

Commercial Card RFP Guide:

How to create an effective Request for Proposal for corporate T&E card and / or corporate procurement card services

Designed for professionals with beginning-to-intermediate levels of experience in issuing and reviewing proposals

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How to be a Proposal Process Expert

What is a 'Request for Proposal'?

When organizations consider using the products or services from external or third-party suppliers, they will often issue a **Request for Proposal (RFP)** to several prospective vendors. The purpose of the RFP is to solicit competitive, comparative product information and pricing from a variety of prospective vendors so that you may select the provider best suited to your organization's needs. Typically, an RFP consists of questions for the suppliers about the product.

Some additional terminology you may find useful:

- **RFI (Request for Information):** Considered less detailed than an RFP, but sometimes may serve the same function as an RFP as some organizations use the terms RFP and RFI interchangeably.
- **RFQ (Request for Quotation):** Similar to RFP and RFI but with more emphasis on pricing and financial information than an RFP.
- **RFx (Request for x):** Similar to RFP and RFI, but with little or no emphasis on pricing. This term is often used for RFP's which are conducted online and then followed by an online auction (pricing only).
- **Supplier, Vendor, Provider:** Similar terms often used interchangeably to describe an organization offering a product or service to your organization.

Understanding the typical process surrounding an RFP

The typical RFP process may be lengthy and formal, or brief and casual, depending upon the nature of the product/service being considered, your organization's objectives, corporate culture, time frame, and internal resources available to review bidder responses. You determine the nature, tone, and scope of your RFP. The "**Ready-to-Use Commercial Card RFP**" available with this document meets a variety of needs, for organizations large and small.

How to speak the language of the card providers

Here are a few terms that are frequently used by corporate payment vendors:

- **Corporate Card:** A payment system designed to be used by organizations for corporate Travel and Entertainment (T&E) expenses.
- **Corporate Purchasing Card:** A payment system designed to automate the procurement process for your organization's indirect goods and services. Examples include Maintenance, Repair and Operations (MRO) supplies and services.
- **Commercial Card:** A corporate payment system designed to be used by organizations for both corporate Travel and Entertainment (T&E) expenses as well as for purchasing or procurement expenses.
- **Charge Volume:** The amount charged, or to be potentially charged through your expense solution.

Getting Started: Pre-RFP Planning

The RFP Planning Process

An effective RFP review and evaluation process begins before you issue an RFP.

While the primary purpose of issuing an RFP is to help your organization gather information from potential suppliers, you have the opportunity to direct the nature and type of responses you receive by providing comprehensive information regarding your organization, program requirements, goals and objectives. Typically, companies who offer the most information are the ones that receive the most aggressive and customized responses. It is much more likely that a vendor will provide the best response—from a quality and financial perspective—when the opportunity is well defined.

Prior to issuing an RFP, it is important to take some time to plan out the process and define the parameters. Your company or organization should:

Define the Current Program and Future Services Needs/Goals

Take into consideration factors such as: Do you have a current provider for this product/service or is this a new program? Does your program meet your current requirements as well as your goals/objectives? Are there challenges and/or what would you like changed regarding the current program?

- **Best Practice:** Clearly define the goals, opportunities and trade-offs of the RFP process. Recognize the tangible and intangible costs of change (e.g., financial, process/service disruption, hidden service or solution flaws provided by the new provider). Work closely with your current provider's account management team to review and discuss the current program prior to initiating the RFP process.

Identify RFP Process Sponsor(s), key player(s), and decision-maker(s)

Organizations must establish sponsorship and align goals between executive sponsorship and the proposal evaluation committee. It is important to include representatives from groups that will be impacted by the change so they can be involved/kept apprised of the selection process. This will ensure buy-in of the selected program and help drive implementation and on-going program success. Who will own the decision, will it be the sponsor or will it be a committee? What process will be used to evaluate the responses? Decide this early to ensure a smooth evaluation process.

- **Best Practice:** Be a proactive facilitator in defining the roles and expectations of your executive sponsors. For example, do your senior executives understand the imperative for change, the value of the potential solution(s), and the importance of their support in making the program a success? Develop an executive-level understanding of opportunities, potential barriers, timelines and milestones. Leverage this information in the RFP to assist providers in crafting a solution that best serves your organization.

Determine which Providers will Receive an RFP

You may want to conduct research and visit providers' websites to determine appropriate vendor candidates. Which companies are the leading providers of the product/service(s) you need? What are these providers' principal businesses?

- **Best Practice:** Consider, "What is the primary business of our potential solution providers?" For example, are they in the banking business, or in the corporate expense management business? Such considerations can have significant impact as to the quality of the solution sets, account resources, support, and the potential long-term success of your expense management program(s).

Planning for the Review: Receiving and Evaluating Your Proposals

An efficient and effective process for receiving and evaluating proposals begins during pre-RFP planning, not later. Take a few minutes to consider the following.

How to Manage an Efficient Proposal Process

- Determine how you will communicate with providers, and make sure your organization follows through
- Be proactive to ensure all impacted parties receive confirmation that the proposal was received
- Establish and communicate the evaluation process and the schedule
 - Define your review timeline
 - Articulate your criteria
 - Train and coach your proposal reviewers
 - Evaluate by design: Leverage the "**Ready-to-Use Commercial Card RFP Evaluation Tool**"

See Receiving and Evaluating Proposals, below, for more information.

Beyond your Proposal Review

After the RFP responses are received and reviewed, many organizations budget for a follow-up period, which may include "best and final" presentations, technology demonstrations, and other additional questions for all or a select few providers.

- **Best Practice:** Communicate your expected process steps beyond the proposal submission and review steps. For example, when will you review the proposals? When will vendors be contacted? When will presentations be held? This follow-up process should be included in the RFP information provided to vendors and reiterated in your communication back to vendors when you have received their proposals.
- **Best Practice:** Consider the complexity of your organization's solution requirements. In many instances, requesting and considering the merits of vendor product demonstrations, as well as implementation and integration support may provide keen insight into a vendor's ability to achieve your program objectives.

Making it Happen: Creating your RFP

Providing Introduction / Background Information to Suppliers

It is recommended that your RFP be accompanied by a cover letter or introductory section that includes information such as your travel and entertainment (T&E) and procurement program objectives, recent historical spending figures, and past successes and challenges.

Typically, companies who offer the most information are the organizations that receive the most aggressive and customized responses.

Consider including the following:

Background on your Organization

| | |
|-----------------------------------|--|
| Official Company Name | As well as familiar name, if different. (How would you like providers to refer to your organization in response documents?) |
| Description of your Organization | Briefly describe your core or principal business(es), primary locations, and note website (URL) for additional information |
| Organization Goals and Objectives | What is the goal or vision for your organization? Examples may include savings, process streamlining, and/or enhancing control on either a national or global basis. |

Program/Services Definition

| | |
|--|--|
| Size of the Service Opportunity | Communicate your current (and recent history) charge volume for the opportunity (to help providers determine your program growth/trending as well as scope of services and support required) |
| Existing program/solution overview and/or provider (as applicable) | How is the Commercial Card program administered? Who are some of your commonly used suppliers? Do critical expense management objectives exist, such as managing meeting expenses or directing expenses to specific suppliers to leverage vendor discounts? |
| Contractual Requirements | Provide a clear description of your organization's requirements and expectations of contract parameters such as terms, conditions, duration of agreement. If you require a review of your standard Terms and Conditions, please state that requirement here and include the document in the RFP. |
| Purpose and scope of your RFP | Define the nature and extent of the service(s) your organization seeks (i.e. U.S. only; North America; Global) |

Proposal Timeline/Delivery

| | |
|--|---|
| Establish a Reasonable Proposal Due Date | As a general rule, allow 4 weeks from the date you issue the RFP for providers to submit their responses. Keep in mind that the longer the RFP, the more time it will take bidders to thoroughly research and develop responses, and for you to review all submissions. |
| Designate and | Before you issue your RFP, assign a "point person" or primary contact in your organization to |

| | |
|---|--|
| Communicate Contact Information | address provider questions. Your method of communication with providers is your organization's choice. Most RFP issuers choose email correspondence for record keeping purposes. Be sure to include these details in your RFP. |
| Define RFP Open Issue Follow-Up Process | Set-up time (2-3 days after issuing the RFP) for providers to submit questions prior to the RFP due date. Establish a timeframe for responding to questions |
| Define your formatting/delivery preferences | Would you prefer e-mail, CD, or printed copies of the proposal, or is this an online bid? Communicate your page and/or response limit, if so desired. Before distributing your RFP, you may want to survey the members of your evaluation team to determine their preferred response media and method of review. |
| Confidentiality | Inform potential bidders about the confidentiality of your bid process |

The RFP Questionnaire

Each organization must determine the issues/questions that will have the most impact on their corporate and program objectives. Please refer to the “**Ready-to-Use Commercial Card RFP**” included with this document for useful RFP questions. The questions provided are comprehensive and can be used, without modification, to generate your RFP. Nevertheless, you may want to consider adding, deleting and/or modifying questions to best serve the goals of your organization’s RFP process.

Utilize a professional RFP template

- **Best Practice:** Utilize a professional RFP template. RFP templates offer your organization a comprehensive, organized series of questions. Many providers offer templates based on their experience and understanding of customer needs. Utilizing these templates to develop your customized RFP will result in clear, concise and thorough responses to your questions and provide a comprehensive structure for evaluating the proposals you receive.

Utilizing the Ready-to-Use Commercial Card RFP

Please refer to the “**Ready-to-Use Commercial Card RFP**”, available in both Microsoft Word® and Excel® versions. This document is intended as a guideline for Commercial Card RFP’s with a U.S. and/or global scope. It contains what is commonly viewed to be the critical elements for an effective Commercial Card RFP, and can be used with very little customization. However, this document does not encompass every possible question or scenario pertinent to your organizational goals. Each organization must determine and ask the questions that align with your specific needs and objectives. For example, while the RFP does contain a section focused on overall global program requirements, your organization may find it useful to create an additional document requesting specific product/service information by country (i.e., ATM availability, reporting tools, insurance options).

- **Best Practice:** Be diligent in determining the questions that are important to your specific organization’s program. If a question or section is not pertinent to your program, do not use it. To avoid repetition and lengthy response documents, make every effort to consolidate similar inquiries from your organization into one question.

Determine the appropriate format for your RFP

- **Best Practice:** Utilize common RFP formats, such as documents (e.g., Microsoft Word®) and spreadsheets (e.g., Microsoft Excel®).

- Documents: Many RFP issuers find that a document format yields the most targeted responses. Please refer to the Microsoft Word® “**Ready-to-Use Commercial Card RFP**” for an example.
- Spreadsheets: While appearing initially efficient, spreadsheet-based proposals may significantly constrain content, requiring multiple follow-ups with vendors for further clarification. Please refer to the Microsoft Excel® “**Ready-to-Use Commercial Card RFP**” for an example.
- Online: There are many online RFP vendors in the marketplace that can help your company issue the RFP via the internet. While recognizing the need to limit or streamline vendors responses in this format, be sure to allow each vendor a way to show their unique value (ex. attachments, charts).

Receiving and Evaluating Proposals

Communication with Providers

Advise providers in a timely manner that your organization has received the proposals. They will appreciate hearing both that you received the proposal, and the status of the evaluation process.

Proposal Review teams that budget and utilize time to thoroughly read and assess submitted proposals often save time on follow-up information requests and meetings with vendors.

RFP Scoring

Similar to the process of developing and issuing an RFP, the evaluation process may be lengthy and formal, or brief and casual, depending your organization's objectives, corporate culture, time frame, and internal resources.

While each organization must develop its own decision process and criteria, it may be useful to create a scoring tool inclusive of your key requirements/objectives and an organizational rating scale, to help rank all submissions.

- **Best Practice:** Carefully consider the review process variables you are measuring. Give strong consideration to multiple variables when evaluating the strength of the proposals your organization receives. For example, assess why there is disparity between different providers' financial offerings. Does one provider offer more support resources or robust solutions to better assure your current and future program success? Lowest price or "most attractive financial offer" may not include best value or program growth potential for your organization. Utilizing a scorecard will allow you to rate the value of a provider's overall offering and prioritize specific components that are most important to your organization's program objectives.

Utilize a Ready-to-Use RFP Evaluation Tool

To help you in the evaluation process, utilize the "**Ready-to-Use RFP Evaluation Tool**". Included are sample "scorecards" or evaluation tools for measuring the competence of potential Commercial Card (corporate T&E card and/or procurement card) suppliers.

This Microsoft Excel® formatted tool includes two levels of potential Evaluation Criteria. The first tab, or Sample 1, is a high-level tool, while the second tab, Evaluation Criteria Sample 2, is meant to illustrate a more granular method of evaluation. The evaluation categories and weightings provided are merely suggestive, and should be altered according to your organization's needs. No one category should be weighed significantly more or less than any other category to ensure a best-in-class package of products, technology, service, and price.

Tips for using the "**Ready-to-Use RFP Evaluation Tool**" include:

- In 'column A', there are sections and topics which summarize the main subjects of consideration covered throughout the “**Ready-to-Use Commercial Card RFP**”.
- Each section/topic should be given a pre-defined percentage weighting in 'column B'. All sections should add up to 100%.
- In 'columns C, E, and G', you should assign a grade between 0-100 (100 being highest) to each Commercial Card provider.
- The points in 'columns, D, F, and H' will be automatically calculated to include the percentage weighting x the grade. At the bottom, the percent score for each provider will be calculated.
- Should you wish to remove or add section/topics from the evaluation tool, be sure that the percentage weightings add up for each section and total to 100%.
- Consider additional solution attributes such as vendor product demonstrations (e.g., ease of use) and the level of implementation support and integration to be provided by the vendor, prior to issuing your final score.

If you would like to find out more about programs that may assist your organization, how to prepare successful corporate card and/or corporate procurement card RFP's and how you can use them to achieve your organization's expense management objectives, please feel free to either contact your American Express representative or utilize the following link to the American Express web site so we may contact your organization to assist you: <https://corp.americanexpress.com/gcs/app/forms/lead.aspx?src=A1W>

We at American Express wish you all the best with your Commercial Card RFP proposal process and solution sets.