

MASTER AGREEMENT USER INSTRUCTIONS

Supplement #4

Important Note: Supplement #4 replaces and supersedes User Instructions Supplement #3 (dated 5/17/16).

ISSUE AND EFFECTIVE DATE: 8/29/2016	
TITLE/DESCRIPTION:	Credit Card Acceptance Services (Sole Proprietary - American Express® Card)
CONTRACT NUMBER(S):	5-09-99-01
CONTRACTOR(S):	American Express Travel Related Services Company, Inc.
CONTRACT TERM:	07/01/2009 through 06/30/2021
CONTRACT CATEGORY:	Non-IT Services
MAXIMUM ORDER LIMIT:	None
FOR USE BY:	State Departments and Local Governmental Agencies (See Section 2)
DGS-PD CONTRACT INFORMATION WEBSITE:	http://www.dgs.ca.gov/pd/Programs/Leveraged/master_agreements/EPAY.aspx
STATE CONTRACT ADMINISTRATOR:	Julie Matthews (916) 375-4612 julie.matthews@dgs.ca.gov

Ordering Agencies are instructed to carefully review these User Instructions in its entirety. For questions, please contact the Department of General Services, Procurement Division (DGS-PD) State Contract Administrator and reference the "Title/Description" and/or Contract Number listed above. Changes to this document will be issued through a User Instructions revision.

ORIGINAL SIGNED

8/29/2016

Julie Matthews, State Contract Administrator

Date

SUMMARY OF CHANGES		
Supplement No.	Revision Description	Effective Date
4	<p>Supplement #4 replaces and supersedes User Instructions Supplement #3 (dated 5/17/16) in its entirety.</p> <p>The following sections have been modified:</p> <ul style="list-style-type: none">• <u>Section 5.A (Master Agreement)</u> – Updated section to include instructions for accessing MSA contract documents on the State’s Cal eProcure website.• <u>Section 5.C (Credit Card Processing Services)</u> – Updated section to include separate instructions for state departments and local agencies.	8/29/16

To obtain copies of previous User Instructions versions, please contact the State Contract Administrator listed in Section 4 (Contract Administrators).

USER INSTRUCTIONS

1. SCOPE AND OVERVIEW

The Credit Card Acceptance Master Service Agreement (“MSA”) 5-09-99-01 with American Express Travel Related Services, Inc. (“Contractor” / “American Express”) provides American Express® card acceptance services to participating State departments and local governmental agencies.

In order to accept the American Express® card, State departments and local governmental agencies are required to execute a service contract (hereafter referred to as a “subscription agreement”), under MSA 5-09-99-01. Ordering agencies must also obtain general credit card processing services through a separate agreement with the Electronic Payment Acceptance Services (EPAY) MSA Contractors¹. The EPAY MSA Contractor only provides authorization, capture, and routing services for American Express® cards and then must pass the transaction to American Express to finalize the payment transaction. Settlements for all American Express® card transactions are made directly to the Ordering Agency by American Express under MSA 5-09-99-01.

MSA 5-09-99-01 was established by the Department of General Services, Procurement Division (DGS-PD) in accordance with Public Contract Code §10298 and Government Code §6160-6166.

Note: Throughout this document, “MSA” may be used interchangeably with “agreement.” Unless otherwise specified within this document, the term “Ordering Agencies” will refer to all State departments and local governmental agencies eligible to utilize the MSA as defined in MSA 5-09-99-01 Exhibit D, Section 1 (Authorized Users). Instructions exclusive to State departments or local governmental agencies shall be identified within each section.

2. CONTRACT AVAILABILITY

A. State Departments

- 1) Use of MSA 5-09-99-01 is mandatory for State of California agencies seeking to accept the American Express® card as a means of electronic payment.

B. Local Governmental Agencies

- 1) Use of MSA 5-09-99-01 is optional for local governmental agencies.
- 2) A local government agency is any city, county, city and county, district, or other local governmental body or corporation empowered to expend public funds for the acquisition of goods, information technology, or services.
- 3) Each local governmental agency shall determine whether use of the agreement is consistent with its procurement policies and regulations.
- 4) Local government agencies shall have the same rights and privileges as the State under the terms of the MSA. Any local government agencies desiring to participate shall be required to adhere to the same responsibilities as do State departments and have no authority to amend, modify or change any condition of the MSA unless otherwise specified within the MSA.

¹ Refer to Section 5.C of these User Instructions for EPAY MSA (credit card processing) information.

3. CONTRACT TERM

Current MSA term dates are noted on page 1 of these User Instructions.

Note: Ordering Agency subscription agreements placed under the MSA shall be executed on or before the expiration date of the MSA. Ordering Agency subscription agreements may not include term dates which extend beyond the expiration date of the MSA.

4. CONTRACT ADMINISTRATORS

The State and the Contractor(s) have assigned contract administrators as single points of contact for problem resolution and related contract issues as follows:

	State Contract Administrator (DGS/PD)	Contractor Contract Manager (American Express)
Name:	Julie Matthews	Debra L. Fitts
Phone:	(916) 375-4612	(714) 777-2537
Fax:	(916) 375-4663	(623) 748-6071
E-Mail:	Julie.Matthews@dgs.ca.gov	debra.l.fitts@aexp.com
Address:	Department of General Services Procurement Division Attn: Julie Matthews 707 Third Street, 2nd Floor, MS 2-202 West Sacramento, CA 95605	American Express Merchant Services Attn: Debra Fitts 18340 Yorba Linda Blvd., #107-478 Yorba Linda, CA 92886

5. CONTRACT INFORMATION

A. Master Agreement

MSA 5-09-99-01 includes the following exhibits as part of the agreement:

- Exhibit A – *Scope of Services*
- Exhibit B – *Budget Detail and Payment Provisions*
- Exhibit C – *General Terms and Conditions (GTC 307 As Modified) and Contractor Certification Clauses (CCC 307 As Modified)*
- Exhibit D – *Special Terms and Conditions*
- Exhibit E – *Fees and Costs*
- Exhibit F – *Agreement for American Express® Card Acceptance*
- Exhibit G – *Authorized User Participation Set-Up Form*

MSA 5-09-99-01 contract documents and Authorized User Participation Set-Up Form (MSA Exhibit G) are posted on the State’s Cal eProcure website. To obtain copies:

- Go to *Cal eProcure - State Contract Search*
 (<https://www.caleprocure.ca.gov/pages/LPASearch/lpa-search.aspx>)
- Enter “5-09-99-01” in the *Contract ID* field and click Search button ()
- Click View button () to access Master Agreement details page.
- Under Attachments, click View button () to download documents.

B. Available Products and Services

Contractor will provide American Express® card acceptance services as defined in MSA 5-09-99-01. Refer to the MSA 5-09-99-01 for a complete description of services provided under the agreement.

C. Credit Card Processing Services

State departments participating under the MSA are required to obtain credit card processing services through one of the current Electronic Payment Acceptance Services (EPAY) MSA Contractors listed on the DGS at:

<http://www.dgs.ca.gov/pd/Programs/Leveraged/masteragreements/EPAY.aspx>.

Local governmental agencies may use the EPAY MSA Contractors or their own credit card processing agreements in accordance with their procurement policies and regulations.

Note: The EPAY MSA Contractor only provides authorization, capture, and routing services for American Express® cards and then must pass the transaction to American Express to finalize the payment transaction. Settlements for all American Express® card transactions are made directly to the Ordering Agency by American Express under MSA 5-09-99-01.

D. Electronic Payment Deposits

Ordering Agencies are required to provide the Contractor with bank deposit account information (as defined in MSA 5-09-99-01, Exhibit B) in order to accept electronic payments under the MSA. The Contractor shall transmit the total amount of the payment transactions to each Ordering Agencies' appropriate designated bank account in accordance with the provisions of Exhibit B and the schedule noted in Exhibit A of the MSA.

Refer to MSA 5-09-99-01 Exhibit B (Budget Detail and Payment Provisions) for detailed account requirements and payment information.

E. Contractor Pricing

MSA 5-09-99-01 pricing is structured into two "Discount Rates". The Discount Rate is calculated as a percentage of the charge (or transaction) value.

The MSA Discount Rate for American Express® Card acceptance is 2.15 percent and the Prepaid Card Discount Rate (gift card) is 1.15 percent. These rates are all-inclusive and there are no settlement, authorization or statement fees².

Refer to MSA 5-09-99-01 Exhibit E (Fees and Costs) for MSA pricing information.

F. Contractor Certification Clauses (State Departments Only)

Contractor has signed and agreed to the Contractor Certification Clauses (CCC-307 As modified) which are incorporated within the MSA and on file with the DGS-PD.

G. Darfur Contracting Act Certification (State Departments Only)

Contractor has a signed Darfur Contracting Act Certification on file with the DGS-PD.

² Card processing fees from the Ordering Agency's EPAY MSA Contractor (credit card processor) may be applicable.

H. Insurance Certificates

Contractor is required to provide certificates of insurance in accordance with MSA Exhibit D. Ordering Agencies may request a copy of current insurance certificates from the Contractor.

I. Small Business (SB) and Disabled Veteran Business Enterprise (DVBE) Participation

There is no Small Business (SB) or Disabled Veteran Business Enterprise (DVBE) participation for the MSA.

6. CONTRACT USAGE/RULES

A. Adherence to Applicable Laws (State Departments Only)

State departments must adhere to all applicable State laws, regulations, policies, best practices, and purchase authority requirements (e.g. California Codes, Code of Regulations, State Administrative Manual, Management Memos, and State Contracting Manual Volumes 1 and 2).

B. Purchasing Authority (State Departments Only)

Prior to placing orders under these agreements, State departments must have been granted purchasing authority by DGS-PD for the use of master agreements. State departments that have not been granted purchasing authority by DGS-PD may access the Purchasing Authority Application by contacting DGS-PD's Purchasing Authority Management Section by email at pams@dgs.ca.gov.

C. Order Limits/Dollar Thresholds (State Departments Only)

There are no ordering limits for subscription agreements placed under the MSA.

D. Agreement Summary (State Departments Only)

State departments using the MSA must complete and retain an Agreement Summary (Std. 215) within their contract file.

E. DGS Approvals (State Departments Only)

State departments must obtain approval from the DGS Office of Legal Services (OLS) if the state ordering agency Subscription Agreement amount exceeds \$50,000, unless the State department has an OLS Exemption greater than \$50,000.

F. Mission Critical (State Departments Only)

State departments must complete and submit a Mission Critical certification form for all orders which require DGS review and approval. The form is available at www.documents.dgs.ca.gov/pd/delegations/pac021810.pdf.

7. ORDERING PROCEDURES

A. Contractor Selection Process

Ordering agencies are not required to solicit multiple offers when executing subscription agreements under the MSA.

B. Subscription Agreement Requirements

Prior to rendering services, Contractor and Ordering Agency must execute a subscription agreement that incorporates all of the terms of MSA 5-09-99-01 by reference and may contain additional agency specific terms and conditions, none of which may alter, rescind, or be in conflict with the terms and conditions of the MSA.

The subscription agreement shall describe the specific requirements of the Ordering Agency. While there is no need to duplicate the MSA contract language, Ordering Agencies should include details specific to the subscription agreement between the Ordering Agency and the MSA Contractor.

1) Contract Form and Signing Authority

- a. State departments must use the Standard Agreement (Std. 213) for subscription agreements under the MSA. An electronic version of the Std. 213 is available on the DGS-PD website at <http://www.dgs.ca.gov/pd/Forms.aspx> (select "Standard STD Forms").
- b. Local governmental agencies may use an appropriate equivalent contract form (in lieu of the State's Std. 213 form) for subscription agreements under the MSA.
- c. For the American Express signature block on the Std. 213 (or equivalent contract form for local governmental agencies) use the following authorized signer information:

Contractor's Authorized Signer Information	
Contractor Name	American Express Travel Related Services Company, Inc.
Name and Title	Christopher J Lolli, Vice President
Address	200 Vesey St. New York, NY 10285

2) Required Information

Subscription agreements executed under the MSA must include the following information, at a minimum:

- Statement incorporating all MSA terms and conditions as follows:
 - *"Master Service Agreement 5-09-99-01 and its amendments are hereby incorporated by reference and made a part of this agreement."*
- Ordering Agency contact information (i.e. name, address, email, phone, etc.)
- Budget, Invoice and Payment Provisions, as applicable (e.g. mailing address, contact person, etc. for invoices)

C. Subscription Agreement Execution and Distribution

Ordering Agencies must submit executed subscription agreements (Std. 213 or local agency equivalent contract form) as follows:

1) Contractor Copies

Ordering Agency shall provide an *original signed copy* of the executed subscription agreement (Std. 213 or local agency equivalent contract form) to the Contractor Contract Manager at:

American Express Merchant Services
Attn: Debra Fitts
18340 Yorba Linda Blvd., #107-478
Yorba Linda, CA 92886

2) DGS-PD Copies

Deleted.

8. IMPLEMENTATION

A. Set Up Form

Ordering Agencies are required to complete an Authorized User Participation Set-Up Form (MSA Exhibit G) identifying each agency location that will accept American Express® cards under the Ordering Agency's subscription agreement.

Completed Authorized User Participation Set-Up Forms must be submitted to the Contractor Contract Manager at debra.l.fitts@aexp.com.

B. Set Up Process

Upon receipt and verification of the completed Authorized User Participation Set-Up Form, the Contractor will take the steps necessary to have new Merchant Identification (MID) numbers assigned to the specified locations.

Contractor will provide new MID number(s) for the specified locations to the designated Ordering Agency contact. Ordering Agency will need to contact their credit card processor to have software or terminals updated with the new MID number(s).

C. Testing

It is recommended that Ordering Agencies perform a test transaction or two at each location just to make sure everything's working properly after updating the software/terminals with the new MID number(s). Ordering Agencies may contact their credit card processor or American Express to obtain test cards.

9. INVOICING AND PAYMENT

A. Payment Terms

Payment for services will be made in accordance with MSA 5-09-99-01 Exhibit B (Budget Detail and Payment Provisions).

B. Payee Data Record (State Departments Only)

Each State accounting office must have a copy of the Payee Data Record (Std. 204) in order to process payment of invoices. State departments should forward a copy of the Std. 204 to their accounting office(s). Without the Std. 204, payment may be unnecessarily delayed. State departments may request a copy of the completed Payee Data Record (STD 204) from the Contractor.

C. CAL-Card Use

The CAL-Card may not be used for the payment of invoices under the MSA.

10. PROBLEM RESOLUTION/CONTRACTOR PERFORMANCE

Ordering agencies should first attempt to resolve complaints, issues or disputes informally with the Contractor. If the issue or dispute cannot be resolved by the Ordering Agency, the issue may be elevated to the DGS-PD State Contract Administrator identified in Section 4 of these User Instructions.