

SOLICITATION ADDENDUM

Date: **3-19-15**
Subject: **Electronic Funds Transfer**
Solicitation Number: **RFP #14-IGWF-93**
Due Date/Time: **4-15-15/2:00PM**
Addendum Number: **2**

To All Suppliers:

The Commonwealth of Pennsylvania defines a solicitation “Addendum” as an addition to or amendment of the original terms, conditions, specifications, or instructions of a procurement solicitation (e.g., Invitation for Bids or Request for Proposals).

List any and all changes:

Final Revised Appendix C - Cost Proposal Sheet
Questions and Answers (35 through 40)

Type of Solicitation: Hard Copy (Paper) Bid - If you have already submitted a response to the original solicitation, you may either submit a new response, or return this Addendum with a statement that your original response remains firm, by the due date.

Except as clarified and amended by this Addendum, the terms, conditions, specifications, and instructions of the solicitation and any previous solicitation addenda, remain as originally written.

Respectfully,

Name: Russ Ilgenfritz
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RFP #14-IGWF-93
Electronic Funds Transfer

Questions and Answers
(35 through 40)

35. On Appendix C, the form allows you to add in a fractional percentage for commission. That fractional percentage then rounds either up or down to the next nearest percentage and misrepresents the actual bid number. As an example, you can enter 0.53% and the sheet shows 1%, you can enter 0.46% and the sheet shows 0%, you can enter 2.53% and it shows 3%, etc. We respectfully request that the cell that contains the percentage be fixed so that it shows the fractional percentage and does not round.
See Addendum 2, Final Revised - Appendix C - Cost Proposal Sheet.
36. Respectfully we believe that the term “Gross Revenue” has conflicting definitions in the RFP and Appendix C. In the RFP on page 34, IV-8.b the state says “Offeror’s commission to be paid to PADOCC shall be computed as a percentage of the total gross revenue generated by the application of the approved transactions for every completed money transfer. The Offeror’s proposed commission percentage shall be presented Appendix C, Cost Proposal.” In Appendix C, the formulas along with the wording, indicate that total gross revenue is encompassing of the actual amount of the deposit, before fee, that will simply be passed to the inmate. Several questions have arisen regarding this conflict:
- a. Based on the answers provided previously, is the following example the correct interpretation of the intent of the requirement where we deduct the commission from the transmitted portion of the deposit in addition to the fee charged for the service? For example, a consumer decides that they wish to deposit \$100.00 to an inmate, the winning vendor charges \$3.00 for the deposit fee and the state is to receive a 25% commission. In this example, we transmit \$75.00 to the inmate (\$100.00 less 25% commission) and pay the state \$25.75 (comprised of \$25.00 from the \$100 deposit and \$0.75 from the fee). **Based on your example the inmate will receive in his/her account the total deposit of \$100. The commission will be based on the total amount of the transaction.**

- b. If this is not an acceptable solution, then please confirm that the PA DOC only expects a commission on the Gross Revenue which is defined originally as **ONLY** the fee portion of the total transaction. Otherwise the vendor will be in a situation, numerous times, where the commission paid will outweigh the money retained. **See Section IV-8 letter B in the RFP for information regarding the commission structure.**

- c. If neither a or b are correct interpretations of the requirements of the RFP, please provide us with an example of the correct interpretation of the RFP using the following variables
 - i. Deposit amount \$100.00
 - ii. Fee amount \$3.00
 - iii. Commission 25%

See the answer to Question 36 (b). The PADOc will not provide an example of how Offeror's should calculate their commission.

- 37.** Is the annual # of transactions listed on the Cost Proposal for each deposit range based on actual transaction data? **Yes.**
- a. If not, can the Commonwealth please provide the current # of annual transactions for each deposit range listed on the Cost Proposal?
Does not apply.
- 38.** The EFT Transaction numbers provided just lists the number of transactions made via credit card but does not provide the breakdown between phone and web transactions.
- a. Can the Commonwealth please provide how many monthly transactions are made via telephone? **The PADOc only has credit card transactional data. It is not broken down by phone/internet transactions. Please see Addendum 1 for transactional data.**
 - b. Can the Commonwealth please provide how many monthly transactions are made via internet? **See the answer to 38 (a).**

39. The Cost Proposal lists a range of \$0.00-\$5,000 for sending cash.
- a. Is it a requirement to allow cash transactions up to the \$5,000 limit or can the Offeror have a different limit? **The Offeror can have a different limit.**
 - b. If an Offeror provides multiple walk-in cash providers, should the Offeror list the lowest of the two fees? **The Offeror shall provide one (1) rate for this option. It's up to the Offeror to decide which rate to use.**
40. Since there is to be no cost to PA DOC or the senders for Money Order Lockbox Service, does that also mean that the Commonwealth will also not receive a commission on these free transactions?
No, the PADOE will receive a commission on a total gross revenue. The funds collected from sending the money orders would be included regardless if the option is free or not.