

Request for Proposals

MERCHANT BANK CARD
SERVICES



MICHAEL J. MURPHY
State Treasurer
State of Washington

September 22, 1999

TABLE OF CONTENTS

| | |
|--|----|
| SUMMARY INFORMATION AND PROPOSAL RETURN COVER PAGE | 4 |
| SECTION I - GENERAL INFORMATION..... | 5 |
| 1. BACKGROUND | 5 |
| 2. PURPOSE/OBJECTIVES | 5 |
| 3. RFP COORDINATOR | 6 |
| 4. RFP SCHEDULE..... | 6 |
| 5. LETTER OF INTENT TO RESPOND | 8 |
| 6. PRE-PROPOSAL CONFERENCE..... | 8 |
| 7. RFP MODIFICATION..... | 10 |
| 8. CONSIDERATION OF MINORITY AND WOMEN OWNED BUSINESS | 10 |
| 9. APPARENT SUCCESSFUL VENDOR..... | 11 |
| 10. PERIOD OF PERFORMANCE | 11 |
| 11. RENEGOTIATION OF FEES..... | 11 |
| 12. FINAL SELECTION..... | 11 |
| 13. SINGLE RESPONSE | 11 |
| 14. ERRORS IN RESPONSE..... | 12 |
| SECTION II - SCOPE OF SERVICES | 12 |
| 15. SCOPE OF WORK..... | 12 |
| 16. SERVICES TO BE PROVIDED..... | 13 |
| 17. MANDATORY MINIMUM VENDOR QUALIFICATIONS..... | 17 |
| SECTION III – PROPOSAL PREPARATION AND CONTENT REQUIREMENTS..... | 20 |
| 18. SUBMISSION OF PROPOSAL..... | 20 |
| 19. PROPRIETARY RESPONSE MATERIAL..... | 21 |
| 20. CONTRACTUAL REQUIREMENTS | 22 |
| 21. CLARITY OF PROPOSAL..... | 22 |
| 22. ORGANIZATION OF PROPOSAL..... | 22 |
| 23. SINGLE VOLUME | 22 |
| 24. PROPOSAL CONTENTS..... | 22 |
| SECTION IV – EVALUATION OF RESPONSES | 25 |
| 25. EVALUATION PROCEDURES..... | 25 |
| 26. BASIS FOR EVALUATION..... | 25 |
| 27. EVALUATION COMMITTEE | 25 |
| 28. EVALUATION CRITERIA..... | 26 |
| SECTION V – CONTRACT SPECIFICATIONS | 26 |
| 29. CONTRACT INFORMATION..... | 26 |
| 30. AWARD OF CONTRACT | 26 |
| 31. PROTEST PROCEDURES | 26 |
| ATTACHMENT A – PRICING SCHEDULE | 29 |
| 1. INSTRUCTIONS AND INFORMATION | 29 |
| 2. TRANSACTION PROCESSING | 29 |
| 3. PRICING SCHEDULE | 31 |
| ATTACHMENT B - CONTRACT STANDARD TERMS AND CONDITIONS | 34 |
| ATTACHMENT C –CREDIT/DEBIT CARD SERVICES QUESTIONNAIRE..... | 35 |
| ATTACHMENT D – STATE AGENCY REQUIREMENTS | 42 |
| WASHINGTON STATE DEPARTMENT OF AGRICULTURE | 43 |
| WASHINGTON STATE CENTRALIA COLLEGE..... | 44 |

WASHINGTON STATE CONVENTION AND TRADE CENTER45
WASHINGTON STATE FERRIES47
WASHINGTON STATE DEPARTMENT OF GENERAL ADMINISTRATION.....49
WASHINGTON STATE DEPARTMENT OF LICENSING51
WASHINGTON STATE LIQUOR CONTROL BOARD53
WASHINGTON STATE PARKS AND RECREATION COMMISSION56
WASHINGTON STATE PATROL59
WASHINGTON STATE DEPARTMENT OF REVENUE61
WASHINGTON STATE SECRETARY OF STATE63
SPOKANE INTERCOLLEGIATE RESEARCH AND TECHNOLOGY INSTITUTE66
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION.....67
WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION69
ATTACHMENT E – RCW 39.58.080 DEPOSIT OF PUBLIC FUNDS..... 70
ATTACHMENT F – CURRENT CREDIT CARD VOLUMES 71
ATTACHMENT G – REPORT SAMPLES 74

SUMMARY INFORMATION AND PROPOSAL RETURN COVER PAGE

RFP NUMBER BC-99-001

ISSUE DATE: September 22, 1999

TITLE: MERCHANT BANK CARD SERVICES

ISSUING AGENCY: Office of the State Treasurer
P.O. Box 40202
Olympia, WA 98504-0202

Debbie Hamrick
RFP Coordinator
(360) 902-8917

CLOSING DATE: November 9, 1999

CONTRACT PERIOD: The contract term will cover a four-year period, commencing on April 1, 2000 through March 31, 2004. At the option of the Treasurer's Office, and upon mutual agreement, this contract may be extended for two 1-year periods, or a portion thereof. Total contract period with extensions shall not exceed six (6) years.

SUBMISSION AGREEMENT: In compliance with this Request for Proposal, and to all the conditions imposed herein, the undersigned agrees to furnish Merchant Bank Card Services in accordance with the attached signed proposal, or mutually agreed upon subsequent negotiations.

NAME AND ADDRESS OF FIRM: _____

DATE: _____

BY: _____
(Signature in Ink)

TITLE: _____

TELEPHONE NUMBER: (_____)_____

SECTION I - GENERAL INFORMATION

1. BACKGROUND

An act relating to cash management was passed by the state legislature in 1993, stating in part:

- Effective and efficient management of the state's cash resources requires expeditious revenue collection, aggregation, and investment of available balances and timely payments;
- The use of credit card, debit cards, and electronic transfers of funds and information are customary and economical business practices to improve cash management that the state should consider and use when appropriate.

Under the provisions of this legislation, each state agency must receive authorization from the Washington Office of Financial Management (OFM) to accept such instruments for payments, after presenting a business case which demonstrates economic feasibility. This same legislation assigns the authority for contracting for these services for all Washington State agencies (hereinafter State) to the State Treasurer. The Treasurer and his staff comprise the Office of the State Treasurer (hereinafter Treasurer or OST).

In March 1995, the Treasurer signed an agreement with SPS Payment Systems, Riverwoods, Illinois, to provide merchant bank card services to the State. The scope of services includes: credit and debit card authorization and settlement; providing equipment, such as terminals, printers, pin pads and supplies at payment locations; on-line transaction reporting; personal computer software for credit/debit card processing; training; and VISA and MasterCard acceptance. The term of this agreement is through March 31, 2000. The State has signed agreements with Discover/Novus and American Express for acceptance of their cards.

In May 1997, the Treasurer signed an agreement with Harris Bank to provide specialized merchant bank card services to the State. The scope of services include: credit and debit card authorization and settlement via specialized integrated personal computer applications and internet-based applications; on-line transaction reporting; and VISA and MasterCard acceptance. The term of this agreement is through March 31, 2001.

2. PURPOSE/OBJECTIVES

The Treasurer is seeking proposals from qualified vendors to provide Merchant Bank Card Services to the State of Washington. This contract will replace the existing contracts with SPS Payment Systems and Harris Bank upon execution.

The contract term will cover a four-year period, commencing on April 1, 2000 through March 31, 2004. At the option of the Treasurer's Office, and upon mutual agreement, this contract may be extended for two 1-year periods, or a portion thereof. Total contract period with extensions shall not exceed six (6) years.

This document should provide respondents with the information necessary to assess the ability of their organization to meet the needs of the Treasurer in providing the specified services and the contracted terms by which the Treasurer proposes to govern the relationship between it and the selected vendor.

The objectives of this request are to:

- secure vendor(s) to provide debit and credit card processing 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 State Treasurer's Office; and,
- establish a single point of contact for coordination of all activities related to this contract, including adding new agencies/locations, problem resolution (settlement, billing, reporting, etc.), new technologies, etc.

3. RFP COORDINATOR

Upon release of this RFP, all responding Vendors' communications must be directed to the RFP Coordinator listed below:

RFP Coordinator: Debbie Hamrick
 Office of the State Treasurer
 General Administration Building, Room 125
 P.O. Box 40202
 Olympia, WA 98504-0202
 (360) 902-8917
 FAX: (360) 902-8945
 E-Mail: debbie@tre.wa.gov

4. RFP SCHEDULE

| <u>Event</u> | <u>Date</u> |
|------------------------------------|--|
| • Issue Request for Proposal (RFP) | September 22, 1999 |
| • Pre-Proposal Conference | October 12, 1999 |
| • Letter of Intent Deadline | October 19, 1999 |
| • Deadline for Proposals | November 9, 1999 5:00 pm, Pacific Standard Time |

- Evaluate Proposals November 10 – 29, 1999
- Name Apparent Successful Vendor November 30, 1999
- Negotiate and Execute Contract December 31, 1999

5. LETTER OF INTENT TO RESPOND

The Treasurer's Office must receive a letter of intent to respond by 5:00 p.m. on October 19, 1999. These letters shall be mailed, delivered or transmitted by facsimile to:

Debbie Hamrick, RFP Coordinator
Office of the State Treasurer
Cash Management Division
General Administration Building, Room 125
P.O. Box 40202
Olympia, WA 98504-0202
(360) 902-8917
FAX: (360) 902-8945
E-Mail: debbie@tre.wa.gov

Failure to submit a Letter of Intent to Respond by the deadline specified will result in the disqualification of any proposal submitted by the vendor.

Submission of the Letter of Intent to Respond constitutes the offer's acceptance of the procedures, evaluation criteria, and other administrative instructions of this RFP.

Letters of Intent to Respond may be withdrawn at any time before the deadline for submission of proposals.

6. PRE-PROPOSAL CONFERENCE

Respondents who wish to submit a proposal are invited to attend a Pre-Proposal Conference scheduled for 1:30 p.m., October 12, 1999 at the following location:

State Treasurer's Office
210 11th Avenue SW
1st Floor, Room 125
Olympia, WA 98504

Representatives from the state agencies currently accepting credit cards will be in attendance. The purpose of the conference is to address questions regarding the RFP or the feasibility of alternatives to requirements. Attendees are requested to submit their questions to the RFP Coordinator in writing, as soon as possible, before the conference. Respondents are requested to limit the number of attendees to two.

Treasurer's Office staff will attempt to answer all questions at the time of the conference. However, all such answers will be unofficial. Significant questions

and the official responses will be mailed to attendees within five working days after the conference.

7. RFP MODIFICATION

The Treasurer's Office reserves the right to change the RFP Schedule or issue addenda to the RFP at any time. The Treasurer's Office also reserves the right to cancel or reissue the RFP in whole or in part, and for any reason, at the sole discretion of the Treasurer's Office, at any time prior to the execution of the contract.

If it is necessary to revise any part of this RFP prior to the due date for submission of the proposals, addenda will be provided to all individuals and organizations that received the RFP.

All responses to this RFP shall be based on the material contained in this RFP, and any amendments, which may be made to the RFP.

8. CONSIDERATION OF MINORITY AND WOMEN OWNED BUSINESS

In accordance with the Revised Code of Washington (RCW) Chapter 39.19, Minority and Women-owned Business Enterprises (MWBE) are encouraged to participate in the performance of any contract that results from proposals submitted in response to this RFP. State agency goals are to award a minimum of 10% of their contract dollars to minority-owned firms and a minimum of 4% to women-owned firms. Bidders are asked to voluntarily participate in assisting the state meeting these goals.

Proposals that meet any of the following criteria shall be considered appropriate in assisting the state meeting MWBE goals:

- The Bidder submitting the proposal is owned and operated by minorities or women and has been certified as an MWBE by the Washington State Office of Minority and Women's Business Enterprises. MWBE certification will be verified by the Office of the State Treasurer.
- The Bidder voluntarily agrees to subcontract a minimum of 10% of the contracting amount with a minority-owned business and/or 4% of the contracted amount with a women-owned business. The subcontractor(s) must be identified in the Bidder's proposal and be certified by the Washington State Office of Minority and Women's Business Enterprises. MWBE certification will be verified by the Office of the State Treasurer. The Bidder must also indicate the participation (percent of total bid) of each minority and/or women owned business and the amount of compensation anticipated for each.
- MWBE specifications become part of the terms and conditions of any contract awarded as a result of this RFP.

9. APPARENT SUCCESSFUL VENDOR

An Evaluation Committee will select the Apparent Successful Vendor who most closely meets the mandatory requirements, on the basis of the evaluation points included in Section 28 of this RFP. After successful contract negotiations have been completed, the Apparent Successful Vendor will be awarded a Master Agreement for Merchant Bank Card Services for the State of Washington.

The Master Agreement will be a contract incorporating by reference all the requirements, terms, and conditions of this RFP and the Apparent Successful Vendor's proposal as negotiated. If the Treasurer's Office fails to negotiate a contract with the Apparent Successful Vendor, the Treasurer's Office reserves the right to negotiate a contract with the next most qualified Vendor. The award of a contract pursuant to this RFP is expressly conditional upon the execution of a contract document deemed acceptable by the Treasurer's Office.

10. PERIOD OF PERFORMANCE

The contract term will cover a four-year period, commencing on April 1, 2000 through March 31, 2004. At the option of the Treasurer's Office, and upon mutual agreement, this contract may be extended for two 1-year periods, or a portion thereof. Total contract period with extensions shall not exceed six (6) years.

11. RENEGOTIATION OF FEES

Fees must be guaranteed for the initial two-year period, but will be subject to renegotiation at the end of the first two years upon terms mutually agreeable to the Treasurer and the successful vendor.

12. FINAL SELECTION

The Treasurer's Office reserves the right, at its sole discretion, to reject any or all proposals for any reason prior to the execution of a contract with no penalty to the State.

The Treasurer's Office reserves the right to refrain from contracting with any vendor. The issuance of this RFP does not compel the state to purchase services. The final selection, if any, will be the proposal that, in the opinion of the Treasurer's Office, best meets the requirements set forth in this RFP and is in the best interest of the State of Washington.

13. SINGLE RESPONSE

A single response to this RFP may be deemed a failure of competition and, at the sole option of the Treasurer's Office, the RFP may be canceled. Likewise,

receipt of only one response may allow the state to claim it as a valid sole source acquisition of services.

14. ERRORS IN RESPONSE

The Treasurer's Office will not be liable for any errors in proposals from Vendors. Vendors will not be allowed to alter proposal documents after the deadline for submission of the proposals. The Treasurer's Office reserves the right to waive minor irregularities in the responses.

The Treasurer's Office reserves the right to make corrections or amendments to the response due to errors identified by the State or the Vendor. This type of amendment will only be allowed for such errors as typing, transposition, omission, or any other obvious error. Any changes will be date and time stamped and attached to the response. All changes must be coordinated in writing with, authorized by, and made by the RFP Coordinator. Vendors are liable for all errors or omissions contained in their responses.

SECTION II - SCOPE OF SERVICES

15. SCOPE OF WORK

The selected vendor will be required to support the requirements of the specific state agency credit and/or debit card applications detailed in Attachment D.

In addition, the selected vendor would be expected to support future agency implementation(s) with requirements that fall within the scope of this request for proposal (RFP) document. It is necessary for State agencies to demonstrate the feasibility of accepting credit/debit cards through presentation of a positive business case to the Office of Financial Management. Therefore, the ability to integrate credit/debit card acceptance into existing payment and accounting applications has become very important. It is understood that additional agencies would be supported under the same terms and conditions as the specific applications described in Attachment D.

During the past decade, the payment processing industry has made significant advances utilizing technology and integrated processing to offer faster, computerized delivery of services. State agencies are exploring various innovative service delivery approaches, many of which may involve electronic commerce. The State expects the selected vendor to provide a leadership role in the development and implementation of evolving electronic commerce technologies.

The State currently has one internet application, the Washington State Patrol Criminal History Background Records Check, that utilizes CyberCash for the secure, encrypted processing of credit card transactions. As more agencies

move toward internet processing, other third party vendors may be utilized. The selected vendor must be able to accept transactions from various vendors for internet processing and/or provide an alternative internet processing solution. Section 16.H. provides more information regarding future applications.

16. SERVICES TO BE PROVIDED

16

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

The selected vendor must provide processing for multiple “brands” and types of cards. This request for proposal assumes the State agencies will choose to accept one, several or all of the following cards: MasterCard, VISA, Discover, and American Express. In addition, State agencies accepting debit cards currently utilize the following debit networks: Star/Explore, Interlink, Maestro, Accel/Exchange. The selected vendor must arrange for and support any agreements required to process debit transactions from the debit networks listed above, at a minimum.

B. Transaction Processing and Settlement

The selected vendor must be able to process transactions and accept settlement files as described in the State agencies requirements detailed in Attachment D. 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 vendors such as CyberCash.

The selected vendor shall:

- Provide for the authorization and settlement of transactions through the appropriate authorization and settlement networks.
- 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 billed on a monthly basis to each agency as required in Section D below.
- 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.
- Provide research and problem resolution related to transaction and/or settlement discrepancies.

C. Reporting

Reporting capabilities must be flexible enough to allow each agency to choose the report that meets their individual need. Each agency may or may not choose the same reports or reporting frequency and the system must allow for that.

Provide daily, weekly 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. Reports should also be available via mail or fax if electronic reporting is not desired by the agency. Depending on the agency and/or the application, there may be varying requirements in the amount of detail required.

Examples of existing reports are provided in Attachment G to this RFP. Sample reports are from SPS Payment Systems and NPC because they best meet the needs of the agencies and the State Treasurer. Currently agencies receive the following reports:

- From SPS Payment Systems:
 - daily transaction detail for credit cards
 - daily transaction detail for debit cards
 - daily summary by terminal with grand totals at the end of the report – includes both credit and debit card activity
 - monthly summary by terminal with grand totals – includes both credit and debit card activity
 - daily merchant disbursement notice summary by terminal for debit card activity
- From NPC – SPS Settlement Institution
 - weekly reports detailing deposits by date by terminal.
- From Harris Bank
 - daily transaction detail for credit cards by terminal with totals at end of report

Provide electronic data files to agencies for integration into existing agency revenue and/or reconciliation programs as required in Attachment D.

Provide a monthly report to the Treasurer's Office summarizing the activity for all agencies by agency, by card type and include gross sales, returns, net sales and transaction counts. This report must include all card types.

Provide a sample of all reports available and file specifications for the data file.

D. Billing and Administration

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 to support all costs invoiced, including breakout by card type and/or transaction type, gross sales, returns, net sales and transaction counts.

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 Attachment D.

The varying levels of state government include:

State

Agencies

Divisions within agencies

Sections/programs within divisions within agencies

Individual locations within sections/programs

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.

Provide a sample invoice with backup documentation.

E. Training and Consulting

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.

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.

F. Equipment and Software

Provide equipment and software necessary for agencies to process credit cards per Attachment D and future applications for new agencies accepting credit/debit cards.

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.

G. Transition

Provide for the smooth transition of the required services for the state agencies listed in Attachment D.

H. Other/Future Services

The selected vendor would be expected to support future agency implementation(s) with requirements that fall within the scope of this request for proposal (RFP) document. It is understood that additional agencies would be supported under the same terms and conditions as the specific applications described in Attachment D.

During the past decade, the payment processing industry has made significant advances utilizing technology and integrated processing to offer faster, computerized delivery of services. State agencies are exploring various innovative service delivery approaches, many of which may at some point in the near future involve electronic commerce. The State expects the selected vendor to stay abreast with this industry's trends and to work with agencies as they explore electronic commerce options.

The State currently has one internet application, the Washington State Patrol Criminal History Background Records Check. This application utilizes CyberCash for the secure, encrypted processing of credit card transactions. As more agencies move toward internet processing, other third party vendors may be utilized. The selected vendor must be able to accept transactions from various vendors for internet processing or provide an internet processing solution. Any vendor provided internet solution must employ current encryption standards established through ANSI, etc.

The State is also exploring various options available to agencies who have large average ticket items where standard credit card processing is not cost effective or feasible due to the impact of credit card fees, for example, Department of Revenue Business Sales and Use Taxes,

Department of Employment Security Unemployment Taxes, Labor and Industries Workers Compensation, etc. Options being considered include Interactive Voice Response (IVR) systems that charge a scaled convenience fee, and/or internet processing with a scaled convenience fee. In addition to credit cards as a payment method, the State is exploring various forms of ACH (automated clearing house) payments.

The Department of Licensing has two internet applications that are currently in development. One is for master business licenses and the other is motor vehicle licensing renewals. The department has additional programs that may be added over time. The intent is to charge a convenience fee for internet transactions. Initially credit card acceptance will be the only form of payment, but the agency is exploring internet ACH payments and debit payments.

It is anticipated that upon successful implementation of the Department of Licensing applications, a number of other agencies will move forward with internet credit card acceptance applications.

The Department of Information Services (DIS) is developing an infrastructure that state agencies can "plug" their website into for internet payment processing. Part of this infrastructure will be the third party secure processing of internet payments. DIS will be issuing a request for proposal for the third party component in the near future. The vendor selected for merchant bank card processing will need to be able to accept files and interface with the DIS vendor.

It is recognized that one vendor probably cannot provide solutions to all the electronic commerce options. However, the vendor should be able to partner with other third parties to provide varying solutions to meet agency specific applications.

17. MANDATORY MINIMUM VENDOR QUALIFICATIONS

As of September, 1999 vendors must meet all of the following minimum requirements in order to be considered for the contract award.

A. General Qualifications

- The vendor must have at least five (5) years experience processing payment records and credit records transmitted for processing and settlement from major credit/debit card processing networks.
- The vendor 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 request for proposal.

B. Processing and Settlement

- The vendor must be able to accept payment and credit records directly from the agencies applications and/or third party vendors on behalf of the agencies as detailed in Attachment D.
- The vendor 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.
- Settlement dollars cannot reside in an out-of-state bank prior to deposit into the state's account(s), per RCW 39.58.080. See Attachment E.
- At a minimum, the vendor must address the ability of their system to break down information by agency, and in some cases by agency location, and to fully disclose when money will be transmitted for deposit to the State bank account(s).
- The vendor must provide daily gross settlement to the State and monthly billing/invoicing of fees individually by agency.

C. Customer Service

- The vendor must provide a 24 hour seven days a week 1-800 or other Help Desk facility for customer assistance to state agencies.
- The vendor must assign an account representative to the State who would be responsible for coordinating all activities necessary to service, train, and implement systems with all agencies that may come under this agreement.
- The account representative proposed for this engagement must have a minimum of three years experience in providing credit/debit card services.
- The vendor must agree to provide the necessary staffing to meet all of the requirements detailed in this RFP. The vendor agrees to make staff available to meet with the State as frequently as needed to ensure that the State of Washington's needs are being met.

D. Year 2000 Compliance

The vendor warrants fault free performance in the processing of date and date-related data including, but not limited to calculating, comparing, and sequencing by all equipment and software provided or proposed for use pursuant to the services provided, individually and in combination, when used in accordance with the product documentation provided by the Vendor. Fault free performance shall include the manipulation of this data when dates are in the 20th or 21st centuries and shall be transparent to the user. In addition, the vendor shall insure that any interconnected third party product, to be used in connection with services to be provided, includes such a warranty.

E. Other

- The vendor must agree to the minimum services as detailed in Section II, Scope of Services, as well as all other requirements as stated in this RFP.
- The vendor agrees to provide the reporting as detailed in Section 16 Item C and Attachment D.

SECTION III – PROPOSAL PREPARATION AND CONTENT REQUIREMENTS**18. SUBMISSION OF PROPOSAL**

- Vendors must submit five (5) copies of the proposal. One (1) copy must have original signatures and four (4) copies can have photocopied signatures.
- The copy containing original signatures must be unbound and must be marked "Master Copy." The original copy of the proposal must be accompanied by the "Summary Information and Proposal Return Cover Page" (page 4 of the RFP) which has been completed and signed by the Vendor's representative who is authorized to bind the vendor contractually.
- The proposals must be received by the RFP Coordinator by 5:00 p.m., Pacific Standard Time, November 9, 1999. The State will not accept faxed proposals.
- Terms and prices included in the response must be guaranteed for 120 days from the date of receipt.
- Late proposals will not be accepted, nor will time extensions be granted. It is the sole responsibility of the Vendor to ensure receipt of proposals by the RFP Coordinator by the specified date and time and at the specified location.
- All proposals and accompanying documentation become the property of the Treasurer's Office and will not be returned.
- Proposals which are substantially incomplete will be disqualified from further consideration.

19. PROPRIETARY RESPONSE MATERIAL

All responses received shall remain confidential until the Apparent Successful Vendor, if any, is announced by the Treasurer's Office. Thereafter, responses shall be deemed to be disclosable pursuant to Chapter 42.17 RCW (the Washington State statute pertaining to accessibility to public records) except as exempted in that chapter. Vendors are advised that the permissible exemptions from public disclosure pursuant to RCW 42.17 are very narrow in scope and strictly construed. Vendors should identify any materials which they believe constitute "valuable formulae, designs, drawings, and research data", or any materials otherwise claimed to be exempt, along with a statement of the basis for such claim of exemption in a Response transmittal letter. The transmittal letter must identify the page and particular exemption(s) from disclosure upon which it is making its claim. Further, each page claimed to be exempt must be clearly identified by the word "CONFIDENTIAL" printed on the lower right-hand corner of the page. Designating the entire response as confidential is not acceptable and will not be honored.

If an official request is made to view a vendor's response, the State will respond in accordance with RCW 42.17.250 et seq. If any of the specifically requested information is marked as "confidential" in the response but in the opinion of the State does not clearly fall within any one of the enumerated exemptions from disclosure, such information will be made available five (5) business days after the affected vendor has been given telephonic notice that the information has been requested unless the affected vendor obtains, within that five day period, a court order restraining the State from disclosing the "confidential" information requested.

The RFP response of the successful vendor will be attached to the resulting contract and incorporated therein by that attachment. Therefore, as part of a public state agency contract, the entirety of the vendor's response will be subject to public disclosure regardless of any claim of confidentiality or previously applicable statutory exemption. Nevertheless, should the vendor obtain a court order from a Washington State court of competent jurisdiction prohibiting disclosure of parts of its Response, the Treasurer's Office will comply with the court order. The burden is upon the vendor to evaluate and anticipate its need to maintain confidentiality and to proceed accordingly.

The Treasurer's sole responsibility shall be limited to maintaining the above data in a secure area and to notify vendor of any request(s) for disclosure within a period of six (6) years from date of award. Failure to label materials "confidential" as required above, or failure to timely respond after notice of request for public disclosure has been given, shall be deemed a waiver by the vendor of any claim that such materials are exempt from disclosure.

20. CONTRACTUAL REQUIREMENTS

The successful Vendor is expected to enter into an agreement that contains substantially the same general terms and conditions as shown in Attachment A. To be responsive to this RFP, Vendors must indicate, in writing, their complete acceptance of all provisions. However, Vendors may propose revisions to the contract 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, Vendors must include a copy of any standard merchant card agreement that the Vendor proposes to become a part of the final contract, as well as any language the Vendor requires specific to the services provided under this agreement.

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

21. CLARITY OF PROPOSAL

Proposals should be prepared simply and economically, providing straightforward, concise descriptions of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

22. ORGANIZATION OF PROPOSAL

Proposals should be organized in the order in which the requirements are presented in Section 24 – Proposal Contents of this RFP. All pages of the proposal should be numbered, and each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. The proposal should contain a table of contents which cross references the RFP requirements. Additional information which the Vendor wishes 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.

23. SINGLE VOLUME

Each copy of the proposal shall be contained in a single volume. All documentation submitted with the proposal should be contained in that single volume.

24. PROPOSAL CONTENTS

Vendor's proposal must address each of the requirements noted below in the same order as listed to be considered responsive. The proposal should be as

thorough and detailed as possible so that the Evaluation Committee can properly evaluate your organization's capability to provide the required services and the proposed pricing structure. Proposals that merely state that the firm will conduct the services in accordance with the respective sections shall be considered non-responsive to this request.

Proposals should be prepared on 8 1/2 x 11 inch paper, however, 11 x 14 inch paper is permissible for charts, spreadsheets, etc.

The proposal shall include the following sections, separated by Tabs:

TAB 1: General Qualifications:

1. Submit the "Summary Information and Proposal Return Cover Page", located on Page 4, signed by a representative of your organization who can officially represent the respondent for this acquisition.
2. To be considered responsive, Vendors must, at the time of the proposal, or prior to that time if required by law, be an established business with all required licenses, bonding, facilities, equipment and trained personnel necessary to perform the work as specified in the request for proposal. Include a statement in the response regarding license information, years in business and general ability of Vendor to perform the work requested.

TAB 2: Deliverables:

1. Provide a detailed response to the Scope of Services required in Section II and individual agency requirements detailed in Attachment D. The response should be in the same order as the Scope of Services and Appendices and include product samples.
2. Complete and include the Questionnaire attached hereto as Attachment C. All responses to the questionnaire shall be subject to verification for accuracy. Proposals containing false or misleading information deemed to be material will be rejected.

TAB 3: Pricing:

Complete and attach the pricing schedule form located in Attachment A which must list each chargeable item and/or service to be provided by your organization. Detail any additional costs as "Other" services, if any. NOTE: All charges must be detailed here. Any charges not listed in this section of the Vendor'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.

TAB 4: Creative Solutions:

All Vendors are encouraged to be creative and innovative in responding to this RFP. Please discuss alternate approaches to the requested services where feasible, or additional services offered which may not be specifically requested.

Discuss any creative pricing or payment options which you can provide.

TAB 5: Certification:

The Vendor is required to make the following certifications and assurances as a required element of the proposal to which they are attached, understanding that the truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award and continuation of the contract resulting from this RFP.

The Vendor certifies that it and/or its authorized representative do not have:

- Any affiliations with person(s) recognized by law enforcement officers as being habitual criminals or members of criminal cartels.
- Any convictions or judgments (civil or criminal) for fraud, deceit, or crimes involving moral turpitude.
- A petition under the Bankruptcy Act, or any state insolvency law, filed by or against any of the named entities.
- Any order, judgment, or decree of any federal or state authority barring, suspending, or otherwise limiting the right or license of the Vendor to engage in any business practice or activity.
- A subsidiary or intermediate company, parent company or holding company that was, during the last two (2) years, the subject of any order, judgment or decree of any federal or state authority barring, suspending or otherwise limiting the right of the Vendor or such other party as listed above to engage in any business, practice or activity.

TAB 6: Contract Acceptance:

1. Provide a letter on your organization's letterhead stating your acceptance of the Standard Terms and Conditions of the Agreement, included as Attachment B. Any terminology changes to the Agreement (for clarification and procedural purposes only) will need to be included in this letter. NOTE: Any terminology changes submitted are subject to approval by the Treasurer's Office.

2. Include a copy of any standard merchant card agreement that the vendor proposes to become a part of the final contract, as well as any language the vendor requires specific to the services provided under this agreement.

TAB 7: Proof of Insurance:

Each vendor must supply proof of insurance from that vendor's insurance carrier, outlining the extent of liability coverage of \$1.5 million at a minimum. This requirement will be reviewed no less than annually to ensure adequate protection of state funds.

TAB 8: List of Exceptions:

This section should contain any exceptions to or deviations from the requirements of this RFP. Vendor must clearly state and explain any exceptions. If there are no exceptions, a statement of that effect must be made.

SECTION IV – EVALUATION OF RESPONSES

25. EVALUATION PROCEDURES

The Vendor must satisfy the requirements of this RFP to qualify for further consideration. Staff from the Treasurer's Office will perform a technical and financial evaluation of each Vendors' response. The evaluation process will determine the merits of the Vendors' approach and relative competitive position.

It is the intent of this section to indicate the basic methodology that will be used to evaluate all proposals.

26. BASIS FOR EVALUATION

The General Qualifications, Deliverables, and Pricing responses will be evaluated on the basis of information provided in the proposal.

27. EVALUATION COMMITTEE

All proposals will be reviewed by the Evaluation Committee. The Committee will consist of Treasurer's Office and State Agency personnel. The Committee will consider how well the Vendor's response meets all requirements as described. It is important that the responses be clear and complete so that the evaluators can adequately understand all aspects of the proposal.

28. EVALUATION CRITERIA

The following criteria and relative values will be used by the evaluation committee to evaluate each written proposal:

| | |
|------------------------|------|
| General Qualifications | 10 % |
| Deliverables | 40 % |
| Pricing | 50 % |

SECTION V – CONTRACT SPECIFICATIONS

29. CONTRACT INFORMATION

The “Standard Terms and Conditions” of the Agreement for Merchant Bank Card Services, located in Attachment B, must be included in the final negotiated contract with the successful Vendor.

30. AWARD OF CONTRACT

The Treasurer’s Office shall conduct contract negotiations with the Vendor who has most closely met the mandatory requirements on the basis of the evaluation points. If the Treasurer’s Office and the Apparent Successful Vendor fail to negotiate an agreement deemed acceptable by the Treasurer’s Office, the Treasurer’s Office reserves the right to negotiate a contract with the next most qualified Vendor.

After successful contract negotiations have been completed, the Apparent Successful Vendor will be awarded a Master Agreement for Merchant Bank Card Services for the State of Washington which will include all requirements, terms and conditions of this solicitation and the Vendor’s response.

31. PROTEST PROCEDURES

In the event a respondent protests this RFP process or protests the selection of an “Apparent Successful Vendor”, the respondent must follow the procedures set forth in the paragraphs below.

- Protests and appeals—Form and substance.

All protests and appeals must be in writing and signed by the protester or appellant or an authorized agent. Such writing must state all facts and arguments on which the protester or appellant is relying as the basis for its action. Such protester or appellant shall also attach, or supply on demand by the Hearing Officer designated by the Deputy Treasurer, any relevant exhibits referred to in the writing. Copies of all protests, appeals,

and exhibits shall be mailed or delivered by the protester or appellant to the respondent(s) against whom the protest is made at the same time such protest, appeal, and exhibits are submitted to the State Treasurer's Office.

- Protest procedure prior to award.

Prior to award, a respondent desiring to protest the proposal of another respondent must send or deliver its protest to the RFP Coordinator in charge of the RFP process as soon as possible after it becomes aware of the reason(s) for the protest. If the protest is mailed, the protester shall immediately notify the RFP Coordinator in charge of the proposal by telephone, or some other means of instant communication, that a protest is being made.

The RFP Coordinator shall consider all of the facts available and issue a decision in writing within ten business days after receipt of the protest, unless more time is needed. The protester and the respondent(s) against whom the protest is made will be notified if longer time is necessary. If the protesting respondent or the respondent against whom the protest is made is not satisfied with the decision of the RFP Coordinator, he/she shall have the right to appeal to the Hearing Officer designated by the Deputy Treasurer. Such appeal must be received by the Hearing Officer designated by the Deputy Treasurer within five business days after notification of the RFP Coordinator's decision. The Hearing Officer designated by the Deputy Treasurer shall consider all of the facts available and issue a decision in writing within ten business days after receipt of the appeal, unless more time is needed. The appealing respondent will be notified if longer time is necessary.

Unless the Treasurer's Office deems an emergency to exist, award of the contract, if one is to be made, will be postponed until after the Hearing Officer designated by the Deputy Treasurer has issued a decision.

- Protest procedure after award.

Protests after award will not be considered unless the protest concerns a matter which arises after the award or could not reasonably have been known or discovered prior to award. Such protests shall be received by the Hearing Officer designated by the Deputy Treasurer not later than five business days after announcement of the award. If the protest is mailed, the protester shall immediately notify by telephone, or some other means of instant communication, the RFP Coordinator and the respondent that has received the award that a protest is being made. The Hearing Officer designated by the Deputy Treasurer shall consider all of the facts available and issue a decision on the protest within ten business days after receipt thereof, unless more time is needed. In such event, the

protester and the respondent that has received the award shall be notified of any delay.

If the Hearing Officer designated by the Deputy Treasurer finds that the award should not have been made, he/she shall notify the respondent which received the award of his/her intent to cancel the award and the reasons therefor. Such respondent shall then have five business days in which to appeal the decision to the Hearing Officer designated by the Deputy Treasurer. The Hearing Officer designated by the Deputy Treasurer shall consider all of the facts available and issue a decision within ten business days after receipt of the appeal, unless more time is needed. If more time is needed, the respondent shall be so notified.

If the Hearing Officer designated by the Deputy Treasurer agrees that the award should be canceled he/she shall cancel the award within ten business days after the decision is delivered to the respondent to whom the contract had been awarded. All bids shall then be rejected and new bids solicited.

ATTACHMENT A – PRICING SCHEDULE

1. Instructions and Information

In preparing the fee schedule(s), vendors must consider the requirements in Section II, Scope of Services and additional information on transactions, application requirements and reporting as detailed in this RFP.

- All fees will be paid monthly in arrears.
- Invoices submitted for payment must be presented in sufficient detail to enable the State to verify the charges to the fee schedules included in this proposal. Any fee not documented in these schedules will not be allowed during the contract period. Therefore, any fee charged by the successful vendor which is not detailed in the fee schedule **will not be paid**.
- The successful vendor will be required to submit separate invoices for payment to each state agency participating in the agreement resulting from this RFP.

2. Transaction Processing

The State recognizes that pricing for credit card processing includes Visa/MasterCard interchange and assessments as well as processor fees. Two options are available for bidders to detail their pricing schedule. Note: the State has current agreements with Novus/Discover and American Express wherein the rate for their card transactions has been established.

Option 1: Interchange and assessment costs incurred by the vendor 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 charges a transaction fee.

If responding using Option 1, provide current Interchange rates for Visa and MasterCard. Rates should be provided for all methods of processing: in person, over the phone, by mail, over the internet, etc. and complete the transaction fee portion of item 3. Pricing Schedule that follows.

Option 2: Charges are rolled into a composite rate including interchange, assessment and processor fees.

If responding using Option 2, please complete the fee matrix by average ticket and transaction type.

- For both Option 1 and Option 2, complete item 3. Pricing schedule for all other charges.

For comparison purposes during the evaluation process, the following algorithm will be applied to those responses using Option 1: a composite rate will be developed using the following formula:

In Person/Signature Captured: Processor Fee, plus assessments, plus interchange with a blend of 70% VISA CPS Retail Credit and 30% MasterCard Merit 3.

Mail Order/Telephone Order: Processor Fee, plus assessments, plus interchange with a blend of 70% VISA made up of 75% VISA EIRF and 25% Standard and 30% MasterCard made up of 95% Merit 1 and 5% Standard.

Internet: Processor Fee, plus assessments, plus interchange with a blend of 70% VISA CPS Retail 2/Emerging Markets rate and 30% MasterCard made up of 70% Merit 1 and 30% Data Rate.

The state is seeking responses that recognize the unique nature of government transactions, i.e., less risk of fraud, etc. The state is also seeking responses that recognize volume discounts for all agencies based on total volume for the state as a whole.

3. Pricing Schedule

This schedule is meant to allow vendors to address all costs of services. Please ensure that all costs associated with the systems described in this RFP are included. Any fee not fully documented in your proposal will not be allowed during the course of the contract.

a. Monthly Service/Maintenance Charge
Specify terms for monthly charge, i.e., per agency, per merchant identification number, etc. _____

b. Transaction Fees (other than Visa/MasterCard interchange) _____
• Contractor transaction fees _____
• Internet processor fees _____
• Settlement Institution fees _____
• Other (specify) _____
• Other (specify) _____

c. Authorization Fees
• Discover/Novus _____
• American Express _____

d. Debit Card Transaction Fees _____

e. Reporting Fees
Specify terms, i.e., prices are per month, per report, etc.
• Daily Reports _____
• Monthly Reports _____
• Data File _____
• Monthly Report for State Treasurer _____
• Software _____
• Other (Specify) _____

f. Help Desk
Specify terms: _____

g. Transaction authorization & processing software for personal computer application (specify):

h. Hardware:
• Terminals (specify) _____
• Printers (specify) _____

- Pin/Pad (specify) _____
- Terminal/Printer (specify) _____
- Keyboard Swipe _____
- Other (specify) _____
- Other (specify) _____
- Other (specify) _____

i. Lease/rental equipment for pilot projects:
Specify _____

j. Equipment maintenance/repair
Specify _____

k. Volume Discounts:
Detail discount applied if transaction/dollar volumes reaches a specified level:

l. Other Costs:
Detail any additional costs in the space provided:

All charges must be detailed on this Attachment. Any charges not listed in this Pricing Schedule 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.

Option 2 - Fee Schedule Matrix

Please complete the following matrix by inserting the fee you propose for each transaction type listed below.

| Average Ticket Amount (\$) | In Person Signature Captured | Mail Order/ Telephone Order | Internet | With Address Verification | |
|----------------------------|------------------------------|-----------------------------|----------|-----------------------------|----------|
| | | | | Mail Order/ Telephone Order | Internet |
| \$4.00 | | | | | |
| 5.00 | | | | | |
| 10.00 | | | | | |
| 15.00 | | | | | |
| 20.00 | | | | | |
| 25.00 | | | | | |
| 30.00 | | | | | |
| 35.00 | | | | | |
| 40.00 | | | | | |
| 45.00 | | | | | |
| 50.00 | | | | | |
| 55.00 | | | | | |
| 60.00 | | | | | |
| 65.00 | | | | | |
| 70.00 | | | | | |
| 75.00 | | | | | |
| 80.00 | | | | | |
| 85.00 | | | | | |
| 90.00 | | | | | |
| 95.00 | | | | | |
| 100.00 | | | | | |
| 105.00 | | | | | |
| 110.00 | | | | | |
| 115.00 | | | | | |
| 120.00 | | | | | |
| 125.00 | | | | | |
| 130.00 | | | | | |
| 135.00 | | | | | |
| 140.00 | | | | | |
| 145.00 | | | | | |
| 150.00 | | | | | |
| 200.00 | | | | | |
| 300.00 | | | | | |
| 400.00 | | | | | |

ATTACHMENT B - CONTRACT STANDARD TERMS AND CONDITIONS

ATTACHMENT C –CREDIT/DEBIT CARD SERVICES QUESTIONNAIRE

The following questionnaire must be completed and included with your response to this RFP. This questionnaire has been prepared to obtain responses to questions concerning the vendor's capability to provide all services identified in the Scope of Services in Section II of the RFP, plus provide other similar services should the State and agency identify the need for such services.

Proposals that merely state that the firm will conduct the services in accordance with the respective sections shall be considered non-responsive to this request. Please submit a definitive description of the resources available and other pertinent factors to demonstrate the ability to perform the requested services as you respond to the questionnaire.

Limit your response to each question to one or two pages. Many questions can be answered with a brief response. Type your responses in the same order as the questionnaire, listing the question first followed by your answer.

SECTION I - ORGANIZATIONAL BACKGROUND

Organization

1. Provide a brief history of your firm as it relates to the proposed business including the following:
 - Year of Organization
 - Year of initiation of credit/debit card processing business(es)
 - Development of major business lines
 - Nature of firm's ownership
 - Nature of relationships with affiliated companies or joint ventures

2. What is the fiduciary classification of the financial institution that would be responsible for settlement of credit/debit transactions to the State? (check all that apply)
 - Bank - National
 - Bank - State
 - Other: _____

3. Provide information on the extent of your commitment to credit/debit card services and the various processing methods. Include the number and experience of employees dedicated to this processing, your approach to product development, and any other information which you feel to be significant.

4. Discuss the overall business objectives of your firm with respect to credit/debit transaction processing. Comment on any present or planned areas of emphasis over the next five years.

5. Briefly describe what distinguishes your firm from your competitors.

6. What support does senior management provide in the search for improvement and innovative solutions in these services?
7. Discuss your commitment to quality. Include quality controls and measures used to evaluate credit/debit transaction processing, and provide any unique approaches which you have.

Personnel

1. Describe your approach to account administration, e.g., account team, client account executives, support by administrative units, etc.
2. Please elaborate on your support staff in terms of the size of the staff and the level of the person who would be assigned as the account representative.
3. Provide resumes of key individuals involved with credit/debit card services and account administration who would be assigned to the State of Washington.
4. Please detail the ability of personnel who would be assigned to the State of Washington account to provide proactive technical assistance and training in the implementation of credit/debit card applications. Include examples of previous relevant work experience.

Clients

1. Provide at least three references, with telephone numbers and contact persons, whom we may call. Indicate the type of system and processing being utilized by each reference provided.
2. Provide the number of commercial and government accounts for whom you provide merchant card services, and the volume of transactions processed by your organization. How have these volumes changed over the last three years?

Internal Controls and Risk Management

1. Describe the system of controls that assure accuracy of the processing and reporting of credit/debit transaction processing.
2. 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).
3. Describe the various types of insurance coverage and indemnification provided to protect clients utilizing the service(s) proposed, including risk coverage, carriers, insurance levels, limitations, and deductibles.

SECTION II - SERVICES

Processing Functions/Networks

1. Provide a diagram reflecting the highlights of the accepting, authorizing, processing, and settling of credit and debit card transactions beginning with the point of sale to the deposit of funds. The diagram must indicate the functions performed by the vendor and those performed by others including all subcontractors. Include separate diagrams for standard credit card processing, internet credit card processing, and debit card processing.
2. As a processor, what network(s) will be used for routing credit card transactions?
3. What services are provided by the network(s)?
4. Are different networks used for different types of credit card processing applications? If so, explain. List all credit/debit processing networks your organization utilizes in providing processing and settlement.
5. Are the funds transmitted through the network guaranteed?
6. What is the scheduled downtime for the network?
7. What backup procedures are available in the event of a network failure.
8. How will we be notified of network failure?
9. If the agency transmits data and there is a transmission failure, who is responsible for notification of the failure, how will it be discovered and when will it be communicated?
10. What number(s) are dialed to reach networks for authorization/batch processing? Are telecommunications charges incurred (long distance)? What options are available for communication connections, i.e., regular phone lines, special phone number (950), ISDN lines, etc. Describe the features of each type.
11. List various third party vendors with whom you have obtained/issued certifications for processing, i.e., CyberCash, Cyber Source, etc.
12. List any other services which routinely are associated with payment and credit record processing that you could provide to the State of Washington.

Settlement

1. 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.
2. What financial institution is utilized for settlement purposes?
3. Describe your organization's approach to settlement problem resolution. Are problems resolved on a same-day basis? Is a 1-800 number provided for settlement problem resolution?

Acceptable Transactions

1. List all cards that can be processed through your system.
2. List any prohibited transactions, e.g., cash advances, cash refunds, cash back?
3. Describe the procedures for assessing a convenience fee, note any differences in procedures by various card types, including debit cards.
4. By card type, indicate the methods that may be used for establishing the amount of a convenience fee:
 - Fixed amount for all transactions
 - A percentage of the total transaction
 - A tier charge based on a fixed range of sales
5. What security procedures are required for the following:
 - POS terminals
 - Transactions on the internet
 - Transaction receipts
 - Sales reports
6. Provide a copy of any terms and conditions for credit card processing that agencies will be required to follow.

Reporting

1. Describe your organization's electronic reporting capability related to the requirements of this RFP including any specific requirements for access or compatible equipment. When are these reports available (how soon after processing)?
2. In addition to electronic access to reports, do you also provide access to transaction data files that might be used by agencies to interface the data directly into their internal systems if required? Provide a copy of the data file specifications.
3. Provide samples of both the standard detail and summary level reports you will provide to the agencies.
4. Provide detail computer requirements and data file specifications for electronic files.
5. Describe the process and timeframes used to notify customers of changes in file structure and specifications.
6. Provide a sample of the monthly reports you would prepare for the Treasurer's Office detailing the activity (transactions/charges/etc.) broken down by agency plus a summary for all agencies in total. These reports must include all card types. How soon after month-end would these reports be available?

Billing and Administration

1. Describe your organization's ability to provide daily gross settlement and monthly billing for processing fees.
2. Detail any requirements your organization has related to billing each state agency monthly for processing fees associated with payment and credit record processing.

3. Provide a sample of the invoice and supporting documentation.
4. The assignment of merchant numbers for each State agency application is key to the Treasurer's Office and the State agency being able to identify the source of moneys received at settlement. Discover Card and American Express assign their numbers for each application, but it will be necessary for your organization to assign those numbers for VISA and Master Card. In working with SPS, our current processor, we have incorporated the three-digit state agency number in the number assigned, and in some instances a location number. To what extent is your numbering system flexible such that you would be willing to work with the State in developing these numbers to assure easy identification and assignment of money to the proper agency and/or agency location?
5. Describe your ability to separate invoicing in a manner similar to the merchant identification structure described in the agency requirements. Breakdown of billing information within one state agency may be required for governmental cost accounting purposes.
6. Describe your procedures and requirements for handling charge backs. Specify the process when signed receipt is available and the process for telephone and/or internet transactions. Includes copies of notices, advices, etc.
7. State your position on allowing any State agency that has an application that fits within the scope of this request to join in the Agreement under the negotiated pricing schedule (Attachment C). The Treasurer's objective in negotiating agreements is to be able to allow any State agency to join in the contract and benefit from lower effective discount rates that might be achieved as a result of the larger volume of business that would be generated. Therefore, as other agencies join in the Agreement and total dollar volumes and transaction volumes increase, all agencies would enjoy a reduction in rates according to a tiered pricing schedule. Please discuss your understanding of what the State is trying to achieve.

Training and Consulting

In most future implementations, agency personnel are new to the world of credit/debit card processing.

1. Describe the training you would provide to agency personnel related to payment and credit card processing requirements, such as procedures for accepting credit/debit cards, security and fraud, completing a sale/refund, handling charge backs, accessing reports and transaction data, and/or any other processes and procedures which your organization may require.
2. To what extent is your organization willing to 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.
3. Does your organization have a help desk or 1-800 line support available for use by agency personnel? Please describe the level of help available through the facility, the hours of operation/availability, and any costs associated with this service.

4. Describe training delivery plans, i.e., on-site training, etc.

Equipment and Software

1. Describe equipment available for standard point of sale applications, including credit and debit card processing. Provide brochures and specification sheets if possible. Describe purchase and lease/rental options available for such equipment.
2. Describe software available for use by agencies with existing PC based point of sale systems. Existing proprietary software provided by SPS Payment Systems for credit card authorization and settlement processing must be replaced. All vendors, other than SPS, must provide a replacement product. It is desirable that such replacement software would not be proprietary, but rather based on open industry standards. Also describe plans for maintenance and support of software provided. Provide brochures and specification sheets if possible.
3. Describe equipment/software available for internet processing from agency web sites, in lieu of a third party processor (CyberCash, etc.). Provide brochures and specification sheets if possible.

Transition

Describe your plan for transitioning existing agency credit card applications to your organization.

1. Provide a plan and timeline specific to each agency's transition. To avoid unnecessary costs, address how agencies could use their existing equipment/systems instead of purchasing new ones. Include specific information on replacement equipment/software required. The vendor must support existing agency equipment or state any modifications/upgrades that would be required for this equipment to work in the new environment.

Other Services

1. Describe the efforts your company is making in various forms of electronic commerce, especially internet applications, including but not limited to internet check processing, internet bill presentment and payment, etc.
2. Provide a summary of your organization's investment and commitment to developing future electronic payment processing technology and how you would offer such technological advancements to the State of Washington.

ATTACHMENT D – STATE AGENCY REQUIREMENTS

Detailed requirements are included for the following state agencies that are currently accepting credit cards, either under the SPS Payment Systems Contract or Harris Bank Contract:

- Washington State Department of Agriculture
- Washington State Centralia College
- Washington State Convention and Trade Center
- Washington State Ferries
- Washington State Department of General Administration
- Washington State Department of Licensing
- Washington State Liquor Control Board
- Washington State Parks and Recreation Commission
- Washington State Patrol
- Washington State Department of Revenue
- Washington State Secretary of State
- Spokane Intercollegiate Research and Technology Institute
- Washington State Department of Transportation
- Washington State Utilities and Transportation Commission

WASHINGTON STATE DEPARTMENT OF AGRICULTURE**Description of Current Application:**

The Livestock Identification Program accepts credit cards for self-inspection and licensing fees.

Cards Accepted:

Visa, MasterCard

Transaction Type:

Telephone

Transaction Processing Requirements:Hardware:

Veriphone Trans 380 and Printer 900
Equipment is owned.

Software:

N/A

Communication:

Analog phone line

Authorization Response Requirements:

10-15 seconds

Integration Requirements:

N/A

Merchant Identification Number/Terminal Identification Number Requirements:

Currently only one location. Terminal ID should allow for agency specific coding to identify location.

Reporting Requirements:

Daily and monthly reporting required.

Help Desk Requirements:

Available during business hours 8:00 a.m. to 5:00 p.m. Pacific Time.

Other:

WASHINGTON STATE CENTRALIA COLLEGE**Description of Current Application:**

Centralia College currently accepts credit cards in three areas for tuition, books and food services.

Cards Accepted:

Visa, MasterCard, Discover

Transaction Type:

Tuition – telephone and in-person

Books – in person

Food Service – in person

Transaction Processing Requirements:Hardware:

Four (4) Veriphone Tranz 380 Terminals, three (3) Printer 250 and one (1) Printer 900. Equipment is owned.

Software:

N/A

Communication:

Standard analog phone lines.

Authorization Response Requirements:

15-20 seconds

Integration Requirements:

N/A

Merchant Identification Number/Terminal Identification Number Requirements:

Separate Id's for each terminal.

Reporting Requirements:

Monthly summary report by terminal.

Help Desk Requirements:

Available business hours of 7:30 a.m. – 7:30 p.m. Pacific Time Monday through Friday.

WASHINGTON STATE CONVENTION AND TRADE CENTER

Description of Current Application:

The Washington State Convention and Trade Center accepts credit cards in their parking garages and sales office. The parking garage is a fast paced environment where transaction speed is a high priority. Currently using DataCard point of sale terminals allowing high speed electronic verification, physical card swiping and manual card number entry and high speed printers to reduce transaction time. Previously connected using a high speed local area network which was found unsatisfactory. Now each unit acts as a stand-alone device with its own dedicated analog phone line.

Cards Accepted:

Visa, MasterCard, Discover and American Express.

Transaction Type:

Parking Garage - Parking Fees. In person with a signature required on transactions over \$25. Occasional telephone authorization for monthly parking permit.
Sales Office - Conference and meeting facilities. Telephone orders.

Estimated 2% of transactions are telephone authorizations.

Transaction Processing Requirements:

Hardware:

6 DATACARD (POS) Transaction Terminals
6 VERIFONE/DATACARD high speed printers
Equipment is owned.

Software:

Shift detail reports printed directly to terminals
Batch closing- in or out of balance notification

Communication:

Terminals must use standard dial-out analog phone lines

Authorization Response Requirements:

Equipment will be used in a fast paced garage environment where transaction speed is a high priority. Desire 10 second average authorization or better
Maximum of 30 second authorization during peak time

Integration Requirements:

Must be able to accept transactions from existing DataCard equipment.

Merchant Identification Number/Terminal Identification Number Requirements:

Existing: One individual merchant ID #

Six individual terminal ID #'s, one for each unit

Desired: Merchant – One identifying number, provided by vender
Terminals – Individual, sequential, identification numbers provided by vendor ending with 1 through 6

Reporting Requirements:

Daily:

Batch closing per terminal sent to individual terminals
Daily totals by card type per terminal (similar to NTSR10-13)
Individual transactions per terminal listing voids and declines (similar to NTS361). This report can be combined with the above.

Weekly:

Dollar amounts sent from clearing house to State Treasurer's office

Monthly:

Accumulated totals from daily and weekly reports

Electronic:

Prefer all reports to be available on-line in electronic form

Data File:

Daily data file must be capable of being imported directly from vendors secure site into MS Excel

Help Desk Requirements:

24 hours/7 days a week with a toll free (800) phone number
Cost: prefer a flat, fixed rate inclusive of all terminals (One Agency – One Charge)
At present, we pay \$2.00 per month for help desk.

Other:

Due to our requirement of maintaining credit card acceptance at all cashier locations, prefer to have a complete replacement unit consisting of one point of sale terminal and printer, on site
Willing to accept 24-hour replacement

WASHINGTON STATE FERRIES

Description of Current Application:

Argo, a client/server application using PowerBuilder 6.5 on the front-end and SQL Server 6.5 on the back-end, processes reservation requests for vehicles travelling on the Anacortes, Washington to Sydney, British Columbia international route. These reservations are secured with a credit card deposit that is taken at the time of the booking. Argo is one of two applications that comprise the Automated Operations Support System (AOSS). The reservation software is integrated with SPS Link Software for credit card authorization, data capture and batching/processing. SPS Link is proprietary software and will need to be replaced.

Cards Accepted:

Visa, MasterCard.

Transaction Type:

Ferry Reservations. Telephone orders.

Description of Future Application:

A new Revenue Collection System (RCS) is in the planning stage of development. This new RCS will include integration with the Regional Fare Coordination System (Smart Card) being developed for the transit agencies in the Central Puget Sound. Current plans are for RCS to replace the existing Point of Sale (POS) ferry car and passenger ticket sales system in the year 2003. RCS, a stand alone client/server application, will be integrated with AOSS.

Transaction Processing Requirements:

Hardware:

P.C. based

Customer held card swipe capabilities (direct interface with the customer, no customer signature required. Allows for debit card pin entry)

Software:

Windows NT 4.0

SPS Link – proprietary software (refer to Attachment C, Equipment and Software, Item 2).

Communication:

Toll free or local phone access

Authorization Response Requirements:

Transaction Speed

Total transaction time of 10 seconds or less

Clear, definable error messages

No messages that require 'back-up phone authorization'
Authorization codes
WSF Department / Organization specific
Unique codes

Integration Requirements

Current Application:

Must be able to accept data from SPS Link; or provide alternative software that is able to integrate into reservation system.

Future Application:

Must be able to be integrated with the Regional Fare Coordination System (SmartCard) processing

Volume

Initial Volume (Argo only)

4,000 per month

RCS On-line (Future: includes Argo and RCS)

1.2 million per month (estimated)

Merchant Identification Number/Terminal Identification Number Requirements:

Describe vendor proposed structure.

Reporting Requirements:

- WSF will design and create their own reports. Therefore, WSF requires raw data on a daily basis.
- Secure transfer of data
- 120 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.

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.

Other:

Software requires passwords to access the credit card software.

Refunds: Customers credited refunds in a timely manner.

WASHINGTON STATE DEPARTMENT OF GENERAL ADMINISTRATION

Description of Current Application:

The Department of General Administration currently accepts credit cards in two offices: Procurement Office (trade show booth space) and Surplus Property (furniture and equipment to general public). Both offices use Veriphone Tranz 380 Terminals and Tranz 900 Printers.

Cards Accepted:

Visa, MasterCard, Discover and American Express.

Transaction Type:

Procurement Office – Telephone Orders.

Surplus Property – In person, signature captured.

Description of Future Application:

Central Stores accepts Internet orders for office supplies and other goods from registered state agencies, political subdivisions, and non-profit organizations. Central Stores' order processing system is currently being re-developed. In the future, customers that wish to use a credit card will have their credit card information stored in Central Stores' database prior to ordering. When orders are placed using a credit card, they will be stored in a batch file and sent to the credit card vendor at night. The credit card vendor will send a daily batch file to Central Stores showing both accepted and rejected transactions. This file must be accessible to Central Stores within 12 hours after the order batch file is transmitted to the vendor.

Transaction Processing Requirements:

Existing locations:

Hardware: Veriphone Tranz 380 Terminal and Tranz 900 Printer. Equipment is owned.

Central Stores:

Hardware – Any required software must operate on a Pentium class computer

Software – Any required software must operate on Microsoft Windows operating system.

Communication – Communication between Central Stores and the credit card vendor must use either TCP/IP over the Internet or a dial-up connection via a modem.

Authorization Response Requirements – Central Stores will need a daily batch file sent to them showing which transactions were approved or rejected. This file must be accessible to Central Stores within 12 hours after the order batch file is transmitted to the vendor.

Merchant Identification Number/Terminal Identification Number Requirements:

Current structure works fine. Dollars are rolled upon into one deposit for the Department of General Administration. Reporting is separated by location, with totals by agency. The hierarchy is as follows:

Department of General Administration

Procurement

Surplus

Conference Center

Reporting Requirements:

Would prefer daily and monthly reports at location and agency level available for download from an internet sight.

Help Desk Requirements:

Available daily from 7:30 am – 5pm PST.

WASHINGTON STATE DEPARTMENT OF LICENSING**Description of Current Application:**

The Department of Licensing currently accepts credit cards in payment of Uniform Commercial Code (UCC) record search requests.

Cards Accepted:

Visa, MasterCard

Transaction Type:

Fax request with signature.

Description of Future Application:

The Department of Licensing is currently exploring various options to accepting credit cards for motor vehicle registration, master business licenses, etc. A prototype pilot project is getting underway to test the feasibility of accepting credit cards over the internet for master license service applications. This prototype is using CyberCash for credit card authorization and data capture.

Options for motor vehicle registration credit card acceptance are being explored. These options may include internet acceptance with a -tiered convenience fee and interactive voice response system with a scaled convenience fee.

Transaction Processing Requirements:Hardware:

Veriphone Trans 330 Terminal and Printer 250. Equipment is owned.

Software:

N/A

Communication:

Analog phone line

Authorization Response Requirements:

10-15 seconds

Integration Requirements:

N/A

Merchant Identification Number/Terminal Identification Number Requirements:

Propose structure that will allow monies to be kept separate for each program, i.e., UCC separate from motor vehicle, separate from master license services,. etc.

Reporting Requirements:

Detail and summary report required.

Help Desk Requirements:

WASHINGTON STATE LIQUOR CONTROL BOARD

Description of Current Application:

The Washington State Liquor Control Board (LCB) credit card application is a straight forward retail operation. There are two types of applications. The state owned liquor stores utilize PC cash registers with keyboard swipes and SPS Link software for credit card capture. The agency contract stores utilize Verifone Tranz 380 terminals, Verifone Tranz 900 printers and Verifone PinPad 1000.

There are 160 state owned liquor stores and 160 agency contract stores accepting credit cards.

The state owned stores run LCB-developed point of sale (POS) software in a Windows 95 environment that captures customer sales information. The credit/debit card used for transaction is swiped through MagTek scanners and then use SPS software to validate the card. Validation from SPS is returned to POS system and transaction information is captured in POS system. Many stores have more than one PC which are networked using a local area LAN. SPS Link is proprietary software and will need to be replaced.

Cards Accepted:

Visa, MasterCard, Discover, American Express and debit cards.

Transaction Type:

State owned stores – retail. In person, signature captured.

Agency contract stores – retail. In person, signature captured.

Transaction Processing Requirements:

Hardware:

State owned stores:

Windows 95/NT environment (multitasking, multiprocessing)

Works with MagTek card swiping device

Agency contract stores:

Verifone Tranz 380 terminals,

Verifone Tranz 900 printers

Verifone PinPad 1000.

Equipment is owned.

Software:

State owned stores:

SPS Link - proprietary software (refer to Attachment C, Equipment and Software, Item 2). Windows 95/NT environment (multitasking, multiprocessing)

32bit processing code

Capable of handling multiple validation transactions through a queue. Transactions in queue not to exceed 10-12 second validation times.

Transactions in queue should not need to initiate another validation communication session but should use the one currently opened

Agency contract stores:

None

Communication:

State owned stores:

Ensure sufficient communication facilities are available so users do not receive "Unable to contact host" messages (especially critical during "peak" hours and holiday seasons)

Auto dial capability - begin dialing process before card is swiped

Short "re-try" period (30 seconds), should communication fail

Agency contract stores:

Standard connection to Veriphone terminal.

Authorization Response Requirements:

10-12 second validation response. Would like vendor to provide information and pricing on alternative processing options available to reduce response time to 5 seconds.

Integration Requirements:

State owned stores:

Must be able to accept and process transactions from SPS Link. If vendor is unable to process SPS Link, identify alternative. Alternative should work with Visual Basic.

Merchant Identification Number/Terminal Identification Number Requirements:

The state owned and agency contract stores are to be treated as separate agencies and as such require a unique merchant ID for each store/agency. Each store has an assigned store number which must be integrated into the terminal ID structure and appear on all reports. Hierarchy is as follows:

State Owned Stores
- Individual Store #'s

Agency Contract Stores
- Individual Stores #'s

Settlement dollars must be kept separate between state owned and agency contract stores.

Reporting Requirements:

For both state owned and agency contract stores, daily transaction data files, in a flat file text format, that can be manipulated in-house are required. It is desirable that reporting capabilities be received via Web enabled application. Separate reports are required for state owned and agency contract stores. In addition to the daily transaction file, a monthly summary report for both state owned and agency contract stores is required.

Help Desk Requirements:

Provide help desk support that covers standard “west coast” working hours (8-6 Pacific Time)

Clearly define the “problem escalation” process, including resolution timeframes, escalation timeframes and contacts

Provide clear and usable software documentation

WASHINGTON STATE PARKS AND RECREATION COMMISSION

Description of Current Application:

State Parks has three types of credit card applications. The parks served by the Central Reservation System (CRS) utilize PC based point of sale software with DataCap credit card software for registration and payment at the park. Fort Worden State Park and Conference Center accepts reservations for facilities and uses a PC based point of sale system with credit card software by Dollars in the Bank. The Headquarters Office accepts credit cards for permit sales and uses a Veriphone Tranz 330 Terminal and Printer 250.

Cards Accepted:

Visa, MasterCard and Discover.

Transaction Type:

CRS – in person, signature captured.

Fort Worden – telephone, e-mail order from internet and in person. A signature is captured at check-in.

Headquarters – in person, signature captured.

Description of Future Application:

State Parks is partnering with the Department of Information Services to prototype an internet store application using a third party, Signio and Telecheck, for the internet processing of payments, including credit cards and internet checks via automated clearing house (ACH). If the prototype is successful, the vendor will need to be able to accept transactions from the third party.

Transaction Processing Requirements:

Headquarters

Hardware:

Veriphone Tranz 330 Terminal and Printer 250. Equipment is leased.

CRS Park Registration

Hardware:

DataCap Data Tran Models 262 and 262nd operating with ReserveAmerica "Park Office" software version 4.xx and higher.

Software:

Info 2000 Credit Card Authorization Version 4.30.003

Communication:

Integrated 2400 Baud Modem

Prefer "950" with 1-800 number as backup.

Authorization Response Requirements:

15-20 seconds

Integration Requirements:

Must be able to accept and process data from DataCap Data Tran models stated above. DataCap supports NDC, FDR, VisaNet2, SPS.

Fort Worden Reservation System

Hardware:

IBM Compatible PC

Software:

Microsoft NT running Dollars in the Bank, Gold Edition, Version 7

Communication:

External Modem. Modem speed up to 33,600 baud.

Prefer "950" with 1-800 number as backup.

Authorization Response Requirements:

15-20 seconds

Integration Requirements:

CUR File. Must be able to accept and process transactions from Dollars in the Bank, which currently supports FDC, NDS, VisaNet, Merchant Link.

Merchant Identification Number/Terminal Identification Number Requirements:

Current structure:

Agency

Regions (geographic regions established by State Parks)

Individual Parks

Terminal ID is very important to State Parks. The existing structure is:

WPRK625102

Places 1-4 represent the agency

Places 5-7 represent the park number

Places 8-9 represent the park satellite number

Place 10 represents the number of terminals at that park

It is imperative that the park and park satellite numbers be incorporated into the terminal ID number.

Invoices should be received by the agency no later than one week after billing period ends.

Reporting Requirements:

All reporting and reconciling is done at the headquarters level. All reports must be sorted by Region (optional) and then by individual park using terminal ID.

Prefer fax reporting, but electronic reporting is acceptable. Electronic reporting should support modem speed of 28,800 baud. Prefer unique file name for each report transmitted to avoid having to rename files.

Desire summary level reports – by park by card type – daily, weekly and monthly reports required.

Reports sent through US Mail should be received by the agency no later than one week after report date.

Help Desk Requirements:

7:00 a.m. – 11:00 p.m. PT seven days a week with response time at no more than 30 minutes.

WASHINGTON STATE PATROL

Identification and Criminal History Section
Washington Access to Criminal History (WATCH)

Description of Current Application:

The Washington State Patrol (WSP) has one location accepting credit cards via the internet. The application utilizes CyberCash for secure transaction processing to Harris Bank. WSP accepts Visa, MasterCard, Discover and American Express cards.

WSP Identification Section provides criminal history information over the internet, providing log on access for account holders and credit card access for credit card users. Users are able to purchase background check information at a cost of \$10.00 each through a secure website.

Cards Accepted:

Visa, MasterCard, Discover and American Express.

Transaction Type:

Criminal History Background Check. Internet.

Transaction Processing Requirements:

Hardware: PC Internet Server

Software: Windows NT Server 4.0, Microsoft Site Server 3.0, Commerce Addition

Communication: TCP/IP – HTTP/HTTPS

Authorization Response Requirements: Vendor must be able to accept transactions from Microsoft Site Server 3.0 platform.

Integration Requirements: Vendor must be able to accept transactions from Microsoft Site Server 3.0 platform.

Merchant Identification Number/Terminal Identification Number Requirements:

Single Point of Sale (POS) Commerce Web Site.

Reporting Requirements:

Daily: Daily summary and detail transaction report.

Monthly: Monthly billing invoice listing monthly detailed transactions and related charges.

Electronic: Optional.

Data file – include hardware/software/file specifications: Optional.

Help Desk Requirements:

Vendor must provide technical support for any transaction processing middleware to be installed on our servers.

Other:

Transactions are batched daily. WSP reviews transactions daily before submitting batch to bank for settlement, so an "auth-only" transaction model is ideal. Our current business process requires "massaging" of transaction data prior to batch commitment.

WASHINGTON STATE DEPARTMENT OF REVENUE

Description of Current Application:

The Department of Revenue (DOR) currently accepts debit cards on a trial basis in one of its field offices. This field office uses two terminals and two swipe pads and has the capability of closing out the day via a modem. If the debit card is accepted agency-wide, this could expand into as many as 16 locations.

The Cash Management section of the Department has the capability to extract reports using a PC and attached modem.

Cards Accepted:

Debit card only.

Transaction Type:

Taxes – In person debit card, pin entered.

Description of Future Application:

The DOR is currently exploring the feasibility for accepting credit cards and may pilot that in the near future. It is also considering possible use of Telecheck, Telefiling, credit cards through the internet using the Department's ELF application, other payments via the internet, etc. The vendor should include provisions for these future enhancements.

Transaction Processing Requirements:

Hardware:

Terminals, printers and pin pads in field offices. Equipment is leased. Ability to "close out the day" via modem.

Software:

None.

Communication:

None.

Authorization Response Requirements:

Standard.

Integration Requirements:

None.

Merchant Identification Number/Terminal Identification Number Requirements:

Each field office must be identified separately and if multiple terminals in one office, must be able to separate terminal activity.

Reporting Requirements:

Reports daily with money transferred via EFT and not by wire.

Help Desk Requirements:

Use of 1-800 number during business hours (Pacific Time).

WASHINGTON STATE SECRETARY OF STATE

Description of Current Application:

The Office of the Secretary of State (Corporations Division) began accepting Visa and MasterCard on January 1, 1998. Using a software product from Go Software, Inc. (PC Charge), two different transaction sites communicate with Harris Bank via our Merchant Identification Number (GENSAR). These transaction sites communicate via modem (in emergency situations, via telephone), and receive a point of sale six-digit alphanumeric transaction number. This number is entered manually into our internal revenue processing database to link corporate transactions with credit card payments. Every day the system is batched-out and each day begins a new batch of credit card transactions.

Fiscal staff receives a report electronically from Harris Bank, which is reconciled with the Office of the Treasurer. This report is currently on a two-day lag. Refunds are processed exactly like a credit card payment, except that the refund screen is used. All refunds processed receive a point of sale six-digit alphanumeric transaction number. This number is entered manually into our internal revenue processing database to link corporate payment refunds with credit card credits. These refunds are reported on the electronic daily reports along with daily credit card transactions.

Monthly, the Fiscal office receives a detailed printout of all credit card transactions within the specified monthly period. This report, as well as the daily report, is reconciled with our internal revenue database information.

NOTE: The Secretary of State is currently in process of switching to stand alone terminals and printers for credit card processing.

Cards Accepted:

Visa, MasterCard

Transaction Type:

Corporations Division – Registration Fees. In person and fax, signature captured.

Description of Future Application:

The Office of the Secretary of State is constantly pursuing electronic means of doing business. In the future, we would like to incorporate electronic payment via the Internet as an additional means of accepting payments for our services. We may expand the type of cards accepted to Discover, American Express and debit cards.

Transaction Processing Requirements:

Hardware:

Pentium based personal computers

Minimum 28.8 BPS external modem

Minimum 16MB RAM
Minimum 150 MB Harddrive space
VGA Graphic support

Software:

PC Charge from Go Software, Inc. with link to Harris Bank via Merchant Identification Number
Windows 95/NT
Possible need to support Windows 2000 environment
Possible software GUI link to World Wide Web/Internet

Communication:

Able to communicate by both modem and telephone for authorization and reporting

Authorization Response Requirements:

Accept only transactions for Visa and MasterCard
Allow debit and credit transactions
Ability to enter transaction location (alphanumeric entry)
Use minimum six-digit authorization number (alphanumeric entry)
Close out batch at end of business day – no carry over balances
Receive electronic batch close-out authorization number (minimum six-digit alphanumeric)
In event of emergency, telephone response will give authorization number in addition to electronic method

Integration Requirements:

Current software (PC Charge) has the ability to integrate into Visual Basic 6.0 – we want that same functionality
Looking to move toward electronic filing – new system must support electronic payments

Merchant Identification Number/Terminal Identification Number Requirements:

We currently use our merchant number through PC Charge to create GENSAR link with Harris Bank
The Office of the Secretary of State has no terminals
We identify transaction sites by code number, and all transaction coding is printed out on the reports

Reporting Requirements:

Electronic daily reports to reconcile daily transactions (quicker than two-day lag would be preferable)
Hardcopy reports received via postal service to reconcile total transactions per card for the monthly period (separate electronic transactions on same report once this option is active)

PC Charge adhoc reporting (daily transactions, weekly transactions, Visa vs. MasterCard, etc.,)

Help Desk Requirements:

Detailed manual and instructions of connection to banking service and electronic data transmission connection

Disaster Recovery procedure

Help Desk hours during work hours Monday through Friday 8:00 a.m. PST until 5:00 p.m. PST minimum

SPOKANE INTERCOLLEGIATE RESEARCH AND TECHNOLOGY INSTITUTE**Description of Current Application:**

The Spokane Intercollegiate Research and Technology Institute (SIRTI) facility rentals for training courses, seminars and conferences in the Spokane area.

Cards Accepted:

Visa, MasterCard, American Express

Transaction Type:

Telephone and in-person

Transaction Processing Requirements:Hardware:

One Veriphone Tranz 330 Terminal and Printer 250. Equipment is owned.

Software:

N/A

Communication:

Analog phone line

Authorization Response Requirements:

10-15 seconds

Integration Requirements:

N/A

Merchant Identification Number/Terminal Identification Number Requirements:

Only one location.

Reporting Requirements:

Standard

Help Desk Requirements:

Available during business hours Pacific Time.

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION**Description of Current Application:**

The Department of Transportation (DOT) currently accepts credit cards in four (4) divisions/offices, with thirty-one (31) locations. All locations currently use Veriphone Tranz 330 terminals and Tranz 250 printers. The Motor Carrier Services area has twenty-eight (28) locations. Geographic Services, Contract Ad and Award and Engineering Publications each have one location.

Cards Accepted:

Visa, MasterCard and Discover.

Transaction Type:

Motor Carrier Services – Permits. In person and fax orders, signature captured.

Geographic Services –Aerial Photographs. In person, phone, fax and mail.

Contract Ad and Award - Plans and Specifications. In person, phone, fax and mail.

Engineering Publications - Publications. In person, phone, fax and mail.

Description of Future Application:

An additional six offices with one or more locations will be added in the next year.

Motor Carrier Services is currently developing a new PC based point of sale system.

Credit Card processing software is required and must be compatible with the new POS system.

Internet processing is also anticipated in the future for all DOT applications.

Transaction Processing Requirements:Hardware:

Terminals and printers

Software:

None

Communication:

Local phone access or toll free number.

Authorization Response Requirements:

Immediate – 15 seconds.

Integration Requirements:

Must be able to accept and process transactions from Motor Carrier Service POS system.

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 major 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)

Ideally, DOT wants:

Settlement: all MID/TID roll into one deposit into the state treasury.

Reporting: one report sorted by MID with detail by terminal – accessed by headquarters office – see reporting section for types of reports requested.

Invoicing: The vendor must be flexible in its ability to mail billings to various locations based on MID and/or type of billing, e.g.,

Discount fee billings may be sent to one location for all of DOT for comparison to the credit card transaction database. There should be separate billings for each MID with detail by TID, or

All discount fee billings may be sent to various locations based on MID with detail by TID.

Other billings (if not included on discount fee invoice) should be sent to various locations depending on MID with detail by TID.

Reporting Requirements:

Reports must be available daily in electronic form (via modem or internet) and IBM compatible. Data should be in excel, access or at a minimum ASCII format.

Modem download must be possible with communication software PROCOMM 3.0.

DOT is currently using the NT 4.0 operating system with plans to upgrade to NT 5.0 in the near future.

Help Desk Requirements:

Help available, via toll free line, 8:00 a.m. – 5:00 p.m. Monday through Friday Pacific Time.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION**Description of Current Application:**

The Utilities and Transportation Commission (UTC) is beginning a pilot project in September 1999 to accept credit cards for regulatory fees, penalty assessments, public record requests, application fees, tariff fees and single state registration fees.

Cards Accepted:

Visa, MasterCard, Discover, American Express

Transaction Type:

Telephone and in-person

Transaction Processing Requirements:Hardware:

Two Veriphone Trans 380 Terminal and Printer 900. Equipment is leased.

Software:

N/A

Communication:

Analog phone line.

Authorization Response Requirements:

10-15 seconds

Integration Requirements:

N/A

Merchant Identification Number/Terminal Identification Number Requirements:

Two terminals, one location.

Reporting Requirements:

Daily and monthly summary and detail reports.

Help Desk Requirements:

Business hours 8:00 a.m. – 5:00 p.m. Pacific Time, Monday through Friday

ATTACHMENT E – RCW 39.58.080 DEPOSIT OF PUBLIC FUNDS

RCW 39.58.080 Deposit of public funds in public depository required--Deposits in institutions located outside the state.

Except for funds deposited pursuant to a fiscal agency contract with the state fiscal agent or its correspondent bank, funds deposited pursuant to a custodial bank contract with the state's custodial bank, and funds deposited pursuant to a local government multistate joint self-insurance program as provided in RCW 48.62.081, no public funds shall be deposited in demand or investment deposits except in a public depository located in this state or as otherwise expressly permitted by statute: PROVIDED, That the commission, or the chair upon delegation by the commission, upon good cause shown, may authorize, for such time and upon such terms and conditions as the commission or chair deem appropriate, a treasurer to maintain a demand deposit account with a banking institution located outside the state of Washington solely for the purpose of transmitting money received to public depositories in the state of Washington for deposit. [1996 c 256 § 8; 1991 sp.s. c 30 § 27; 1986 c 160 § 1; 1984 c 177 § 14; 1983 c 66 § 11; 1969 ex.s. c 193 § 8.]

NOTES:

Effective date, implementation, application--Severability--1991 sp.s. c 30: See RCW 48.62.900 and 48.62.901.

Severability--1983 c 66: See note following RCW 39.58.010.

ATTACHMENT F – CURRENT CREDIT CARD VOLUMES

ATTACHMENT G – REPORT SAMPLES

Sample reports are from SPS Payment Systems and NPC because they best meet the needs of the agencies and the State Treasurer.

Daily Reports – From SPS Payment Systems

- NTSR1* – Daily Sales by Terminal – credit and debit
 - NTSR 10-21 Totals by card type by terminal (sales, returns, net sales and transaction counts)
 - NTSR 12-20 Totals by card type all terminals (sales, returns, net sales and transaction counts) (sales, returns, net sales and transaction counts)
 - NTSR 13-15 Total by terminal (sales, returns, net sales and transaction counts)
- NTSR2* - Daily Transaction Activity by Terminal
 - NTSR20-21 Total transaction count by card type by terminal
 - NTSR21-20 Total transaction count by card type all terminals
 - NTSR22-20 Total transaction count by card type all locations
 - NTSR23-20 Total transaction count by terminal
- NTS361-02 Daily Terminal Detail Listing – detail by transaction by terminal with summary by card type by terminal and total by card type of all terminals – credit card transactions only
- 1NTS504-03 Debit Card Terminal Batch
 - Report No. 003 – detail by transaction by terminal
 - Report No. 004 – totals by terminal
- Merchant Disbursement Notice – From SPS Debit Card Section detailing debit card deposits by terminal with summary total of all terminals.

Weekly Reports – From NPC (SPS Settlement Institution)

- Weekly Merchant Total Report
 - Total deposits by terminal
 - Total deposits all terminals

Monthly Reports – From SPS Payment Systems

- NTSR5* – Monthly Sales by Terminal – credit and debit
 - NTSR 50-22 Totals by card type by terminal (sales, returns, net sales and transaction counts)
 - NTSR 51-23 Totals by card type all terminals (sales, returns, net sales and transaction counts) (sales, returns, net sales and transaction counts)
 - NTSR 53-22 Total by terminal (sales, returns, net sales and transaction counts)

- NTSR6* – Year to Date Sales by Terminal – credit and debit
 - NTSR 60-21 Totals by card type all terminals (sales, returns, net sales and transaction counts) (sales, returns, net sales and transaction counts)
 - NTSR 61-22 Total by terminal (sales, returns, net sales and transaction counts)

- NTSR3* - Monthly Transaction Activity by Terminal
 - NTSR30-21 Total transaction count by card type by terminal
 - NTSR31-21 Total transaction count by card type all terminals
 - NTSR32-24 Total transaction count by card type all locations
 - NTSR33-16 Total transaction count by terminal
 - NTSR40-21 Year to Date by card type all locations
 - NTSR41-17 Year to Date by terminal

Monthly – From NPC (SPS Settlement Institution)

- Monthly Accumulated Deposits
 - By terminal
 - Totals all terminals