

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF THE TREASURY

REQUEST FOR PROPOSALS #CMI 01-010

for

MERCHANT CARD
FINANCIAL PROCESSING SERVICES

MARY G. MORRIS
TREASURER of VIRGINIA

BARBARA J. LAYMAN, CPPB, VCO
PROCUREMENT OFFICER

December 21, 2000

REQUEST FOR PROPOSALS
#CMI 01-010

Issue Date: December 21, 2000

Title: Merchant Card Financial Processing Services

ISSUING AGENCY: Attn: Barbara J. Layman, CPPB, VCO
Procurement Officer
Commonwealth of Virginia
Department of the Treasury
P.O. Box 1879
Richmond, Virginia 23218-1879

USING AGENCY: Statewide Contract Available for All Agencies and
Institutions of the Commonwealth

Initial Period Of Contract: On or before March 1, 2001 Through February 28, 2004 With Two Additional One (1) Year Renewal Periods in Accordance with the Terms and Conditions herein.

Sealed Proposals Will Be Received Until 2:00 p.m. January 19, 2001 For Furnishing Merchant Card Services Described Herein. Offeror's names shall be read aloud.

All Inquiries For Information Shall Be Directed To: Barbara J. Layman, CPPB, VCO, Procurement Officer (804) 371-7951

If Proposals Are Mailed, Mail Directly To Issuing Agency Shown Above, Adding One Line To The Top Of The Address As Follows: Proposal for Merchant Card Services, RFP #CMI 01-010.

If Proposals Are Hand Delivered, Deliver To: Proposal for Merchant Card Services, RFP #CMI 01-010, Commonwealth of Virginia, Department of the Treasury, James Monroe Building - 3rd Floor, 101 North 14th Street, Richmond, Virginia 23219, Attn: Barbara J. Layman, CPPB, VCO.

In Compliance With This Request For Proposals And To All The Conditions Imposed Therein And Hereby Incorporated By Reference, The Undersigned Offers And Agrees To Furnish Merchant Card Services In Accordance With The Attached Signed Proposal Or As Mutually Agreed Upon By Subsequent Negotiations.

| | |
|-------------------|--------------------------------|
| Offeror's Name: | By (Signature in Ink): |
| Complete Address: | Name (please print) and Title: |
| | Date: |
| City/State/Zip: | Federal Identification Number: |
| Telephone Number: | Facsimile Number: |

PRE-PROPOSAL CONFERENCE: An optional pre-proposal conference will be held on Friday, January 5, 2001 at 2:00 p.m. at the Department of the Treasury. Reference Section VII herein.

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SECTION I: PURPOSE

The purpose of this Request for Proposals ("RFP") issued by the Department of the Treasury ("Treasury") is to solicit sealed proposals from qualified vendors to establish a contract through competitive negotiations for the purchase of merchant and financial processing services related to credit cards and debit cards. While it is the intent to award all services to one contractor, Treasury reserves the right to make multiple awards.

SECTION II: BACKGROUND

The Commonwealth of Virginia first established a merchant card processing contract in 1990 to enable interested State agencies to accept Visa and MasterCard credit cards as payment options. Appendix D provides a list of current agency participation and volume information. The current request for proposals (RFP) includes credit and debit card acceptance where appropriate.

Participation under the statewide contract is voluntary; each agency may elect to participate under the statewide contract or procure credit card services directly from another vendor. (There is no guarantee that all of the agencies listed in Appendix D will participate in this contract, however it is expected that most, if not all would continue with this program.) State agencies are structured to meet their specific missions and have varying processing needs. Acceptance methods vary according to agency needs and include card reader/swipe, telephone, mail, voice response units (touch-tone telephone), self-service terminals, and the Internet. Vendors will also be required to support the small number of locations that still have a need to use paper/card imprinters.

The VipNet Authority was established two years ago to facilitate Internet activity involving residents, business, and agencies of the Commonwealth of Virginia. Some of this activity may involve payments made with credit/debit cards. For example, an application fee to a state university might be paid with a credit or debit card. Not all Internet activity takes place through VipNet. Agencies may arrange for applications directly with the vendor if desired.

Agencies select from various equipment options such as the ZON and Tranz series. Some agencies use proprietary software. Others use point of sale terminals.

SECTION III: STATEMENT OF NEEDS

The Contractor shall provide the following services:

A. Merchant Card Services

1. The Contractor shall establish the mechanism(s) and system(s) to enable State agencies to accept and process merchant transactions and then settle the transactions at the designated financial institution including the following:
 - a. Visa
 - b. MasterCard
 - c. Discover
 - d. American Express
 - e. Diners Club
 - f. Debit Cards
2. The Contractor shall provide credit and debit card processing through various acceptance methods to meet the requirements of each participating agency. This includes:
 - a. Paper/Card imprinted receipts
 - b. Card reader/swipe
 - c. Telephone Acceptance
 - d. Mail in transactions
 - e. PC-based, batch processing
 - f. Voice Response Unit (Touch-tone telephone)
 - g. Self Service Terminals (SST)
 - i. Internet
3. The contractor shall provide individual state agencies access to multiple dial-up ports for simultaneous settlements.
 - a. The transmission speed for this access shall be consistent with modems available in the current business community, but at a minimum, 28 kbs.
4. The Contractor shall provide a toll-free number for verbal credit card authorizations, as needed.
5. The Contractor shall have the flexibility to address varying requirements and management styles (centralized or decentralized) to meet agency's processing and reporting needs.
6. Contractor PC based systems shall at a minimum provide the following:
 - a. Operate in a Windows environment
 - b. User friendly package with on-line help
 - c. Provide open architecture to easily connect to other systems
 - d. Provide spreadsheet or acceptable alternative format for reports.
 - e. Capability to download to PC.
 - f. Report printing functions

7. Contractor enterprise systems shall at a minimum provide the following:
 - a. Support communications standards: VTAM/NCP, TCP/IP, Netbios, etc.
 - b. Identify and return as raw data any agency created code contained within VAR or VAN industry standard Market Data.
8. The Contractor shall provide the ability for Commonwealth of Virginia State agencies to develop proprietary data formats/reporting for credit card authorization and settlement through the use of mechanisms and systems identified in number one (1) above, Value-added Resellers (VAR's), or Value-added Networks (VAN's).
 - a. Only require applications to provide functional credit card information (credit card number, expiration date, charge amount) that will process the request and return the authorization number to the application.
 - b. Identify any variations or additional data elements required. Describe the justification for any additional requirements.
 - c. Identify and return as raw data any agency-created code contained within VAR or VAN industry standard market data.
9. Value Added Reseller (VAR) Requirements:
 - a. Contractor shall be certified on VAR Proprietary software including, but not limited to, the following:
 - i. Digital hardware with GSC Computer Services proprietary software for all ABC locations
 - ii. IBM cash registers with Missouri Book Service proprietary software
 - iii. Info 2000 software used for an integrated reservations system for the Department of Conservation and Recreation (State Parks)
 - iv. Southern DataComm, Inc., ProtoBase product
 - v. Genesis NT software for Call Center

NOTE: The Virginia Community Colleges will be converting to PeopleSoft in the near future.

 - b. Contractor shall include a list of all VAR's currently certified by your organization.
10. The Contractor shall establish and maintain as requested by participating agencies merchant numbers for each agency location accepting credit/debit card transactions. New merchant numbers shall be established within ten business days or as negotiated with individual agencies. Each merchant number shall be reported as designated by each agency.
11. The Contractor shall provide the mechanism for chargebacks, refunds (e.g. returned merchandise for credit), and adjustments with sufficient notification prior to the affected agency being debited. Discuss the process and any elements required of the agencies to initiate these transactions. Also, discuss the parameters where these transactions are initiated by the customer or their issuing financial institution.
12. All services, including customer technical support, should be available twenty-four hours a day, seven days a week, three hundred sixty-five days per year.
 - a. Describe downtime and timeouts experienced during the last twelve-month period ending September 30, 2000.

- b. Describe the process used for notification of scheduled and non-scheduled down time.
 - c. Describe backup procedures during scheduled and non-scheduled downtime.
13. The Contractor shall provide a single point of contact for customer support to all agencies participating under the contract, including support during all business hours that agencies are in operation. (For example, State ABC stores are open as late as 10:00 p.m. and are open on Saturdays and some holidays.) Discuss the standard response time.
14. The Contractor shall provide a single point of contact for an account representative responsible for the Commonwealth of Virginia relationship in its entirety.
15. The Contractor should deposit credit and debit card receipts that are processed each day to a designated Treasurer of Virginia or agency Account on the business day following initiation of the transaction file. (Note: this is not a requirement, however it is one of the important points that will be taken into consideration as part of the evaluation of the proposal.)

If funds are not deposited into the Treasurer of Virginia or agency account on the agreed upon date, Treasury will have the option of charging interest, on behalf of the agency involved, at the 91-day Treasury bill rate, for the period of time the deposit has not been made.

- a. The Contractor shall post transactions at levels according to agency requirements:
 - (1) Individual merchant number
 - (2) Batch level
 - (3) Total or consolidated
 - b. Chargebacks and adjustments pose a reconciliation challenge since most agencies deposit into a single checking account. However, approximately 850 merchant locations/merchant ID's are responsible for addressing the legitimacy of the entry. Adjustments or chargebacks shall be identified by merchant number and transaction. It is imperative that the State agency as well as the Department of the Treasury-Bank Reconciliation Section receive notification of all chargebacks and adjustments. The amount shall post to the demand deposit account at the designated financial institution. Chargebacks shall post to the account individually. They cannot be combined. Chargebacks/adjustments shall not be netted against daily transmissions/uploads from agencies. The Commonwealth of Virginia does not allow any deduction from any of its accounts without prior authorization from the agency. The Contractor shall be able to support agencies that wish to have a separate account for chargebacks.
 - c. The total of the actual transaction amounts shall be posted to the deposit account; not reduced by the applicable discount fee.
 - d. Identify the processing deadline for same and next business day deposits.
16. The Contractor shall provide the ability to pass the merchant ID with each transaction. The Contractor shall arrange with each agency so that the merchant ID contains the three-digit agency code or agency cost codes within the merchant ID, depending on agency requirements. The merchant ID shall accompany the transaction so that it will post to the checking account statement at the Commonwealth's designated financial institution.

This is extremely important. There are currently 850 merchant ID's for the Commonwealth of Virginia. Contractors are encouraged to present solutions to the problem presented to our reconciliation department in attempting to identify deposits.

17. The Contractor shall maintain procedures to establish and review merchant/agency assignments to the pricing schedule on a quarterly basis. Assignment to the pricing grid shall be based on total State sales volume and then the average dollar amount of the individual merchant number or consolidated at the agency level based on negotiations with each agency. Contractor shall receive and make appropriate adjustments for new participants when assessed incorrectly and as requested.
- 18 Contractor shall notify the agency and Treasury when an agency/merchant is outside merchant compliance for any reason.
 - a. Describe reasons for non-compliance
 - b. Describe grace period
 - c. Describe assistance provided to bring agency into compliance
 - d. Describe assistance provided to new or existing users implementing new systems
19. Contractor shall notify the agency when any merchant ID has experienced 90 consecutive days without any transaction activity.
 - a. List the date of last activity
 - b. Provide a description of the impact of continued inactivity
20. Contractor shall support existing equipment, including but not limited to, Envoy and Verifone (Zon XL's, Tranz 330's, 380's, Printer 900's, and Pin Pads), used to initiate merchant transactions.
21. The Contractor shall offer and support the most current equipment available to meet individual agency needs:
 - a. Describe the types of equipment offered and appropriate applications
 - b. Describe capacity of equipment
 - c. List and describe the supplies necessary to operate and support the equipment
 - d. Describe warranty and service contracts for purchase/leased equipment
 - e. Describe approach to assisting agencies when equipment fails
22. The Contractor shall allow convenience fees to be passed through to customers for credit card usage when appropriate.
 - a. The Contractor shall allow convenience fees to be passed on to customers at standalone, self-service terminals, Internet, and through voice response units (touch-tone telephone) that may be established.)
23. The Contractor should provide the following reporting mechanisms. Discuss your firm's capabilities:
 - a. Data transmission of reports
 - b. Data transmission of raw data
 - c. Remote access to reports
 - d. Software for automated updates
 - e. Archival capabilities
 - f. Ability to provide reports on diskette
 - g. Ability to access reports through the Internet

24. The Contractor should provide additional financial service options (e.g. check verification/authorization) when appropriate to meet individual agency needs. Describe potential services.
25. The Contractor shall provide participating agencies sufficient documentation and training related to card processing and equipment usage. Discuss your approach to training and resources dedicated to this effort.
26. The contractor shall provide a secure environment for the testing of new applications that is entirely separate from the production environment. Test cards, in sufficient number, shall be provided to agencies performing tests.

SECTION IV: PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

A. GENERAL REQUIREMENTS:

1. RFP Response:

- a. Number of Copies. In order to be considered for selection, Offerors must submit a complete response to this RFP. One (1) original, so marked, and five (5) copies, so marked, of each proposal must be submitted to Treasury. Additional copies shall be provided upon request.

2. Proposal Preparation:

- a. Submission of Materials. Proposals shall be signed by an authorized representative of the Offeror. All information requested should be submitted. Failure to submit all information requested may result in the purchasing agency requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. Proposals which are substantially incomplete or lack key information may be rejected by the purchasing agency. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
- b. Small, Women-Owned, and Minority-Owned Business Reports. All information requested by this RFP on the ownership, utilization and planned involvement of small businesses, women-owned businesses, and minority-owned businesses must be submitted. If an offeror fails to submit all information requested, the purchasing agency may require prompt submission of missing information after the receipt of the vendor proposals.
- c. Clarity of Proposals. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.
- d. Organization of Proposal. Proposals should be organized in the order in which the requirements are presented in the RFP. All pages of the proposal should be numbered. Each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. It is also helpful to cite the paragraph number, subletter, and repeat the text of the requirement as it appears in the RFP. If a response covers more than one page, the paragraph number and subletter should be repeated at the top of the next page. The proposal should contain a table of contents which cross references the RFP requirements. Information which the offeror desires to present that does not fall within any of the requirements of the RFP should be inserted at an appropriate place or be attached at the end of the proposal and designated as additional material. Proposals that are not organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.
- e. Single Volume. Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume.

- f. Ownership of Materials. Ownership of all data, materials and documentation originated and prepared for the State pursuant to the RFP shall belong exclusively to the State and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protection of Section 11-52D of the Code of Virginia, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. **The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and may result in the rejection of the proposal.**
3. Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the State agency. This provides an opportunity for the Offeror to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. The Issuing State agency will schedule the time and location of these presentations. Oral presentations are an option of the purchasing agency and may or may not be conducted. **Oral presentations may be scheduled the week of December 4.**

B. SPECIFIC REQUIREMENTS:

Proposals should be as thorough and detailed as possible so that the Treasury may properly evaluate your capabilities to provide the required merchant card services. Offerors are required to submit the following items, separated by tabs within the proposal, as a complete proposal:

TAB 1. The complete RFP (**Original Only**), the RFP cover sheet and addenda, if any, filled out as required and signed.

TAB 2. General Qualifications:

1. Submit ten references including telephone numbers and persons whom we may contact. References submitted should be applicable to the specific services requested in this RFP. If you provide this service or a similar service to a state or municipal government, please use that entity(ies) as a reference.
2. Provide a list of contact personnel including senior level management who will be responsible for the relationship between the Contractor and the Commonwealth of Virginia. Identify the roles and responsibilities of each. Provide resumes for these individuals including the relationship officer, daily contacts for implementation and customer service, and other personnel who can be contacted for support, and problem resolution. Include an organizational chart.
3. Discuss the extent of your commitment to merchant card services.
 - a. Location(s) of card processing site(s). Identify the location from which the Commonwealth relationship will be served. If outside the state, discuss the accessibility of personnel.

4. Provide information on merchant card activity including:
 - a. Number of customers
 - b. Annual volume of transactions processed: credit card and debit card
5. Discuss your commitment to quality. Include quality controls and measures used to evaluate processing, customer service, and implementation. Discuss any unique approaches which you have.

TAB 3. Specific plans for providing the proposed goods/services including:

1. Address your financial institution's ability to provide the services noted in SECTION III, STATEMENT OF NEEDS. Please restate each requirement and discuss whether or not you can provide the service, how you will provide the service or the extent to which you can provide the service, any alternatives you would recommend in addition to or in lieu of the stated objective, and reference any reports provided by your system.
2. The Contractor shall meet the REPORTING AND DELIVERY REQUIREMENTS as outlined in SECTION VI. Please restate each requirement and discuss whether or not you can provide the service; how you will provide the service or the extent to which you can provide the service; any alternatives you recommend in addition to or in lieu of the stated objective.
3. Detail the provisions that will be made for customer service. Include appropriate contacts for inquiry resolution particularly in the areas of credit/debit processing, transmissions, equipment maintenance, reconciliation, and service inquiries.
4. Provide a detailed implementation schedule for the contract, indicating tasks and dates for completion of each. Explain your plan for converting existing State agencies to your system. Explain in detail how large agencies, with over one hundred locations, would be assigned merchant ID's. If, in order to obtain a merchant ID, an agency must complete a document or enter data on a screen, include a copy of the required documentation. Assume a contract starting date of February 2, 2001.
5. Provide a well-defined systems backup plan. Include your provisions for hardware, software, and communications backup. Also, indicate if you have a disaster recovery plan. Identify your "hot site(s)" for emergency processing..
6. Include copies of any agreements which the Commonwealth would be expected to sign if your firm is awarded this contract.

Please Note: The Code of Virginia prohibits any agency from signing any agreement which contains a reference to the agency agreeing to either of the following:

**Holding the Contractor harmless
Indemnifying the Contractor**

Under no circumstances will the Department of Treasury execute a contract with the Contractor if either of these clauses is in the agreement. Review your agreements and delete these references if they are present prior to including them in your proposal.

TAB 4. Proposed Price:

1. Complete the price schedule in Section XI: Pricing Schedule showing the cost for each service listed as well as the cost for any service not listed, but your organization expects will be utilized and billed for in the performance of this Contract.
2. Complete the discount rate grid. Placement on the grid shall be determined based first on total State sales volume and then based on the average ticket amount of either the merchant number or consolidated for an individual agency's locations as negotiated by Contractor and agency. As overall Commonwealth sales volume increases, placement on the grid and rate charged, based on processing mechanism, should be adjusted.

Unless stated otherwise, it is assumed that the rate for debit cards when the PIN is not used will be the same as the rate for the credit card.

Recently the Commonwealth has experienced an increase in the number of large dollar transactions. Address your ability to cap the discount rate at a certain amount. For example, if an agency should receive a large-dollar credit card payment could they pay a fixed amount/fee rather than the quoted rate on the Discount Rate Grid.

3. Identify the interchange rates.
4. Discuss any creative pricing or payment options which you can provide. Describe any special discount rates that could be provided for an agency with a low average ticket size but with extremely high sales volume.
5. Describe any transition costs related to this Contract. Include initial as well as ongoing implementation charges.
6. Identify the equipment costs of all options outlined in the proposal. Provide a schedule that includes pricing differentials based on volume. Include a complete list of all supplies required to operate and support equipment.
7. Describe any additional fees or surcharges, such as EIRP, warranty, or maintenance of active or inactive merchant ID's that may be imposed on agencies.

TAB 5. Creative solutions and alternative suggestions:

All offerors are encouraged to be as creative as possible in responding to this RFP. Based on your review of the background information, specific needs and requirements, and pertinent Sections of the Code of Virginia discuss any creative approaches to this service which have not been specifically requested or which would enhance efficiency and/or reduce costs.

Do not limit your suggestions to the following, but present any creative suggestions for the situation which arises when agencies cannot operationally use a PIN pad for debit cards. Is there a way that the Commonwealth can be charged a fee versus the discount rate for these transactions.

TAB 6. Small, Women-Owned, and Minority-Owned Business Participation:

The offeror must submit three sets of data for small business, women-owned business minority-owned business: 1) ownership, 2) utilization of small, women-owned and minority-owned businesses for the most recent 12 months, and 3) planned involvement of small businesses, women-owned businesses and minority owned businesses on the current procurement. Appendix B contains the format for providing this information.

SECTION V: EVALUATION AND AWARD CRITERIA

All proposals received will be reviewed and evaluated by a Selection Committee. The Committee will recommend proposals which most closely meet the requirements of the RFP. The following will be used in making the selection:

1. Offeror's Qualifications -- This criterion includes the ability of the Offeror to meet the terms of the RFP, the quality controls in place to ensure a high-quality service, and any special processes which the Offeror feels may increase its ability to perform the contract. (Weighted at 25%)
 2. Soundness of Approach -- Emphasis here is on the techniques for providing the services requested, and on the Offeror's capability to deliver the desired services on schedule. (Weighted at 30%)
 3. Pricing -- Charges should be broken down as outlined in Section XI, PRICING SCHEDULE. While this area will be weighted heavily, it will not be the primary deciding factor in the selection process. (Weighted at 30%)
 4. Creativity -- The Commonwealth is interested in creative and innovative responses to this RFP. Consideration will be given to suggested alternatives or additional services offered which may not be specifically requested. (Weighted at 10%)
 5. Participation of Small, Women-Owned, and Minority-Owned Businesses -- Emphasis is on the past, current, and planned utilization of businesses in the three classes identified. (Weighted at 5%)
- B. Award of Contract: Selection shall be made of two or more Offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request For Proposals, including price, if so stated in the Request For Proposals. Negotiations shall be conducted with the Offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each Offeror so selected, the agency shall select the Offeror which, in its opinion, has made the best proposal, and shall award the contract to that Offeror. The Commonwealth may cancel this Request For Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reason why a particular proposal was not deemed to be the most advantageous (Section 11-65D, *Code of Virginia*). Should the Commonwealth determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor's proposal as negotiated.

SECTION VI: REPORTING AND DELIVERY REQUIREMENTS

The Contractor shall meet the following reporting and delivery requirements:

- A. The Contractor shall meet the reporting needs of the individual agencies and Treasury. Each agency shall establish separate reporting patterns to meet their requirements.
- B. The Contractor shall provide the following reports. Provide samples of these reports and other reports that are available. For each report, provide the options that are available for accessing the information.

The following are to be considered the minimum types of reports agencies should have, in addition to electronic inquiry of daily transaction activity.

1. Agencies

- a. Daily deposit activity report including transaction date, deposit totals by merchant number, and total consolidated deposit by batch and/ or agency
- b. Monthly summary deposit report including total daily deposit by merchant number and total for all agency depositing entities. Consolidated grand total of deposit for the month by merchant number and in aggregate
- c. Chargeback activity report by merchant number upon occurrence
- d. Monthly chargeback activity report by merchant number and consolidated for all agency activity
- e. Detailed transaction activity by merchant number, batch, or agency upon request.

2. Treasury

- a. Monthly consolidated summary report by agency. Report shall include the following:
 - (1) Number of merchant numbers within agency
 - (2) Number and amount of transactions
 - (3) Average ticket price
 - (4) Number and amount of chargebacks. (Also, discuss your ability to provide a report for the Bank Reconciliation Section that provides individual chargebacks by merchant number for all agencies.)
 - (5) Agency invoiced amount

3. Distribution of Reports

- a. Agency reports shall be distributed as agreed upon by the Agency and the Contractor
- b. Treasury reports shall be mailed to:

Assistant Manager, Banking Services
Department of the Treasury
P.O. Box 1879
Richmond, VA 23218

- C. The Contractor shall ensure the following information is passed with the ACH transaction to the demand deposit account at the designated financial institution:
 - a. Dollar amount of credit/deposit
 - b. Merchant number of entity that generated transaction total

- D. All invoices shall be submitted on a monthly basis to each participating agency at the designated address(s) within ten business days of month end. Invoices shall provide the following by merchant number:
1. Transaction activity
 2. Discount rate calculation and assessment
 3. Interchange rate calculation and assessment
 4. Equipment charges, if any
 5. Other related charges, if any
- E. Discuss your capability to provide a download/import of the information in numbers 1 through 5 on a monthly basis, by merchant number.
- F. A roll-up of total charges at the agency level will be provided.
- G. Annually, on the contract anniversary date, the Contractor shall provide a complete list of existing and recommended equipment necessary to meet agency processing needs and related prices.
- H. Annually, or as requested by the agency, the Contractor shall provide a complete list of existing active and inactive merchant ID's and the American Express and Discover merchant numbers associated with those ID's, sorted by merchant name (DBA) and including address and telephone number.

SECTION VII: OPTIONAL PRE-PROPOSAL CONFERENCE

An optional pre-proposal conference will be held at 2:00 p.m. on Friday, January 5, 2001 at the Virginia Department of the Treasury, 101 North 14th Street, Monroe Building, Treasury Board Room, 3rd Floor. The purpose of this conference is to allow potential Offerors an opportunity to present questions and obtain clarification relative to any facet of this solicitation.

Teleconferencing will be available.

Persons who wish to participate in the pre-proposal conference must pre-register with Barbara J. Layman via e-mail (barbara.layman@trs.state.va.us) or fax (804-225-3187) by 4:00 p.m. (EDT) on Wednesday, January 3, 2001. Your registration request should include any specific questions that you wish to be addressed during the pre-proposal conference. This is to ensure that the Department of the Treasury is prepared to respond to all questions and concerns. Persons registering for the pre-proposal conference will be provided with the conference dial-in number after receipt of the registration information.

While attendance at this conference will not be a prerequisite to submitting a proposal, Offerors who intend to submit a proposal are encouraged to attend. Any changes resulting from this conference will be issued in a written addendum to the solicitation.

NOTE: You may participate in the pre-proposal conference by either attending in person at the Department of the Treasury offices or by teleconferencing. Whichever method of participation you choose, please pre-register using the methods shown above.

SECTION VIII: GENERAL TERMS AND CONDITIONS

- A. **VENDORS MANUAL:** This solicitation is subject to the provisions of the Commonwealth of Virginia *Vendors Manual* and any revisions thereto, which are hereby incorporated into this contract in their entirety. A copy of the manual is normally available for review at the purchasing office and in addition a copy can be obtained by calling the Division of Purchases and Supply (804) 786-3842.
- B. **APPLICABLE LAWS AND COURTS:** This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.
- C. **ANTI-DISCRIMINATION:** By submitting their proposals, offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and §11-51 of the *Virginia Public Procurement Act*.

In every contract over \$10,000 the provisions in 1. and 2. below apply:

- 1. During the performance of this contract, the contractor agrees as follows:
 - a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, or disabilities, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
 - c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.
 - 2. The contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.
- D. **ETHICS IN PUBLIC CONTRACTING:** By submitting their proposals, offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
 - E. **IMMIGRATION REFORM AND CONTROL ACT OF 1986:** By submitting their proposals, offerors certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.
 - F. **DEBARMENT STATUS:** By submitting their proposals, offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting proposals or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

- G. ANTITRUST:** By entering into a contract, the contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.
- H. MANDATORY USE OF STATE FORMS AND TERMS AND CONDITIONS FOR INVITATION FOR PROPOSALS:** Failure to submit a proposal on the official state form provided for that purpose shall be a cause for rejection of the proposal. Modification of or additions to any portion of the Invitation for Proposals may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal as nonresponsive. As a precondition to its acceptance, the Commonwealth may, in its sole discretion, request that the offeror withdraw or modify nonresponsive portions of a proposal which do not affect quality, quantity, price, or delivery. No modification of or addition to the provisions of the contract shall be effective unless reduced to writing and signed by the parties.
- I. CLARIFICATION OF TERMS:** If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.
- J. PAYMENT:**
1. To Prime Contractor:
 - a. Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
 - b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
 - c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.
 - d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
 - e. Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (*Code of Virginia*, § 11-69).

2. To Subcontractors:
 - a. A contractor awarded a contract under this solicitation is hereby obligated:
 - (1) To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
 - (2) To notify the agency and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.
 - b. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.
- K. PRECEDENCE OF TERMS: Paragraphs AJ of these General Terms and Conditions shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.
- L. QUALIFICATIONS OF OFFERORS: The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the services/furnish the goods and the offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect offeror's physical facilities prior to award to satisfy questions regarding the offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such offeror fails to satisfy the Commonwealth that such offeror is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.
- M. TESTING AND INSPECTION: The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.
- N. ASSIGNMENT OF CONTRACT: A contract shall not be assignable by the contractor in whole or in part without the written consent of the Commonwealth.
- O. CHANGES TO THE CONTRACT: Changes can be made to the contract in any of the following ways:
 1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
 2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:

- a. By mutual agreement between the parties in writing; or
 - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the contractor's records and/or to determine the correct number of units independently; or
 - c. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia *Vendors Manual*. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.
- P. DEFAULT: In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.
- Q. TAXES: Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this contract shall usually be free of Federal excise tax and transportation taxes. The Commonwealth's excise tax exemption registration numbers is 54-73-0076K.
- R. USE OF BRAND NAMES: Omitted.
- S. TRANSPORTATION AND PACKAGING: Omitted.
- T. INSURANCE: By signing and submitting a proposal or proposal under this solicitation, the offeror or offeror certifies that if awarded the contract, it will have the following insurance coverages at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 11-46.3 and 65.2-800 et seq. of the *Code of Virginia*. The offeror or offeror further certifies that the contractor and any subcontractors will maintain these insurance coverages during the entire term of the contract and that all insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

INSURANCE COVERAGES AND LIMITS REQUIRED:

1. Worker's Compensation - Statutory requirements and benefits; require that the Commonwealth of Virginia be added as an additional named insured on contractor's policy.
2. Employers Liability - \$100,000.

3. Commercial General Liability - \$500,000 combined single limit. Commercial General Liability is to include Premises/Operations Liability, Products and Completed Operations Coverage and Independent Contractor's Liability or Owner's and Contractor's Protective Liability. The Commonwealth of Virginia must be named as an additional insured when requiring a Contractor to obtain Commercial General Liability coverage.
4. Automobile Liability - \$500,000 - Combined single limit. (Only used if motor vehicle is to be used in the contract.)

SECTION IX: SPECIAL TERMS AND CONDITIONS:

- A. **ADVERTISING:** In the event a contract is awarded for supplies, equipment, or services resulting from this proposal, no indication of such sales or services to the Department of the Treasury will be used in product literature or advertising. The Contractor shall not state in any of the advertising or product literature that the Commonwealth of Virginia or any agency or institution of the Commonwealth has purchased or uses its products or services.
- B. **AUDIT:** The Contractor hereby agrees to retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The agency, its authorized agents, and/or State auditors shall have full access to and the right to examine any of said materials during said period.
- C. **AVAILABILITY OF FUNDS:** It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.
- D. **AWARD OF CONTRACT:** Selection shall be made of two or more Offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposals, including price, if so stated in the Request for Proposals. Negotiations shall be conducted with the Offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each Offeror so selected, the agency shall select the Offeror which, in its opinion, has made the best proposal, and shall award the contract to that Offeror. The Commonwealth may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reason why a particular proposal was not deemed to be the most advantageous. (Section 11-65D, Code of Virginia.) Should the Commonwealth determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor's proposal as negotiated. Notice of the Award will be posted on the Agency website: <http://www.trs.state.va.us>.
- E. **CONTRACT PRICES:** Prices shall be in the form of a firm unit price for each item during the contract period.
- F. **CANCELLATION OF CONTRACT:** The purchasing agency reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the Contractor. In the event the initial contract period is for more than 12 months, the resulting contract may be terminated by either party, without penalty, after the initial 12 months of the contract period upon 60 days written notice to the other party. Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.
- G. **EXTRA CHARGES NOT ALLOWED:** No additional charges will be allowed under the Contract. Any changes to the scope of services that impact prices must be approved in writing in advance by the Procurement Officer.
- H. **INSURANCE, MONEY AND SECURITIES:** Contractor shall maintain a Broad Form Money and Securities Insurance Policy obtained from an insurance company licensed to conduct crime insurance business in the home state of the Contractor and which has earned an A.M. Best Company, Inc. rating of A or better, as reflected in their most current publication, covering all money and property

entrusted to the Contractor by the Commonwealth of Virginia for Loss Inside the Premises Coverage and for Loss Outside the Premises Coverage, with limits of coverage to be determined by the Contractor and Department of the Treasury. Certificate of such protection must be presented to the purchasing agency prior to the start of the service showing name of insurance company, limits and types of coverage, term of coverage, additional insured provision and name and address of licensed insurance agent. The Contractor agrees to maintain such policy until the completion of the contract and all money and property of the Commonwealth is remitted to the Commonwealth.

- I. **MINORITY/WOMEN OWNED BUSINESSES SUBCONTRACTING AND REPORTING:** Where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the contractor is encouraged to offer such business to minority and/or women-owned businesses. Names of firms may be available from the buyer and/or from the Division of Purchases and Supply. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office the following information: name of firm, phone number, total dollar amount subcontracted and type of product/service provided.
- J. **PRIME CONTRACTOR RESPONSIBILITIES:** The Contractor shall be responsible for completely supervising and directing the work under this contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this contract shall be responsible to the prime Contractor. The Contractor agrees that he is as fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.
- K. **QUANTITIES:** Quantities set forth in this solicitation are estimates only, and the Contractor shall supply at proposal prices actual quantities as ordered, regardless of whether such total quantities are more or less than those shown.
- L. **RENEWAL OF CONTRACT:** At a reasonable time (approximately 60 days prior to the Contract expiration date) and upon written agreement of both parties, this Contract may be extended beyond the initial two-year Contract period by the Commonwealth for a period of three successive one-year periods only under the terms and conditions of the original Contract, except as stated in (1), (2), and (3) below.
- (1) If the Commonwealth elects to exercise the option to extend the Contract for an additional one-year period, the Contract price(s) for the additional one year shall not exceed the Contract prices of the original Contract, or the Contract prices of the original Contract increased/decreased by the percentage increase/decrease of the "Other Services" category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest 12 months for which statistics are available.
- (2) If, during the first one-year extension, the Commonwealth elects to exercise the option to extend the Contract for the second Additional one-year period, the Contract price(s) for the second additional one-year period shall not exceed the Contract price(s) of the first one-year extension period, or the Contract price(s) of the first one-year extension period increased/decreased by the percentage increase/decrease of the "Other Services" category of the CPI-W section for the Consumer Price Index of the United States Bureau of Labor Statistics for the latest 12 months for which statistics are available.
- At a reasonable time (approximately 60 days prior to the Contract expiration date) the Commonwealth, may, at its sole option, give written notice to extend the terms of this Contract on a month-to-month basis for a period not to exceed six (6) months after the expiration of the original contract or any renewal period. If necessary, such an extension will serve as a transition period to implement the service with a different service provider. The

Contractor will cooperate in any such transition. During such extension all services provided by the Contractor pursuant to the Contract shall continue to be performed in accordance with all applicable federal, State or local laws, ordinances, rules or regulations at the prices last agreed upon.

- M. SUBCONTRACTS: No portion of the work shall be subcontracted without prior written consent of the purchasing agency. In the event that the Contractor desires to subcontract some part of the work specified herein, the Contractor shall furnish the purchasing agency the names, qualifications and experience of their proposed subcontractors. The Contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the contract.

SECTION X: METHOD OF PAYMENT

Payment for transaction fees, discount fees, equipment, and other related charges shall be directed to each participating agency. Payment will be made after the merchant statement has been received and verified by the agency. The demand deposit account (DDA) is not to be automatically charged unless the agency and the Department of the Treasury have given specific, written authorization. Please refer to Section VIII, Paragraph J.1.b regarding payment terms.

Commonwealth of Virginia
RFP CMI 000 Merchant Card/Financial Processing Services
Due Friday, January 19, 2001 @ 2:00 p.m.

SECTION XI: PRICING SCHEDULE
MERCHANT CARD/FINANCIAL PROCESSING SERVICES

PROCESSING SERVICES

| <u>SERVICE DESCRIPTION</u> | <u>UNIT PRICE</u> |
|---------------------------------------|-------------------|
| Credit Card Authorization/Settlement | _____ |
| Debit Card Authorization/Settlement | _____ |
| Capture Fee (Non VISA/MC) | _____ |
| Check Verification/Authorization | _____ |
| Non-compliance charges | _____ |
| Implementation/One-time Setup Charges | _____ |
| Other ¹ | _____ |
| Other ² | _____ |

NOTES

- 1 **OTHER CHARGES:** If there are other charges, they must be noted in “Other” spaces, clearly defined. **THIS IS A REQUIREMENT. ANY CHARGE FOR SERVICES NOT ADDRESSED IN THE “STATEMENT OF CHARGES” IN YOUR PROPOSAL WILL NOT BE ALLOWED DURING THE PERIOD OF THE CONTRACT.**

NC: If there is no charge for any of the services listed, please notate with a “N/C” in the “Extension” Column.

| | | | | | | | | |
|---------------|--|--|--|--|--|--|--|--|
| \$25mm - \$50 | | | | | | | | |
| \$50mm - \$55 | | | | | | | | |
| \$55mm - \$60 | | | | | | | | |
| \$60mm - \$65 | | | | | | | | |
| \$65mm - \$70 | | | | | | | | |
| \$70mm - \$90 | | | | | | | | |
| \$90mm - | | | | | | | | |
| \$110mm - | | | | | | | | |

Maximum charge of _____ for transactions over _____ .

Other: _____

Average Ticket

| Sales Volume | \$0 - | \$50 | \$100 | \$200 | \$300 | \$400 | \$500 | \$1,000 |
|---------------|-------|-----------|------------|------------|------------|------------|------------|---------|
| | \$49 | - \$99 | - \$199 | - \$299 | - \$399 | - \$499 | - \$599 | + |
| \$25mm - \$50 | | | | | | | | |
| \$50mm - \$55 | | | | | | | | |
| \$55mm - \$60 | | | | | | | | |
| \$60mm - \$65 | | | | | | | | |
| \$65mm - \$70 | | | | | | | | |
| \$70mm - \$90 | | | | | | | | |
| \$90mm - | | | | | | | | |
| \$110mm - | | | | | | | | |

Maximum charge of _____ for transactions over _____ .

Other: _____

Average Ticket

| Sales Volume | \$0 - | \$50 | \$100 | \$200 | \$300 | \$400 | \$500 | \$1,000 |
|---------------|-------|-----------|------------|------------|------------|------------|------------|---------|
| | \$49 | - \$99 | - \$199 | - \$299 | - \$399 | - \$499 | - \$599 | + |
| \$25mm - \$50 | | | | | | | | |
| \$50mm - \$55 | | | | | | | | |
| \$55mm - \$60 | | | | | | | | |
| \$60mm - \$65 | | | | | | | | |
| \$65mm - \$70 | | | | | | | | |
| \$70mm - \$90 | | | | | | | | |
| \$90mm - | | | | | | | | |
| \$110mm - | | | | | | | | |

Maximum charge of _____ for transactions over _____ .

Commonwealth of Virginia
RFP CMI 000 Merchant Card/Financial Processing Services
Due Friday, January 19, 2001 @ 2:00 p.m.

SECTION XII: APPENDICES

APPENDIX A
FORM OF COMMONWEALTH OF VIRGINIA CONTRACT

Appendix A represents the proposed Contract which the Commonwealth would expect the Contractor to sign. Please note any suggestions or additions you would like considered.

COMMONWEALTH OF VIRGINIA
Department of the Treasury
MERCHANT CARD/FINANCIAL PROCESSING SERVICES
Contract Number CMI 01-010

This Contract is entered into this ___ day of _____, 2001, by _____, hereinafter called the "Contractor", and the Commonwealth of Virginia Department of the Treasury, hereinafter called the "Purchasing Agency".

WITNESSETH that the Contractor and the Purchasing Agency, in consideration of the mutual covenants, promises, and agreements herein contained, agree as follows:

SCOPE OF CONTRACT: The Contractor shall provide the services to the Commonwealth as set forth in the Contract Documents.

PERIOD OF CONTRACT: From March 1, 2001 through February 28, 2004, with two successive one-year options to renew the Contract under the terms and conditions stated herein.

COMPENSATION AND METHOD OF PAYMENT: Service charges are to be included in the Contractor's monthly merchant statement. The fees/discount rate will be paid by each participating Agency of the Commonwealth of Virginia or an alternative method as specified in the Contractor's Proposal, at the Commonwealth's option.

CONTRACT DOCUMENTS: The Contract Documents shall consist of this signed contract, the Request For Proposals dated December 21, 2000 together with all written modifications thereof and the Proposal submitted by the Contractor dated January 16, 2001, and all written modifications thereof, all of which Contract Documents are incorporated herein.

Any contractual claims shall be submitted in accordance with the contractual dispute procedures set forth in the Commonwealth of Virginia's *Vendor's Manual*.

IN WITNESS WHEREOF the parties have caused this Contract to be duly executed intending to be bound thereby, and certify they are authorized to sign this Contract for the Contractor or the Commonwealth.

CONTRACTOR

PURCHASING AGENCY

(Signature)

(Date)

(Signature)

(Date)

(Printed Name)

(Printed Name)

(Title)

(Title)

APPENDIX B
OFFEROR'S REPORT ON SMALL, WOMEN-OWNED
AND MINORITY-OWNED BUSINESSES

**PARTICIPATION OF SMALL, WOMEN OWNED,
AND MINORITY OWNED BUSINESSES**

1. Participation by Small Businesses:

- a. Offeror certifies that it () is, () is not, a small business concern (including its affiliates) which is independently owned and operated. For the purpose of this procurement, a small business is a concern that is not dominant in the field of operation in which it is contracting and can further qualify under the criteria concerning number of employees, average annual receipts, or other criteria, as prescribed by the United States Small Business Administration.
- b. List small businesses with which the Offeror has contracted or done business and dollar amounts spent with each of these businesses in the most recent 12-month period for which data is available. Offerors are encouraged to provide additional information and expand upon the following format:

PERIOD: _____ From: _____ To: _____

| FIRM NAME, ADDRESS, PHONE NO. | CONTACT PERSON | TYPE GOODS/ SERVICES | DOLLAR AMOUNTS | % OF TOTAL CONTRACT |
|-------------------------------------|-------------------|-------------------------|-------------------|------------------------|
|-------------------------------------|-------------------|-------------------------|-------------------|------------------------|

- c. Describe Offeror's plans to involve small businesses in the performance of this Contract either as part of a joint venture, as a partnership, as subcontractors or as suppliers. Offerors are encouraged to provide additional information and expand upon the following format:

PERIOD: _____ From: _____ To: _____

| FIRM NAME, ADDRESS, PHONE NO. | CONTACT PERSON | TYPE GOODS/ SERVICES | DOLLAR AMOUNTS | % OF TOTAL CONTRACT |
|-------------------------------------|-------------------|-------------------------|-------------------|------------------------|
|-------------------------------------|-------------------|-------------------------|-------------------|------------------------|

2. Participation by Businesses Owned by Women:

- a. Offeror certifies that it () is, () is not, a women's business enterprise or women owned business. For the purpose of this procurement, a woman owned business is a concern that is at least 51 percent owned by a woman or women who also control and operate it. In this context, "control" means exercising the power to make policy decisions, and "operate" means being actively involved in the day to day management.
- b. List businesses owned by women with which the Offeror has contracted or done business and dollar amounts spent with each of these businesses in the most recent 12-month period for which data is available. Offerors are encouraged to provide additional information and expand upon the following format:

PERIOD: _____ From: _____ To: _____

FIRM NAME,
ADDRESS, CONTACT TYPE GOODS/ DOLLAR % OF TOTAL
PHONE NO. PERSON SERVICES AMOUNTS CONTRACT

- c. Describe Offeror's plans to involve businesses owned by women in the performance of this contract, either as part of a joint venture, as a partnership, as subcontractors or as suppliers. Offerors are encouraged to provide additional information and expand upon the following format:

PERIOD: _____ From: _____ To: _____

FIRM NAME,
ADDRESS, CONTACT TYPE GOODS/ DOLLAR % OF TOTAL
PHONE NO. PERSON SERVICES AMOUNTS CONTRACT

3. Participation by Businesses Owned by Minorities:

- a. Offeror certifies that it () is, () is not, a minority business enterprise or minority owned business. For the purpose of this procurement, a minority-owned business is a concern that is at least 51 percent owned by one or more socially and economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic economic circumstances or background or other similar cause. Such persons include, but are not limited to, African Americans, Hispanic Americans, Asian Americans, American Indians, Eskimos, and Aleuts.
- b. List businesses owned by minorities with which the Offeror has contracted or done business and dollar amounts spent with each of these businesses in the most recent 12-month period for which data is available. Offerors are encouraged to provide additional information and expand upon the following format:

PERIOD: _____ From: _____ To: _____

FIRM NAME, % TOTAL CO.
EXPENDITURES
ADDRESS & CONTACT TYPE GOODS/ DOLLAR FOR GOODS &
PHONE NO. PERSON SERVICES AMOUNTS SERVICES

- c. Describe Offeror's plans to involve minority businesses in the performance of this Contract, either as part of a joint venture, as a partnership, as subcontractors or as suppliers. Offerors are encouraged to provide additional information and expand upon the following format:

PERIOD: _____ From: _____ To: _____

FIRM NAME,
ADDRESS & CONTACT TYPE GOODS/ DOLLAR % OF TOTAL
PHONE NO. PERSON SERVICES AMOUNTS CONTRACT

APPENDIX C
DEFINITIONS OF CERTAIN TERMS

DEFINITIONS

For the purpose of this RFP, the following shall serve as definitions:

PERIOD is the specified 12-month period for which the information provided in this list is applicable and valid. The period will be specified as month and year.

FIRM NAME, ADDRESS AND PHONE NUMBER is the name address and business phone number of the small business, women owned business or minority owned business with which the Offeror has contracted or done business over the specified period or plans to involve on this Contract, as applicable.

CONTACT PERSON is the name of the individual in the specified small business, women owned business or minority owned business who would have knowledge of the specified contracting and would be able to validate the information provided in this list.

TYPE GOODS OR SERVICES is the specific goods or services the Offeror has contracted for from the specified small, women owned or minority owned business over the specified period of time or plans to use in the performance of this contract, as applicable. The Offeror will asterisk (*) those goods and services that are in the Offeror's primary business or industry.

DOLLAR AMOUNT is the total dollar amount (in thousands of dollars) the Offeror has contracted for or has done business with the listed firm during the specified period or plans to use on this Contract, as applicable.

% TOTAL COMPANY EXPENDITURES FOR GOODS AND SERVICES is calculated by dividing the dollar amount of business conducted or contracted for with the indicated firm over the specified period by the total expenditure of the Offeror over the specified period for goods and services.

% OF TOTAL CONTRACT is calculated by dividing the estimated dollars planned for the indicated firm on this Contract by the total Offeror estimated price of this Contract.

SMALL BUSINESS is a concern that is not dominant in the field of operation in which it is contracting and can further qualify under the criteria concerning number of employees, average annual receipts, or other criteria, as prescribed by the United States Small Business Administration.

WOMAN-OWNED BUSINESS is a concern that is at least 51 percent owned by a woman or women who also control and operate it. In this context, "control" means exercising the power to make policy decisions, and "operate" means being actively involved in the day to day management.

MINORITY-OWNED BUSINESS is a concern that is at least 51 percent owned by one or more socially and economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic economic circumstances or background or other similar cause. Such persons include, but are not limited to, African Americans, Hispanic Americans, Asian Americans, American Indians, Eskimos, and Aleuts.

APPENDIX D

AGENCY PARTICIPATION AND VOLUME INFORMATION

January through September, 2000

| | | Open | | | | | | | |
|-----|-----------------------------|-------|-----------|---------------|-----------|--------|-------------|-------|-------------|
| | | Mer- | # Dr | Amt of | | # | Amt. Of | # | |
| | | chant | Dpst | Debit | Avg. | Credit | Credit | of | Chargbk |
| | Name | # | Trans. | Trans. | Ticket | Trans. | Trans | Chrbk | Amt. |
| 001 | George Mason University | 30 | 77271 | \$ 38,781,030 | \$ 501.88 | 3073 | \$1,623,275 | 30 | \$ 4,595.00 |
| 002 | Old Dominion University | 10 | 26,107 | \$ 12,082,241 | \$ 462.80 | 40 | \$ 25,259 | 15 | \$11,843.59 |
| 003 | Virg. Commonwealth Univ | 29 | 30,854 | \$ 12,230,316 | \$ 396.39 | 1207 | \$ 517,326 | 13 | \$ 1,102.00 |
| 004 | Christopher Newport Coll. | 3 | 17,821 | \$ 4,301,215 | \$ 241.36 | 1143 | \$ 78,773 | 0 | \$ - |
| 005 | Rappahannock Comm. Col | 2 | 770 | \$ 149,540 | \$ 194.21 | 2 | \$ 332 | 0 | \$ - |
| 006 | Supreme Court Circuit | 54 | 2,075 | \$ 513,609 | \$ 247.52 | 27 | \$ 6,215 | 4 | \$ 1,957.00 |
| 007 | Supreme Court of VA/Dist. | 180 | 90,570 | \$ 8,380,068 | \$ 92.53 | 443 | \$ 47,076 | 37 | \$ 3,597.00 |
| 008 | Southside Virg. Comm Coll | 7 | 2,434 | \$ 352,253 | \$ 144.72 | 289 | \$ 33,349 | 1 | \$ (158.00) |
| 009 | Virg. Misc. Comm. Coll | 49 | 86,365 | \$ 17,939,106 | \$ 207.71 | 3793 | \$ 544,897 | 13 | \$ 2,257.00 |
| 010 | Science Museum of VA | 8 | 18,548 | \$ 896,032 | \$ 48.31 | 142 | \$ 8,094 | 5 | \$ 136.99 |
| 011 | Dept. of Transportation | 8 | 81,481 | \$ 4,532,811 | \$ 55.63 | 3129 | \$ 105,629 | 34 | \$ 265.00 |
| 012 | Northern Virg. Comm Coll | 25 | 96,630 | \$ 20,477,259 | \$ 211.91 | 8840 | \$1,938,380 | 14 | \$ 2,497.00 |
| 013 | Dept. of the Visually Hand. | 5 | 3,948 | \$369,752 | \$ 346.95 | 141 | \$ 42,586 | 0 | \$ - |
| 014 | Commonwealth of Virginia | 0 | 1,003 | \$ 70,011 | \$ 69.80 | 2 | \$ 190 | 3 | \$ 269.00 |
| 015 | Library of Virginia | 1 | 93 | \$ 4,834 | \$ 51.98 | 1 | \$ 375 | 0 | \$ - |
| 016 | Dept. of Mines Minerals En | 1 | 485 | \$ 13,570 | \$ 27.98 | 17 | \$ 554 | 0 | \$ - |
| 017 | Longwood College | 3 | 709 | \$ 50,963 | \$ 71.88 | 5 | \$ 1,995 | 0 | \$ - |
| 018 | State Parks Richmond | 34 | 34,883 | \$ 2,825,593 | \$ 81.00 | 3212 | \$ 179,435 | 8 | \$ (104.00) |
| 019 | Dept. of Public Health | 10 | 1,043 | \$ 56,234 | \$ 53.92 | 20 | \$ 533 | 0 | \$ - |
| 020 | Dept. of Motor Vehicles | 146 | 583,310 | \$ 34,644,868 | \$ 59.39 | 1102 | \$ 50,151 | 46 | \$ 5,685.00 |
| 021 | UVA Medical Center | 4 | 8,493 | \$ 855,584 | \$ 100.74 | 52 | \$ 6,057 | 1 | \$ 27.72 |
| 022 | Dept. of Alcoholic Bevg. | 253 | 1,534,600 | \$ 45,617,171 | \$ 29.73 | 2470 | \$ 111,621 | 66 | \$ 2,293.00 |
| 023 | Dept. of Taxation | 1 | 1,026 | \$ 701,029 | \$ 683.26 | 0 | \$ - | 0 | \$ - |
| 024 | Dept. of Labor and Industry | 1 | 1,531 | \$ 158,724 | \$ 103.67 | 2 | \$ 30 | 0 | \$ - |
| 025 | Dept. of Forestry | 1 | 698 | \$ 168,010 | \$ 240.70 | 49 | \$ 5,250 | 0 | \$ - |
| 026 | Dept. of General Services | 6 | 1,706 | \$ 1,311,193 | \$ 768.58 | 44 | \$ 8,274 | 3 | \$ 479.00 |
| 027 | Radford University | 2 | 126 | \$ 21,354 | \$ 169.48 | 6 | \$ 488 | 0 | \$ - |
| 028 | Dept. of State Police | 2 | | \$ 144,118 | \$ 75.93 | 2 | \$ 325 | 0 | \$ - |

| | | | | | | | | | |
|-----|--------------------------|-----|-----------|---------------|-----------|-------|-------------|--------|-------------|
| | | | 1,898 | | | | | | |
| 029 | Commonwealth of Virginia | 5 | | \$ | \$ 131.09 | 8 | \$ 540 | 0 | \$ - |
| | | | 46 | 6,030 | | | | | |
| | | 880 | | \$208,654,518 | \$ 77.09 | 29261 | \$5,337,010 | \$ 293 | \$36,742.30 |
| | | | 2,706,524 | | | | | | |

For the nine-month period ending September, 2000 American Express accounted for \$14,654,070 and 201,684 of the transactions listed above. Data for other proprietary cards is not available, but it would not be large.

**Appendix D
(Supplement)
Virginia Department of Alcoholic Beverage Control**

(October, 1999 through December, 1999)

| | | Open | | \$ | | | \$ | | \$ |
|-----|-----------------------------|-------|---------|-----------|--------|--------|-----------|--------|----------|
| | | Mer- | # Dr | Amt of | | # | Amt. Of | # | Amt. of |
| | | chant | MC/Visa | MC/Visa | Avg. | Amex | Amex | Discvr | Discover |
| | Name | # | Trans. | Trans. | Ticket | Trans. | Trans | Trans | Trans |
| Oct | Dept. of Alcoholic Beverage | 253 | 149,510 | 4,480,179 | 29.97 | 14,547 | 580,389 | 8,136 | 267,344 |
| Nov | Dept. of Alcoholic Beverage | 253 | 162,640 | 5,030,773 | 30.93 | 15,539 | 649,007 | 8,609 | 287,024 |
| Dec | Dept. of Alcoholic Beverage | 253 | 269,350 | 9,896,820 | 36.74 | 35,038 | 1,352,910 | 15,134 | 592,782 |
| | | | 85.7% | 84.0% | | 9.6% | 11.0% | 4.7% | 5.0% |