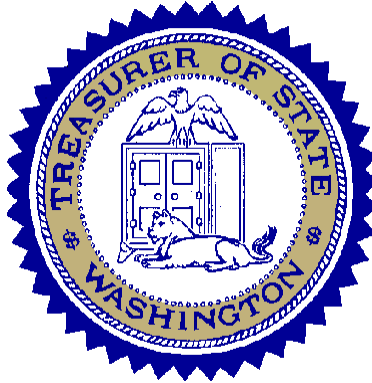


Office of the State Treasurer State of Washington



Request for Proposals *for* *Merchant Bankcard Services*

January 10, 2013

Letter of Intent: Due by 4:00 P.M. Pacific Time (PT), Wednesday, January 23, 2013

Proposals: Due by 4:00 P.M. PT, Friday, February 15, 2013

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SECTION I - INTRODUCTION

1. DEFINITIONS

All capitalized terms and abbreviations used in this RFP shall have the meanings as set forth below.

“Agency” means any State board, commission, committee, department, or educational institution.

“Agreement” means the Agreement for Merchant Bankcard Services to be entered into by and between OST and the apparent successful Proposer, in the same form as **Attachment A** to this RFP.

“Business Day(s)” means Monday through Friday, 8:00 AM to 5:00 PM, Pacific Time, except for holidays observed by the State of Washington.

“Calendar Day(s)” means day reckoned from midnight to midnight.

“Federal” means the United States government.

“Laws and Regulations” means all applicable laws, codes, ordinances, rules, restrictions, regulations, and orders of the Federal, State, regional, or any local government, and any judicial or administrative order or decree that are in effect as of the commencement date of the Agreement or any time thereafter during the term of the Agreement.

“Merchant Bankcard Services” or **“Services”** mean the Work performed by the successful Proposer pursuant to the terms and conditions of the Agreement.

“OST” means the Washington State Office of the State Treasurer.

“OST RFP Coordinator” means the OST employee identified in **Section 3.1** of the RFP as the sole point of contact regarding this RFP upon its issuance and until OST has awarded the contract subject to this RFP.

“Pricing Schedule” means Pricing Schedule attached to this RFP as **Attachment B**.

“Products” means all reports, documents, and equipment provided by the successful vender as detailed in the Agreement, including but not limited to hardware, Software, devices, and documentation.

“Proposal” means a formal written offer submitted in response to this RFP to perform the Merchant Bankcard Services in accordance with the terms of this RFP.

“Proposer” means any respondent to this RFP, and as the context requires, any firm, provider, organization, individual, personnel, or other entity, and its employees personnel, agents, and Subcontractors, performing in whole or in part the activities required by or resulting from this RFP.

“Proposer Contracting Officer” means the Proposer’s officer with signature authority, or the person to whom signature authority has been delegated in writing to legally bind Proposer to a contractual relationship.

“Proposer RFP Coordinator” means that person designated by Proposer as Proposer’s primary contact throughout the procurement process.

“Proprietary Information” means information owned by the Proposer to which the Proposer claims a protectable interest under law. Proprietary Information includes, but is not limited to, information protected by copyright, patent, trademark, or trade secret laws.

“RCW” means the Revised Code of Washington.

“Request for Proposal” or “RFP” means this Request for Proposal (RFP) BC-2013-01 for Merchant Bankcard Services issued by the Office of the State Treasurer, dated January 10, 2013 and any amendments hereto.

“Services” has the same meaning as the term “Merchant Bankcard Services” as defined in this Section.

“Software” means computer instructions, including but not limited to, programs, routines, functions, libraries, and data bases, supplied, procured or developed by the Proposer in connection with the performance of the Work. Software also includes all prior, current, and future versions of the Software and all maintenance updates and error corrections. Software does not include embedded code, firmware, internal code, micro code, and any other term referring to software residing in the equipment that is necessary for the proper operation of the equipment.

“State” means the State of Washington.

“Subcontractor” means one not in the employment of the Proposer, who will be performing all or part of the Services under the Agreement under a separate contract with the Proposer. The term “subcontractor” means subcontractor(s) of any tier.

“Vendor” means the successful Proposer with whom OST contracts for Merchant Bankcard Services as a result of this RFP, and includes any subsidiary, affiliate, agent, Subcontractor, representative or employee retained by the vendor as permitted under the terms of the Agreement.

“WAC” means the Washington Administrative Code.

“WEBS” means the Washington’s Electronic Business Solution, the Internet vendor registration and bid notification system that OST uses to provide contract procurement information. WEBS can be found at:

www.des.wa.gov/services/ContractingPurchasing/Business/Pages/WEBSRegistration.aspx

“Work” means all Product and Services to be provided by the Vendor pursuant to the Agreement.

2. GENERAL INFORMATION

2.1. INTRODUCTION

The Office of the State Treasurer (OST) is offering this Request for Proposal (RFP) pursuant to RCW 43.88.160 to solicit qualified vendors interested in providing Proposals to provide Merchant Bankcard Services and other electronic payment methods for Washington State Agencies.

The objectives of this RFP are to:

- secure a vendor to provide debit and credit card processing services, along with other related merchant services to multiple State agencies with varying requirements;
- secure economies of scale pricing;
- ensure timely and reliable authorization of credit/debit transactions;
- secure reporting products that meet the requirements of both the individual State Agencies and the Office of the State Treasurer; and,
- establish a single point of contact for coordination of all activities related to the contract that will be entered into, including adding new agencies/locations, problem resolution (e.g. settlement, billing, and reporting), new technologies, etc.

Proposals will be evaluated against criteria described in this document to determine which Proposal provides the best overall value to OST. OST will then enter into a contract, in the same form as the Agreement attached hereto as **Attachment A**, with the Proposer submitting the winning Proposal for Merchant Bankcard Services.

2.2. GENERAL AGREEMENT REQUIREMENTS

2.2.1. Non-Negotiable Terms and Conditions. The successful Proposer will be required to enter into an Agreement with OST in the same form as the Agreement attached hereto as Attachment A, Merchant Bankcard Services. In no event is a Proposer to submit its own agreement terms and conditions in response to this solicitation.

2.2.2. Term and Extensions. The initial term of the Agreement will be for a period of not more than three (3) years, with an option to renew the Agreement for an additional four (4) year period, or any portion thereof. The initial contract period will commence July 1, 2013 and end June 30, 2016. The total contract period, with extensions, shall not exceed seven (7) years (through June 30, 2020);

Provided that, OST reserves the right to extend the Agreement beyond June 30, 2020 in the event OST determines an extension is in the best interest of the State.

2.2.3. Transition Term. If a new vendor is selected as a result of this RFP, the term of the Agreement will include a transition period that shall commence upon a date mutually agreed upon by the successful Proposer and OST and shall terminate no later than June 30, 2013.

2.2.4. Compensation.

- A. Compensation for Services performed during the initial term of the Agreement (July 1, 2013 through June 30, 2016) shall be in the amounts set forth in the Pricing Schedule submitted by the successful Proposer in its Proposal (*Attachment B, Pricing Schedule*).
- B. Compensation for Services performed during an extension of the Agreement, if any, shall be in the amounts as mutually agreed to by the parties and as set forth in written amendment to the Agreement.

3. RFP ADMINISTRATION AND PROPOSAL INSTRUCTIONS

3.1. OST RFP COORDINATOR

3.1.1. The OST RFP Coordinator is the **sole point of contact** in OST for this procurement. Upon issuance of this RFP and until OST has awarded the Agreement all communications with OST regarding the RFP shall be with the OST RFP Coordinator as follows:

Ryan Pitroff, Banking Services Manager
Office of the State Treasurer
Capitol Court Building, Suite 260
1110 Capitol Way S.
PO Box 40202
Olympia WA 98504-0202
Telephone: (360) 902-8917
Fax: (360) 704-5117
E-Mail: Ryan.Pitroff@tre.wa.gov

3.1.2. All Proposals must be address to:

If using US Postal Service:

Ryan Pitroff
Office of the State Treasurer
PO Box 40202
Olympia, WA 98504-0202

If using UPS, FedEx, etc.:

Ryan Pitroff
Office of the State Treasurer

3.2. COMMUNICATIONS

- 3.2.1. Upon receipt of this RFP and until OST has awarded the Agreement to the Proposer whose Proposal is most advantageous to OST, Proposers may not approach any OST employee, director, or consultant other than the OST RFP Coordinator to whom inquiries, Proposals, and other correspondence concerning this RFP shall be addressed. Communication regarding this RFP with any other OST personnel or State employee will be considered unofficial and non-binding to OST. Solicitation to OST employees is prohibited in any form. Communication directed to parties other than by the OST RFP Coordinator may result in disqualification of the Proposer.
- 3.2.2. Proposers are to rely only on written statements issued by the OST RFP Coordinator. Any oral communications will be considered unofficial and non-binding on OST.
- 3.2.3. Proposers may use fax and/or email for any communication required in this RFP, EXCEPT for the formal response to this RFP (i.e., Proposal) and protest, if any. Proposers must submit Proposals and protests by delivery to the post office or street address indicated in **Section 3.1.2**.
- 3.2.4. The State of Washington uses a no-charge online bid notification system – Washington’s Electronic Business Solution (WEBS):
<http://www.des.wa.gov/services/ContractingPurchasing/Business/Pages/WEBSRegistration.aspx>

Because all communication regarding this solicitation (i.e., RFP, amendments, questions and answers, etc.) will be published through WEBS, we encourage all interested vendors to register in order to have access to this content.

3.3. NO OBLIGATION TO CONTRACT

This RFP does not obligate the State or OST to contract for the services specified herein. OST also reserves the right to cancel or reissue the RFP in whole or in part, for any reason, at the sole discretion of the OST at any time prior to the execution of a contract.

3.4. WAIVERS

OST reserves the right to waive specific terms and conditions contained in this RFP. It shall be understood by all Proposers that their Proposal is predicated upon acceptance of all terms and conditions contained in this RFP, unless the Proposer has obtained such a waiver in writing from OST prior to submission of the Proposal. Such a waiver, if granted, will be granted to all Proposers. OST will issue a notice of the waiver to all Proposers who have timely submitted a Letter of Intent to Propose as specified in **Section**

5 herein. In addition, any such waiver shall be posted on WEBS (see **Section 3.2.4** herein).

3.5. MOST FAVORABLE TERMS

OST reserves the right to make an award without further discussion of the Proposal submitted. Therefore, the Proposal should be submitted initially on the most favorable terms that the Proposer can offer. At its discretion, OST reserves the right to request best and final offers from the RFP finalists. The Proposer should be prepared to accept this RFP for incorporation into the Agreement resulting from this RFP. The Agreement may incorporate some or all of the Proposer's Proposal. It is understood that the Proposal will become a part of the official file on this matter without obligation to the OST.

3.6. PROPOSER EXPENSES

OST will not be liable for any costs incurred by the Proposer in preparation of a Proposal submitted in response to this RFP, in the conduct of a presentation, or any other activities related to responding to this RFP.

4. PROCUREMENT ACTIVITIES – SCHEDULE AND DESCRIPTION

4.1. RFP PROCURMENT SCHEDULE

All Proposers shall adhere to the following schedule of activities. Proposers mailing Proposals should allow normal mail delivery time to ensure timely receipt of their Proposals by the OST RFP Coordinator. Notwithstanding the provisions of RCW 1.12.070, late Proposals will not be accepted, nor will time extensions be granted. **Table 1** shows the schedule of activities for this procurement, unless explicitly amended by OST in writing. OST reserves the right to revise the below schedule.

TABLE 1 – Schedule of Procurement Activities

Activity	Due Dates
Official Publication of RFP	January 10, 2013
Letter of Intent to Propose	January 23, 2013
Proposer Submittal Due Date for Written Questions	January 25, 2013
Answers to Written Questions	February 1, 2013
Amendments to RFP, if any	February 1 2013
Proposals Due	February 15, 2013
Interviews/Conference Calls (at OST's discretion)	February 25-26, 2013
Notice of Apparently Successful Proposer	On or before March 1, 2013

Execute Agreement	On or before May 1, 2013
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*Times given are for Pacific Time

5. LETTER OF INTENT TO PROPOSE

(Facsimile or email submission acceptable)

A letter indicating the Proposer's intent to respond to this RFP must be received by the OST RFP Coordinator no later than the date and time listed in **Table 1 in Section 4.1**. The Proposer may submit the Letter of Intent to Propose by U.S. mail, post office box address, courier delivery service at the street address, email address, or facsimile number as specified in **Section 3.1** herein, respectively. If submitting by email **RFP BC-2013-01** must be in the subject line on the email.

Only Proposers who properly submit a Letter of Intent to Propose will directly receive written answers to written Proposer questions, amendments (as provided in **Section 7** herein), and other information issued by OST regarding this RFP.

By submitting a Letter of Intent to Propose, the Proposer accepts the procedure, review criteria, and the administrative instructions of this RFP.

The Letter of Intent to Propose must include the following information:

- Proposer's name, address, telephone number, fax number, and email address
- Proposer Contracting Officer's name, title, address, telephone number, fax number, and email address
- Proposer RFP Coordinator's name, title, address, telephone number, fax number, and email address
- Statement of intent to propose

OST must receive all written inquiries and correspondence from Proposers by the date and time shown in **Table 1 in Section 4.1** herein. Proposers may submit questions by U.S. mail, facsimile, or email at the street or post office box address, facsimile number, or email address specified in **Section 3.1** herein, respectively. OST will not respond to Proposer's questions submitted after said date. OST will provide written answers by the date shown in **Table 1 in Section 4.1** herein.

It is incumbent upon each potential Proposer to carefully examine the RFP requirements, terms, and conditions. Should any potential Proposer find discrepancies, omissions, or ambiguities in this RFP, the Proposer shall at once request, in writing, an interpretation from OST's RFP Coordinator. OST must receive all written inquiries and correspondence from Proposers by the date shown in **Table 1 in Section 4.1** herein. Any inquiries, suggestions, or requests concerning interpretation, clarification, or additional information shall be made in writing and delivered to the OST RFP Coordinator via U.S. Postal Service, facsimile, or e-mail at the street or post office box address, facsimile number, or email address specified in **Section**

3.1 herein, respectively. OST will not respond to Proposer questions submitted after said date. OST will provide written answers by the date shown in **Table 1** in **Section 4.1** herein.

Any changes or clarifications to the information provided in this RFP shall be reduced to writing and will be posted on the WEBS and furnished to each Proposer that has timely submitted a Letter of Intent to Propose.

6. SUBMISSION OF PROPOSALS

(Submission by mail or hand delivery required)

6.1. Time and Manner of Submission

Proposers shall submit their Proposals in the number and format as set forth in **Section V: Proposal Submission** herein to the OST RFP Coordinator. Proposals must be addressed to the OST RFP Coordinator and received by OST by the date and time indicated in **Table 1** in **Section 4.1** at the street address or post office box listed in **Section 3.1** herein. **OST will not accept facsimile or other electronically submitted Proposals.** Any Proposal received after the prescribed deadline will be marked as “Late” and will not be considered. Late Proposals will be returned to the Proposer unopened.

Proposers mailing Proposals should allow normal mail delivery time to ensure receipt of their Proposals by the OST RFP Coordinator within the time period prescribed in **Table 1** as set forth in **Section 4.1** above.

6.2. Withdrawal of Proposals

Proposers may withdraw a Proposal that has been submitted at any time up to the Proposal due date and time set forth in the **Table 1** in **Section 4.1**. A written request signed by an authorized representative of the Proposer must be submitted to the OST RFP Coordinator by postal mail, facsimile, or in person. After withdrawing a previously submitted Proposal, the Proposer may submit another Proposal at any time up to the Proposal due date and time set forth in the **Table 1** in **Section 4.1**.

6.3. Proposer’s Acknowledgement

By submitting a Proposal in response to this RFP, each Proposer unequivocally acknowledges that the Proposer has read and fully understands this RFP, and that the Proposer has asked questions and received satisfactory answers from OST regarding any provisions of this RFP with regard to which the Proposer desired clarification.

6.4. Failure to Comply

For a Proposal to be considered complete, all requirements of this RFP must be addressed. Proposer’s failure to comply with any part of this RFP may result in the Proposer’s Proposal being disqualified for being non-responsive to this RFP. Proposals that do not address all areas requested by this RFP may be deemed non-responsive and may be disqualified from further consideration.

6.5. Errors in Proposal

Proposers are liable for all errors or omissions contained in their Proposals. Proposers will not be allowed to alter Proposal documents after the deadline for Proposal submission. OST is not liable for any errors in Proposals. OST reserves the right to contact Proposer for clarification of Proposal contents.

In those cases where it is unclear to what extent a requirement or price has been addressed, the OST evaluation team may, at their discretion and acting through the OST RFP Coordinator, contact a Proposer to clarify specific points in the submitted Proposal. However, under no circumstances will the responding Proposer be allowed to make changes to the proposed items after the deadline stated for receipt of Proposals in **Table 1** in **Section 4.1**.

6.6. Proposal Clarifications

OST, in its sole discretion, will make the determination of clarity and completeness in the Proposals to any of the provisions in this RFP. OST reserves the right to require clarification, additional information, and materials from any Proposer in any form relative to any or all of the provisions or conditions of this RFP.

6.7. Rejection/Waiver/Corrections

OST reserves the right to reject any or all Proposals and to waive minor administrative irregularities contained in any Proposal received. Additionally, OST reserves the right, at its sole option, to make corrections to Proposer's Proposals when an obvious arithmetical error has been made in the price quotation. Proposers will not be allowed to make changes to their quoted price after the Proposal submission deadline.

7. RFP AMENDMENTS

OST reserves the right to amend the RFP and revise the RFP Schedule at any time. In the event that it becomes necessary to revise any part of this RFP, OST will issue an amendment to the RFP to all vendors who have submitted a Letter of Intent to Propose by the date and time specified in **Section 5** above and post such amendment on WEBS **Section 3.2.4**. It is the responsibility of each interested vendor to check WEBS for this information. Vendors are instructed to disregard any oral representations they may receive. Proposal evaluation will be based on the material contained in the RFP and any amendments to the RFP that have been issued. If a conflict exists between amendments, or between an amendment and the RFP, the document issued last shall take precedence.

8. PROPOSAL ACCEPTANCE PERIOD

Proposals providing less than one hundred eighty (180) Calendar Days for acceptance by OST from the due date set for receipt of Proposals (See **Table 1** in **Section 4.1**) will be considered non-responsive and will be rejected.

SECTION II: MINIMUM QUALIFICATION REQUIREMENTS

Proposer must meet all of the following minimum requirements to be considered for the contract award and continue to meet the requirements during the entire contract period.

9. GENERAL QUALIFICATIONS

As of January 2013, Proposers must meet all of the following minimum requirements in order to be considered for the contract award.

- 9.1. The Proposer must have at least five (5) years experience processing payment records transmitted for processing and settlement from major credit/debit card processing networks.
- 9.2. The Proposer must, at the time of the Proposal, or prior to that time if required by law, have all required licenses, bonding, facilities, equipment, and trained personnel necessary to perform the Work as required in the RFP.

10. PROCESSING AND SETTLEMENT

- 10.1. The Proposer must act as the State's acquirer and supply merchant identification number(s) (MID) used for authorizing and settling all VISA, MasterCard, Discover and PIN Debit transactions.
- 10.2. The Proposer must supply at least one processing option for each of the following payment applications:
 - 10.2.1. Hardware Terminals for in-person and Mail Order/Telephone Order (MOTO) transactions. This must include both credit and PIN Debit capability.
 - 10.2.2. Hosted payment processing for internet transactions.
 - 10.2.3. API payment processing for integration with Agency applications, including in-person, internet and MOTO transactions for all card types.
- 10.3. The Proposer must provide settlement to the State such that the proceeds from the payment and credit records are deposited into the State account(s) no later than 48 hours after the payment and credit records are sent (batched) by the Agency applications.
- 10.4. Settlement dollars cannot reside in an out-of-state bank prior to deposit into the State's account(s), per RCW 39.58.080. All settlement must be directly to the State's bank account(s).
- 10.5. The Proposer must provide daily gross settlement to the State (total sales less refunds) and monthly billing/invoicing of fees individually by Agency.

11. CUSTOMER SERVICE

- 11.1. The Proposer must provide a 24 hour seven days a week 1-800 or other Help Desk facility for live customer assistance to State Agencies.
- 11.2. The Proposer must assign an account representative to the Agreement who would be responsible for coordinating all activities necessary to service, train, and implement systems with all Agencies that may come under the Agreement.
- 11.3. Because of the complex nature of this RFP, and the number of different agencies that must be supported, the account representative proposed for this engagement must have a minimum of three years experience in providing credit/debit card services. This requirement will also apply to any future representative assigned to the State of Washington.
- 11.4. The Proposer must agree to provide the necessary staffing to meet all of the requirements detailed in this RFP. The Proposer agrees to make staff available to meet with OST as frequently as needed to ensure that the State of Washington's needs are being met.

12. BONDING

Within ten (10) Calendar Days after receipt of notice of award of the contract, the Proposer shall:

- 12.1. Ensure that every officer, director or employee who is authorized to act on behalf of the Proposer for the purpose of receiving, processing and depositing funds pursuant to this contract shall be bonded to provide protection against loss. Fidelity bonding secured must name the State of Washington, Office of the State Treasurer, as beneficiary.
- 12.2. The amount of coverage must be a minimum of \$2,000,000, and must be secured for the term of the contract.
- 12.3. The Proposer shall provide a copy of the bonding instrument or certification of the same from the bond-issuing company to OST prior to the contract's effective date.

13. CONTRACTUAL REQUIREMENTS

13.1. Contract Terms and Conditions

The successful Proposer shall enter into an agreement that contains substantially the same general terms and conditions as shown in **Attachment A**. To be responsive to this RFP, Proposers must indicate, in writing, their complete acceptance of all provisions. However, Proposers may propose revisions to the Agreement terminology for clarification and procedural purposes ONLY. The substantive and philosophical aspects of the agreement are non-negotiable.

To be considered responsive to this RFP, Proposers must include language from any standard agreements that the Proposer proposes to become a part of the final Agreement, as well as any language the Proposer requires specific to the services provided under this agreement. It is OST's intent to have one contract that contains all the terms and

conditions necessary to both parties, without incorporating by reference additional agreements.

In the event of a conflict between the clauses required by OST and the clauses submitted with the Proposal, the clauses required by OST will govern.

SECTION III: SCOPE OF SERVICES

14. GENERAL REQUIREMENTS – ALL AGENCIES

The following requirements apply to all agencies. Agency detail requirements provide instructions unique to each Agency.

14.1. Processing Support for Multiple “Brands” and Types of Cards

The selected Proposer must provide processing for multiple “brands” and types of cards. The selected vendor must be able to process both VISA and MasterCard, as well as both Discover and American Express transactions. In addition, State Agencies accepting debit cards currently utilize the following debit networks: Star/Explore, Interlink, Maestro, Accel/Exchange. The selected Proposer must arrange for and support any agreements required to process debit transactions from the debit networks listed above, at a minimum. The selected Proposer must also support EBT payments.

14.2. Transaction Processing and Settlement

The selected Proposer must be able to process transactions and accept settlement files as described in the State Agencies requirements detailed in sections 15-30. The method of application varies by Agency from standard point of sale equipment, to various types of software data capture via personal computer, to internet-based applications using third party processors.

14.2.1. List all card types that can be processed and settled through your system(s)

14.2.2. Describe the procedures needed for your merchants to assess a convenience fee. Please provide your understanding of the various convenience fee rules for the following:

- Visa
- MasterCard
- Discover
- American Express
- PIN Debit

14.2.3. Discuss your operational procedures for settling payment and credit records, identifying: what time(s) batches sent to your organization for processing and settlement will be forwarded through the settlement network(s) for final settlement; the actual time after the cutoff for releasing batches when the money

will be deposited into the State account(s); any cutoff times that must be met to insure settlement by the times listed.

14.2.4. What financial institution is utilized for settlement purposes?

The selected Proposer shall at a minimum:

14.2.5. Provide for the authorization and settlement of transactions through the appropriate authorization and settlement networks.

14.2.6. Provide gross settlement using the Automated Clearing House (ACH) to designated State or State agency bank accounts for all payment and credit records processed. Debits to the State treasury for fees are not permitted; therefore, fees are to be billed on a monthly basis to each Agency separately.

14.2.7. Ensure that the ACH record provides sufficient identifying information to enable the Treasurer's Office to determine which State Agency and/or section is to receive the funds. This will be accomplished by the assignment by OST of a unique location number for each Agency which will follow through on the ACH record.

14.2.8. Provide research and problem resolution related to transaction and/or settlement discrepancies.

14.3. Processing Options:

14.3.1. Describe what processors and gateways are available to State Agencies using your MIDs.

14.3.2. Under OST's current agreement, agencies are able to contract separately with a specific processor, provided that processor can use the current vendor's MIDs, and process through one of the current vendor's supported gateways: TSYS, FirstData and Global. Please indicate if this is an option, and what the requirements would be for agencies to contract with their own processor(s).

14.3.3. The State has three current agencies, Department of Revenue, Department of Licensing and Labor and Industries; who use a 3rd party processor for their transactions that charges a convenience fee to the cardholders. The sale transaction is settled to the State Agencies' MIDs. The 3rd party charges the convenience fee separately and that charge is processed on a separate merchant identification number and settled directly to the 3rd party. All billing is then sent to the 3rd party who pays all the fees for the process, ensuring these agencies receive 100% of the transaction. Please indicate if this technique for convenience fee processing can be accommodated. At a minimum this must include processing options for:

- In-Person
- Internet

- Interactive Voice Response

14.4. Reporting

Reporting capabilities must allow for customization. Agencies use reports to comply with diverse administrative and business requirements. Each Agency may or may not choose the same reports or reporting frequency. The reporting system must include user defined parameters that will allow for this type of variety.

Provide at a minimum daily and monthly detail and summary reports electronically to each individual State Agency application to provide the information needed to receipt the payment to the proper accounts. Depending on the Agency and/or the application, there may be varying requirements in the amount of detail required. Some agencies will require summary and detail reporting at a higher level than Merchant Identification (MID) number or Terminal Identification (TID) number. For clarity, when a number of MID numbers roll up to a higher level, we call this the association level.

The following is the minimum reporting requirements for State Agencies. Specific reporting requirements are in sections 15-30. Please provide samples of your reporting that show each specific requirement. If multiple reporting options are available, provide samples of each.

- 14.4.1. Daily sales by TID and/or MID credit and debit
- 14.4.2. Totals by card type by TID and/or MID (sales, returns, net sales and transaction counts)
- 14.4.3. Totals by card type rolling up all TID numbers and/or MID numbers to an association level (sales, returns, net sales and transaction counts)
- 14.4.4. Total by TID or MID (sales, returns, net sales and transaction counts)
- 14.4.5. Daily transaction Activity by TID and/or MID
- 14.4.6. Total transaction count by card type by TID and/or MID
- 14.4.7. Total summary transaction count by card type rolling up all TID numbers and/or MID numbers to an association level
- 14.4.8. Total transaction count by card type for all locations
- 14.4.9. Total transaction count by TID numbers and/or MID numbers
- 14.4.10. Daily settlement reporting by TID and/or MID and/or association level
- 14.4.11. Monthly sales by TID and/or MID – credit and debit
- 14.4.12. Totals by card type by TID and/or MID (sales, returns, net sales and transaction counts)

- 14.4.13. Totals by card type rolling up all TID numbers and/or MID numbers to an association level (sales, returns, net sales and transaction counts)
- 14.4.14. Total by TID and/or MID (sales, returns, net sales and transaction counts)
- 14.4.15. Year to date sales by TID and/or Merchant ID and/or association level– credit and debit
- 14.4.16. Total by TID and/or MID (sales, returns, net sales and transaction counts)
- 14.4.17. Monthly transaction activity by TID and/or MID
- 14.4.18. Total transaction count by card type by TID and/or MID
- 14.4.19. Total transaction count by card type rolling up all TID numbers and/or MID numbers to an association level
- 14.4.20. Total transaction count by card type all locations and/or MID numbers
- 14.4.21. Total transaction count by TID and/or MID
- 14.4.22. Year to date by card type all locations
- 14.4.23. Year to date by TID and/or MID
- 14.4.24. Other Required Reporting:
- 14.4.25. The Office of the State Treasurer, as administrator of this contract will require some specialized reporting in order to best manage the contract.
- 14.4.26. Weekly chargeback report detailing: the Agency, dollar amount, and reason for the chargeback.
- 14.4.27. Daily email or fax notification to the Agency of all chargebacks by MID, prior to the account being debited.
- 14.4.28. Monthly summary report that includes totals for both sales and transactions by card type for each Agency. This summary report should also include year to date summary information for both sales and transactions by Agency.

14.5. Billing and Administration

- 14.5.1. OST is requesting Interchange Plus pricing for this RFP. Interchange and assessment costs incurred by the vendor from the card associations will be passed directly to each State Agency on a monthly basis, AND, in the event Interchange increases or decreases at any transaction qualification level, the new rate will be passed directly to the Agency. In addition, the processor may charge a per transaction fee, and the Acquirer may charge a per transaction discount fee. Please include all fees on **Attachment B: Pricing Schedule**.

- 14.5.2. OST is seeking Proposals that recognize the unique nature of government transactions, i.e., less risk of fraud, etc. OST is seeking Proposals that recognize volume discounts for all Agencies based on total volume for the State as a whole. Also, OST is seeking pricing parity between those agencies with low per transaction ticket prices, and those with larger per transaction prices.
- 14.5.3. Provide a monthly invoice to each State Agency for all transaction costs (processing fees and other fees) associated with the payment and credit records processed. Include sufficient back up documentation (statements) to support all costs invoiced, including breakout by card type and/or transaction type, gross sales, returns, net sales and transaction counts.
- 14.5.4. Monthly statements and invoices should be received timely, no later than the 15th of the following month.
- 14.5.5. Establish merchant numbers and terminal identification numbers for each State Agency application that will enable the State Agency to identify each location processing transactions. Within the hierarchy of numbering systems, the ability to assign a unique location number is required. The specific requirements from Agency to Agency may vary and are identified in sections 15-30.

The varying levels of State government include:

State
Agencies
Divisions within agencies
Sections/programs within divisions within agencies
Individual locations within sections/programs

- 14.5.6. Some Agencies may require invoicing and cost breakout down to the section level within an Agency. This is due to the unique cost accounting required for agencies/programs receiving various forms of State and Federal funding.
- 14.5.7. Some agencies will also require multiples of merchant and/or terminal IDs to be “rolled up” into a higher level. For example, State Parks have MIDS for individual Parks that roll up to a Region.
- 14.5.8. Provide a sample statement(s) and invoice.

14.6. Training and Consulting

- 14.6.1. Provide training to Agency personnel as required related to payment and credit/debit card processing requirements, such as procedures for handling retrieval requests, charge backs, accessing reports and transaction data, and/or other processes and procedures which may be required.

14.6.2. Work in consultation with the Treasurer's Office and State Agency personnel contemplating implementation of credit/debit card applications, to advise the Agency regarding the most cost efficient alternative and/or innovative solution.

14.6.3. Keep both the Office of the State Treasurer and State Agency personnel apprised of any and all changes to the operating regulations as provided by the card associations. Because the bankcard associations have traditionally made it difficult for merchants to obtain these regulations, we must rely on our acquiring bank to assist us in complying with the operating regulations.

14.6.4. Provide guidance for the Payment Card Industry Data Security Standard

14.7. Equipment and Software

14.7.1. Provide equipment and/or software necessary for agencies to process credit cards per sections 15-30 and future applications for new agencies accepting credit/debit cards.

14.7.2. Provide equipment and software on a lease or rental basis for agencies desiring to implement a pilot project in limited scope to determine feasibility of implementing credit/debit card acceptance Agency-wide.

14.7.3. Provide a repair/replacement program for equipment that fails.

14.8. Internet Check Payment Service

OST is seeking an optional use Internet Check Payment Service to provide State Agencies the ability to collect payments through the Automated Clearing House (ACH) Network. The service should support the processing behind the "Pay Button" providing a portal to a Vendor-hosted Web site to collect the Receiver's banking information and create a standard NACHA formatted ACH File. Agencies may use the Internet Check Payment Service in conjunction with the Vendor's Merchant Services products or as a stand-alone service.

Because of law surrounding the flow of public funds (Chapter 39.58 RCW), the Office of the State Treasurer will originate all ACH files from our concentration bank account. This account is governed by a separate agreement through June 30, 2014.

14.8.1. The Agency's website will host the application specific information such as tax forms, license renewal, purchase request etc.; the customer will be transferred to the Vendor's payment portal by clicking the Pay Button.

14.8.2. Vendor should be familiar with and comply with all ACH Rules.

14.8.3. Vendor's website supports the collection of the customer's banking information, ACH authorization, payment scheduling and confirmation.

- 14.8.4. Vendor will validate the Routing Number entered by the customer is for a Participating ACH Financial Institution before the customer receives payment confirmation.
- 14.8.5. Vendor will batch payments into a standard NACHA formatted ACH file
- 14.8.6. Immediate Destination, Immediate Origin, Company Name, Company ID, Originating DFI ID and Trace Number will be designated by the Office of the State Treasurer
- 14.8.7. Effective Date must be a valid banking day, no weekends or holidays
- 14.8.8. All Batches within a file must contain the same Effective Date
- 14.8.9. Vendor will ensure the correct Standard Entry Class (SEC) Code is used for each ACH Entry
- 14.8.10. Vendor will support both recurring and one-time payments
- 14.8.11. Vendor will transmit the ACH file to the State Treasurer's Office for further processing in the ACH Network
- 14.8.12. FTP to the State's Axway Secure File Transfer Server (SFT)
- 14.8.13. File names will conform to the State's naming convention, a 4-6 character alpha-numeric code
- 14.8.14. ACH files must be in clear text using a .txt extension
- 14.8.15. ACH Return Entries and Notifications of Change (NOC) will be communicated to the Vendor in a NACHA formatted file placed on the SFT server. The Vendor will act upon each return and NOC in a manner consistent with the return/NOC code.
- 14.8.16. Reporting Requirements
 - Notification to the Agency of File Totals, Entry Detail Record Counts and Effective Date of each ACH file transmitted to OST
 - Electronic and/or human readable reconciliation reports of daily ACH payment activity
 - Electronic and/or human readable reconciliation reports of daily ACH return/NOC activity

AGENCY SPECIFIC REQUIREMENTS

For each of the State Agencies below, their current process is outlined and other specific processing requirements are outlined. For each, please indicate if you can support their existing processor, and if not, provide a viable alternative.

15. BOARD OF ACCOUNTANCY (BOA)

BOA currently uses the Cybersource SBB product provided by Bank of America Merchant Services for their online CPA licensing. This process accepts Visa, MasterCard, and American Express.

16. DEPARTMENT OF FINANCIAL INSTITUTIONS (DFI)

16.1. DFI currently uses the Cybersource SBB product provided by Bank of America Merchant Services for their online renewals for Escrow Officers. This process accepts Visa and MasterCard. In 2013 DFI plans to expand their electronic payment acceptance to include other licensing services.

16.2. Having an “e-check” module is important, since many of the other types of services DFI plans to collect electronically in 2013 are greater than \$100,000. Without an enterprise solution to ACH payments, agencies will be forced to procure or design their own system for ACH.

17. DEPARTMENT OF CORRECTIONS (DOC)

17.1. DOC currently uses the Cybersource SBB product provided by Bank of America Merchant Services for their sales of Correctional Industries (CI) products produced by inmates to be purchased by State Agency’s, City and County government agencies, Federal Government, and Non Profits. This process accepts Visa and MasterCard.

17.2. CI process orders through our website, which only authorizes the card. After the product has been delivered we then go in and charge the card. Being that some of our orders are not delivered for up to 60 Calendar Days, an important feature for CI is that we be able to go in and reauthorize the card before capturing.

18. DEPARTMENT OF ENTERPRISE SERVICES (DES)

18.1. DES currently uses dial up terminals processed through Heartland Payment Systems with MIDs provided by Bank of America Merchant Services. These terminals are housed at DES Headquarters Fiscal Office and can be used for a variety of DES programs, including but not limited to Consolidated Mail Services, Fleet Management, Parking Services, Print Services, and Surplus Programs. This process accepts Visa, MasterCard, American Express, and Discover.

18.2. Parking Services – daily and monthly parking passes on the Capitol Campus:

18.2.1. 1 Hardware Terminal (Hypercom T7P) Parking Office

18.2.2. Solar Meters – Capitol Campus

- 18.2.3. Pay Stations (from NW Parking Equipment) using FirstData as a gateway:
- 18.2.4. 3 Pay & Display System V Quick Pick (Bill acceptance, Coin acceptance, Change Features)
- 18.2.5. 4 Pay & Display Model 400 Quick Pick (Bill acceptance, Coin acceptance)
- 18.3. Print Services – The state has a print shop managed by DES that provides printed materials to state agencies as well as various local government entities. Bankcard purchases are only allowed for non state agency purchases. The Print Services uses a Hardware Terminal – Hypercom T7P.
- 18.4. Surplus Programs – State, Local, and Federal and other Government Property Surplus Sales includes over the counter warehouse sales and online sales:
 - 18.4.1. Integrated POS registers:
 - 18.4.2. Slider Swiper ID TECH Model IDMB 334112B P102410809
 - 18.4.3. Processing through the TSYS Gateway
 - 18.4.4. Point of Sale Register: Software – Microsoft Dynamics POS 2009

19. DEPARTMENT OF HEALTH (DOH)

- 19.1. DOH currently uses Cybersource SBB product provided by Bank of America Merchant Services for NSF and Vitals counter (have recently purchased a magstrip reader), Fingerprint-HSQA, and card reader for Counter-HSQA. This process accepts Visa and MasterCard.
- 19.2. DOH uses the Paypoint processor with First Data as the gateway for their online licensing of health professionals. This process accepts Visa and MasterCard and internet ACH.
- 19.3. DOH desired requirements. Please indicate for each of the following if you can support the requirement and how. If you cannot support the requirement please provide an alternative if available.
 - 19.3.1. Point of sale payment processing solution available via Web
 - 19.3.2. Customer-facing front-end interface to all payment provider gateway to collect electronic payments with limited effort
 - 19.3.3. Payment Method must support collecting payments via all major Credit Cards, E-Check, in addition to Card Not Present (one time payments, recurring biller payments, and summary electronic bill presentment and payment) as well as Card Present (i.e. counter sales)

- 19.3.4. Ability to manage E-Check (Internet ACH) reversals
- 19.3.5. Ability to use advanced query string where the redirection may contain dynamic data relative to the user: this query string could send total payment due, customer authentication data, billing information, session identifiers and a return URL which will take the user back to your site. After the user submits payment and clicks exit, the payment data can then be sent back to your home-site using the return URL. This would include payment results, session identifier, biller identifier and confirmation number. No account data would be sent back to your site.
- 19.3.6. Administrative module that provides the ability to establish and manage user permissions to transactions and reports that support business practices
- 19.3.7. Fully Scalable - Can be used as a single biller or can be implemented as an enterprise/aggregator model including product branding
- 19.3.8. Use of URLs that include custom names
- 19.3.9. Fully Hosted Solution in highly secure, scalable, and redundant hosting facilities
- 19.3.10. Solution must be fully monitored to detect and prevent security breaches at Data Centers
- 19.3.11. Must accept custom data sent real-time through query strings from web-site or from files sent through the web or batch
- 19.3.12. Options available must include use of Address Verification, CVV2, Enrollment, Payment channels (Credit, Debit, E-Check), and types of cards excepted
- 19.3.13. International Address and Phone Number Support
- 19.3.14. Information entered may be from the standard and extended ASCII character sets which supports North America, South America, and most of Europe
- 19.3.15. Option for using the URL link by redirection where the static URL is used to connect the user to the payment processor user interface
- 19.3.16. Batch file creation per the NACHA format as required by the Office of State Treasurer
- 19.3.17. Automatically post NACHA file to the OST SFT site
- 19.3.18. DOH requires environments for development, production and multiple testing environments; we have a need for up to five at this time.
- 19.3.19. DOH requires reporting capabilities for combined transactions that include eCheck and Credit Card.

- 19.3.20. DOH requires that the payment processor accept eCheck transactions, create a NACHA file and post NACHA file per the Office of State Treasurer's requirements.

20. DEPARTMENT OF LICENSING (DOL)

The Department of Licensing (DOL) currently accepts credit and debit cards for payments of motor vehicle registration, vessel registrations, professional license services, driver and identicard licensing, driver hearing fees, and Uniform Commercial Code (UCC) record search requests.

20.1. In Person Processing:

- 20.1.1. DOL contracts with a vendor who provides all hardware and software necessary for face to face (card present) and telephone credit and debit transactions without any cost to DOL. This vendor currently processes transactions through the Global Payments Gateway. This vendor assesses a convenience fee on each transaction, and then pays all card fees.

20.1.2. Transaction Processing:

For all in-person transactions at DOL and DOL Subagent facilities, only MasterCard, Discover and American Express credit cards plus PIN Debit cards are accepted.

20.1.3. Integration Requirements:

DOL has over 200 locations with physical hardware that would need to be updated if their current gateway is not available. Please outline how your conversion process would address this many locations and provide estimates on the time needed to fully convert DOL. Please note that any additional fees surrounding conversion need to be outlined in your fee schedule.

- This should include the total cost to inject 3DES encryption keys to 800+ Ingenico pin pads at 200+ physical locations.
- This should also include any costs for certification to your gateway(s)

20.1.4. Merchant Identification Numbers:

The current process uses one MID for the system, and over 800 terminal IDs are used to identify individual locations.

20.1.5. Reporting

At a minimum, DOL must have detail and summary reporting that included the following:

Face to Face and Telephone transaction data received in daily files:

- a. Merchant ID
- b. Terminal ID
- c. Merchant name
- d. Transaction date
- e. Settlement date
- f. Payment type
- g. Transaction type code
- h. Account number
- i. Expiration date
- j. Auth Code
- k. Amount
- l. Reference number
- m. MCC code
- n. Network ID
- o. POS entry mode
- p. Surcharge reason
- q. Interchange amount
- r. Chain code

20.2. Internet Processing:

DOL has a number of business units that accept payments over the internet. DOL currently processes transactions through CyberSource Enterprise.

20.2.1. Transaction Processing:

DOL's internet process accepts a mix of Visa, MasterCard, Discover and American Express.

20.2.2. Integration Requirements:

DOL currently uses an API provided by CyberSource to transmit their card transactions.

20.2.3. Reporting:

- Online web access login to the merchant bank to manage the processing of credit and debit card transactions and includes the ability to view the transactions performed on the system by card type (MasterCard, Visa, Discover, and American Express) on a daily basis.
- Internet transaction data received in daily files:
 - a. Merchant ID
 - b. Credit Card Type ID
 - c. Deposit Date
 - d. Batch Date
 - e. Batch ID
 - f. Batch Total

- g. Payment Amount
- h. Merchant Reference Code
- i. Authorization Request ID Code
- j. Currency Type Code

20.3. Description of Future Application:

The Department of Licensing is currently exploring various payment options including electronic checking and transitioning the acceptance of credit cards through a hosted web service in order to reduce our PCI risk.

For internet transactions, the Agency field system will call a centralized server at the department which will forward the card authorization / billing request to the card processor via TCP/IP SSL encryption.

For Face to Face and Telephone transactions, the Agency will continue to contract with the vendor providing equipment and software without cost to DOL.

21. DEPARTMENT OF REVENUE (DOR)

The Department of Revenue (DOR) has two different credit card applications: Excise Tax collection and the Business License System.

- 21.1. Excise Taxes: DOR accepts credit cards for the payment of State sales and uses taxes. Payments are made over the internet and by phone. DOR uses Official Payments Corporation (OPAY) to process credit card transactions. Payments are processed through OPAY's web domain. OPAY charges a \$3.95 flat rate or 2.5% fee charged per transaction. DOR does not collect or charge the payer any fees per transaction. The fees collected are retained by OPAY.

OPAY currently incorporates TSYS (formally VITAL) as their gateways for the Excise Tax transactions.

Credit Cards Accepted currently:

Visa, Master Card, Discover, American Express

Debit Cards Accepted (by late calendar year 2012):

Visa

Transaction Type:

Internet, phone (IVR)

Note: All transactions through the Excise Tax program are a part of the VISA Tax Program for convenience fees.

- 21.2. BLS: DOR accepts credit cards for payment of Business Licensing (BLS) fees over the internet. DOR has contracted with CyberSource to provide the Hosted Payment

Acceptance transaction program. CyberSource hosts payment data fields on DOR's website. Payment data is captured, transmitted, and maintained outside DOR's network. Through a tokenization program transaction data is passed back to DOR. Credit card fees are charged to and paid for by DOR.

Utilizing CyberSource as the processor, DOR incorporates FirstData as a gateway for the BLS transactions.

Credit Cards Accepted currently:

Visa, Master Card, American Express

Transaction Type:

Internet

22. DEPARTMENT OF TRANSPORTATION (WSDOT)

22.1. WSDOT General Requirements

The Washington State Department of Transportation (WSDOT) currently accepts credit cards in six (6) divisions/offices, with both In-Person and Internet acceptance as well as utilized by Washington State Ferries and the Tolling Division which will be covered separately below. These processes are provided by Bank of America Merchant Services. Currently all programs processing internet transactions (excluding Tolling) are utilizing CyberSource or Heartland Payment Systems as the processor. These processes all use Visa and MasterCard, and a few process Discover, American Express, and online debit, this will be detailed below.

22.1.1. Transaction Type:

22.1.2. Motor Carrier Services – Permits. In person and Internet transactions

22.1.3. Geographic Services –Aerial Photographs. In person or Telephone Order

22.1.4. Contract Ad and Award Transaction. Mail Order, Telephone Order and Internet

22.1.5. Aviation – Internet

22.1.6. Local Programs – In Person

22.1.7. WSDOTs' desired requirements. Please indicate for each of the following if you can support the requirement and how. If you cannot support the requirement please provide an alternative if available.

22.1.8. Hardware Terminals – Hypercom T7 Terminals and printers

22.1.9. Authorization Response Requirements – Immediate to 15 seconds.

22.1.10. Merchant Identification Number (MID)/Terminal Identification Number (TID) Requirements –

The Department of Transportation desires a MID/TID structure such that there is one MID for each operations center (division/office/section) and unique TIDs for each individual location. DOT identifies individual locations with a three character number, which must be incorporated within the TID structure. The structure is illustrated as follows:

Agency
Division/Office/Section
Location(s)

22.2. WSDOT – Ferries

WSF is accepting credit cards for payment of passage at Ferry Terminals, on the Internet, and over the telephone. Currently Ferries uses a Point of Sales (POS)/Revenue system provided by Gateway Ticketing Systems. This system has been certified with the ADS Platform at Heartland Payment Systems (HPS) and uses MIDs provided by Bank of America Merchant Services. The current system uses host capture on a leased line.

Ferries also has a terminal in Sidney, British Columbia, Canada. This terminal must be able to transact bankcards in U.S. dollars, utilizing the Gateway Ticketing Systems POS system. This process accepts Visa, MasterCard, Discover, American Express, and Online Debit.

22.2.1. Transaction Types:

- Ferry Terminals: In-Person
- Ferry Reservations: Internet
- Customer Service: Telephone

22.2.2. WSDOTs' desired requirements. Please indicate for each of the following if you can support the requirement and how. If you cannot support the requirement please provide an alternative if available.

- Hardware – PC based card swipe/keyboard capabilities
- PC based debit card pin entry
- Software – Windows XP, Windows 7 and Microsoft Server 2008 environment using a customized Gateway Ticketing Systems POS
- Communication – Leased line, with auto T-1 fallback
- Authorization Response Requirements – Total transaction time of six (6) seconds or less, with 70% of transactions at 4 (4) seconds or less.

22.2.3. Integration Requirements –

Because the Gateway Ticketing Systems POS and VIX Technology for One Regional Card for All (ORCA) software has been certified with

Heartland Ticketing Services, conversion to a new processor would be costly and time consuming. Any Proposal not able to support Ferries current process must outline a detailed conversion plan including:

- cost for any new software or certifications needed
- a reasonable timeline for the conversion
- an estimate on the number of FTEs (man hours) for Ferries staff needed to convert to a new processor
- a reference for a similar sized entity that has gone through a similar conversion

Any new system must have Host based capture and ability to define a customized business day (WSF Business Day 3:00am to 2:59 am)

22.2.4. The current Ferries application supports the following:

- AVS (address Verification Service)
- Support of CVV2, CVC2, CID etc.
- Internet Commerce flag for compliance with electronic transaction rules
- Debit card support (Online Debit)
- Ability to accept private label cards
- Recurring payments support and help - host based recurring payments process
- Leased line, auto T-1 fallback high-end transaction response time
- Full service: Web, Mail Order/Telephone Order (MO/TO), on and off-line (Note: Telephone Orders Only)

22.2.5. Merchant Identification Number (MID)/Terminal Identification Number (TID) Requirements –

Multiple MIDs roll up into one settlement deposit. One MID will be assigned to each terminal/business unit. Current application is using 24 separate MIDs.

22.2.6. Reporting Requirements

- WSF currently designs and creates their own reports. Therefore, WSF requires raw data on a daily basis, preferably by 8am for the prior day's transactions.
- Summarized transaction reporting by calendar month
- Secure transfer of data
- 180 Calendar Day access to past daily transfers
- Sample format of raw data required
- Daily transactions will have a unique, sequential transaction number enabling WSF to identify all transactions over a given time period.

22.2.7. Help Desk Requirements

- Immediate Notification of Outages or Impacts to System Performance
- Automatic Email and Pager Notification Options
- Status Updates Via Email, Pager, and Web
- Competent, responsive, customer focused support.
- Timely response to questions, data requests, etc.

22.3. WSDOT Tolling Division

The Washington State Tolling program operates three tolled facilities: The Tacoma Narrows Bridge, the SR-167 HOT Lanes, and the SR-520 Floating Bridge. The back office processing of tolls and acceptance of payment is conducted by ETCC, WSDOT's contractor.

The tolling program allows tolled facility customers to pay for tolls in a variety of ways, including prepaying to maintain an account where tolls incurred reduce the balance of that account, and paying for tolls as they are invoiced on a toll bill.

In addition, the tolling program accepts a multitude of payment forms, including credit cards. ETCC accepts credit cards online via the web, in person at walk-in centers, by mail, over the phone with a customer service representative, and over the phone by interactive voice response technology. The MIDs used by First Data Global Gateway and CyberSource are provided through Bank of America Merchant Services. This process accepts Visa, MasterCard, Discover, American Express, and Online Debit.

22.3.1. Transaction Types:

- Account Set-up: In-Person, by mail, online, IVR, and over the phone.
- Toll Bill Payment: In-Person, by mail, online, IVR, and over the phone.
- Account Management: In-Person, by mail, online, IVR, and over the phone.
- Customer Service: Telephone

22.3.2. Hardware Transaction Processing Requirements:

- PC based card swipe/keyboard capabilities
- Terminal based debit card pin entry

22.3.3. Software Transaction Processing Requirements:

Windows XP, Windows 7, Microsoft Server 2003 environment using a customized RITE Solutions POS (Oracle and Java based), Cosmocom Interactive Voice Response

22.3.4. Communication

- Leased line, T-1
- Authorization Response Requirements – Total Transaction time of six (6) seconds or less, with 70% of transactions at four (4) seconds or less

22.3.5. Integration Requirements

- Needs to integrate seamlessly with RITE Solutions web-facing and online Customer Service Center technology (Java). Also, must integrate with Coscomcom Interactive Voice Response (IVR).
- The current Tolling Application supports the following:
Full AVS (address Verification Service)
Support of CVV2, CVC2, CID etc.
Internet Commerce flag for compliance with electronic transaction rules
Debit card support (Online Debit)
Ability to accept private label cards
Recurring payments support and help - host based recurring payments process
Interactive voice response (IVR) payment acceptance
High-end transaction response time
Full service: Web, Mail Order/Telephone Order (MO/TO), IVR

22.3.6. Merchant Identification Number/Terminal Identification Number Requirements

Multiple MIDs roll up into one settlement deposit. One MID will be assigned to each terminal POS unit. Current application is using 12 separate MIDs.

22.3.7. Reporting Requirements

- Summarized transaction reporting by calendar month
- Secure transfer of data
- 180 day access to past daily transfers
- Raw data required
- Daily transactions will have a unique, sequential transaction number enabling Tolling to identify all transactions over a given time period.

22.3.8. Help Desk Requirements

- Immediate Notification of Outages or Impacts to System Performance
- Automatic Email and Pager Notification Options
- Status Updates Via Email, Pager, and Web
- Competent, responsive, customer focused support.
- Timely response to questions, data requests, etc.

23. DEPARTMENT OF SOCIAL AND HEALTH SERVICES (DSHS)

DSHS is currently using Authorize.net as a processor, using MIDS provided by Bank of America Merchant Services for the online acceptance of Language Testing and Certification test fees. This process accepts Visa, MasterCard, and Discover.

24. GAMBLING COMMISSION (WSGC)

WSGC is currently using Cybersource provided by Bank of America Merchant Services for their individual renewals and transfers. This process accepts Visa and MasterCard only.

25. HEALTH CARE AUTHORITY (HCA)

HCA is currently using the First Data Global Gateway Connect processor using MIDS provided by Bank of America Merchant Services for the online acceptance of insurance premiums for member enrolled in the Washington Basic Health Plan. This process accepts Visa and MasterCard.

25.1. HCA collects a convenience fee set at a fixed amount for their online payments

25.2. HCA redirects their customers to a payment page hosted by First Data, and receive data back allowing them to post all authorized and declined payments.

26. LABOR AND INDUSTRIES (L&I)

The Washington State Department of Labor and Industries (LNI) credit card application is a retail operation.

LNI has 19 service locations throughout Washington State that accepts Visa, MasterCard, American Express, Discover and Debit. LNI recently upgraded all services locations to use VeriFone's Payware Connect and VeriShield Protect. LNI was certified on VeriFone's platform. LNI has integrated Payware connect into its own POS application. Verifone uses FirstData as the gateway for secure transaction processing to Bank of America.

LNI accepts payments over the internet using 2 different models.

- Cybersource uses TSYS as the gateway for secure transaction processing to Bank of America. LNI absorbs the fee and accepts Visa, Mastercard, American Express and Discover for this model. These are typically cash and carry items, such as permits, licenses, etc.
- Official Payments uses TSYS as the gateway for secure transactions. For this model the transaction fee is passed on to the customer. This is a fully hosted model. MasterCard, Discover and American express are accepted. Official payments uses MIDs provided by Bank of America Merchant Services.

26.1. Service locations – Retail. In person, signature captured.

26.1.1. Hardware –

Web based POS application that integrates Verifones sim DLL. Payware connect and Verishield Protect are used. Verishield encryption and pin injections are loaded on devices. Equipment is owned.

26.1.2. Software –

LNI has a .net 2.0 application as the POS system that integrates with Payware Connect.

26.1.3. Communication –

Transactions go through the LNI network, through the firewall to the Internet using secured protocols.

26.1.4. Integration Requirements –

Must be able to integrate with LNI's POS software to accept and process using the existing Verifone Payware and Verishield Protect environment

All fees for certification and/or conversion must be outlined in the fee schedule.

26.1.5. Merchant Identification Number/Terminal Identification Number Requirements

26.1.6. Each service location (19) have their own unique MID. Each store has an assigned location number which must be integrated into the terminal ID structure and appear on all reports. Additionally, currently American Express and Discover have unique MID's which tie to each service location.

26.1.7. Individual MID's must be settled as one deposit for each Location.

26.2. Internet Requirements

26.2.1. LNI uses 2 different internet models. Both are called from and inhouse developed web service that is integrated into LNI's systems.

26.2.2. Absorbed Fee Model – This currently uses the Cybersource Enterprise processor going through the TSYS gateway using MIDs provided by Bank of America Merchant Services.

26.2.3. Pass the Fee Model – This currently uses Official Payments as a processor going through the TSYS gateway using MIDs provided by the current merchant services provider.

26.2.4. LNI uses 2 different internet models. Both are called from and inhouse developed web service that is integrated into LNI's systems.

26.2.5. MID's – LNI requires unique MID's per business function. There currently 4 business units using unique MIDs.

26.3. Help Desk Requirements

26.3.1. Provide help desk support during business hours

26.3.2. Clearly define the "problem escalation" process, including resolution timeframes, escalation timeframes and contacts

26.3.3. Provide clear and usable comprehensive system documentation for users

27. LIQUOR CONTROL BOARD (LCB)

LCB currently uses Authorize.net as a processor going through FirstData as a gateway, using MIDs provided by the current merchant services provider for their online sales of banquet permits. This process accepts Visa, MasterCard, Discover, and American Express.

LCB would like the ability to set up ACH as the main option for their online permits and then bankcards as an alternative choice.

28. PARKS AND RECREATION (PARKS)

The Washington State park system includes more than 100 developed parks, recreation programs, trails, boating safety and winter recreation. Credit cards are accepted as a form of payment online, in-person, over the telephone and by mail.

Washington State Parks and Recreation Commission (State Parks) has four (4) categories of credit card acceptance applications:

- Central Reservation System
- Standalone Terminals
- Automated Pay Stations
- Springer Reservation System

Additional categories are anticipated in the future.

28.1. Agency MID Reporting and Deposit Hierarchy Requirements – State Parks requires the merchant identification number structure, electronic reporting and bank deposits to adhere to a hierarchy based on the type of credit card application and region and location sublevels within each application as specified below.

28.1.1. Hierarchy Structure – State Parks currently requires at least 4 levels of MID, reporting and deposit hierarchy:

28.1.2. Level 1: Washington State Parks and Recreation Commission; Agency code 465

28.1.3. Level 2-4:

28.1.4. Currently four categories of applications – Level 2.

28.1.5. Under each category are Region designations – Level 3.

28.1.6. Under Region designations are individual locations/MIDs/TIDs – Level 4. Additional categories are anticipated in the near future.

28.1.7. MID and Reporting Hierarchy – State Parks Headquarters Financial Services staff and Central Reservation System Vendor Financial staff must have access to online transaction reporting system. Reporting must be available at all levels. Summary reporting/totals at Levels 1-3 and detail reporting at Level 4 for each MID.

28.1.8. Reporting system is used by financial staff to reconcile daily at Level 3 and monthly to Level 4. State Parks requires ability to access reports that match to bank deposits daily in order to identify origination of transactions for posting to the financial records.

28.1.9. Deposit Hierarchy – Bank deposits post to the State Treasurer’s Concentration Account down to Level 3, except for Automated Pay Stations (b. below) which post down to Level 4.

28.1.10. Parks Central Reservation System (CRS) (Level 2) – total MIDs; some MIDs have multiple TIDs

- 1) CRS Vendor (Level 3) – 2MIDs
 - a) Call Center (Level 4)
 - b) Internet (Level 4)
- 2) CRS EA Region (Level 3)
 - a) 17 MIDs for individual parks (Level 4)
- 3) CRT NW Region (Level 3)
 - a) 15 MIDs for individual parks Level 4)
- 4) CRT SW Region (Level 3)
 - a) 19 MIDs for individual parks (Level 4)

28.1.11. Parks Standalone Terminals (SA) (Level 2) – 31 MIDs

28.1.12. Note: Standalone Terminals include all equipment and application types not already specified separately in a, c or d and includes FD100Ti, FD400 Ti, Microsoft POS 2007, Tranz 330, Hypercom T7P, Cybersource, and Ven-Tek Ven Direct.

- 1) SA Headquarters (HQ) (Level 3)
 - a) MIDs for individual locations (Level 4)
- 2) SA EA Region (Level 3)
 - a) MIDs for individual parks (Level 4)
- 3) SA NW Region (Level 3)
 - a) MIDs for individual parks (Level 4)
- 4) SA SW Region (Level 3)
 - a) MIDs for individual parks (Level 4)

28.1.13. Automated Pay Stations (PS) (Level 2)

- 1) PS EA Region (Level 3)
 - a) MIDs for individual parks (Level 4) – currently 1 MID under PS EA Region
- 2) PS NW Region (Level 3)
 - a) MIDs for individual parks (Level 4) – currently 5 MIDs under PS NW Region
- 3) PS SW Region (Level 3)

- a) MIDs for individual parks (Level 4) – currently 4 MIDs under PS SW Region

28.1.14. SMS (Springer) System (Level 2)

- 1) Fort Worden (Level 3) – 2 MIDs
- 2) Cama Beach (Level 3) – 1 MID

Credit Card Applications/Equipment/Processors/Gateways

28.2. Central Reservation System (CRS)

State Parks contracts with Camis, Inc., a third-party vendor, for the following services:

- Central reservation system via the internet and a telephone call center.
- In-park reservation, registration and point of sale system in each State park participating in the central reservation system – currently 53 parks are using CRS.

Reservations are made by calling the Camis Call Center or online via a link from State Parks Website to the Camis website. The in-park registration/POS transactions are usually card present, but may also be card not present for telephone transactions and refunds after the visitor has left the park.

All transactions, whether made via internet, telephone or in-person, are batched at end of day and processed for settlement by Camis.

State Parks owns all the MIDs and the current merchant services provider deposits directly into the State Treasurer's bank account. Each location has one merchant ID and may have more than one terminal ID. The call center has two Merchant IDs (one for the Call Center and a second one for the Internet applications). The call center has 70 terminal IDs; each park has one Merchant ID and one to three terminal IDs.

Location: Camis, Inc.; Guelph Ontario Canada

Internet reservations are made via a link from State Parks Website to Camis:

<https://secure.camis.com/WA/>

Application: Custom WEB application by Camis, Inc.; Everest Version 4.0

Access Points: Internet reservations are made via a link from State Parks Website to Camis <https://secure.camis.com/WA/>; Telephone reservations made via Camis Call Center; in-person and telephone transactions at the parks

Payment Middleware: Tender Retail Merchant Connect Multi (MCM) version 4.2.8

Gateway: First Data

Connection: Varies depending on available technology in the individual State parks – includes dial up, satellite, DSL and Cable – all vendor provided.

Server Location: Camis, Inc., London, Ontario Canada

28.3. Standalone Terminal Locations –

28.3.1. Equipment Types – Using First Data:

- a) First Data FD100 Ti terminals
- b) First Data FD400 Ti wireless terminals
- c) Verifone Vx570 terminals

28.3.2. Software – Using Vital/TSYS

Microsoft Point of Sale 2007 on PC - The Dry Falls Visitor Center at Sun Lakes State Park accepts credit cards in-person using Microsoft Dynamics Point of Sale software version 2.0 on a PC.

Location: Dry Falls Visitor Center, Sun Lakes State Park, Coulee City, WA

Application: Microsoft Dynamics POS software Version 2.0 on a PC

Access Point: In person

Gateway: Vital/TSYS

Connection: Satellite by Odessa Office

28.3.3. Equipment Types – Using Vital/TSYS

Locations: Headquarters and 8 parks around the State

Equipment: Verifone Tranz 330 and 380 terminals; Hypercom T7P terminals

Access Point: In person

Gateway: Heartland Payment Systems

Connection: Dial up

28.3.4. Equipment Type – Using Ven-Tek VenDirect

Lake Sammamish State Park uses a VenTek International System VI pay station (POS Kiosk) at the boat launch that accepts cash and credit cards as forms of payment. The application is a networked credit card processing configuration with DSL internet connection to provide instant connectivity between the State park office and the pay station to enable on-line pay station monitoring and desktop diagnostic performance on each component of the machine.

Location: Lake Sammamish State Park, Issaquah, WA

Application: VenTek International System VI pay station

Access Point: Equipment at boat launch; system access at park office

Processor: VenTek VenDirect

Gateway: Vital/TSYS

Connection: DSL

28.4. Online Application – Using Cybersource and Vital/TSYS

Headquarters Online Permit Sales - State Parks currently sells three permits over the internet: Natural Investment Permit, Sno-Park Permit and Moorage Permit.

Location: State Parks Headquarters

Application: Custom WEB application by State Parks
Access Point: Link from State Parks Website to e-commerce application
<http://www.parks.wa.gov/permits/>
Processor: Cybersource
Gateway: Vital TSYS
Connection: TCP/IP
Server Location: State Parks/Department of Information Services (DIS). Credit card numbers are only processed on DIS e-commerce systems. No credit card data is stored on either State Parks or DIS systems.

28.5. Automated Pay Stations

State Parks has thirteen (13) Parkeon Strada Transfer Pay Stations in ten (10) parks around the State. State Parks intends to increase the number of pay stations in 2013

Location: Ten (10) State Parks
Application: Parkeon Custom application
Access Point: Parkeon Strada Transfer Pay Station
Processor: Credit Call
Gateway: First Data
Connection: TCP/IP
Server Location: Parkeon, Moorestown, New Jersey

28.6. Springer (SMS) Reservation System –

Fort Worden and Cama Beach State Parks use PAR Technology Corporation SMS|Host, SMS|Retail Point of Sale and SMS|Worldsoftware to manage guest bookings for lodging and activities and Shift 4's Dollars on the Net to process credit card transactions. Currently Fort Worden State Park also has online reservations, Cama Beach does not. Plan is to upgrade SMS software, and enable online reservations for Cama Beach also.

Cama Beach State Park, Financial Services and Information Management access Fort Worden's SMS system/server via a Microsoft Terminal Server located at Fort Worden State Park

Location: Fort Worden State Parks, Port Townsend, WA
Application: SMS|Host with SMS|Retail Point of Sale Version 17; PAR Springer Miller System; Upgrade to Version 18 planned for 2013
SMS|World Version 2.97; Upgrade to SMS|World XA planned for 2013

Application Type: payment/gateway switch

Access Point: Online reservations for Fort Worden State Park at
<https://fortress.wa.gov/parks/smsworld/smsworld/wc.dll?smsworld~Availbox>; Telephone, mail and in person point of sale transactions at Fort Worden State Park and Cama Beach State Park
Processor/Payment Middleware: Shift 4's \$\$\$ on the Net UTG v2
Gateway: Vital TSYS

Connection: TCP/IP

Server Location: SMS|World is on a web server at Headquarters; SMS|Host and HTP (host transaction processor) are on servers at Fort Worden State Park; Parks Information Management is currently evaluating movement of all SMS servers to Headquarters.

28.7. Parks Future Requirements:

Please indicate for the following if you can support the requirement and how. If you cannot support the requirement please provide an alternative if available.

The 2011 Legislature created the Discover Pass as a solution to keep State recreation lands open. Revenue from the Discover Pass is intended to replace general fund tax money no longer available to cover the costs to operate State-managed recreation lands. The Discover Pass was launched July 1, 2011. Revenues from the pass are distributed to three agencies that manage State recreation lands; 84 percent of revenues go to State Parks, and the Department of Fish and Wildlife and Department of Natural Resources each receive 8 percent. The Discover Pass is a vehicle-access pass that allows visitors to enjoy millions of acres of Washington State-managed recreation lands—including campgrounds, parks, wildlife areas, trails, natural areas, wilderness areas and water-access points.

The pass is required on State recreation lands and water-access sites managed by Washington State Parks (State Parks), Washington Department of Fish and Wildlife (WDFW) and Washington State Department of Natural Resources (DNR). Passes can be purchased in person at State Parks headquarters and region offices and in State parks as staff is available. One-day passes also may be purchased at payment stations available at State parks.

Since July 2011, State Parks has collected more than \$8.5 million in Discover Pass revenue at state parks across the State. State Parks is looking for innovative and efficient ways to accept credit card payments, minimize staff time/effort and reduce the amount of cash in the parks.

In the summer of 2012, State Parks piloted two methods of accepting credit card payments and selling Discover Passes (and other permits):

- Automated Pay Stations – enabled visitors to purchase the Discover Pass without park staff assistance.
- First Data FD 400Ti Wireless credit card terminals – enabled State park staff to sell Discover Passes (and other permits) at various locations throughout the park. This was especially useful during special events, high volume areas and for enforcement purposes.

Both methods were successful. A downfall to the wireless credit card terminal was that it did not contain a point of sale application to keep track of what the parks were selling. This required staff to keep track manually of what was sold in order to properly report the

type of revenue collected. Accepting credit cards on the move was a huge plus, but manually tracking each sale was not.

As a result, the Agency is seeking a handheld wireless device with a POS application and a credit card swipe. The device and credit card swipe must be durable and compact. An example of such a device is the VeriFone PAYware mobile card encryption sleeve and app.

State Park rangers are out in the park using the machines. They can be in a truck, car, walking, riding a bike or lawn mower, etc. A robust carrying case for the handheld wireless device is also desired.

We will be expanding the use of the wireless machines as well as the automated pay stations to additional parks.

29. UTILITIES AND TRANSPORTATION COMMISSIONS (UTC)

UTC currently uses hardware terminals provided by Bank of America Merchant Services for their Financial Services and Licensing Services programs. The Financial Services section processes payments which encompass the entire commission business operations. These include penalties, annual report fees, pipeline safety fee, etc. The Licensing Services processes credit card transactions for applications for operating permits.

30. WASHINGTON STATE PATROL (WSP)

- 30.1. WSP currently uses Cybersource provided by Bank of America Merchant Services for their Criminal Records Division: Identification & Criminal History Section and Collision Records Section. This process accepts Visa, MasterCard, in addition to American Express on the Collision Records Section.
- 30.2. Identification & Criminal History Section – This program provides background checks and notarized letters to the public. The program also accepts credit cards for walk-in customers requesting a background check and also for the fingerprinting service fee.
- 30.3. Collision Records Section – This program provides copies of vehicle collision reports. Any individual or Agency can request a collision report from the Collision Records Section.

SECTION IV: PROPOSAL REQUIREMENTS

Proposals must conform to the information and attachments provided, including any amendments made to the RFP and responses to questions. Proposer must address each of the following parts in the same order listed to be considered responsive. Proposals that do not address all areas requested by this RFP may be deemed non-responsive and may be disqualified from further consideration. Proposals should be concise with emphasis placed on completeness and clarity of content. Proposers must consider the minimum qualifications in *Section II* and the required services outlined in *Section III – Scope of Services* in formulating Proposals.

By submitting a Proposal in response to this RFP, the Proposer unequivocally acknowledges that it has read and fully understands this RFP, and that the Proposer has asked questions and received satisfactory answers from OST regarding any provisions of this RFP with regard to which the Proposer desired clarification.

Proposals shall include the following information by section:

1. **COVER LETTER** – Provide a cover letter, signed and dated by an individual legally authorized to bind the Proposer contractually. Indicate that the signer is authorized to commit the Proposer to the terms presented and include the title or position the signatory holds. The letter must also include:
 - A statement that all terms and prices included in the Proposal are guaranteed for 180 days from the Proposal due date.
 - A statement confirming the Proposer meets the requirements described in *Section II - Minimum Qualification Requirements*.
2. **TABLE OF CONTENTS** – Include a table of contents showing the Proposals content and sequence. All pages should be numbered, and each section must reference the corresponding part listed in this section.
3. **GENERAL INFORMATION:** Provide the following information:
 - Name, mail address, telephone number, and fax number of the Proposer
 - Name, title, mail address, telephone number, and e-mail address of principal officers.
4. **EXECUTIVE SUMMARY** – Provide a brief, concise overview of the key points in the Proposal. The summary should not exceed five pages.
5. **PROPOSER INFORMATION** – Describe the Proposer's qualifications and relevant experience during the past three years providing Merchant Bankcard services to entities the same size or larger than the State of Washington.

6. **AUDIT REPORT** – Provide a copy of the most recent Independent Service Auditor’s Report prepared in accordance with attestation standards established by the American Institute of Certified Public Accountants for services provided in a Merchant Bankcard Services capacity.
7. **PERSONNEL** - Identify the specific individuals (or subcontractors) who will be assigned to OST’s account. Describe their qualifications in terms of their education and experience with larger state and local government clients. Indicate the nature of the experience. Attach a brief résumé of each individual. Include an organization chart that reflects management of administrative and operational services within your organization.
8. **SERVICES PERFORMED** – Describe the services the Proposer is willing to provide. The Proposal should be presented in the same order as listed in *Section II - Minimum Qualification Requirements, and Section III - Scope of Services*. Proposers must reiterate the number and full text of each subsection, followed immediately with their description of how their services meet the stated requirement(s). Product samples, where applicable to the response, should be included by reference to a separate appendix. **A response of “will comply” or “meets the requirement” is not sufficient and will be deemed non-responsive.** Please submit a definitive description of the resources available and other pertinent factors to demonstrate your ability to perform the requested services. If any service outlined in Section III cannot be provided, the Proposer should specifically state this in that section and provide any proposed alternatives.

Any amendments or addenda proposed by the Proposer must be submitted with its Proposal.

Note: No part of the work to be performed will be subcontracted or assigned to another vendor without prior written consent by the State.

9. **PROPOSED FEES** –Please complete *Attachment B, Pricing Schedule*, including all fees proposed.
 - Provide a price for the minimum account services requested for the specific account or accounts noted in *Section III* in accordance with the volumes as detailed in *Attachment C*.
 - Specify if the figure is a total amount or per unit.
 - Calculated total amount should be carried over to the “Total” column.
 - Detail any additional costs for “other” or “innovation/future” services, if any, including but not limited to research charges and pass-through fees.
 - Discuss any creative pricing or payment options that you can provide.

Note: All charges must be detailed here. Any charges not listed in this section of the Proposer’s Proposal will not be allowed during the course of the contract unless the scope of the contract is expanded to include additional services not requested herein and is otherwise

negotiated and agreed to in writing.

Any pricing offered by Proposer shall be inclusive of sales tax, business and occupation tax, and any other taxes for fees for doing business in the State that may apply.

All travel and per diem will be the responsibility of the Proposer and should be considered when preparing the Proposed Fee. No separate allowances or fees will be paid for travel or per diem for the Proposer.

The evaluation process is designed to award this procurement not necessarily to the firm with the least cost, but rather to the firm whose Proposal best meets the requirements of this RFP in OST's sole judgment.

- 10. SOFTWARE APPLICATION** - List any applications that require installment of component(s) on State Agency desktops and provide a detailed description of the component(s). List any applications that are accessed solely through a web browser. Briefly describe any service level agreement(s) related to availability and support for application software.
- 11. BUSINESS CONTINUITY** - Describe the procedures and provisions you have implemented to be employed in the event of disaster or equipment failure at your primary processing site(s). Describe your business continuity plans should the region experience a geographic disaster.
- 12. INNOVATION/FUTURE SERVICES** – OST expects the selected Vendor to work in partnership with OST and the stakeholder agencies as it explores automation and innovative service delivery options. Please describe alternate or innovative approaches to the requested services where feasible or additional services offered that might not be specifically requested.
- 13. CONFLICT OF INTEREST** – It is the expectation of OST that the award of a contract for Merchant Bankcard services and the conduct of business under that contract will comply with the State's conflict of interest laws. Provide a letter signed by an officer of your company certifying that no condition exists with respect to the Proposer or any of its employees which violates the Ethics in Public Service Act, Chapter 42.52 RCW, or any similar statute in relation to the submittal of its Proposal.
- 14. LITIGATION** – Provide a brief explanation and status of any material litigation, regulatory authority investigation, contingent liabilities, or other legal proceedings involving the Proposer or any officer or principal during the past three years.
- 15. CONTRACTUAL REQUIREMENTS** – *Attachment A – Agreement for Merchant Bankcard Services* contains contracting terms OST requires in the Agreement that are not negotiable. Provide a statement indicating the Proposer has read *Attachment A* and accepts all provisions.

The Proposer may propose revisions to Agreement for clarification and procedural purposes only. If a conflict exists between OST's required language and language proposed by the Proposer, the provisions required by OST shall govern. However, OST retains the right to

waive any provisions, as deemed necessary. Proposals contingent upon revising the intent of the Agreement will be rejected.

Any amendments proposed by the Proposer must be submitted with its Proposal.

- 16. TRANSITION PLAN** – If a new Vendor is selected as a result of this RFP, the Agreement will include a transition period. The Transition Phase of this Agreement begins upon execution of the Agreement by all parties through June 30, 2013. The existing Agreement expires June 30, 2013 and the new Vendor must be production ready beginning July 1, 2013.

The Proposer shall provide a plan and timeline for transitioning all Services from the existing vendor to the new Vendor. The plan must be specific and include the Proposer's transition strategy, organizational changes and system enhancements necessary to provide the level of service required, testing of automated processes, including electronic file transfers and data uploads and downloads. The Proposer must guarantee that the necessary resources will be committed to the transition process to ensure that transition is performed in a timely manner. Transition, if required, must be completed and ready for production processing beginning July 1, 2013.

- 17. REFERENCES** – Provide contact names, addresses and telephone numbers for *at least* three (3) governments the Proposer provides Merchant Bankcard services (e.g., state or local government, or institution of higher education).
- 18. LIST OF EXCEPTIONS** - Provide an explanation for any exceptions to, or deviations from, the requirements of the RFP. If there are no exceptions, include a statement to that effect.
- 19. ADDITIONAL INFORMATION** - Provide any additional pertinent information.

SECTION V: PROPOSAL SUBMISSION

Proposals should only include information essential to meet the requirements of the RFP. The detailed requirements stated in the *Section IV – Proposal Requirements*, presented in the same order as listed, are mandatory. Failure to respond to specific requirements may be the basis for elimination from further consideration.

DELIVERY – Ten (10) copies of your Proposal must be delivered or mailed to the the RFP Coordinator at the address outlined in **Section 3.1.2**. Faxed or emailed submissions will not be accepted. One copy must have original signatures and nine (9) copies may have photocopied signatures. The copy containing original signatures must be unbound and marked “Master Copy.” Proposals must be submitted with tabs separating the major sections of the Proposal (See *Section IV- Proposal Requirements*). Proposals must be clearly marked “Proposal – Merchant Bankcard Services.”

ELECTRONIC COPY – Proposer must submit one (1) electronic copy of the Proposal on a compact disk or DVD, in either Adobe Acrobat (.pdf), or Microsoft Word (.doc) format. Attachment B must be in Excel format. The electronic version must match exactly the “Master Copy” required above. It is the sole responsibility of the Proposer to ensure receipt of Proposals by the specified date and time and at the specified location.

DEADLINE – Proposals must be received by 4:00 P.M., PT, Friday, February 15, 2013. Proposals received after the deadline will not be accepted.

PROPRIETARY OR CONFIDENTIAL INFORMATION – All Proposals, including attachments and other inclusions, become public records upon receipt by OST. Proposals shall be deemed disclosable pursuant to Chapter 42.56 RCW except as exempted by law. Proposers should mark materials claimed to be exempt from disclosure as “confidential.” Marking the entire Proposal or an entire section as proprietary will be neither accepted nor honored. The Proposal’s cover letter should identify specific material claimed to be exempt, corresponding page number(s), and a statement of basis for each claim.

If OST receives an official request to view a Proposer’s Proposal, OST will respond in accordance with RCW 42.56.540. If any requested information marked as “confidential” does not in OST’s sole judgment clearly meet one of the enumerated exemptions from disclosure, OST will give notice of the request to the affected Proposer that the material will be made available in ten (10) Business Days unless the affected Proposer obtains a court order restraining OST from disclosing such information.

Failure to label materials as “confidential” or failure to timely respond after notice of request has been given shall be deemed a waiver by the Proposer of any claim that such materials are exempt from disclosure.

SECTION VI: SELECTION PROCESS

Proposals will be evaluated strictly in accordance with the requirements set forth in this RFP and any written amendments. Evaluators will consider how well a Proposal meets all such requirements. Proposals must be clear, complete, and presented in the order specified so evaluators can adequately understand all aspects of the Proposal. Proposers that submit incomplete Proposals may be deemed nonresponsive and eliminated from further consideration.

OST will select the apparent successful Proposer based on the Proposal that, in their opinion, best meets the RFP requirements and is in the best interest of the State.

SELECTION COMMITTEE – Proposals will be reviewed and evaluated by a selection committee, established by OST. The committee will consist of OST personnel familiar with the services requested. The committee will consider how well the Proposer's Proposal meets all requirements as described.

EVALUATION PROCESS – The selection committee will evaluate Proposals based on their technical merits and cost factors.

The selection committee may select finalists for oral interviews. At the sole discretion of OST, such interviews will take place either at the Office of the State Treasurer in Olympia, Washington or the offices of the finalists.

Upon final evaluation, the selection committee will make a recommendation to the State Treasurer for approval.

EVALUATION CRITERIA – The following criteria, not listed in order of significance, including but not limited to the following will be used to evaluate Proposals.

- Compliance with RFP requirements
- Proposer's qualifications and experience in providing required services
- Qualifications and relevant experience of personnel assigned
- Cost of services
- References / Past Performance

These criteria, combined with information obtained from interviews and other sources, if any, will be used to determine the successful Proposer.

Note: Cost will not be the sole determining factor in the selection.

ADDITIONAL REQUESTS – The selection committee reserves the right, during this process, to request additional information. Proposers will be given at least five (5) Business Days from notification to provide requested information.

RIGHTS OF OST – In addition to any other rights stated in this RFP, OST reserves the right to (i) reject any and all Proposals, (ii) waive any minor informalities in a Proposal, (iii) schedule interviews, (iv) request clarification or additional information from any Proposer, (v) waive specific terms and conditions contained in this RFP, and (vi) effect any agreement deemed by OST to be in the State's best interest.

CONTRACT AWARD – The Proposer selected as a result of the Proposal evaluation process will be, in the sole judgment of OST, the Proposer whose Proposal is the most advantageous to OST.

OST will notify the selected Proposer of its acceptance of the Proposer's Proposal and of OST's intent to enter into the Agreement in substantially the same form as the Agreement attached as Attachment A to this RFP. If said Proposer does not execute the Agreement within three weeks of notification, OST may withdraw the award from that Proposer and award the agreement to the Proposer ranked second in the Proposal evaluation process.

SINGLE PROPOSAL – If OST receives only one Proposal to this RFP, OST, at its sole option, may elect to cancel this RFP or select and award the contract to the single Proposer.

PUBLICITY – The apparent successful Proposer shall not release any notices, press releases, reports, or news or make any statement to the public, press or other media relating to matters pertinent to the Proposal or contract without prior written approval from OST.

PROTEST PROCEDURES – In the event a Proposer protests this RFP process or the selection of an apparent successful Proposer, the Proposer shall follow the procedures set forth in the WAC 200-300-130 through 140. Protests shall be resolved in accordance with above referenced WAC.