



December 4, 2014

On behalf of Pennsylvania Treasury, I would like to thank all those who attended the Pre-Proposal Conference for RFP 14-001 and submitted clarification questions prior to the Conference. Enclosed with this letter is Treasury's response to all questions submitted by interested parties. There were no questions submitted in writing to Treasury by participants at the conclusion of the Pre-Proposal Conference.

Please submit any additional clarification questions that you may have on the RFP to [rfp14-001@patreasury.gov](mailto:rfp14-001@patreasury.gov) by no later than 8:30 a.m. EST on Monday, December 15, 2014.

Sincerely,

A handwritten signature in black ink that reads 'Mark Lavelle'. The signature is written in a cursive style with a large, sweeping 'M' and 'L'.

Mark Lavelle

## RFP 14-001: Response to Clarification Questions submitted prior to the Pre-Proposal Conference

Question Number	RFP Page	Section	Question	Response
1		General	Will the selected Offeror have the opportunity to negotiate the requirements set forth in the RFP? If a selected offeror is unable to negotiate the RFP requirements, is that offeror free to decline the contract?	<p>The RFP attempts to make clear those requirements for which strict compliance with a specifically articulated standard carries consequence. In certain instances, failure to meet a requirement will result in an Offeror receiving zero points for that particular element of the RFP. In some instances, the RFP describes opportunities to propose alternatives that the Commonwealth may choose to accept in lieu of the stated requirement. With regard to Standard Terms and Conditions and Service Levels, Offerors may propose alternatives for Commonwealth consideration, but only so long as they first agree to meet the stated requirement. The Commonwealth will have sole discretion to determine whether a proposed alternative approach is acceptable. If it is not, the Offeror will be obligated through any resulting contract to meet the requirement.</p> <p>It is expected that any such sticking points will be capable of resolution in negotiations between a selected Offeror and the Commonwealth. If negotiations do not produce a mutually acceptable contract, an Offeror will not be compelled to proceed.</p>
2		General	If there are requirements in the RFP the Offeror would like to negotiate, beyond those set forth in Appendix A, may they submit exceptions and proposed alternative language to such requirements along with their proposal?	Please see previous response.
3	21	II-6 Objections and Additions	If the Offeror proposes changes/exceptions to the standard terms, or provisions it wishes to add, and the Issuing Office rejects the proposed changes, is a selected Offeror free to decline the contract?	Please see previous response.
4		General	Can the "Offerors" be two or more parties with one party being a prime contractor and others being sub-contractors?	Yes
5		General	What are current in-network ATM ratios by county?	Each Offeror will be evaluated based upon how its state in-network ATM distribution ratio, calculated by summing the distribution ratios of the in-network ATMs in each Pennsylvania county, compares to competing Offerors' distribution ratios. Offerors will not be evaluated based upon the distribution ratio of the current program.

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6	7	I-8 Pre-Proposal Conference	Will potential bidders be able to listen to the pre-proposal conference if they cannot attend in person? Is there a call-in number that can be used?	Treasury submitted call-in information for the Pre-Proposal Conference to all those on its contact list.
7	8	I-12 Proposals	Please clarify if Appendix B – Proposal Cover Sheet – should be included with each section of the proposal (technical submittal, cost submittal, and small diverse business participation submittal).	One of the ten paper Technical Submittals should include the original signed cover sheet. Each of the other nine Technical Submittals should include a copy of the signed cover sheet. There should additionally be ten Cost Submittals and Two Small Diverse Business Submittals.
8	8	I-12	We understand ten (10) paper copies of the Technical Submittal in a separate sealed shipping container and ten (10) paper copies of the Cost Submittal in a separate sealed shipping container, and two (2) paper [copies] of a Small Diverse Business participation submittal in a separate sealed shipping container. Does one of the paper copies need to be marked as an original or do you require one original plus the stated number of copies?	Please see previous response.
9	9	I-14 Small Diverse Business Information	Are prime contractors required to utilize a small diverse business in its proposal? Is there a specific percentage of the work that must be done by a business in that category?	An Offeror is not required to utilize a small diverse business in its proposal, nor is there a specific percentage of work that must be done by a business in that category. If an Offeror does not utilize a small diverse business in its proposal, it will be awarded zero (0) points for that submittal. The higher an Offeror's commitment to small diverse business, the more favorable its scoring for the submittal will be.
10	20	II-2. Prior Experience	The PA is also looking for details on past experience with similar products, we would be interested in understanding what would qualify? I.E. would only government disbursement cards qualify as a similar product or any other disbursement cards like campus disbursement cards also qualify?	Yes, programs involving other disbursement cards would be appropriate experience to cite. However, the more directly analogous of the cited experience to the requested Pennsylvania UC/SWIF/Unclaimed Property program, the more relevant Treasury will find the experience to be.

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11	22	EPC Administration #3	Offerors must be affiliated with either VISA or MasterCard and be Electronic Funds Transfer (EFT) capable using NACHA standards." We need to understand if Discover Network would also be accepted.	No, the Discover Network is not acceptable for this RFP.
12	24	8	Please define what you mean by a financial instrument in the amount of one million dollars from an independent financial institution. Are you looking for a performance bond or letter of credit?	Please see the second paragraph under number 8 on page 24, (II-7, A., 8.) that identifies acceptable financial instruments. It reads as follows: "Financial instruments that an Offeror may secure and provide to meet this requirement include an appropriate certified or bank (cashier's) check, letter of credit, or performance bond."
13	26	B. Confidentiality / Security, #4	Please clarify what cardholder information or cardholder account information requires an individual to execute a confidentiality agreement. Due the large number of our employees who could potentially come into contact with some portion of cardholder information, we are concerned about the exact number of individuals that would be required to sign such an agreement.	In lieu of requiring multiple copies of the confidentiality agreement executed by Offeror employees be attached to the RFP, Treasury is willing to allow each Offeror to explain the policies and procedures that it utilizes to ensure the confidentiality and security of all Cardholder information in the Offeror's possession that might be accessed by any of the Offeror's employees. The Offeror's descriptions of these policies and procedures should include a sample of the confidentiality agreement it requires employees with access to Cardholder data to sign as a condition of employment.

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Question Number	RFP Page	Section	Question	Response
14	38	Account Set-up/EPC Issuance/Payments #5	Please explain what is meant by “process 100% of eligible cardholder enrollments within four hours of receiving all necessary cardholder information”. Are you referring to card creation and mailing timeframe? Or, the timeframe to start and complete the cardholder CIP/identity verification process?	<p>This question needs to be unpacked in order to provide a relatively comprehensive answer.</p> <p>First, the cited four-hour time frame does not include the card creation and mailing step. We understand the enrollment process to be concluded when the file necessary to transmit a direction for a card to be stamped, and then mailed, is complete and capable of being transmitted to the card creation/ mailing entity.</p> <p>As for the CIP/identity process: from our perspective, the CIP/identity process would be a component of the enrollment process, and the total time for all parts of that process would be no longer than four hours.</p> <p>But we need to rely upon the potential contractors for a clear understanding of how this actually works in practice. Each Offeror needs to describe how its CIP/identity verification is performed, and whether it is necessarily external to – and independent of – the enrollment process.</p> <p>If it is, then an Offeror needs to describe the additional time period required for that preliminary step to be completed before the enrollment process itself commences. In any event, the enrollment process as described here should not exceed four hours. If the identity verification effort requires the total time to be extended beyond four hours, you will need to provide us with the total time frame to the point that the file is capable of being transmitted for card creation as described above. We will score responses to this based on four hours being our requested service level. The Offerors that perform this enrollment function – including the identity verification component – in the shortest period of time will receive the most points.</p>
15	43	H: Customer Service, 1. Marketing/Training Materials, b):	The Treasury requires that the Offeror shall include in its response a guest user ID and password to its Cardholder website. Similar to the Reporting site requirement (Page 52, L. Reporting, Auditing and Program Management, 3), for security purposes, will you allow screen shots as an alternative to providing a guest User ID?	Treasury strongly prefers that Offerors set up a guest user ID and password as described in order to better evaluate the Cardholder website and Reporting functionality. Availability of guest user ID and password for a specified time for scoring is adequate. If because of system limitations, security, or some other reason a guest user ID and password cannot be provided Treasury will reluctantly accept screen shots as long as they thoroughly represent the cardholder and end-user experience.

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Question Number	RFP Page	Section	Question	Response
16	52	Inclusion of Addition Programs, #5	How withdrawals or purchases on the EPC card would be allocated to the payments from different programs". Is it the State's intent to issue a single EPC card that accepts payments from several state agencies? Can you expand on what the State's requirements are for segmenting out the cardholder transactions by program type?	Treasury has not determined if it will issue a single card that would accept payments or transactions from multiple state agencies. Treasury has no requirements at this time for segmenting cardholder transactions by program type. The purpose of the question is to obtain a narrative analysis of the effectiveness of single card platforms and any experience the Offeror has in single card management.
17	60	II-9 Cost Submittal	Is there a cost worksheet or form that should be completed as part of the Cost Submittal, or is the submittal a response to each of the statements listed on pages 61-63 of the RFP?	There is not a cost worksheet or form that should be completed as part of the Cost Submittal. A narrative response to each statement listed on pages 61-63 of the RFP is sufficient. An Offeror may submit a fee schedule that it proposes to provide to Cardholders in its Cost Submittal.
18	61	Letter E: Out of Network ATM Transactions	Why is the Commonwealth seeking to increase the number of free out-of-network transactions in the current program from two (2) free to four (4) free per month? What is current monthly average % of Out of Network ATM transactions that incur a fee? This is listed as a "shall provide" requirement, so does the #1 position in the scoring methodology mean that bidders could be disqualified if they cannot bid the minimum requirement? Will the State provide more specific detail on their scoring methodology and how many points are possible for each criteria being assessed?	Treasury is always looking to improve the program. Four (4) free out-of-network ATM transactions per month equates to approximately one free transaction per week for those cardholders not in close proximity to in-network machines. The monthly average percentage of Out-of-Network withdrawals that incurred a fee during the 12-month reporting period cited in the RFP (August 2013 through July 2014) is approximately 35.6% (keeping in mind that virtually 100% of Out-of-Network ATM withdrawals could have a Surcharge imposed by the ATM owner). A vendor will not be disqualified for not providing the minimum number of free transactions or services, but it will be awarded zero points for the particular transaction or service. Treasury does not disclose the specifics of its scoring convention.
19	63	II.9 W.	Can you please provide the number and total transaction amount for international POS for PIN and signature? This information is not included on Table IV-2.5.	International transactions comprise a small percentage of transactions in the Pennsylvania program. The data most readily at Treasury's disposal show that international ATM transactions are approximately 0.14% of ATM transactions conducted during the period cited in the RFP (August 2013 through July 2014). Treasury does not have readily available data on international POS transactions; however, an alternative report shows that, during this period, only 3,375 transactions totaling \$281,663 had a currency conversion fee associated with them.

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20	64	III-4 Evaluation Criteria	Can the 11 criteria be assigned a point value for evaluation? There is mention in several places throughout the RFP about approved depositories, and Treasury banking preferences. It would be helpful to know the weight tied to that preference.	Treasury does not disclose the specifics of its scoring convention. The use of Treasury depositories is not a requirement and is not a significant factor in evaluation; however, the use of Treasury depositories could provide an Offeror an advantage in the event that two proposals otherwise have similar scores.
21	65	III-4 Evaluation Criteria, #5	With which existing Treasury systems would the Offeror need to integrate?	The integration with Treasury's existing systems referred to III-4, 5., relates to the requirements of certain data elements, format, transfer protocols, etc., on specific schedules described in sections II-7, E., 3, and II-7., E., 18. These requirements are subject to limited modification at Treasury's discretion but must be accepted by Offerors.
22	69-71	IV-2. Nature and Scope of the Project. Tables IV-2.1 – IV-2.4	How many new claimant EPC cards have been added each year for the past 3 years?	Treasury has authorized Chase to issue approximately 710,700 cards from February 2013 through November 2014, including cards issued related to the conversion from the prior vendor. For the past 12 months Treasury has authorized Chase to issue approximately 422,700 cards.
23	69-70	IV-2. Nature and Scope of the Project.	Can Table IV-2.1 and Table IV-2.3 be broken out to show only the EPC (prepaid card) data?	Please refer to the narrative preceding the table, starting with IV-2 and particularly the percentages of payment method in the third paragraph to determine breakout of data related to the EPC card. The RFP reports that 38.27% of UC payments, and less than 1% of SWIF payments, were made by EPC.
24	71	IV-2. Nature and Scope of the Project.	Can Table IV-2.5 be broken out by program? (UC, SWIF)	Please refer to the narrative on page 70, second paragraph, that describes the percentage of SWIF payments using EPC along with the data in the subsequent tables to determine the total of SWIF payments, the dollar amount of payments, and the number of transactions. Offerors can get a close approximation by using the percentages of card usage by program provided in the answer above and in the RFP.
25	71	Cardholder Behavior TABLE IV-2.5	Can you clarify the actual number of in network and out of network withdrawals per month during the reporting period in the RFP?	Table IV-2.5 in the RFP reports that during the 12-month period occurring between August 2013 and July 2014, 1,469,886 In-Network ATM withdrawals occurred, 1,543,737 Out-of-Network ATM withdrawals occurred, and 4,350 International ATM withdrawals occurred. An Offeror could simply divide each number by 12 to get a monthly average, and/or divide by the number of active cardholders reported in the RFP to get an approximation of average cardholder usage.

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26	71	IV-2. Nature and Scope of the Project. Table IV-2.5	What is the current percentage of international transactions?	International transactions comprise a small percentage of transactions in the Pennsylvania program. The data most readily at Treasury's disposal show that international ATM transactions are approximately 0.14% of ATM transactions conducted during the 12-month period cited in the RFP (August 2013 through July 2014). Treasury does not have readily available data on international POS transactions; however, an alternative report shows that, during this period, only 3,375 international transactions totaling \$281,663 had a currency conversion fee associated with them.
27	95	10	The Contractor shall cooperate fully with an annual audit conducted by the Treasury Department and any additional audits as Treasury determines necessary. The Contractor will provide the Treasury Department with copies of any audits conducted by an independent entity or other state utilizing the Wagers system. We are not familiar with the Wagers system. Please provide additional information.	The "Wagers system" is the main database for Treasury's Bureau of Unclaimed Property's program. It's used by approximately 40 states to book and reconcile incoming remittances, owner information, and property information from companies and holders, along with affording the state with the capability to pay claims and track reporting history. Here, Treasury is asking that the vendor fully complies with all audit requests from Treasury and shares any prior Final audit reports that it may have engaged in with another entity or state that also uses the Wagers database. Information shared would only be deemed public; i.e., Treasury is not requesting the release of any audit work papers or confidential information.
28	100	Appendix C	Is the Sample Confidentiality Agreement included in the RFP as a reference document only, and does not need to be signed and returned with the submittal?	Treasury is particularly interested in each Offeror explaining the policies and procedures that it utilizes to ensure the confidentiality and security of all Cardholder information in the Offeror's possession that might be accessed by the Offeror's employees. The Offeror's descriptions of these policies and procedures should include a sample of the confidentiality agreement it requires employees with access to Cardholder data to sign as a condition of employment.
29	102	Appendix E	Does the In-Network Summary need to be returned with the submittal? If so, where should it be included?	The In-Network summary should be included as an appendix to the Technical Submittal and provided in the form of a Microsoft Excel spreadsheet in the electronic version of the proposal.