 Disputed Transactions

If a transaction that appears on the [REDACTED] Statement needs to be disputed, the Agency Coordinator must be immediately notified and specific agency procedures for disputes followed. The Agency Coordinator will then dispute the transaction in [REDACTED] then print out and fax the required documentation to [REDACTED]. The status of the dispute can be monitored in [REDACTED] by the Agency Coordinator.

## 5.7 Inappropriate Purchases

If a Cardholder realizes that a purchase is inappropriate under the guidelines of the State Payment Card program, the Cardholder must immediately return the goods to the vendor and request a refund be placed on the card. Also, if the Cardholder realizes that they have paid for items of a personal nature, the Cardholder must immediately return to the vendor, request a refund on the State Payment Card and pay for the items with personal funds. The Cardholder must notify the Agency Coordinator via email or fax within 24 hours of such occurrences. Such occurrences must be noted as an exception on the agency's cycle certification memo to F&A's Division of Accounts.

## **6.0 Approver Responsibilities**

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Approvers are the first and most important line of review for State Payment Card purchases and monitoring Cardholder use. For most cardholders, their primary Approver is their immediate supervisor. An Approver must have sufficient knowledge and understanding of the Cardholder's job duties in order to provide a true certification of the Cardholder's purchases.

Prior to certifying any transactions, a signed Approver Agreement must be on record for that Cardholder. Backup Approvers can be utilized but they must meet the same agreement and training requirements. Both primary and backup Approvers cannot be at an equal or lower level to the Cardholder in the agency's organizational personnel chart.

### **It is the responsibility of a Cardholder's Approver, primary or backup, to:**

1. Review Cardholder transactions to ensure that purchases made were:
  - a. For the use and benefit of the State of Tennessee
  - b. Necessary for the official duties of the agency
  - c. Made in accordance with State Purchasing policies and procedures
  - d. For goods and services actually received

If an Approver is in doubt about any of the above, the Approver should immediately question the Cardholder and seek advice from the Agency Coordinator and agency central procurement staff.

2. Immediately inform the Agency Coordinator of any misuse, abuse or fraudulent use of the State Payment Card.

If the Cardholder is unavailable for questioning, Approvers can contact the Agency Coordinator to reduce the Cardholder's single purchase limit to \$1. That way, no additional transactions can occur until the questions have been answered by the Cardholder.

3. Notify the Agency Coordinator of Cardholder transfers or terminations. Advanced notice is required if the approver is aware of impending personnel actions.
4. Review, certify, and forward Cardholder transaction log page(s), receipts and cycle statements according to the agency guidelines and deadlines.

## **7.0 Internal Controls and Accountability**

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To ensure that the State Payment Card policies and procedures are followed, agency fiscal personnel will monitor payment card transactions. F&A's Division of Accounts, State Audit, and agency internal audit staff may also conduct periodic audits or reviews of payment card documentation.

A list of potential Red Flag activity includes:

- Multiple purchases from the same vendor on the same day and/or consecutive days.
- Weekend purchases (unless such purchases fall within the scope of the Cardholder's job responsibilities).
- Receipt totals not matching the line item on the Cycle Statement.
- Incomplete or missing receipts.
- Vendors listed on the Cycle Statement that are incompatible with the Cardholder's job function. For example, a maintenance worker's Statement containing a software vendor.

The development and oversight of internal controls for an agency's payment card use is the responsibility of that agency's chief fiscal officer, Agency Coordinator, internal audit head and designated Cardholders.

## **Thank You**

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Thank you for participating in the State Payment Card Program. Your cooperation and feedback are essential to the overall success of this program. Please contact your Agency Coordinator with any thoughts or concerns you might have.

Thanks again!

## **Appendix Index**

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- A. State Payment Card New Account Application & Maintenance Form**
- B. Cardholder Agreement**
- C. Approver Agreement**
- D. Merchant Category Codes  
Standard Statewide MCC Code Blocks**
- E. Statewide Transaction Log**

## **Appendix A**

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### **New Account Application & Account Maintenance Form**

PRINT CLEARLY USING BLUE OR BLACK INK  
STATE PAYMENT CARD POLICIES AND PROCEDURES



# State of Tennessee

## State Payment Card New Account Application & Maintenance Form

COMPLETE INFORMATION IS REQUIRED EXCEPT WHERE NOTED AS OPTIONAL

### TO ADD NEW ACCOUNT:

1. Indicate "New Account" under Type of Request.
2. Complete all fields on the form.

### TO CHANGE INFORMATION ON AN EXISTING ACCOUNT:

1. Indicate Type of Request.
2. Fill in card account number \_\_\_\_\_
3. Fill in current name on card:

\_\_\_\_\_  
First Name

\_\_\_\_\_  
Middle Initial

\_\_\_\_\_  
Last Name

4. Complete only the fields to be changed in the following sections.

### CARD INFORMATION

\_\_\_\_\_  
First Name - 12 characters (Embossed on card)

\_\_\_\_\_  
M.I. - 1 character (Embossed on card)

\_\_\_\_\_  
Last Name - 20 characters (Embossed on card)

\_\_\_\_\_  
Social Security Number - 9 characters

\_\_\_\_\_  
Supervisor - 15 characters (First Initial & Last Name)

\_\_\_\_\_  
Division Name 15 characters

\_\_\_\_\_  
Department Name - 19 characters (embossed below cardholder name on card)

\_\_\_\_\_  
Address - 36 characters (for Statement to be mailed)

\_\_\_\_\_  
City - 25 characters

\_\_\_\_\_  
State - 2 characters

\_\_\_\_\_  
Zip - 5 characters

\_\_\_\_\_  
Zip Expansion - 4 characters

\_\_\_\_\_  
Home Phone - 10 characters

\_\_\_\_\_  
Business Phone - 10 characters

\_\_\_\_\_  
Cycle Dollar Limit - 6 characters

\_\_\_\_\_  
Single Purchase Dollar Limit - 6 characters

\_\_\_\_\_  
Accounting Code - 35 characters

\_\_\_\_\_  
Fund (2) DeptDiv (5) Index (5) Obj (3) AgyObj (3) Grant (6) Refdoc (9) RefSuffix (2)

### TYPE OF REQUEST:

- A. New Account:  
 Plastic     No Plastic
- B. Maintenance  
 1) Address Change  
 2) Dept./Div./Acct. Code Change  
 3) Acct Closure  
 4) Name Change  
 5) Cycle Dollar Limit  
 6) Single Purchase \$\$ Limit  
 7) Other

### AUTHORIZATION

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supervisor Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Division Director Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Agency Coordinator Signature

\_\_\_\_\_  
Date

### FOR AGENCY COORDINATOR USE ONLY

\_\_\_\_\_  
Company (Numeric)

\_\_\_\_\_  
Division (Numeric) - 5 characters

\_\_\_\_\_  
Department (Numeric) - 4 characters

\_\_\_\_\_  
Auth. Temp. (10 characters)

Action: I or E

\_\_\_\_\_  
TBR1 TBR2 TBR3 T

\_\_\_\_\_  
BR4 TBR5 TBR6 TBR7

## **Appendix B**

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### **Cardholder Agreement**

STATE PAYMENT CARD POLICIES AND PROCEDURES

State of Tennessee

State Payment Card Cardholder Agreement

I, \_\_\_\_\_, acknowledge that I have or will receive a State Payment Card issued by \_\_\_\_\_. As its sole cardholder, I agree to comply with the terms and conditions of this Agreement. I also acknowledge that I have attended a Cardholder/Approver training class and that I have received and read the Cardholder/Approver Manual applicable for my agency. I agree to accept the responsibilities set forth in the Cardholder/Approver Manual and adhere to all its policies and procedures.

- 1) I understand the card is only for official State business purchases only, and I agree not to charge personal purchases. I understand that my purchases are subject to review and/or audit.
2) Improper use of the State Payment Card can be considered misappropriation of State funds. This may result in disciplinary action including possible termination of employment.
3) If the card is lost or stolen, I will immediately notify \_\_\_\_\_ by telephone at \_\_\_\_\_. I will confirm the telephone call by mail, email or facsimile with notification to the Agency Coordinator.
4) I agree to surrender the card immediately upon termination of employment, whether for retirement, voluntary or involuntary reasons. I will safeguard the card with appropriate security until it is surrendered to the appropriate person with the State of Tennessee.
5) The card is issued in my name. I will not allow any other person to use the card. I am considered accountable for any and all charges against the card.
6) All charges will be billed directly to and paid directly by the State of Tennessee. Citibank cannot accept any monies from me directly.
7) As the card is State property, I understand that I am required to comply with internal control procedures designed to protect state assets. This may include being asked to produce the card to validate its existence and account number. I will also be required to produce receipts for all purchases I make with the card and maintain a transaction log of all purchases.
8) I will receive a monthly statement from \_\_\_\_\_ which will report all activity during the statement (cycle) period. I will reconcile the statement to the transaction log that I have maintained for that cycle.
9) I understand the State Payment Card is not provided to all employees. Assignment is based on my need to make purchases on behalf of the state that are to be used for official State business. My card may be revoked based on change of duties or location. I understand that the card is not an entitlement nor reflective of title or position and is assigned to me at the discretion of my agency's chief fiscal officer and F&A's Division of Accounts.
10) I understand and agree to repay the State of Tennessee for any charges that are determined to be improper. I further agree that these charges may be deducted from my paycheck under Tennessee Code Annotated 9-4-604 and 8-30-217. This repayment may be in addition to any disciplinary action taken by my agency. Improper usage includes, but is not limited to:
(a) Charges for personal usage, either on my behalf or on the behalf of someone else
(b) Allowing someone else to use the card assigned to me
(c) Charges incurred by the State for cards that are lost and stolen where I fail to follow procedures
(d) Charges that are in violation of the policies and procedures set forth in the State Payment Card Cardholder Manual

Cardholder Signature

Date

Agency Coordinator

Date

Agency Coordinator Use Only:

Card Distribution Information
Cardholder Allotment Code: \_\_\_\_\_
Date Card Given to Cardholder: \_\_\_\_\_
Date Card Activated by Cardholder: \_\_\_\_\_

Account Closure Information
Date Account Closed with Citibank: \_\_\_\_\_
Date Card Remnants Disposed: \_\_\_\_\_

## **Appendix C**

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### **Approver Agreement**

STATE PAYMENT CARD POLICIES AND PROCEDURES

**State of Tennessee  
State Payment Card  
Approver Agreement**

I, \_\_\_\_\_, acknowledge that I have been designated by my agency as an approver for \_\_\_\_\_ who is a State Payment Card Cardholder.

As an approver, I agree to comply with the terms and conditions of this Agreement. I also acknowledge that I have attended a Cardholder/Approver training class and that I have received and read the Cardholder/Approver Manual applicable to my agency. I agree to accept the responsibilities set forth in the Cardholder/Approver Manual and adhere to all its policies and procedures.

1. I understand that the card assigned to the above cardholder is for Official State business only and that it is my responsibility to review all purchases for compliance with the Cardholder/Approver Manual.
2. I understand that if I have any knowledge of improper use of the State Payment Card by the above cardholder I must report it to the Agency Coordinator. Failure to report such improper use may result in disciplinary action including possible termination of employment.
3. I understand that the cardholder may be liable for any charges that I have approved for payment that are determined to be improper. I further agree that these charges or a portion of these charges may be deducted from the cardholder's paycheck under Tennessee Code Annotated 9-4-604 & 8-30-217. This repayment may be in addition to any disciplinary action taken by my agency. Improper usage includes, but is not limited to:
  - a. Charges for personal usage, either on behalf of the cardholder or on the behalf of someone else
  - b. Allowing someone else to use the card other than the cardholder
  - c. Charges incurred by the State for cards that are lost and stolen where there has been a failure to follow procedures
  - d. Charges that are in violation of the policies and procedures set forth in the State Payment Card Cardholder/Approver Manual.
4. I understand that if I have any knowledge of fraud, waste or abuse conducted by the above cardholder I must report it immediately to my agency's designated contact so that it is reported to the Comptroller of the Treasury as required by Tennessee Code Annotated 8-19-501. Failure to report such fraudulent activity may result in disciplinary action including possible termination of employment.

\_\_\_\_\_  
Approver's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Agency Coordinator

\_\_\_\_\_  
Date

## **Appendix D**

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### **Merchant Category Codes Standard Statewide MCC Code Blocks**

## STATE PAYMENT CARD POLICIES AND PROCEDURES

**Merchant Category Codes  
Standard Statewide MCC Code Blocks**

3000-3299 Airlines	5972 Stamp and Coin Stores - Philatelic and Numismatic Supplies
3351-3441 Car Rental Agencies	5993 Cigar Stores and Stands
3501-3743 Hotels	6010 Financial Institutions (Manual Cash Disbursements)
3744-3799 Hotels, Convention Centers, and Casinos	6011 Financial Institutions (Automated Cash Disbursements)
4011 Railroads	6012 Financial Institutions (Merchandise and Services)
4111 Transportation - Local/Urban Commuter Passenger including Ferries	6050 Quasi Cash - Member Financial Institution
4112 Passenger Railways	6051 Non Financial Institutions (Foreign Currency, Money Orders (Not Wire Transfer and Travelers Cheques)
4121 Limousines and Taxicabs	6211 Security Brokers/Dealers
4131 Bus Lines, Including Charters and Tour Busses	6300 Insurance Sales and Underwriting
4411 Cruise Lines/Steamships	6381 Insurance Premiums
4457 Boat Rentals and Leases	6399 Insurance Carriers, Not Elsewhere Classified
4511 Air Carriers, Airlines	6531 Payment Service Providers – Money Transfer for a Purchase
4582 Airports, Airport Terminals and Flying Fields	6532 Payment Service Providers – Member Financial Inst. – Pymt Trans
4722 Travel Agencies	6533 Payment Service Providers - Merchant – Payment Transaction
4723 Package Tour Operators	6534 Money Transfer - Member Financial Institution
4761 Telemarketing of Travel Related Services and Vitamins	6535 Value Purchase- Member Financial Institution
4784 Bridge and Road Fees, Tolls	6760 Savings Bonds
4789 Transportation Services - Not Elsewhere Classified	7011 Lodging - Hotels, Motels, Resorts
4829 Money Orders - Wire Transfer	7012 Time Shares
5541 Service Stations (with or without Ancillary Services)	7273 Dating and Escort Services
5542 Fuel Dispensers, Automated	7297 Massage Parlors
5598 Snowmobile Dealers	7512 Automobile Rental Agency
5681 Furriers and Fur Shops	7523 Automobile Parking Lots and Garages
5811 Caterers	7524 Express Payment Service Merchants - Parking Lots and Garages
5812 Eating Places-Restaurants	7841 Video Tape Rental
5813 Bars, Cocktail Lounges, Discotheques, Nightclubs & Taverns - Drinking Places (Alcoholic)	7995 Betting Facilities
5814 Quick Payment Service - Fast Food Restaurants	9211 Court Costs including Child Support
5921 Package Stores, Beer, Wine and Liquor	9222 Fines
5931 Secondhand Stores, Used Merchandise	9223 Bail & Bond Payments
5932 Antique Shops	9311 Tax Payments
5933 Pawn Shops	9401 Food Stamps
5937 Antique Reproductions Stores	9751 U.K. Supermarkets, Electronic Hot File
5944 Jewelry	9752 U.K. Petrol Stations, Electronic Hot File
5962 Telemarketing, Travel Related Arrangement Services (excluding Travel Agencies)	

\*\*Since start of Citibank contract July 2006\*\*

## **Appendix E**

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### **Statewide Transaction Log**



**TRAVEL CARDHOLDER CORPORATE TRAVEL CARD AGREEMENT  
FOR INFORMATIONAL PURPOSES ONLY**

**CORPORATE TRAVEL CARD AGREEMENT  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF ACCOUNTS – OFFICE OF POLICY DEVELOPMENT  
312 8<sup>TH</sup> Avenue North, 13<sup>TH</sup> floor, Nashville Tennessee 37243**

Employee Name \_\_\_\_\_

Department/Division \_\_\_\_\_

The State of Tennessee corporate travel card is obtained through a contract between the Department of Finance & Administration and [REDACTED]. There is no annual fee for the card. This is a business travel card, not a credit card, and full payment is due each month. Use of the State of Tennessee corporate travel card is authorized for travel related expenses while on official state business and is prohibited for any other purpose. Travel charges for hotel/or motel, car rental, or restaurants may be placed on the card. Personal charges (such as department stores or car repair shops) will be denied.

Employees are personally responsible for all charges incurred on the card, and are responsible for seeking reimbursement in a timely manner to comply with billing procedures. The corporate travel card is a personal liability card and payment delinquencies may affect personal credit ratings; late fees are the responsibility of the cardholder.

Under the terms of the contract with the State, [REDACTED] reserves the right to revoke charge privileges and cancel a card at any time. A separate “cardholder agreement” mailed to each cardholder by [REDACTED] details dispute resolution and other card procedures.

At termination of employment cardholders should close the account and inform their manager the card has been destroyed. Lost or stolen cards should be reported *immediately* to [REDACTED].

I have read, understand, and agree to the rules for the State of Tennessee corporate travel card program.

\_\_\_\_\_  
Name Date

**SUPERVISOR’S APPROVAL:**

\_\_\_\_\_  
Name Date

*This form should be signed and submitted with the [REDACTED] travel card application.*



STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION

**REQUEST FOR PROPOSALS # 31701-05021  
AMENDMENT # 3  
FOR STATE PAYMENT CARDS AND CORPORATE  
TRAVEL CARDS**

**DATE: March 16, 2011**

**RFP # 31701-05021 IS AMENDED AS FOLLOWS:**

- 1. This RFP Schedule of Events updates and confirms scheduled RFP dates.**

	<b>EVENT</b>	<b>TIME</b>	<b>DATE</b>	<b>UPDATED / CONFIRMED</b>
1	State Issues RFP		January 20, 2011	Confirmed
2	Disability Accommodation Request Deadline	2:00 p.m.	January 25, 2011	Confirmed
3	Pre-proposal Conference	9:00 a.m.	January 26, 2011	Confirmed
4	Notice of Intent to Propose Deadline	2:00 p.m.	January 27, 2011	Confirmed
5	Written Comments Deadline	2:00 p.m.	February 1, 2011	Confirmed
6	State Responds to Written Comments		February 18, 2011	Confirmed
7	Proposal Deadline	2:00 p.m.	March 4, 2011	Confirmed
8	State Completes Technical Proposal Evaluations		March 14, 2011	Confirmed
9	State Opens Cost Proposals & Calculates Scores	2:00 p.m.	March 15, 2011	Confirmed
10	State Issues Evaluation Notice & Opens RFP Files for Public Inspection	2:00 p.m.	March 17, 2011	Updated
11	Contract Signing		March 29, 2011	Updated
12	Contract Signature Deadline		April 5, 2011	Updated
13	Contract Start Date		April 15, 2011	Confirmed