

**1. AGREEMENT TERM:**

This Master Service Agreement (“MSA” or “Agreement”) shall be for a five (5) year term starting on the date of its execution by the State of California Department of General Services (“DGS”), as specifically noted on the attached Std 213 Standard Agreement (the “Effective Date”). DGS reserves the right to extend this Agreement for one additional two (2) year period at the same rates, terms and conditions.

**2. CONTRACT MANAGEMENT:**

Contractor must provide the name, address, telephone number, and e-mail address of the individual directly responsible for managing this Agreement on behalf of the Contractor to the State’s designated Contract Manager. Should the Contractor’s Contract Manager change or any of the contact information change, Contractor must provide updated information no later than ten (10) business days after the date of change to the State’s Contract Manager. Contractor is responsible for notifying all Authorized Users (as defined in Exhibit D) in writing of any changes to a contact person, address, phone numbers, or any other information deemed important to the day-to-day operation of the electronic payment acceptance program.

As of the Effective Date of this Agreement, the Contract Manager for the State of California shall be as follows:

Mary Anne DeKoning  
Department of General Services  
Procurement Division  
707 Third Street, 2nd Floor  
West Sacramento, CA 95605  
[MaryAnne.Dekoning@dgs.ca.gov](mailto:MaryAnne.Dekoning@dgs.ca.gov)  
916-375-4365

Should the Contract Manager for the State of California change, the State must provide written notice with the updated information no later than ten (10) business days after the change to the Contractor’s Contract Manager.

**3. GENERAL OVERVIEW OF SERVICES:**

Contractor shall provide electronic payment acceptance and processing services for State of California agencies, local entities such as universities and city and county government offices, as defined in Exhibit D.

**4. MINIMUM SERVICE LEVEL AGREEMENTS:**

Contractor shall provide electronic payment acceptance and processing services as follows:

**a. General Service Level Agreements (All Categories)**

Contractor will:

1. Allow for batch processing of transactions.
2. Initiate funding for Credit, Debit and PIN-Based Cards, E-Checks and Check Conversion transactions as follows:

| <b>Transaction Day<br/>(Charges received by 11:30 PM<sup>2/</sup> PST)</b> | <b>Initiate <sup>1/</sup> Funding to Authorized<br/>User's Account Via ACH</b> |
|--|--|
| Monday   | Tuesday  |
| Tuesday  | Wednesday  |
| Wednesday  | Thursday   |
| Thursday   | Friday   |
| Friday   | Monday   |
| Saturday/Sunday  | Monday   |

<sup>1/</sup> Includes Contractor's authorization to send funds from Contractor's bank to Authorized User's bank account.

<sup>2/</sup> For E-Checks and Check Conversions, the transactions must be received by Contractor by 8 PM PST.

3. Contractor shall settle in gross daily and process chargebacks and adjustments by invoicing the Authorized User for compensation.
4. Provide to each Authorized User access to detailed statements and online reporting tools that provide sufficient information for each Authorized User to reconcile deposits and adjustments made to the Authorized User's designated bank account(s).
5. Provide a 24x7 Customer Support Center
6. At all times, maintain industry standard data privacy controls sufficient to meet the requirements of the applicable service category security standards and California State Privacy statutes and regulations (defined in Exhibit D, Section 5). Contractor is fully responsible for all administrative and financial obligations that arise from any security breach caused by the Contractor.
7. Annually, make Contractor's SAS-70 information available for review on Contractor's premises upon Authorized User's 30 days written notice. Authorized User's review shall take place during Contractor's normal business hours upon the signing of Contractor's confidentiality agreement. Authorized User's review does not include copying of such documents or taking of notes.

**b. Credit & Debit Merchant Card Processing (Service Category 1)**

Contractor will:

1. Process for the Authorized User, MasterCard, Visa, American Express, Discover, JCB, Debit Cards, & Purchasing Cards in accordance with the operating rules of each of the named associations and under applicable law.
2. Provide continuous service and Contractor's system shall be functional at a minimum 99 percent of the time, measured on a monthly basis. Scheduled maintenance must be approved in advance by Authorized User and occur during Authorized User's non-business hours.
3. Provide Authorization and Settlement functions on behalf of Authorized User. Authorizations must be completed in real time with response times of no more than 2-12 seconds. Response time is measured from the time Contractor receives a transaction authorization request to the time Contractor provides a transaction authorization response to Authorized User, excluding time dependent upon third parties and delays caused by failures or delays in third party's systems.
4. Deliver, at a minimum, the following standard reports:
  - i. Deposit Summary
  - ii. Transaction Reports
  - iii. Statements
  - iv. Interchange
  - v. Adjustments
  - vi. Chargebacks
  - vii. Authorizations
  - viii. Control for Duplicate Transmissions
5. Process Chargebacks, voids, cancels, returns (partial and full) and Retrievals on behalf of Authorized User. Chargebacks will be noticed to the Authorized User within 24 to 48 hours of receipt, unless the Chargeback Department can provide a response to the Chargeback without needing to obtain additional information from the Authorized User. The Contractor will provide all reasonable assistance to allow the Contractor, on the Authorized User's behalf, to protest any chargeback. Chargebacks and adjustments will be invoiced to the Authorized Users for compensation.
6. Remain Payment Card Industry (PCI) compliant at all times.

**c. Electronic Check Conversion (Service Category 3)**

Contractor will:

1. Provide Authorized Users with both web based and client software based paper check scanning utilities.

## Exhibit A – Scope of Services

2. Allow Authorized Users to scan any check written on a checking or brokerage account domiciled at a United States financial institution including, but not limited to:
  - Consumer checks
  - Business checks
  - Travelers checks
  - Convenience checks
  - Money orders
  - Government checks
  - Cashiers checks
  - Official checks
3. Allow Authorized Users, using MICR and/or OCR scanning devices, to transmit Magnetic Ink Character Recognition (“MICR”) lines or images of the front and back of checks to a central, secure scanner controlled by the Contractor.
4. Provide the following features in the check imaging process:
  - i. Image Quality Assurance
  - ii. Control Totals
  - iii. Duplicate Check controls
5. Using a hosted decision engine, convert all checks received at the central, secure server into:
  - i. Point of Presentation/Payment (“POP”) entries permitted by the rules and regulations of the NACHA (if all items can be converted to BOC, POP is optional).
  - ii. Account Receivables Conversion (“ARC”) entries permitted by the rules and regulations of the NACHA.
  - iii. Back Office Conversion (“BOC”) entries permitted by the rules and regulations of the NACHA.
  - iv. Check 21 eligible images permitted under the rules and regulations formulated by the Federal Reserve Bank.
6. For those entries converted to POP, ARC or BOC, deliver correctly formatted and compliant Automated Clearinghouse debit files to the Authorized User’s designated bank account with member Bank.
7. For those entries converted to Check 21 images, deliver correctly formatted and compliant X9.37 image files to the Authorized User’s bank for credit to the Authorized User’s designated bank account.

## Exhibit A – Scope of Services

8. Provide Authorized User with access to electronically converted check history via a web interface.
9. Provide Authorized User with daily and monthly check processing (transaction and dollars) statistics and reconciliation data.
10. Provide Authorized User with industry standard individual user enrollment and authentication procedures that include a Multi-Factor Authentication.

### 5. DEMONSTRATIONS AND PILOT PROGRAMS:

Contractor agrees to conduct demonstrations and pilot programs, at the request of the State and/or an Authorized User, prior to implementation of an electronic payment acceptance program during the term of the contract. Specifically, if services in Categories 2 and 3 are requested, the State will require the Contractor to provide them on a "Pilot Program" basis to State of California agencies. Contractor and requesting State Authorized User may need approval from and shall work collaboratively with the State Treasurer's Office (STO) and other State entities for successful implementation and monitoring of any Pilot Program.

### 6. TRAINING:

The Training site and all costs associated with the facility cost (if any) shall be provided by the Authorized User.

Food and/or refreshments shall not be provided to attendees by Contractor at any time.

Training material and equipment shall be provided by the Contractor at the Contractor's expense and shall include a link to the most recent version of the Contractor's Merchant Operating Guide (posted on the DGS website) as described below. Contractor shall ensure that sufficient material is provided to all attendees.

Contractor shall provide a Welcome Kit that includes a training guide for that location. This Welcome Kit will provide instructions for scheduling telephone training for each Authorized User. The telephone training will be provided at no additional cost. The Training Guide includes, at a minimum, but not limited to the following:

- Step by Step Instructions
- Support Services
- Quick Reference Guide

Authorized Users will have 24x7 access to Elavon's Merchant Operating Guide, which will be posted on the DGS website.

### 7. CUSTOMER SERVICE AND SUPPORT:

Contractor must provide contact information through the individual agreement with each Authorized User for problem resolution and inquiries. Most inquiries regarding

## **Exhibit A – Scope of Services**

the direct reconciliation of an Authorized User's payment transactions, the transfer to the bank account or any other payment transactions involving the Contractor shall be addressed and or resolved by the Contractor within three (3) business days from the date of the original inquiry. Most other problems and inquiries will be addressed within five (5) business days from the date of the original contact. If Contractor is unable to resolve issues within the timelines stated above, Contractor will work with the Authorized User to establish mutual resolution timeframes and project timelines.

### **8. PROGRAM WEBSITE:**

Contractor shall provide and regularly update a secure website for use by Authorized Users of this Agreement. This website shall include at a minimum, the following information:

- Link to the Contractor's standard Merchant Operating Guide.
- Links to industry related rules and regulations as described in this Agreement.
- Customer Service and Support Help desk telephone number.
- Information that provides answers to frequently asked questions.
- Link to report database (see Reporting Requirements of this Agreement)