Bank of America:
1. How many Convenience checks are being used today? Please provide a total dollar amount if available?

   The Oklahoma State Treasurer’s office did not track this information.

   What, if any, issues have users had with writing checks? (Section 4, 4.04 Page 20 - Checks)
   • Location of institutions to cash the convenience checks
   • Tellers not educated in the process of cashing the convenience checks

2. The OST provides examples of additional debit card services needed for personal income tax for the OTC, Unclaimed Property and Department of Corrections. Similar to the payroll card demographics provided, will the OST please provide card program demographics for these programs and any other known additional programs required? Please at minimum include per program – number of cards, total dollars disbursed, average net payment and frequency of payment to card. (Section One, 1.02 Purpose, Page 5 - Additional Debit Card Services)

   The Oklahoma Tax Commission, Unclaimed Property Division of the State Treasurer’s office or the Department of Corrections does not currently provide debit cards to their taxpayers (OTC), claimants (UP) or offenders (DOC). Since these state agencies have never utilized a debit card product, there are no volume numbers to provide regarding number of cards, total dollars disbursed, average net payment or frequency of payment to card.

3. Do we need to include Appendix B in the response? If so, should it be placed behind the Payroll Card section? (Appendix B, Page 37-38 - Payroll Card requirements)

   YES

4. The OST is defining a “non-receipt” card by not being “activated” within seven (7) business days; however, a card may indeed be fully received and just not activated until a taxpayer intends to use their tax refund payments (this can at times be much later than seven (7 business days). No one can control the actual activation date, even if card is in hand. Will the OST consider changing their definition of “non-receipt?” (Appendix B, p35/ Appendix C, p37 - Card Replacement)
YES, non-receipt means the following:
Appendix B – Payroll Card Requirements – “non-receipt” refers to a state employee not receiving their payroll card because it may have been lost in the mail, delivered to the wrong address or etc. State employees depend on their salary or wages to meet their financial obligations, and we expect them to be able to access their funds immediately.

Appendix C – Debit Card Requirements – “non-receipt” refers to a recipient not receiving their debit card because it may have been lost in the mail, delivered to the wrong address or etc. OST expects expedited delivery for these kinds of replacements.

5. Do we need to include Appendix C in the response? If so, should it be placed behind the Debit Card section? (Appendix C, Pages 39-40 - Debit Card Requirements)

YES

ACS:
1. Would the State be willing to revise this requirement to include the following language: “Notwithstanding any other provision, Contractor will retain exclusive ownership of its pre-existing intellectual property used in the performance of this agreement; provided that such property is identified to the State of Oklahoma in advance.” (2.11 Ownership, p. 14)

OST will allow Contractor to retain exclusive ownership of its pre-existing intellectual property used in the performance of this agreement, identified to the State of Oklahoma, in advance of contract. Any data, forms, procedures, software, manuals, system descriptions and work flows developed or accumulated by the contractor specifically to perform under this contract, however, shall be owned by OST. Any such data, forms,
procedures, software, manuals, system descriptions and work flows described above which are dependent on said pre-existing intellectual property will require that vendor shall license to OST said pre-existing intellectual property on an ongoing and indefinite basis at no additional cost other than the contracted price.

2. Would the State be willing to revise the Contracts section to specify mutually agreeable acceptance criteria for deliverables produced under the proposed contract? (Section 2 Basic Contract Terms, p. 11)

No. OST seeks specificity as to the contract terms and price in the RFP, the resulting contract and potential contract renewals for Debit Card Services. OST, therefore, declines to modify the contract terms for issuance and/or renewal to indicate that the parties contract under “mutually agreeable acceptance criteria for deliverables produced.”

3. The bulleted requirements in this list start with the letter (e). Is this a typo or are there other requirements that should be included? (5.07.7, p. 28)

No. There are no other requirements that should be included, this is a typo.

4. Should the question for 5.08 Funding be numbered 5.08.1 (instead of 5.08)? (5.08, p.28)

YES

5. Will OST please provide the same check issuance statistics for unclaimed property as for the tax commission? (Section 8 Appendices, p. 35; Appendix I Oklahoma Tax Commission Check Statistics, p. 50)

See attached information – Unclaimed Property Division, Check Issue Statistics

6. Will the OST please verify that Item D Customer Service refers to a Customer Service Representative? (4.09.8, pg 22, d)

Yes, this refers to Customer Service Representative
7. This requirement is exactly the same as 4.11.8. Since this section deals with payees and not employees receiving payroll, should the requirement be revised to change "employee information" to "payee information"? (5.13.8, p. 30)

**YES**

8. Would OST consider capping the Contractor’s total liability under the contract at a level consistent with industry standards and reasonable apportionment of risk on projects of similar size and complexity?

**No.** In accordance with the principles articulated in Wyatt-Doyle & Butler Engineers v. City of Eufaula, 13 P.3d 474 (Okla. 2000), Article X, Section 26 (and by extension, Article X, Section 23) of the Oklahoma Constitution prohibits limitation of liability clauses in all state contracts, whether for goods or services, unless at the time the contract is executed funds have been appropriated and encumbered to pay for any contingent liability which might arise. Further, a limitation of liability clause which creates an unfunded contingent liability is void as against public policy. 2006 OK AG 11. See also, 2001 OK AG 2.

9. It is customary in contracts of this nature to have a limitation of liability clause to help ensure that the overall risks of the project are reasonably apportioned. Would OST consider allowing, as part of the liability provisions of the contract, a mutual exclusion of indirect and consequential damages for the benefit of both parties? (2.17, p. 15)

**No. See Answer to Item 8, above.**

10. In order to allow the Contractor to determine the appropriate levels of insurance coverage, will OST provide a list of “State property” that is anticipated to come under “Contractor’s custody and control” during the term of the contract? (2.17, p. 15)

**OST anticipates that state property coming under the Contractor’s custody and control will primarily include but shall to be limited to access to data, records and state computer systems. Contractor should discuss with its legal counsel and insurer what commercial policy limits are available, standard and/or advisable with regard to protecting Contractor for errors, omissions and/or fault in providing services of this nature to a state entity.**
11. Will the State please clarify which programs in the RFP are single-issue, reloadable and which are instant issue? (4.0, p. 20; 5.0, p. 26)

- **Oklahoma Tax Commission – Single Use Debit Card**
- **Unclaimed Property – Single Use Debit Card**
- **Dept. of Corrections – Reloadable Debit Card and Instant Issue**
- **Payroll Card – Reloadable Debit Card**

12. Would the State please provide the current cardholder fee schedule for the current payroll cardholders and any fees charged by the contractor to the State? (Appendix G)

**There are currently no fees charged by the contractor to the state. We have listed below the current fees to the payroll cardholder.**

**Cardholder Fee Structure**

- **Signature Debit Transaction Free**
- **Inquiries VRU Phone (Voice) Free**
- **Monthly Internet Statement Free**
- **Bank Withdrawal (Cash Advance) $5.00**
- **Lost / Stolen Card Replacement $6.00**
- **Insufficient Funds Charge $10.00**
- **ATM Transactions $1.25***
- **PIN-Debit POS Transaction $0.45***
- **ATM Balance Inquiry $1.25***
- **Transcheck $0.50***
- **Paper Monthly Statement $2.50**
- **$1 Free Transaction per deposit**
- **$2.50 for Paper Statements, No charge for first 6 months of program**

**Daily Limits**

- **ATM Daily Withdrawal Limit $400**
- **POS Daily Transaction Limit $600**
- **Transcheck Limit Maximum of Account Balance**

**Operator Assisted Fees**

- **Balance Inquiry $1.00**
- **Account Research $10.00 per hour**
JP Morgan Chase:
1. Section 1 should contain the executive summary, section 2 should include the completed pricing schedule and non-collusion affidavit, and Sections 3 through 6 should correspond to those sections of this RFP. Section 6 provides Payroll Card Demographics and does not appear to require a response. Can the State please explain what information it is expecting the bidder to provide in Section 6 of its proposal? (1.05, pg #6)

Responses should correspond with Sections 3 – 5 of this RFP. There are no expectations for Section 6, the Payroll Card Demographics were provided to vendors so that you would have sufficient information to prepare and submit a proposal.

2. Customer Service Is the State referencing customer service for State staff or State employees/clients, or both? (4.12 & 5.14 pg #24 and 31)

In section 4.12, this customer service refers to what type of service will be provided to State Staff. In section 5.14, this refers to customer service that will be provided to employees/clients.

3. Payroll Card Requirements - These appear to require a response from the bidder. Can the State confirm whether this is correct and, if so, provide instruction to the bidder on where to provide the response? (Appendix B pg #37)

Please provide responses directly under the following requirement.
Under “Issuance”, the following question should be answered:
Contractor shall indicate the time frame from the receipt of the card request to the issuance (process time) and card delivery.

Under “Card Replacement”, the following questions should be answered:
Contractor must describe the procedures for expediting a replacement card at the request of the State Treasurer’s office or state employee.
Describe any limitations or features for expediting Payroll Cards (e.g. P.O. Boxes, cut-off times, Saturday delivery, etc).
Debit Card Program Requirement - These appear to require a response from the bidder. Can the State confirm whether this is correct and, if so, provide instruction to the bidder on where to provide the response? (Appendix C pg #39)

Under “Issuance” and the second is under “Card Replacement” both located on page 39. All vendors should respond to the last sentence in each of the perspective paragraphs. You can submit your response on the Requirement page where the question is listed.

Citi:
1. In order to provide all bidders with a level playing field of data and information so that we may provide a competitive price proposal to OST, would you please provide us with the following breakdown of spend utilization (by percent or $) of funds that are loaded to the current payroll cards?
   a. POS spend – by both PIN POS spend and signature POS Spend
   b. ATM spend
   c. Funds that are transferred to a bank account
   d. Any usage at Visa/MasterCard member banks where the card can be used to make cash withdrawals

The Oklahoma State Treasurer’s office did not track this information.

2. 1.02 – “OST is also seeking Debit Card Services that will allow state agencies to provide their customers with the single load debit card, reloadable debit card, or instant issue card and will be utilized for other payments such as personal income tax refunds for the Oklahoma Tax Commission (OTC), Unclaimed Property claims and Department of Corrections work release programs and permanent inmate release payments. The OTC is seeking to begin issuing debit cards as another means of disbursing tax refunds by January 2012. Bidders are invited to submit bids for one or more of the card services.”

Does an award by OST for Debit Card Services provide that bidder becomes the exclusive provider of such services to State agencies?

OST will work to extend these services to as many state agencies as possible to meet their requirements for delivering electronic payments. We currently have some state agencies in existing contracts for Debit Card Services, because of their unique business operations; they have statutory authority to seek certain services outside of the State Treasurer’s purview.
Is there a commitment by the respective agencies identified here (OTC, DOC, Unclaimed Property) to mandate debit cards over checks for the contemplated programs?

These agencies are committed to eliminating the cost of issuing and processing paper checks and the need to provide alternative electronic payments to taxpayers, claimants and offenders. HB 1086 has mandated "all" payments disbursed from OST shall be through an electronic payment; this RFP will result in an alternative electronic payment channel that state agencies can utilize.

Have any of the programs contemplated here previously utilized debit cards?

NO

3. 2.01 – “The anticipated term of this contract is for a one (1) year period with four (4) additional one (1) year renewal periods under the same terms and conditions. Renewal periods are at the option of OST.”

Will the OTS consider a longer initial contract period to allow for engagement, implementation and adoption of the card programs with respective agencies?

No. All Oklahoma State Treasurer contracts are setup to be for a one (1) year period with four (4) additional one (1) year renewal periods.

4. Oklahoma’s unclaimed property law requires certain abandoned property to be reported to the State Treasurer’s office. As custodian of the state’s unclaimed property, it is the State Treasurer’s duty to return abandoned property to its rightful owners. During FY2011 OST’s Unclaimed Property Division issued 12,150 paper checks returning $15.8 million to its rightful owners. OST’s Unclaimed Property Division would like to consider disbursing payments to non-business owners with a debit card.

Are other payment methods utilized for return of property to rightful owners (i.e. Direct Deposit)? If so, how many payments were completed via direct deposit? How does the owner make a selection of payment method?

No, currently all payments to claimants are paid by warrant.

5. Oklahoma’s Department of Corrections (DOC) includes Correctional Centers, Community Corrections Centers, Community Work Centers, Halfway Houses, and Private Prisons located throughout the State, consequently their debit card must be accepted at a wide range of geographic locations. All of these facilities may provide weekly cash draws, discharge
checks, or work release program payments that will allow an offender to receive pay from an employer. DOC wants to eliminate the number of checks issued and the handling of cash by moving to a debit card solution.

Does this program contemplate that card inventory must be available at all locations identified in Appendix J?

The Department of Corrections has selected the following locations to store card inventory:

- Female Offenders Community Corrections (Hillside Okla. City) Host
- Northwest District CC (Enid) Host
- Oklahoma County/Residential Services (Clara Waters Okla. City) Host
- Southeast District CC (McAlester) Host
- Southwest District CC (Lawton) Host
- Tulsa Co. CC (Tulsa) Host
- Union City CCC (Union City) Host

6. During 2010 there were approximately 85,000 cash draws issued to inmates, totaling $2.86 million dollars. DOC issued 9,500 checks totaling $3.29 million to offenders that were discharged from a correctional facility. Please see Appendix J that provides a listing of the Community Correction Centers, Half Way Houses and Community Work Centers, and note that this list does not include the prisons. DOC has a complete list of correctional facilities including prisons listed on their website at www.doc.state.ok.us and click on the Facilities tab.

Can OTS further define the “cash Draw” disbursements?

The Dept of Corrections allows community level offenders to receive cash up to $75.00/per week from their trust accounts to spend at vending machines on the facility and purchase items from DOC’s canteen.

Can you provide data on disbursements per facility?

See attached information – DOC Disbursements by Facility and a Summary of Cash Draws and Discharges.
7. 5.07.1 – DOC is interested in the process and timing of modifying, adding and/or restricting Merchant Category Code (MCC) access. Detail your process and the procedures to enforce MCC codes upon card activation. Can OTS/DOC provide additional detail regarding the intent for restrictions? Would they apply to all payment types?

Currently DOC has identified a maximum dollar amount of $75.00 for their offenders who will receive cash draws. This restriction will only apply to offenders who are allowed to have cash draws.

**EXAMPLE:** If the Offender has $25.00 balance from their last draw still on the card and requests another $75.00, the system needs to only allow $50.00 to be placed on the card.

8. 5.15.1 – Provide a detailed description of the implementation process, including testing and a suggested implementation schedule. The Implementation Schedule must outline the milestone dates to accomplish the deployment of issuing debit cards for taxpayers, debit cards for unclaimed property and DOC offenders. This should include detailed tasks, dates and resources assigned and identified for each milestone.

Can OTS provide target dates for the start of implementation for the 3 identified agencies?

No. However we do expect the following:

**Oklahoma Tax Commission** – Start of implementation will begin immediately upon award of RFP. OTC is seeking to begin issuing debit cards as another means of disbursing personal income tax refunds by January 2012.

**Unclaimed Property** – TBD

**Department of Corrections** – TBD

9. Appendix B - Card Replacement – OST states “In the event of non-receipt (defined as the Payroll Card not being activated within seven (7) business days of mailing or when the cardholder calls the Customer Service/Card Issuer), Contractor’s procedures must provide for expedited delivery of a replacement card at no cost to the state employee. Expedited delivery means next day delivery.”

Industry standards for replacement card creation, shipping and delivery are 48-72 hours. Please clarify the “next day” requirement in light of industry standards.

**OST concern is for Payroll Card recipients being able to have immediate access to their salary and wages that are earned.** If industry standards for replacement card creation, shipping and delivery are 48 – 72 hours, then we would like for the Vendor to provide alternatives for how the employee will have immediate access to their salary and wages.
10. Appendix C - **Card Replacement**: Contractor must describe the procedures when cardholders report non-receipt of their initial or replacement Debit Card. In the event of non-receipt (defined as the Debit Card not being activated within seven (7) business days of mailing or when the cardholder calls the Customer Service/Card Issuer), Contractor’s procedures must provide for expedited delivery of a replacement card at no cost to the recipient. Expedited delivery means next day delivery.

The industry standard for instant issue card programs does not typically include expedited replacement cards at no cost to the recipient. Also, the financial model for a single load card may not allow for such costs to be absorbed at the bidder’s expense. Given that various debit card program types may be fundamentally different than the recurring payments associated with Payroll (section 4), is the OST flexible with this requirement as it relates to General Debit Card Services?

**OST can be flexible with this requirement regarding the instant issue cards, but we will need for the requirements on the Single Load Cards to remain as indicated.**

11. Appendix H - Appendix H provides the average deposit for employees receiving direct deposit, payroll card and checks.

Please provide the average deposit for employees receiving pay via paper check or payroll card only (excluding employees receiving pay via direct deposit from the calculation).

**The average deposit for employees receiving paper checks has been added to our Revised Appendix H spreadsheet in column J.**

Does OST currently have the ability to provide employees with access to pay advices online?

**Yes. Online pay advices are provided to state employees via the Office of State Finance.**

**HR Block:**

1. Outside the programs specifically mentioned in the RFP, will the Contractor have the ability to evaluate programs or opt out of specific programs? (page 26, 2nd paragraph)

**NO.**
2. Is the state mandating that all tax refunds go to mandatory direct deposit in 2012? If no, please provide schedule of rollout. (page 26, 3rd paragraph)

   HB 1086 has mandated "all" payments disbursed from OST shall be through an electronic payment"; this RFP will result in an alternative electronic payment channel that state agencies can utilize.

3. For Unclaimed Property disbursements, is it expected that claimants will be issued a single load debit card?

   YES

   Is the State collecting full CIP on claimants? (page 26, 5th paragraph)

   OST anticipates that a majority of unclaimed property claimants will be issued a single load debit card. OST does not believe it is a financial institution subject to the Customer Identification Program for Financial Transactions ("CIP"). OST verifies claimant identity pursuant to Oklahoma law.

4. Do you have a specific position on consumer fees schedule? If yes, what fees are allowable and which are not?

   No

5. Are you expecting the tax refund card to be a single use card?

   YES

6. Will the Contractor be allowed to provide other common related financial services to debit cardholders?

   The Oklahoma State Treasurer’s office does not want to discourage any additional services that can be provided to our cardholders, however if the related financial services consists of “upgrades” to state employees payroll card, the State Treasurer’s office will not be responsible for collecting information for customer identification programs. Nor will such services be provided pursuant to the scope of the contract awarded subsequent to this RFP.
Skylight Financial:

1. 1.02: What entities are the “other authorized users for payroll card services” referenced in this section?

   Authorized User refers to State Agencies and political subdivisions of the state with statutory authority to participate in contracts with the State Treasurer.

2. 1.04: Would the State of Oklahoma accept a Proposal that was irrevocable for a period of 6 months unless a change in applicable law following the date of the Proposal but prior to the end of such 6 month period caused the Proposer to need to revoke a portion of such Proposal?

   No. OST seeks specificity as to the contract terms and price in the RFP, the resulting contract and potential contract renewals for Debit Card Services. OST, therefore, declines to modify the contract terms for issuance and/or renewal to indicate that the parties contract under “mutually agreeable acceptance criteria for deliverables produced.”

   Sent to AG’s office.

3. 2.08 What is the legal effect of a “termination in the best interest of OST” under Oklahoma law?

   The reclassification of a “termination for cause” to a “termination in the best interest of OST” would result in the following: the pro-rated payment by OST to contractor for that portion of the contract period for which services were provided to and accepted by OST prior to termination would not be subject to offset for damages. (Similar to a termination for convenience of OST.) OST would, however, retain its right to collect damages against any appropriate third party, including an insurer of Contractor under appropriate circumstances (e.g., loss of property due to act of God) pursuant to Section 2.17 of the RFP.

4. 2.14 What entity is the “the firm”?

   “The firm refers to the organization of the Vendor who will be responding to this RFP”.
Central Bank:

1. Would the state consider a longer initial term, longer than 1 year? There is considerable cost and effort that must be put into rolling out this type of program and to do that for a possible 1 year program is not financially advantageous.

   **No. All Oklahoma State Treasurer contracts are setup to be for a one (1) year period with four (4) additional one (1) year renewal periods.**

2. Can the state provide the number of monthly or annual pay periods for each of the entities listed in Appendix H?

   **Yes. Column K has been added to the Revised Appendix H spreadsheet to indicate the number of monthly or annual pay periods for each of the entities that are listed.**

3. Will existing employees, currently receiving a paycheck, be required to go to direct deposit, or will the state continue to pay these individuals via check?

   **Oklahoma law (74 O.S. 292.12) requires that all new state employees use direct deposit to receive their pay. All current state employees are required to use direct deposit by June 30, 2007. Employees who are unable to have an account at a financial institution to receive their pay can use the Oklahoma PayCard. Certain exemptions for direct deposit will allow an employer to waive participation, such as temporary, seasonal or student employees.**

4. What is the projected or average number of new employees, for all of the entities listed in Appendix H, per year?

   **The Oklahoma State Treasurer’s office does not track this information.**

5. Might the state add child support, unemployment compensation or other types of benefits/state payments to these cards in the future?

   **It is unknown at this time.**