REQUEST FOR BIDS/PROPOSALS COVERSHEET

THE UNIVERSITY OF SOUTHERN MISSISSIPPI
Procurement and Contract Services
118 College Drive #5003, Hattiesburg, Mississippi 39406-0001

Date: August 29, 2018

Bid No. 19-04

THE UNIVERSITY OF SOUTHERN MISSISSIPPI is considering the purchase of the following item(s). We ask that you submit your bid and retain one copy for your files. Right is reserved to accept or reject any part of your bid. Your quotation will be given consideration if received in Bond Hall, Room 214 on or before:

2:00 p.m. CDT

October 11, 2018

Buyer: Steve Ballew

NOTE: If you cannot quote on the exact material shown, please indicate any exception giving brand name and complete specifications of any alternate. If additional space is required, use a separate sheet or letter of transmittal.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL NET PRICE</th>
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DESCRIPTION

RFP 19-04
Procurement Card Services

PROPOSAL MUST BE RETURNED TO THE UNIVERSITY IN ACCORDANCE WITH THE SPECIFICATIONS. RFP NUMBER AND DATE OF BID OPENING MUST BE SHOWN ON THE OUTSIDE OF THE ENVELOPE IF USING THAT METHOD.

We quote you as above-F.O.B. The University of Southern Mississippi. Shipment can be made in _______ days from receipt of order. DATE ______________ TERMS _____________________________________________

Return quotation to Procurement Services at above address.

Signature Required
UNIVERSITY OF SOUTHERN MISSISSIPPI

Request for Proposals (RFP) 19-04
for
Procurement Card Services

ISSUE DATE:  August 29, 2018

ISSUING AGENCY:  Office of Procurement and Contract Services
University of Southern Mississippi – Hattiesburg, MS

Sealed Proposals, subject to the conditions herein, will be received no later than October 11, 2018 at 2:00 PM CDT in the USM Procurement and Contract Services Office, same address as above, for furnishing services and potentially, optional services as described herein.

**IMPORTANT NOTE:  Indicate name of firm, and RFP number on the front of each sealed proposal envelope or package.**

All inquiries concerning this RFP should be directed to:

Steve Ballew
Procurement and Contract Services bids@usm.edu

Note 1:  Inquiries are due no later than the date shown in Section 7.

Note 2:  Any addendum associated with this RFP will be posted at https://www.usm.edu/procurement-contract-services/current-bid-opportunities located under RFP 19-04.

Note 3:  It is the respondent's responsibility to ensure that all addenda have been reviewed and if applicable, signed, acknowledged, and/or returned.

Note 4:  No addendum that changes any specifications will be issued within a period of two (2) working days of the time established for the receipt of proposals unless such addendum also amends the bid opening to a date not less than five (5) working days after the date of the addendum.

1. UNIVERSITY OVERVIEW
   a. Founded in 1910, The University of Southern Mississippi opened its doors as a small teachers’ college. Today, the University has grown into a comprehensive doctoral and research-driven institution with a proud history and an eye on the future. USM has a diverse student body of approximately 14,580 students from 63 foreign countries, all regions of the United States and every corner of Mississippi. Not only is Southern Miss a haven for the arts, but the University
maintains a tradition of success in both academics and athletics, offering undergraduate and graduate degrees in more than 180 programs through four degree-granting colleges. A dual-campus university, Southern Miss serves students on campuses in Hattiesburg and Long Beach, in addition to five teaching and research sites in Mississippi and online at Southern Miss.

b. USM utilizes a Procurement Card Program to reduce the costs associated with the acquisition of commodities, supplies, equipment, and travel related expenses. The program currently consists of two unique card programs, one for small purchases (Small Purchase Card), and virtual cards that are issued as payments to vendors. In the near future, we plan to implement a card specifically for purchasing equipment (Equipment Card), and potentially, in the future, one for Travel (Travel Card). The Equipment Card will allow purchases classified as ‘equipment’ as defined by the USM Property Manual (generally personal property that is over $1,000). These purchases are not currently allowed on the P-Card, but potentially could be issued to all units on campus.

c. Currently the USM does not utilize an official Travel-related expenses card, but may, at a future date, expand the card services to include a Travel card that would be used in strict compliance with the State of Mississippi travel rules and regulations. This would open the program to approximately 700+ more cards. USM would also consider using Ghost cards for certain units such as its Athletics department for travel-specific expenditures. Each of the cards under our current program are accessed on a Purchasing Card platform provided by the current card provider. USM is willing to look at alternate platforms (One card, Corporate, etc.) if the proposal offers adequate justification and if it is deemed to be in the best interest of USM.

d. Our cards under the current program are custom cards with USM background photo art. A sample picture of our card is located in Appendix B. USM will consider using different photos if the proposal offers adequate justification and it is deemed to be in the best interest of USM. When the Equipment Card is introduced, we anticipate using a different background photo for easier identification of the cards.

e. Currently we receive a statement which includes the Small Purchase Card and the Virtual Card transactions, with a payment cycle from the 1st day of the month through the last day of the month. Payments for both the virtual cards and the Small Purchase cards are drafted 15 days from when the statement is available. Eventually, USM would like to change to a billing cycle to one that goes from the 18th (1st day of the billing cycle) through the 17th (last day of the billing cycle). Please indicate whether or not this billing cycle would be feasible. USM will
consider alternative arrangements if the proposal offers adequate justification and it is deemed to be in the best interest of USM.

f. The current contract does not have a set expiration date so USM may move forward with a new contract in a manner that is in the best interest of USM. Anticipated dates shown herein may be altered if it is determined to be necessary.

g. Recent card spending amounts. USM currently has over 450 cards issued and spent approximately $12,000,000 in purchases during 2017 and just under that same pace for 2018 thus far. We estimate the addition of an Equipment card will increase annual spend by another $6,000,000 as we implement cards dedicated for those purchases. Additionally, our payments to vendors using the virtual cards in fiscal year 2018 totaled just over $1.3 million. We anticipate that other expenditures under the program could continue to grow based upon support and resources provided by the Procurement Card Services provider and internal efforts to expand the use of the card program.

h. Additional information about USM in general can be found on our website www.usm.edu.

2. INVITATION TO SUBMIT PROPOSALS IN RESPONSE TO THIS RFP
   a. University of Southern Mississippi is seeking proposals from qualified organizations that can provide Procurement Card Services in accordance with the requirements set forth herein. USM contemplates entering into one five (5) year contract term (“Term”).

   b. Objective
      i. USM is seeking to enter into a new contract for Procurement Card Services. This RFP will be used in the process of establishing a contract with a card provider to meet USM’s purchasing card needs. It is the intent of USM to maximize the use of USM funds; therefore, a procurement card program with rebates/revenue sharing is required.

   c. General and Background Information
      i. Competitive written proposals from qualified vendors should include providing procurement cards, virtual cards, equipment cards, potentially travel cards, and other applicable services for use in making small dollar purchases by USM departments. The contract will be available for use by all USM departments, at all campuses. USM prefers to award to one provider of these services; however, USM reserves the right to make multiple awards, such as one for procurement cards, and one for virtual vendor payments, if
splitting the award is in the best interest of the University.

ii. USM currently has a Procurement Card Program, which includes more than 300 departments. Under the program, cards are issued to individual employees, which allow employees to make small dollar purchases (under $5,000) of commodities and some services. Purchases in excess of $5,000 can be approved on an exception basis by the one of the Buyers or the Director of Procurement, and then the USM Procurement Card Administrator can raise the limit on the card in order to complete the transaction that’s in excess of $5,000.

iii. Quantities

1. USM Purchase Card Program data for 2017:
   a. Small Purchase Card
      i. Number of departments: 300
      ii. Number of cards: Approx. 480 cards
      iii. Number of transactions: 40,000
      iv. Dollar volume on cards: $13,961,307
   b. Virtual Card
      i. Number of departments: 122
      ii. Number of cards: 165
      iii. Number of transactions: 1,663
      iv. Dollar volume on cards: $4,633,153.20
   c. Anticipated Equipment Card
      i. Number of departments: 50
      ii. Number of cards: 65
      iii. Number of transactions: Unknown
      iv. Dollar volume on cards: Est $6,000,000
   d. Anticipated Travel Card
      i. Number of departments: Possibly All
      ii. Number of cards: 700+
      iii. Number of transactions: 3,500
      iv. Dollar volume on cards: $1,200,000

3. SCOPE OF SERVICES REQUIRED
   a. The contractor will agree to provide its best efforts in performing the work set forth herein and within the estimates provided herein.

   b. All Accounts are to be made visible to those persons with the USM Department of Procurement and Contracts having Procurement Card Administrator access. Overall transaction and credit limits may vary from card to card.

   c. Small Purchase procurement cards - Carded accounts for purchases of
commodities and some services (transaction limits of up to $5,000 with the ability to override based upon approval from the Procurement Buyer); Cardholders may also require multiple strategies (i.e. transaction limits) within their department. Cards must have an individual's name on them.

d. Equipment cards - These would be carded accounts for purchases of items that must be added to inventory (transaction limits of up to $5,000 with the ability to override that limit based upon approval from Procurement). The statement download would include a specific equipment account code so all equipment purchased with cards can be tracked to verify the completion of appropriate property documentation. Cards must have an individual's name on them.

e. Travel cards - These would be carded accounts for purchases of travel related expenses such as airfare, hotel fees, transportation fees, e.g., rental vehicles, toll fees, taxi fare, fuel for rental vehicles, etc. Typically cards must have an individual's name on them, however, we would consider allowing select departments to use a department name to facilitate group travel. Typically, the purchase of employee meals is not allowed with the Travel Card; however, we would consider using the Travel Card for meals, on a pilot basis only, to determine if the practice will be beneficial to USM. If it is determined to be practical and beneficial we would anticipate expanding this practice.

f. Virtual Accounts - USM currently uses virtual cards as an optional form of payment to vendors. These ‘card’ payments are also part of the revenue sharing payments currently being received. The following are our most recent numbers from the last fiscal year:

   i. Number of active vendors: 112
   ii. Number of cards: There is an auto-reorder inventory with a minimum of 50 cards and a maximum of 150 cards for current active vendors.
   iii. Number of reconciled vendor log payments: 311
   iv. Dollar value on cards: $1,308,584.4
   v. Receive monthly recon file for vendor reconciled payments

g. All cards are to be EMV chip protected.

h. USM Procurement Card Administrators will be given specific program coordinator access. This access includes, but is not limited to:

   i. Program Administrator Access
ii. The ability to request/set up new accounts, close accounts no longer needed, and put an override strategy in place for declined purchases

iii. The ability to increase transaction limits over $5,000

iv. The unlimited access to all cards assigned to USM

v. The ability to communicate directly with the financial institution's project manager and its commercial card account manager

vi. The ability to run reports on card data.

i. Card Format

i. The following information shall be placed on the front of the card:
   1. UNIVERSITY OF SOUTHERN MISSISSIPPI
   2. FOR OFFICIAL USE ONLY
   3. Tax-Exempt
   4. The cardholder's name
   5. A picture provided by USM. There should be different pictures for each type of card (small purchase, equipment and travel, if and when implemented
   6. An option for an extra embossed line

ii. The following information shall be placed on the back of the card:
   1. Contractor's toll free contact number

iii. The vendor should propose a general card design to be used for the USM purchase card program purchasing cards which conforms to the requirements above.

j. Card Issuance and Program Functionality

i. The provider shall be responsible for the embossing and printing of the procurement cards. The provider will be required to mail all cards issued within five (5) to ten (10) business days or sooner after the offeror receives cardholder account set-up information. USM would like an option for rush orders. Cards will only be mailed to the USM Procurement Card Administrator or designated location. **The proposal must provide detailed information on the proposed card processes including, but not limited to:**
1. Card generation, paper process/electronic online process
2. On-line activation
3. Restrictions on how many lines or characters that can be embossed on a card
4. Card delivery (time frames) and activation process
5. Card security
6. Card cancellation, temporary suspension, card termination and replacement (lost and stolen cards) - including reporting
7. Card re-issuance (time frame)
8. Card reporting and notification process
9. Card issuance and expiration time periods
10. Addition of new cardholders within an established program
11. Fraud, Disputes and Charge backs *
12. Billing Statements (Methods of how bills may be received; online, email, mail, etc.)
13. Declining Balances (optional)
14. Issuing a card to a new cardholder
15. Making Changes Online - Real-time
16. Setting transaction limits and increasing transaction limits electronically
17. Increasing monthly limits electronically
18. Number of transactions per day before the card declines
19. Address Change
20. Name Change
21. Closing accounts in real-time
22. Checking Authorizations against card- Real-time
23. Checking Current Status of Card
24. Checking Current Balance
25. Editing or lifting restrictions on Merchant Category Codes (MCC) or other codes
26. "Allow all" option for MCC codes
27. All edits and changes should be ‘real time’
28. Dual Authentication with physical token

* Note: The awarded provider should never issue credits back to the main account for any reason. They must either issue credits for fraud and dispute directly back to the cardholder account (and not the main account)

ii. Optional Future Functionality – this functionality is not required, but indicate whether or not you are capable of providing this functionality in the future. Keep this functionality separate from other functionalities in your proposal.
1. Online reconciliation in the offeror’s system of transactions by individual cardholders. This includes adding comments, and uploading receipt files.
2. Editing the accounting string on each transaction in the offeror’s system. The accounting string is composed of up to five (5) separate fields of account, fund, department, program, and project.
3. Approval of transactions in the offeror’s system by users who are not
cardholders. We have signature authorities who approve transactions with accounting strings that are specific to their area of authority.

4. Automatically upload a file from our system daily into the offeror’s system that contains a list of signature authorities and which accounting strings they can approve.

5. Automatically import a file daily from our system into the offeror’s system that contains a list of all possible accounting string fields.

6. Export a daily journal file from the offeror’s system with the transactions including accounting strings and additional information. This file would be imported into our PeopleSoft system as expenses.

7. The reconciliation program should be compatible with USM's financial management system in order for a complete payment process to occur electronically.

k. Contractor's Software
   i. The Contractor shall have and maintain software that would support USM's procurement card program. The system utilized shall be maintained current during the life of the contract including any renewals. Upgrades to the system shall be performed in a manner that provides a transparent implementation or minimizes the impact to USM's program. USM shall be provided 60 day written notification unless extenuating circumstances prevent such a notice.

l. Compatibility with Current USM Software
   i. USM deploys the Oracle/PeopleSoft financial management system. The Contractor must be willing to provide procurement card information and transaction detail to this system in a format compatible with the system.

ii. Files with all transaction data shall be provided by the Contractor. This data download file shall be imported into our PeopleSoft system. The file format shall be the standard VISA Commercial Format 4.0 (VCF) or MasterCard CDF V3 12.01 or US Bank SBF 2.5. The file shall be downloaded a minimum of 5 days per week that contains, at a minimum, the information listed in Section 3.k.iii below.

iii. The data download file should be electronic and should include, at a minimum, the following information for each transaction:
   1. Vendor Name
   2. Charge Amount in USD
   3. Sales tax
   4. Date transaction processed
   5. Date transaction occurred
   6. Merchant Category
   7. All digits of the credit card number.
   8. Merchant Transaction Number
   9. Agency Name
   10. Department Name
11. Card Holder First Name  
12. Card Holder Middle Name  
13. Card Holder Last Name  
14. Transaction Reference Number  
15. City In Which The Transaction Occurred  
16. State In Which The Transaction Occurred  
17. Transaction Description  
18. Level 3 data

m. Program and Transaction Data Reports

i. Critical to the operation of USM is the ability to obtain required transaction data as well as overall procurement card program information. The offeror’s software used to manage the USM procurement card program shall allow the program administrator to extract/download data at any given time so that a report can be generated. The offeror will be required to provide versatile and comprehensive reporting capabilities. USM will also be looking for a system that has multiple reporting capabilities at all hierarchical program levels and that is deliverable through various media. **The proposal must provide detailed descriptions of all on-line query and reporting capabilities including standard and optional reports and any electronic means by which they can be transmitted to USM, including, but not limited to:**

1. Ability to download transactions into excel spreadsheet  
2. Transaction Detail Report  
3. Decline Report  
4. Authorizations Report  
5. Cardholder Status Report  
6. Transaction Detail report for cardholder to verify transactions and receipts  
7. Ability to review reports that show a count of all active cards  
8. Ability to schedule various reports to run specific days  
9. Non-Activation Report  
10. Customized Reports (if applicable)  
11. Cardholder Statement (view online and print)  
12. Merchant Category Group  
13. Merchant  
14. Merchant Spend  
15. Card Spend  
16. Cardholder data, including, but not limited to, number of cards issued per account.

n. Card Acceptance

i. The intent of the USM Procurement card program is to allow USM departments to make purchases easily and economically.  
ii. Card acceptance at a wide variety of merchants throughout the State of Mississippi and the nation, as well as international transactions, is of utmost
importance in maintaining a successful procurement card program.

o. Training

i. The Contractor shall be prepared to provide training at various levels during the contract period, and how this training would be accomplished. This will include transition training, new cardholder training, training on new system capability, recertification training, fraud training for program oversight, and so forth.

ii. Topics to be addressed include, but are not limited to, the proper use of the card, the responsibilities of the cardholder, agency, and the Procurement Card Administrator, procedures for setting up accounts, payment process, how to report lost/stolen cards, development of purchase restrictions, understanding billing and management reports, dispute resolution process, how to change account information, etc.

iii. Each proposal should include information on the type of training materials, the location of training sessions, an estimate of time to budget for the training for each individual, and any other item necessary for training not already mentioned.

iv. The offeror must provide training and any ongoing training for cardholders who utilize any systems offered in the contract. Cardholder training may be developed as a web-based training platform with the ability to create learning modules and testing capabilities.

p. Account Maintenance, Organizational Support, and Staffing

i. Card account support, maintenance and troubleshooting is required on a "24 hours a day, 7 days a week, 365 days a year" basis. This activity will include assistance for reporting lost or stolen cards, account inquiries, disputed transactions, limiting override authorization, and assisting the USM Procurement Card Administrator in changing card attributes, limitations, and restrictions, including the mechanism for requesting these changes and the time frames for processing these changes.

ii. USM expects a dedicated (i.e., a primary individual or group of individuals) service group or contact person to act as customer service representatives to which it has direct access. This person or service group shall be able to work with USM on an ongoing basis to improve and manage the program, and shall be able to help facilitate change and resolve problems. While USM understands that turnover occurs, frequent turnover rates of every few months would be unacceptable. It is also expected that the provider will indicate if dedicated toll-free telephone, fax numbers, and e-mail contacts for the account maintenance function are available, and if an electronic account maintenance system is available.
iii. The Procurement Card Administrator must have online capability to change individual procurement cards, including credit limits, transaction dollar limits, account strategy, cardholder name, and termination of a card, within the parameters of the USM procurement card program. The USM procurement card program administrator or delegated administrator shall be able to make any changes to established accounts on the card program and to any new account set ups.

iv. The offeror must provide highly skilled personnel in sufficient number to support the USM Procurement Card Program. In support of the operation of the Procurement Card Program, the offeror must provide the following information regarding their organizational staffing:
   1. Identification of the account managers assigned
   2. Identification of all key support personnel assigned
   3. A statement indicating the responsibilities each staff member will have while supporting this program
   4. Contact information for backup support

v. The offeror shall communicate with the USM Procurement Card Administrator when significant problems occur (including fraudulent purchases and disputes).

vi. The offeror shall reissue cards no less than 15 days prior to a card's expiration date.

q. Disputed Transactions
   i. The offeror shall support multiple methods of handling and resolving disputed transactions which may include, for example, issuing a temporary credit pending dispute resolution. Please discuss your methods in your proposal.

r. Billing/Reporting
   i. USM shall receive a consolidated master billing statement by mail (or electronic statement) and by the online system set in place for administrators to utilize.

   ii. The offeror shall support a hierarchy access structure to data and reports. In other words, the USM Procurement Card program administrator can view and report on all program data.

   iii. The offeror shall have a robust reporting system available to the USM card administrator. It should be able to report transaction volume and dollars by vendor, by type of vendor, by minority, small disadvantaged, or woman-owned businesses, 1099 reportable transactions, sales tax reporting for those transactions that are not tax exempt, etc.

   iv. The offeror shall make available transaction data for both billed and unbilled
transactions.

v. Data by hierarchy and select data ranges shall be available without retrieval restrictions.

s. Cardholder Information
   i. It is USM's expectation that the contractor shall not sell, distribute, or otherwise make available the list of participating department addresses, or any other information to any person, firm, or other entity for any purpose.

t. Contract Succession/Transition
   i. At the end of the contract period, USM expects the contractor to work with USM to provide appropriate data and information to a successor contractor and to exercise its best efforts to effect a cooperative, orderly, and seamless transition to a successor. The contractor would also be expected to provide sufficient and experienced personnel to ensure that the quality of services during the phase out period are not diminished or sacrificed. It is understood that the contractor and the successor would not be able to work together on this effort, but that USM would need to be the contact point for both parties.
   
   ii. The contractor would be expected to provide USM with a complete, current, and accurate master copy of all non-proprietary account data in hard copy or other agreed upon medium in a format agreed upon by the State.
   
   iii. The contractor would be expected to settle all transaction disputes within 180 calendar days of the completed transactions.

u. Migration and Implementation Schedule
   i. **Offerors must propose one (1) implementation schedule that addresses all activities necessary to achieve a successful implementation.** The implementation schedule shall include a time line for the various steps required, as well as risk mitigation strategies, to ensure that the implementation stays on schedule. USM will, through the evaluation process, choose the implementation date(s) that it deems to be in its best interest. At its discretion, USM may reduce or extend the transition period if necessary. Items to be addressed in the offeror’s implementation schedule should include, but not be limited to:

   1. Contact information and roles and responsibilities for all Contractor Program Support Staff
   2. Schedule with dates and locations for program and technology solution training
   3. Information that will be discussed and estimated hours required
   4. Department training methods and training materials
   5. Department hierarchy establishment (i.e., Administrators, Coordinators, Liaisons, Reviewers, Cardholders, etc.)
6. Billing process flow and associated reports
7. Card controls and issuance options
8. Card/account set-up
9. Card/account production and distribution
10. Card/account activation
11. Electronic access set-up and testing
12. Mapping for interface with the USM's accounting system
13. Sample instructional guidebooks
14. Review of state-specific policies and procedures
16. Costs to USM associated with migrating from one provider to another provider, if applicable.

v. Liability

i. USM will not accept any liability or financial responsibility for a USM employee's charges that have been incorrectly authorized by offeror, including, but not limited to, those that:

1. Exceed any of the limits specified to the offeror by a cardholder's agency or the USM Procurement Card Administrator, or
2. Violate any of the standard Industry Classification Code and/or Merchant Category Code restrictions specified to the offeror by USM.
3. USM will not accept liability for unauthorized use of credit cards and account numbers that are fraudulently used, lost, or stolen. Please indicate your company's agreement to these terms or indicate what exceptions you would propose to apply in these scenarios.

ii. USM shall be liable for the use of the card by authorized cardholders, provided that the use is within the transactions limits and policies and procedures established by USM.

w. Program Information

i. All program information concerning the USM Procurement Card program including, but not limited to card spend, transactions, vendors associated with those transactions, etc., shall be kept on file with the provider for the duration of the contract. If the USM Procurement Card Administrator requests said information, the provider shall be able to submit the information within five (5) to seven (7) business days. At the end of each calendar year, the data for that year shall be electronically sent to the program administrator. At the end of the contract, the provider shall send all transaction data for the duration of the entire program to the program administrator electronically.

ii. Offeror should indicate an agreement in its proposal to the following statements:
1. The offeror shall not sell or distribute a list of participating Authorized Agencies, cardholder(s), addresses, or any other information acquired from Authorized Agencies or cardholder(s) to any person, firm, or other entity for any purpose.
2. The preceding statement does not intend to prevent the offeror from complying with the requirements herein and the resulting contract for reports and reporting.

iii. Use of Government Employees' Names: The provider must agree not to use the names and addresses of USM employees for any purpose not directly related to, and necessary for, fulfilling the terms of the contract awarded pursuant to this request.

4. INQUIRIES ABOUT THIS RFP

a. Prospective respondents may make written inquiries concerning this request for proposal to obtain clarification of requirements. Responses to these inquiries may be made by addendum to the RFP. Please send your inquiries to the attention of Steve Ballew via electronic mail at bids@usm.edu.

b. All inquiries should be marked "URGENT INQUIRY. USM RFP 19-04"

5. ADDENDUM OR SUPPLEMENT TO RFP

a. In the event it becomes necessary to revise any part of this RFP, an addendum to this RFP will be posted on the USM Bids web site. Potential respondents should click on the “Intent to Bid” link in the USM Bid Calendar to ensure they are notified of any addenda or supplements that may be issued. The RFP information will be listed under RFP #19-04 at https://www.usm.edu/procurement-contract-services/current-bid-opportunities.

b. Respondents shall not rely on any other interpretations, changes, or corrections.

6. ADMINISTRATIVE INFORMATION

a. Issuing Office: This RFP is issued by the following office:

Office of Procurement and Contract Services
University of Southern Mississippi
118 College Dr., 214 Bond Hall
Hattiesburg, MS 39406

7. SCHEDULE OF CRITICAL DATES

a. The following dates are for planning purposes only unless otherwise stated in this RFP. Progress toward their completion is at the sole discretion of the university.
8. PROPOSAL CONTENTS

a. This is a two-step RFP process. The **Technical** proposals and the **Revenue** proposals are to be submitted in separate sealed envelopes. Indicate firm name, RFP# and the words "Technical Proposal" on the front of the sealed technical proposal envelope or package. Indicate the firm name, RFP# and the words "Revenue Proposal" on the front of the sealed proposal envelope or package.

b. At a minimum, the following items should be included in the contents of the **Technical Proposal** (Your responses must correspond to the numbering used below):

   i. Cover letter, indicating the scope of the proposal. The letter should include an overview of the services being offered. The letter should include a statement of exceptions to any of the terms and conditions outlined in this RFP. (Cover letter should be no more than 2 pages in length.)

   ii. Corporate Structure and Credentials

      1. Describe the extent of offeror's qualifications and experience in providing corporate cards to State and Federal governmental entities.

      2. Provide at least four (4) references from current clients, at least two (2) of which should be from universities who conduct research and have a minimum of 14,000 students. Each reference must contain the organization's name, contact person, contact person's title, and phone number. Indicate the type of program the client has with your company. If possible, include the number of students enrolled at the institution, annual dollar volume, number of cards, and number of
transactions per year.

3. List location(s) of your company's customer service call center(s).

4. Provide the estimated number of merchants that accept the card within the United States. It is understood that all proposals offering the VISA card would be considered "equal" in this area. All proposals offering MasterCard would be considered "equal" in this area. All proposals offering "American Express" would be considered "equal" in this area. The intent is to determine which card, VISA, MasterCard, American Express, or another, offers the greatest coverage when compared to the other brands of cards in the United States.

5. Provide the estimated number of merchants that accept the card outside the United States. It is understood that all proposals offering the VISA card would be considered "equal" in this area. All proposals offering MasterCard would be considered "equal" in this area. All proposals offering "American Express" would be considered "equal" in this area. The intent is to determine which card, VISA, MasterCard, American Express, or another, offers the greatest coverage when compared to the other brands of cards outside the United States.

iii. Operations and Ability To Perform

1. Describe what equipment and/or software will be provided and how equipment, software and services will be provided to USM.

2. Describe your company's customer service capabilities, including the following:
   a. Hours of customer service operation
   b. Toll-free numbers
   c. Cardholder complaints
   d. Cardholder account management
   e. Response time for phone and email requests

3. Describe how inquiries requiring research are handled by your company and the established turnaround times for responses.

4. How many points of contact would we have with your company? (i.e., business account manager, card account representative, web based solution/application manager, etc.)

5. Describe your company's collections procedures and explain what actions are taken at specified dates in the past due cycle. Include the following:
   a. The manner and frequency in which past due notices are sent
   b. Please provide samples of all notices used
6. Under what conditions will a cardholder's charging privileges be suspended? Will a suspension be reinstated if requested by USM?

7. Provide a "Best Practice" on how to grow the University's procurement card program.

8. Describe any new concepts or innovative ideas. This could include e-payables as well as any other concepts that could improve the effectiveness, efficiency, revenues, or other aspects of the program.

9. Describe any additional type of cards your company offers (i.e. virtual cards, one-time use cards, etc.)

10. What card platform(s) does your company offer? (e.g., VISA, MasterCard, AmEx, Discover, etc.)

11. Authorized User Administrators must be notified in writing within 72 hours prior to any card suspension or cancellation. Describe the process for notification. (Internet and other electronic processes are preferred by USM.)

12. Describe the ability to indicate to vendors that purchases by USM are "Tax Exempt". (This may include embossing the words "Tax Exempt" and/or the tax-exempt number on the card or providing USM with a unique number sequence.)

13. Describe any audit tools you can provide that can be utilized by participating departments.

14. The Program Card Administrator, may establish single transaction dollar limits, monthly transaction limits, and vendor restrictions for cardholders. Describe or indicate any other limits or controls available.

15. Electronic Data
   
   a. What physical and software security measures does your company take to protect the confidentiality of your company's client's transaction information?

16. Describe any unique features provided by your company's product(s) that we should consider.

17. What technical support is available for your company's reporting package(s) and what hours are technical support available?

18. Does your company have the ability to provide billing statements that
will reflect the foreign currency transaction amounts (local currency) as well as the converted home currency equivalent (USD)?

19. Describe what levels of data (i.e., level 1, level 2, level 3), and line item detail is captured at the point of sale.

20. What differentiates your company's services from that of other providers? Please describe how your company can provide a value added advantage in service and technology.

21. What, if any, of your commercial card activities/services are outsourced to third parties?

22. Please describe any recent technological enhancements to your company's product(s) and service(s).

23. On average, how quickly would your company pay our suppliers?

24. Describe all payment and billing options, including methods of payment and billing, including electronic. (USM reserves the right to migrate to another payment option at any time during the term of the contract based on USM's best interest).

25. Describe your company's specific capability to modify your system(s) to interface with USM system(s) and provide formats of any required remittance data formats.

26. Describe and affirm your company's commitment to interface with USM's system at no additional costs to USM, if so requested.

27. Describe your company's billing dates and/or billing cycle(s).

28. Credits to our Account (Fraud, Disputes, etc.)
   a. How are transactions handled when a card is closed and new card is issued?
   b. How are transactions handled when a card is closed and new card is not issued?
   c. Are there any circumstances in which fraud, disputed, or any other charges or credits (other than our payment) may process against the main account? If so, please list all circumstances in which this could occur.
   d. Our reconciliation system cannot process transactions against our main account. Do you have ways to ensure that no charges or credits (other than our payment) process against the main account?
29. The Procurement Card Program will require the awarded provider to have a diversified system of delivering accounting/billing information. USM prefers to have an electronic access system for data exchange. Briefly highlight your system’s delivery of accounting/billing information.

30. The program and transaction data must be provided through the provider's electronic access system. The system shall be able to provide electronic review and manipulation of all captured transaction information, including the ability to sort data by any field. The system shall also have the ability to filter out unnecessary information, edit account allocation manually, and split transaction amounts into sub-units for multi-account allocation. This includes summary roll-up, review, and manipulation at different hierarchical levels.

31. Describe the global Value Added Tax (VAT) program and what affects it would have on USM’s program/card usage.

32. Describe any partnerships, marketing alliances, or other business relationships in place that could benefit USM in conjunction with your commercial card program. (If this is covered in your response to #20 and/or #21 above, simply refer to those responses.)

33. Provide information requested in Sections 3.j.i and ii.

34. Provide information requested in Section 3.m.i.

35. Provide information requested in Section 3.o.iii.


37. Provide information requested in Section 3.q.i., if not already provide elsewhere in your response.

38. Address whether or not the respondent can provide the reporting described in both Sections 3.r.ii and iii, i.e., hierarchy access structure and supplier diversity reporting.

39. Provide information requested in Section 3.u.i.

40. Provide your response to the request in Section 3.v.ii.3

iv. At a minimum, the following items should be included in the contents of the Revenue Proposal (Your responses must correspond to the numbering used below):
1. Proposed rebate structure for:
   a. Annual purchases less than $10,000,000
   b. Annual purchases of $10,000,000 to 19,999,999
   c. Annual purchases of $20,000,000 to 29,999,999
   d. Annual purchases of $30,000,000 to 39,999,999
   e. Annual purchases of $40,000,000 to 49,999,999
   f. Annual purchases of $50,000,000 to 59,999,999
   g. Annual purchases of $60,000,000 to 69,999,999
   h. Annual purchases of $70,000,000 to 79,999,999
   i. Annual purchases of $80,000,000 to 89,999,999
   j. Annual purchases of $90,000,000 to 99,999,999
   k. Annual purchases of $100,000,000 to 110,999,999
   l. Annual purchases of $120,000,000 to 129,999,999
   m. Annual purchases of $130,000,000 to 139,999,999
   n. Annual purchases of $140,000,000 to 149,999,999
   o. Annual purchases of $150,000,000 and up

2. Speed of Pay Incentive
   a. Additional or reduction of Basis Points for 30 day payment
   b. Additional or reduction of Basis Points for 20 day payment
   c. Additional or reduction of Basis Points for 10 day payment
   d. Additional or reduction of Basis Points for 5 day payment

3. If the provider feels a different structure is needed, we will consider other structures; however, the provider should clearly explain why the proposed structure is superior to that which we have outlined.

4. List any additional costs or revenue to USM.

9. DISCUSSIONS/EVALUATION CRITERIA/AWARD PROCESS

   a. USM reserves the right to conduct discussions with any or all respondents, or to make an award of a contract without such discussions based only on evaluation of the written proposals. USM reserves the right to contact and interview anyone connected with any past or present projects with which the respondent has been associated. USM likewise reserves the right to designate a review committee to evaluate the proposals according to the criteria set forth under this section. USM may make a written consensus determination showing the basis upon which the award was made and such determination shall be included in the procurement file.

   b. USM reserves the right to award this contract in whole or in part depending on what is in the best interest of USM with USM being the sole judge thereof. Any intent to award is contingent upon the Mississippi Office of Purchasing, Travel, and Fleet Management (OPTFM) approval.
c. Failure to attend a requested interview presentation before the committee may result in a proposal being removed from consideration.

d. Upon award of contract(s), successful respondent(s) will be asked to provide a more detailed transition plan and timeline, and obtain USM's input and concurrence before moving forward.

e. Proposals will be scored based on the following weights (100 points total):
   
   i. Corporate Structure/Experience - 20 pts.
   iii. References - 10 pts.
   iv. Revenue to USM - 40 pts.

10. PROPOSAL SUBMISSION

a. Proposals shall be submitted in two packages (envelopes or boxes) as set forth in Section 8a. **Please make sure that the RFP number is clearly visible on the outside of the package.**

b. **Technical Proposal**- One (1) original, four (4) copies, and one (1) electronic copy of the Technical proposal should be sealed in a package with "Technical Proposal" in the lower left hand comer. Each submitted package should be a complete copy. The original shall be marked on the first page "Original".

c. **Revenue Proposal** - One (1) original, four (4) copies, and one (1) electronic copy of the complete revenue proposal in one pdf file on a flash drive. Should be sealed in a package with "Revenue Proposal" in the lower left hand comer. Each submitted package should be a complete copy. The original shall be marked on the first page "Original".

d. The proposal package must be received in Bond Hall, Room 214, on or before 2:00 P.M. on the date shown in Section 7. It is the responsibility of the respondent to ensure that the proposal package arrives in the Procurement Office on-time. If your bid package is not received on time, it will not be considered. **The proposal package should clearly be marked “RFP #19-04 Opening: 10/11/18 2:00 PM,** and be delivered or sent to one of the following addresses depending upon your delivery method:

If you are **hand delivering** your bid, you need to carry the bid package to:
If you are **mailing** your bid package via U.S. Postal Service, mail to:

The University of Southern Mississippi  
Procurement Services  
118 College Drive #5003  
Hattiesburg, MS 39406-0001

If you are **express mailing** your bid package via Federal Express or UPS, or any other delivery service which requires the use of a physical address, deliver to:

The University of Southern Mississippi  
Receiving Department  
2609 West 4th Street  
Hattiesburg, MS 39401

e. Your response must include the signature page included in this RFP (See Appendix A) and contain the signature of an authorized representative of the respondent's organization. The signature on the "Original" signature page should be in blue ink.

f. USM reserves the right to reject any and all proposals and to waive informalities and minor irregularities in proposals received and to accept any portion of a proposal or all items bid if deemed in the best interest of the University to do so. Submittal of terms, conditions, and/or agreements may result in rejection if such terms, conditions, or agreements are deemed unacceptable by the University in its sole discretion. The University reserves the right to disqualify any proposer who fails to provide information or data specifically requested herein, or who provides materially inaccurate or misleading information or data, or who attempts to influence the selection process outside the procedures established herein. The University also reserves the right to disqualify any proposer on the basis of any real or apparent conflict of interest at the sole discretion of the University. Please note that proposal openings are not required to be open to the public; however, if an award is made, the resulting award is open for public inspection.

g. Should the University of Southern Mississippi close due to inclement weather conditions, or any other unforeseen events on the proposal opening date, sealed bids/proposals will open at the same time and location on the next business day that
the University is open.

h. Submissions via facsimile will not be accepted.

i. As an alternative to traditional sealed proposals in envelopes, the University of Southern Mississippi is capable of receiving electronic bid responses. While this option is available, it is not required and we ask that all potential respondents keep in mind that with any electronic system there could be delays or glitches with the submission process; therefore the University highly encourages traditional sealed bids which are either mailed or submitted in person. Should a vendor choose to submit their response electronically, please follow the instructions below using the following website: https://www.ms.gov/dfa/contract_bid_search/Home/Sell. On this site you will find helpful links to procurement opportunities, as well as a link to supplier registration. If not already registered in this system, potential bidders will first need to click on ‘Supplier Registration’ and follow the steps outlined (a one-time process). Once registered, they can return to the original website and click on ‘Procurement Opportunities’ where they can either search by keyword for the bid they desire to respond to or leave the search box blank and click ‘Search’ for a listing of all current bids and proposals for the various State of Mississippi offices.

11. TWO-PHASE, BEST AND FINAL OFFER

a. If the initial proposals do not provide USM with a clear and convincing solution, or if USM feels it is appropriate to offer the potential providers an opportunity to submit revised proposals, USM reserves the right to request Best and Final Offers (BAFO). Based on the information obtained through the proposal submittals, USM may choose a specific business model, and potential providers may be asked to submit revised proposals based on that specific model.

b. The evaluation committee may develop, for distribution to the top-ranked firms, refined written terms with specific information on what is being requested as a result of information obtained through initial RFP submittal process. Proposers may be asked to reduce cost or provide additional clarification to specific sections of the RFP. Selected proposers are not required to submit a BAFO and may submit a written response notifying the solicitation evaluation committee that their response remains as originally submitted.

12. TERM OF CONTRACT

a. It is USM's initial intention is to enter into a five (5) year contract term.
b. USM reserves the right to terminate this agreement with thirty (30) days’ notice, by the Director of Procurement and Contracts via certified mail to the address listed on the signature page of this RFP (See Appendix A) if any of the terms of the proposal and/or contract are violated.

c. In the event the provider fails to carry out and comply with any of the conditions and agreements to be performed under the specifications, USM will notify the provider, in writing, of such failure or default. In the event the necessary corrective action has not been completed within a ten (10) day period, the provider must submit, in writing, why such corrective action has not been performed. The University reserves the right to determine whether or not such noncompliance may be construed as a failure of performance of the provider.

d. Termination of contract by provider without cause can only occur with at least one-hundred and twenty (120) days’ notice prior to the proposed termination of the contract.

e. In the event USM employs attorneys or incurs other expenses it considers necessary to protect or enforce its rights under the awarded contract, the provider agrees to pay the attorney's fees and expenses so incurred by USM.

13. ACCEPTANCE TIME

a. Proposal shall be valid for one-hundred and eighty (180) days following the proposal due date.

14. RFP CANCELLATION

a. This RFP in no manner obligates USM to the eventual purchase of any services described, implied, or proposed until confirmed by a written contract. Progress towards this end is solely at the discretion of USM and may be terminated without penalty or obligations at any time prior to the signing of a contract. USM reserves the right to cancel this RFP at any time, for any reason, and to reject any or all proposals or any parts thereof.

15. INDEPENDENT CONTRACTOR CLAUSE

a. The provider shall acknowledge that an independent contractor relationship is established and that the employees of the provider are not, nor shall they be deemed, employees of USM and that employees of USM are not, nor shall they be deemed, employees of the provider.
16. OTHER CONTRACT REQUIREMENTS

a. Award Terms: This contract shall be awarded at the discretion of the University based on the capabilities and overall reputation of the proposer, as well as the financial offering. Acceptance shall be confirmed by the issuance of a contract from the University.

b. Standard Contract: The awarded provider(s) will be expected to enter into a contract that is in substantial compliance with USM's standard services contract (attached as Appendix C). Proposals should include any desired changes to the standard contract. It should be noted that there are many clauses which the USM cannot change (see Appendix D). Significant changes to the standard contract may be cause for rejection of a proposal.

17. The Procurement Process: The following is a general description of the process by which a firm will be selected to fulfill this Request for Proposal.

a. Request for Proposals (RFP) is issued to prospective providers.

b. A deadline for written questions is set.

c. Proposals will be received as set forth in Section 10.

d. Late or unsigned proposals will not be considered.

e. All proposals must be received by USM no later than the date and time specified on the cover sheet of this RFP.

f. At that date and time the package containing the proposals from each responding firm will be opened publicly and the name of each respondent will be announced. No further information will be disseminated at that time.

g. Proposal evaluation: The University will review each proposal.

h. At its option, the evaluation committee may request oral presentations or discussions for the purpose of clarification or amplification of the materials presented in the proposal. It also reserves the right to request best and final offers (BAFO) from the respondents whose proposals are evaluated as either “Acceptable” or “Potentially Acceptable,” but in no way is the University bound to request a BAFO. Therefore, it behooves each respondent to submit what they consider as
their best offer with its first submission.

i. Respondents are cautioned that this is a request for proposals, not a request to contract, and the USM reserves the unqualified right to reject any and all proposals when such rejection is deemed to be in the best interest of the University.

j. The proposals will be evaluated according to the criteria set forth in Section 9e.

k. The contract must be approved by the State of Mississippi Department of Finance and Administration and its Office of Purchasing, Travel, and Fleet Management prior to award.
APPENDIX A
SIGNATURE PAGE

Request for Proposals (RFP) 19-04
Procurement Card Services
for University of Southern
Mississippi

Provide information requested, affix signature, and return this page with your proposal:

LEGAL NAME OF FIRM: ____________________________________________

COMPLETE ADDRESS: _____________________________________________

_______________________________________________________________

TELEPHONE NUMBER: ____________________________________________

AREA CODE / NUMBER

FACSIMILE NUMBER: _____________________________________________

AREA CODE / NUMBER

E-MAIL ADDRESS: ________________________________________________

AUTHORIZED SIGNATURE: _________________________________________

PRINTED NAME: _________________________________________________

TITLE: __________________________________________________________
APPENDIX B:
Current Card Picture

Request for Proposals (RFP) 19-04
Procurement Card Services
for University of Southern Mississippi

Artwork can be supplied by USM University Communications upon request.
APPENDIX C
USM's Standard Services Contract

This Agreement is between ___________________________, hereinafter referred to as “Contractor”, a corporation organized and existing under the laws of the State of _________________ with its corporate address being ____________________________, _______________, _____________________, _________, and the University of Southern Mississippi, a governmental entity of the State of Mississippi, hereinafter referred to as “USM”, with its address at P.O. Box _______, Hattiesburg, Mississippi 39406 for and on behalf of its __________________(hereinafter_________). Contractor and USM are collectively referred to as the “parties.”

WHEREAS, Contractor desires to provide certain, specific services to USM.

WHEREAS, USM is willing to pay for those services.

[As applicable] WHEREAS, this Agreement was negotiated, made, and entered into by the parties hereto pursuant to a Request for Proposals procedure conducted by University pursuant to relevant Mississippi state law, all as more fully described in University’s RFP #xx-xx dated xxx x, xxxx.

This agreement shall become effective upon final signature below. The term of this agreement shall be for __(xx year)____ from the effective date of this agreement at which time this agreement shall automatically expire. However, upon mutual written agreement of both parties, if a renewal agreement is executed by both parties at least XX days prior to the termination of this agreement, then this agreement may be renewed under these same terms. Any revisions to original terms shall be stated via written amendment.

Therefore, the parties hereby agree as follows:

A. Both parties agree to all terms and conditions set forth in Standard Terms and Conditions below, with the exception of any exceptions, additions, alterations, or revisions set forth in Exceptions to the University of Southern Mississippi Standard Terms and Conditions below.
   1. The documents shown below are incorporated into this agreement by reference.
   2. In case of any inconsistency, conflict, or ambiguity among the contract documents, the documents shall govern in the following order:
      i. This University of Southern Mississippi Services Contract
      ii. USM RFP# (number)
      iii. (company name) response to USM RFP#19-04 dated (date)

B. Contractor shall:
Provide the following services:
   1. (the scope of services should be clearly defined)
   2. 
   3. 
   4. 
   5. 
   6. Refrain from using USM’s name, work mark, or other university identifier.
   7. Refrain from using the name or title of any USM official.
   8. Refrain from projecting their product, or the work entailed therewith, as being approved by or otherwise endorsed by USM, its entities or officials.

C. For the services set forth herein, USM will pay Contractor as follows:
1. (the amount of payment should be clearly defined)
2. The timing of payment is set forth in Standard Terms and Conditions, Section A.

D. Notices
All notices required or permitted to be given under this agreement must be in writing and personally delivered or sent by electronic means provided that the original of such notice is sent by certified U.S. Mail, postage prepaid, return receipt requested, to the persons at the address shown below. The parties agree to notify the other in writing of any change of address.

For Contractor: __________________________
________________________
________________________

For USM: __________________________
P.O. Box _______
Hattiesburg, MS 39406

STANDARD TERMS AND CONDITIONS

A. Payment
USM shall pay Contractor within 45 days of receipt of each invoice received from Contractor upon review and confirmation by USM that such payments and all portions thereof are due, justified and warranted based on services received by USM in accordance with §31-7-305(2), Mississippi Code of 1972.

B. Availability of Funds
It is expressly understood and agreed that the obligation of USM to proceed under this agreement is conditioned upon the availability and receipt of funds by USM to specifically perform the obligations set forth for USM under this agreement.

C. Representation Regarding Contingent Fees and Gratuities
Contractor represents that it has not retained a person to solicit or secure a state contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. Further, Contractor represents that it has not violated, is not violating, and promises that it will not violate the prohibition against gratuities set forth in state law.

D. Equal Employment Opportunity
Contractor represents and understands that USM is an equal opportunity employer and therefore maintains a policy that prohibits unlawful discrimination. Contractor agrees that during the term of this agreement that Contractor will strictly adhere to this policy in its employment practices and the provisions of its services.

E. Assignment Prohibition
Contractor agrees that it shall not attempt to nor shall it assign this agreement to any party and that any attempt to do so shall be void.

F. Authority to Contract
Contractor warrants (a) that it is a validly organized business with valid authority to enter into this agreement; (b) that it is qualified to do business and is in good standing in the State of Mississippi; (c) that entry into and performance under this agreement is not restricted or prohibited by any loan, security, financing, contractual, or other agreement of any kind, and (d) notwithstanding any other provisions of this agreement to the contrary, that there are no existing legal proceedings or prospective legal proceedings, either voluntary or otherwise, which may adversely affect its ability to perform its obligations under this agreement.

G. Failure to Enforce
The failure by USM at any time to enforce the provisions of this agreement shall not be construed as a waiver of any such provision. Such failure to enforce shall not affect the validity of the contract or any part thereof or the right for USM to enforce the provisions at any time in accordance with the terms.

H. Contractor-Independent Contractor
Contractor shall at all times be regarded as and shall be legally considered an independent contractor and neither Contractor nor its employees shall, under any circumstances, be considered servants, agents or employees of USM, and USM shall at no time be legally responsible for any negligence or other wrongdoing
by Contractor, its partners, principals, officers, agents, employees or representatives. USM shall not be responsible for any federal and state unemployment tax, federal or state income taxes, Social Security taxes, or any other amounts for the benefit of Contractor or any of its partners, principals, officers, agents, employees or representatives. USM shall not provide to Contractor, its partners, principals, officers, agents, employees or representatives any insurance coverage or other benefits, including, but not limited to, Worker’s Compensation, which are normally provided by USM to its employees. Contractor’s personnel shall not be deemed in any way, directly, indirectly, expressly or by implication, to be employees of USM. Nothing contained in this agreement or otherwise shall be deemed or construed as creating the relationship of principal and agent, partners, co-venturers, or any similar relationship between USM and the Contractor. At no time shall Contractor be authorized to do so and at no time shall Contractor act as an agent for or of USM.

I. Indemnification and Insurance

Contractor and its officers shall indemnify, defend, save and hold harmless, protect, and exonerate the State of Mississippi, the Board of Trustees of State Institutions of Higher Learning, USM, and each of their officers, agents, employees, and representatives, both in their official and in their individual capacities, from and against all claims, demands, liabilities, suits, actions, damages, losses and costs of every kind and nature whatsoever, including, without limitation, court costs, investigative fees and expenses and attorney’s fees, arising out of or caused by Contractor and its’ partners, principals, officers, agents, employees or representatives related to actions or inactions of Contractor, its partners, principals, officers, agents, employees and representatives. In USM’s sole discretion, Contractor may be allowed to control the defense of any such claim, suit, etc., but in such event, Contractor shall use legal counsel acceptable to USM. Contractor shall be solely responsible for all costs and/or expenses associated with such defense and USM shall be entitled to participate in said defense. Contractor shall not settle any claim, suits, etc., without USM’s written concurrence, which concurrence USM shall not unreasonably withhold.

Contractor, at its expense, agrees to procure and maintain insurance during the term, if required, as follows:

Worker's Compensation and Employer's Liability: Standard limits as required by applicable Worker's Compensation Laws.

Comprehensive General Liability:
- General Aggregate - $2,000,000
- Personal & Adv Injury - $1,000,000
- Each Occurrence - $1,000,000
- Fire Damage (any one fire) - $1,000,000
- Medical Expense (any one person) - $5,000
- Automobile Bodily Injury and Property Damage Liability - $1,000,000 Combined Single Limit

Errors and Omissions Liability: If required, Contractor shall maintain Errors and Omissions Liability Insurance in an amount of not less than $1,000,000 per claim covering claims or damages because of injury or damages arising out of any act, error, or omission of Contractor in the rendering of professional services.

The Contractor shall provide a Certificate of Coverage to the Board of Trustees of State Institutions of Higher Learning, Grants and Contracts, 3825 Ridgewood Road, Suite 429, Jackson, MS, 39211 and USM, Steve Ballew, 118 College Dr., #5003, Hattiesburg, MS 39406 prior to the start of services. The Certificate of Coverage should, at a minimum, contain the name of the carrier, effective and expiration dates of coverage, a description of the covered perils, amount of coverage by peril, reference to specific endorsements, the name and mailing address of the insurance company, and the name and mailing address of the insurance agent. The Certificate of Coverage for general liability coverage must name the Board of Trustees of State Institutions of Higher Learning (IHL) and USM as an additional insured. The additional insured requirement shall be by endorsement on form CG 20 37 0413 or an equivalent or broader form, or by blanket additional insured endorsement, and the general liability coverage shall be primary and noncontributory in respect to insurance maintained by USM or IHL. Further, Contractor agrees to waive any rights of
subrogation against IHL or USM. The insurance required of Contractor shall be with insurance companies
who maintain an AM Best rating of A-VIII or better. No material change in coverages may occur for USM or
IHL without 60 days advanced notice.

J. Attorney’s Fees and Expenses
Contractor agrees that in the event Contractor defaults in any obligations under this agreement that Contractor
shall pay to USM all costs and expenses, including but not limited to, attorney’s fees incurred by USM in
enforcing this agreement.

K. Patents and Copyrights
Contractor covenants to save, defend, keep harmless, and indemnify the State of Mississippi, the Board of
Trustees of State Institutions of Higher Learning, USM, and each of their officers, agents, employees, and
representatives, both in their official and in their individual capacities, from and against all claims, losses,
damages, injury, fines, penalties, and costs, including court costs and attorney’s fees, charges, and other
liability and exposure however caused for or on account of any copyright or patent infringement that may
result from activities related to this agreement and the actions/inactions hereunder by the parties. This
indemnification is not separate from that set forth elsewhere in this agreement and is not a limitation thereon,
but instead is in conjunction therewith and is recited to ensure that the full breadth of the indemnification
provisions contained elsewhere in this agreement are understood by the parties.

L. Disputes
Contractor agrees that any and all disputes between the parties to this agreement must be submitted to the
USM Vice President for Finance and Administration for consideration and a final decision. If Contractor is
dissatisfied with that final decision, the dispute may, at the option of USM, be subjected to resolution by
mediation prior to any action being taken by Contractor toward litigation.

M. Modifications to Agreement
This Agreement represents the entire understanding between the parties with respect to the subject matter
hereof, and this Agreement supersedes all previous representations, understandings or agreements, oral or
written, between the parties with respect to the subject matter and cannot be modified except by a written
instrument signed by the parties. All attached schedules and exhibits are hereby incorporated by reference to
this Agreement.

N. Ownership of Documents and Work Papers
USM shall own all documents, files, reports, work papers and working documents, electronic or otherwise,
created by Contractor in connection with this agreement.

O. Severability
If any part of this agreement is declared to be invalid or unenforceable, such invalidity or unenforceability
shall not affect any other provision of the agreement, and to that end the provisions hereof are severable. In
such event, the parties shall amend the agreement as necessary to reflect the original intent of the parties and
to bring any invalid or unenforceable provisions in compliance with applicable law.

P. Termination for Convenience
USM may, when the interests of USM so require, terminate this agreement in whole or in part for convenience
of USM. Written notice of the same is required to be provided by USM and shall allow no less than thirty (30)
days’ notice prior to the effective date of termination. Termination by Contractor can only occur with at least
one-hundred and twenty (120) days’ notice prior to the effective date of termination.

Q. Termination for Cause
Either party may terminate this agreement immediately upon issuance of written notice if the other party fails
to perform the obligations to the other party under this agreement. The party issuing such a termination notice
may allow 10 days within which the other party may attempt to cure the failure to fulfill its obligations, but
such 10 day cure time is not required.

R. Inspection of Books and Records
USM shall have the right to inspect and audit the books and records of Contractor at reasonable times and
places. Such books and records shall be retained and maintained by Contractor for a minimum of three years
following the termination or the expiration of this agreement.

S. Applicable Law
This contract shall be governed by and construed in accordance with the laws of the State of Mississippi,
excluding its conflicts of law provisions, and any litigation with respect thereto shall be brought in the courts of this state. Contractor shall comply with applicable federal, state, and local laws and regulations. If a court determines that any provision of this contract is not enforceable against USM, the Contractor agrees that the individual signing this agreement on behalf of USM is not personally responsible or liable for any of the obligations and duties contained herein.

T. Venue
Each of the parties hereto hereby irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the state courts of Forrest County, Mississippi, with respect to any litigation arising out of, or related to, this agreement and the transactions contemplated hereby (and agrees not to commence any litigation relating thereto except in such courts). Each of the parties hereto irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of this agreement of the transactions contemplated hereby, in the state courts of Forrest County, Mississippi, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum.

U. E-Verify
Contractor represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act, Section 71-11-1, et seq of the Mississippi Code Annotated, and will register and participate in the status verification system for all newly hired employees. The term “employee” as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, “status verification system” means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Contractor agrees to maintain records of such compliance and, upon request of the State and approval of the Social Security Administration or Department of Homeland Security, where required, to provide a copy of each such verification to the State. Contractor further represents and warrants that any person assigned to perform services hereunder meets the employment eligibility requirements of all immigration laws of the State of Mississippi. Contractor understands and agrees that any breach of these warranties may subject Contractor to the following: (a) termination of this Agreement and ineligibility for any state or public contract in Mississippi for up to three (3) years, with notice of such cancellation/termination being made public, or (b) the loss of any license, permit, certification or other document granted to Contractor by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. In the event of such termination/cancellation, Contractor would also be liable for any additional costs incurred by the State due to contract cancellation or loss of License or Permit. The foregoing is applicable only if Contractor has employees physically in Mississippi. The foregoing is applicable only if Contractor has employees physically in Mississippi.

V. Force Majeure
Neither Party shall be deemed in default or otherwise liable hereunder due to its inability to perform by reason of any fire, earthquake, flood, epidemic, accident, explosion, casualty, strike, lockout, labor controversy, riot, civil disturbance, act of public enemy, embargo, war, act of God, or similar causes beyond the party's control. Any delay in performance shall be no greater than the event of force majeure causing the delay. If an event of force majeure continues uninterrupted for a period exceeding six (6) calendar months, either party may elect to terminate this Agreement upon notice to the other, but such right of termination, if not exercised, shall expire immediately upon the discontinuance of the event of force majeure.

Exceptions to University of Southern Mississippi Standard Terms and Conditions

Any exceptions, additions, alterations or revisions to the University of Southern Mississippi Standard Terms and Conditions shall be listed herein and shall become a binding part of the contract upon approval and signature by both parties. If there are no exceptions, “NO EXCEPTIONS” should be typed after “A.” Failure to add “NO EXCEPTIONS” will render it not applicable and the entire University of Southern Mississippi Standard Terms and Conditions will be considered to be in force.

A.
IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

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<thead>
<tr>
<th>VENDOR NAME</th>
<th>UNIVERSITY OF SOUTHERN MISSISSIPPI</th>
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<td>Vendor Rep Name / Date</td>
<td>USM Rep Name / Date</td>
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<tr>
<td>Vendor Rep Title</td>
<td>USM Rep Title</td>
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Appendix D
USM Contract Provision Limitations

There are some contract provisions that are not acceptable to the University of Southern Mississippi (USM) as an agency of the State of Mississippi under the management and control of the Board of Trustees of State Institutions of Higher Learning. As a governmental entity, USM has only such authority as granted to it by statute and is subject to all restrictions placed upon such entities by the statutes and Constitution of the State of Mississippi. USM can therefore take only such actions specifically authorized by law and may not waive any right or power granted to it by Mississippi statutes and the Mississippi Constitution.

The Mississippi Attorney General has applied these rules of law to many and varied specific questions concerning proposed actions by governmental entities and the authority for these acts. References to specific Attorney General Opinions are outlined in parentheses below. The Attorney General has consistently opined that a state agency, such as USM, in contracting with and purchasing from vendors and contractors,

may not:

1. agree to defend, indemnify or hold harmless another party. (MS AG Ops., Long, February 27, 2009)

2. agree to waive or limit any other party’s liabilities or warranties, express or implied. (MS AG Ops., Long, February 27, 2009)

3. agree to any limitation or waiver of damages or types of damages owed or which may be owed by another party to a state agency. (MS AG Ops., Chamberlin, October 18, 2002)

4. agree to waive trial by jury or any other procedural or substantive right which may diminish or relinquish an obligation or claim held or owned by the state. (MS Const. Art. 4, Section 100, MS AG Ops., Chamberlin, October 18, 2002)

5. agree to submit to binding arbitration in the case of a dispute between the state agency and another party. (MS AG Ops., Chamberlin, October 18, 2002)

6. agree to shorten or limit any applicable statute of limitations applying to any dispute between the parties. (MS AG Ops., Chamberlin, October 18, 2002)

7. agree to fix venue or jurisdiction of any action in any other state or jurisdiction except Mississippi. (MS AG Ops., Meadows, August 18, 2008)

8. agree to be bound by the laws of any other state than the State of Mississippi. (MS AG Ops., Nowak, November 18, 2005)

9. agree to a time of payment or the payment of interest, penalties or attorney’s fees to another party other than as provided for in the Mississippi Timely Payment Law, Section 31-7-301 et seq., Miss. Code of 1972.
10. agree to waive any immunity or defense the state agency has under the Mississippi Tort Claims Act or any other Mississippi statute, rule or decision.

Furthermore, any contract containing a confidentiality clause must contain an exception for compliance with the Mississippi Public Records Act. A standard clause can be provided by USM counsel for insertion in any proposed contract.

The above list does not contain all contract limitations placed on a state agency, but it is intended as a notification to service providers and suppliers of a state agency’s contract limitations in accordance with opinions of the Mississippi Attorney General and/or Mississippi law.