



## Office of the State Treasurer

June 14, 2011

On behalf of the Georgia Department of Administrative Services (DOAS) and the State Accounting Office (SAO), the Office of the State Treasurer (OST) is requesting stored value card services from financial banking institutions. We invite your firm to submit a proposal to us by **July 28, 2011**, for consideration. A description of DOAS, the services needed, and other pertinent information follow:

### **Background of Georgia Law**

O.C.S.G. 50-17-51(c) The State Depository Board (hereinafter, "board") shall prescribe cash management policies and procedures and state agencies shall employ the cash management policies and procedures prescribed by the board. Cash management policies and procedures prescribed by the board shall be designed to maximize the efficient and effective utilization of the state's cash resources for the state as a whole. The board may require state agencies to submit reports and plans on such forms and at such times as the board may prescribe to determine whether an agency is in compliance with the cash management policies and procedures prescribed by the board. The state treasurer shall serve as the cash management officer for the state on behalf of the board.

### **Requested Services for DOAS and SAO**

This Request for Proposal (RFP) contains two separate services that have similar transaction types and require similar funding procedures. These services are a Workers' Compensation stored value card and an employee Payroll stored value card. This RFP seeks to secure the services of a qualified vendor to implement and manage a full service payroll card program at no cost to the State of Georgia.

#### Workers' Compensation

The State of Georgia's workers' compensation stored value card program will be administered by the Risk Management Services Division (RMS) of the Department of Administrative Services (DOAS). The program is designed to allow the payment of workers' compensation indemnity benefits via stored value cards rather than issuing paper checks. The successful implementation will create operational and productivity improvements and will reduce the administrative burden associated with paper checks. It is the intent of DOAS to award this contract to a single vendor.

Indemnification payment requirements are generally governed by the Georgia State Board of Workers' Compensation and the RMS programs and system. Therefore, the RMS stored value card payment solution must comply with these requirements without creating a burden on the state or the employees.

The State of Georgia issues approximately 1,200 paper checks per week to employees who are eligible to receive workers' compensation claims.

### Payroll Services

SAO is seeking to procure the services of a qualified vendor to provide an efficient and cost effective stored value card program for payroll to State of Georgia employees who are "unbanked" or otherwise do not currently wish to use direct deposit for their pay checks. SAO's goal is to eliminate the number of paper checks generated. The successful implementation will create operational and productivity improvements and will reduce the administrative burden associated with paper checks.

SAO will not consider proposals that include charges to the State of Georgia for implementation or operational costs associated with the payroll card program. It is the intent of SAO to award this contract to a single vendor.

The State of Georgia currently utilizes the PeopleSoft HCM (Human Capital Management) system (hereinafter, "system"), version 8.9, for payroll processing. The system is administered by SAO, Financial Systems Division, which handles the payroll processing, technical support, and functional support for approximately 84 agencies. The University System of Georgia, governed by the Board of Regents, is excluded. Although the State of Georgia uses a common payroll system, each agency within the state operates under its own federal tax identification number and employees are employed by each individual agency (they are not "State of Georgia" employees). In addition, because the State operates in a decentralized format, each individual agency is responsible for funding their individual employees on payday. Each agency has their own separate bank account.

Currently, SAO processes payroll for approximately 75,000 employees. There are approximately 71,000 (95%) employees currently enrolled in the direct deposit program. The majority of the remaining 4,000 (5%) receive a semi-monthly paper check.

### **Vendor Bidding Options**

Each financial institution may bid on one or both services. Each service will be awarded separately, although it is preferred to have a single vendor selected for both stored value card programs.

### **Scope of Services to Be Performed**

Your proposal for each service should address the following:

#### Workers' Compensation

1. Preferably, card accounts will be established and distributed with no set up, shipping, or other upfront costs to the state or the employees.
2. The payroll card shall be a reloadable and reusable card. Vendor will disclose if employees have the option to add funds from parties other than the State of Georgia.
3. Card issuance by the vendor must be prompt and satisfactory to DOAS which is within 5-7 calendar days.
4. Card funding by the vendor must be prompt and satisfactory to DOAS.
5. Accounts must be FDIC insured.
6. The value of the card must be convertible to cash (i.e., an employee must be able to use it at an ATM to make cash withdrawals). The cards must also be available for buying goods and services. DOAS does not expect to limit the use of the card to specific banks or merchants.
7. Vendor must provide DOAS written confirmation when funds are electronically transferred to cards.
8. Vendor must provide the employee written terms and conditions relating to the use of the account with all cards issued.
9. Vendor shall provide full, 24-hour/7 day per week customer support for the payroll card, including a designated, toll-free phone number for customers to call, in case of loss or theft of the card. Vendor shall also identify the location of its customer support center.

10. Card program must have a fraud protection component for the protection of the state, DOAS, and employees.
11. The employee should be allowed at least one (1) free transaction, per funding cycle, to withdraw the disbursement from ATMs of the issuing bank or credit union or a branch location.
12. If a card never was activated from time of receipt, after a period of six (6) months, the card account must be deactivated and funds returned to DOAS.
13. The card shall not be portrayed as a credit card and cannot at any time be converted to a credit card account.
14. DOAS prefers that the selected vendor be able to implement the card program as early as September 13, 2011.
15. A vendor must provide on-line reporting tools for administrative and reconciliation purposes.
16. All material sent to the employees must be approved in advance by DOAS.

#### Payroll Services

1. The payroll card shall be a reloadable and reusable card. Vendor will disclose if employees have the option to add funds from parties other than the State of Georgia.
2. The vendor will provide program marketing support and training materials, such as program awareness information and welcome kits for employees, for the State of Georgia.
3. The vendor will provide ongoing support to SAO authorized users (administrative staff).
4. Employees must have a method to access their net pay in full, on payday, at no cost to the employees.

5. Employees must have the ability to make point-of-sale transactions, online purchases, and phone purchases with the payroll card.
6. For point-of-sale transactions, employees must have the option to obtain “cash back” at no cost to the employees.
7. Employees must have the ability to access cash in convenient locations, such as ATM’s and retailers.
8. Vendor shall provide full, 24-hour/7 day per week customer support for the payroll card, including a designated, toll-free phone number for customers to call, in case of loss or theft of the card. Vendor shall also identify the location of its customer support center.
9. SAO prefers that employees have a method to receive a monthly statement at no cost to the employees.
  
10. DOAS prefers that the selected vendor be able to implement the card program as early as September 13, 2011.

### **Transaction or Card Funding Policy**

Please see attachments A, B, C and D for detail for the service and fee detail as it pertains to DOAS, SAO and their employees.

### **Your Response to This Request for Proposal**

In responding to this request, we request the following information:

1. Detail your institution’s experience in providing commercial and stored value cards to entities in the nonprofit and government sectors.
2. Describe how you are organized to respond to cardholder service issues like lost cards, reissues, problems with ATM funding or any other service oriented functions that could add value.
3. Identify the person or persons who will be assigned to our account if you are successful in your bid. Also provide contact information and biographies.
4. Describe your use of technology in tracking and reporting card transactions and card use history.

5. Provide the names and contact information for three other similar clients that currently have similar agreements in place.
6. Describe how and why your institution would be a good choice to provide the requested services.
7. Describe problems your institution has experienced in stored value programs for governmental clients and how were such problems resolved.

### **Other Requirements**

1. Initial contract must be for a period of one (1) year with four (4) additional renewal periods of one (1) year each exercisable at the option of DOAS and SAO, subject to the approval of OST.
2. Include a sample contract.
3. Vendor must keep employee information secure and private from other services outside of this RFP.
4. OST reserves the right to authorize DOAS or SAO to split this contract award, either at initial award or during the contract term, if OST determines that it is more efficient to manage the stored value cards as separate programs for workers' compensation and payroll.

### **Evaluation of Proposals Questions and Answers**

**Please submit all questions in connection with the RFP in PDF format to [kasher@treasury.ga.gov](mailto:kasher@treasury.ga.gov) AND [rcain@treasury.ga.gov](mailto:rcain@treasury.ga.gov) on or before 4:00pm on June 28, 2011.**

OST will respond in writing to all questions and copy all prospective vendors on or before July 8, 2011

**Please submit a final proposal in response to this request in PDF format to [kasher@treasury.ga.gov](mailto:kasher@treasury.ga.gov) on or before 4:00pm on or before July 28, 2011.**

After the evaluation of the RFP responses, OST, DOAS and SAO will select finalists to present their respective stored value card programs in an oral presentation. Questions and dialog will be encouraged from all attendees.