



The Great Seal

REQUEST FOR PROPOSAL

CARD PAYMENT ACCEPTANCE SERVICES

RFP-DGS-OFA-01-CPAS - Amended

**STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES
August 28, 2001**



State of California • State and Consumer Services Agency • Gray Davis, Governor
DEPARTMENT OF GENERAL SERVICES
Office of Fleet Administration • 802 Q Street • Sacramento, California 95814-6422

August 28, 2001

To: All Bidders

**Subject: REQUEST FOR PROPOSAL – CARD PAYMENT ACCEPTANCE
SERVICES - RFP-DGS-OFA-01-CPAS - Amended**

Purpose

Your organization is invited to respond to the enclosed Request for Proposal (RFP), which solicits bids for a comprehensive program to facilitate credit and debit card payment acceptance for State agencies.

Response to RFP

Please note that your proposal response is due on **September 13, 2001 at 3:00 p.m.**

Rules Of Competition

This competitive procurement is conducted under the laws and regulations of the State of California. Please follow all the instructions, or your proposal may be rejected as not responsive.

RICHARD SHEDD, Acting Chief
Office of Fleet Administration

RS:JS

Enclosure

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SECTION I
INTRODUCTION

A. Background

The State Payment Card Act requires State agencies to accept credit cards or other electronic payment devices for the purchase of goods and services. Electronic payment devices include Automated Teller Machine (ATM) cards; debit cards; and smart cards. This law authorizes the Director of the Department of General Services (DGS) to negotiate and enter into Master Service Agreements (MSAs), necessary to implement or facilitate the acceptance of credit cards or payment devices by State agencies.

Because of the diverse needs and requirements of over 250 State agencies, and in keeping with its mission to provide the greatest flexibility and broadest scope of services to these agencies, DGS may approve one or more contractors under this RFP. Individual agencies will establish service relationships in accordance with their specific needs, within the constraints of the MSAs.

B. Purpose of RFP

The purpose of this RFP is to establish Master Service Agreements with one or more contractors for credit card acceptance that will provide for and govern the card acceptance at individual State agencies and will eliminate the need for additional procurement processes by individual State agencies.

C. Contact Persons

Questions or clarifications about this RFP should be directed to:

Department of General Services
Office of Fleet Administration
802 Q Street
Sacramento, CA 95814
Attn: James Sapnaro
Telephone: (916) 327-0038, FAX: (916) 327-2076

D. Goals of RFP

DGS objectives for this RFP are:

- Enable Individual State agencies to establish working agreements with contractors approved under the MSA in accordance with their requirements.
- Solicit information and proposals specific to the implementation and support of credit and charge card payment acceptance at California State Agencies.
- Provide solutions to the particular requirements of individual State agencies regarding accounting practices, information requirements associated with some payments and recovery of costs associated with card acceptance.

- Take advantage of the combined charge volumes of multiple agencies that may use a single contractor, and establish a pricing structure that takes into account these combined volumes.
- Establish a relationship or relationships with service providers under the Master Services Agreement that will enable DGS to enhance and expand the card acceptance program to new areas and implement new technologies and payment applications on a pilot or production basis.

The major objectives of card acceptance are:

- Enhance customer convenience by offering an expanded choice of payment methods
- Achieve operational efficiencies through the application of new payment technologies
- Expedite funds availability
- Reduce bad check losses
- Increase collection rates for mandated payments.

E. Revised Key Action Dates

All bidders submitting proposals are hereby advised of the following schedule and will be expected to adhere to the required dates and times (all PST):

ACTIVITY	ACTION DATE
RFP Release	August 29, 2001
Deadline for written questions	September 5, 2001
Deadline for Proposal Submission: Department of General Services Office of Fleet Administration 802 Q Street, Conference Room Sacramento, CA 95814	September 13, 2001 3:00 p.m.
Opening of Sealed Proposals: Department of General Services Office of Fleet Administration 802 Q Street, Conference Room Sacramento, CA 95814	September 13, 2001 3:30 p.m.
Posting of the Notice of Intent to Award Department of General Services Office of Fleet Administration 802 Q Street Sacramento, CA 95814	On or about October 15, 2001
Contract Award	On or about October 22, 2001
Contract Takes Effect	Early part of 2002

DGS reserves the right to revise this schedule.

SECTION II
ADMINISTRATIVE INFORMATION

A. Background on RFP and Proposals

The competitive method used for this procurement of services is a Request for Proposal (RFP). A proposal submitted in response will be reviewed for compliance with the RFP's stated qualifications and services. Every proposal must establish in writing the bidder's ability to perform the RFP's requirements. Every responsive and responsible proposal meeting minimum qualifications will be scored based on the criteria described in Section XII. The proposal(s) with the highest score(s) will be awarded the contract.

B. DGS Issued this RFP

The California Department of General Services, Office of Fleet Administration (OFA), has issued this RFP on behalf of the State of California. OFA is the sole point of contact concerning this RFP. The Primary Contact Person for questions is:

James Sapnaro
Contracts Administrator
Telephone: (916) 327-0038
Fax: (916) 327-2076

C. Questions about RFP

Bidders should submit questions about the intent or content of this RFP and request clarification of any and all procedures used for this procurement **on or September 5, 2001**. Bidders must prepare their questions in writing and either email, fax, or send, **with email preferred**, to James Sapnaro. DGS will provide a written response to the questions to all prospective bidders by return regular mail without identifying the party which submitted the question(s). **Answers to submitted questions of July 19, 2001 and July 31, 2001 are hereby incorporated into the RFP by reference. If a bidder needs a copy of the previous questions and answers please contact James Sapnaro. Please note that if DGS receives a question that is the same or similar to a question that was asked previously, it will not be answered.**

Email: jamesapnaro@dgs.ca.gov,

Fax: (916) 327-1159

Address: Department of General Services
Office of Fleet Administration
802 Q Street
Sacramento, CA 95814
Attn: James Sapnaro

D. DGS Can Cancel RFP

DGS reserves the right, for any reason at DGS's sole discretion, to do any of the following:

- cancel this RFP,

- modify this RFP as needed, or
- reject any or all proposals received in response to this RFP.

E. Term of Contract

The contract awarded through this RFP must be signed by both parties and approved by the Department of General Services, Office of Legal Services (OLS). The term of the effective contract will be for three (3) years, beginning the early part of 2002. In addition, DGS reserves the right, at the conclusion of the contract term, to renew the contract for two additional one-year periods with the same terms and conditions as the original contract. A written and approved amendment to extend the contract is required for each extension.

F. RFP in Final Contract

The terms and conditions of this RFP will be incorporated into the final contract.

G. Verbal Communications

Any verbal communication from any State of California or DGS employee concerning this RFP is not binding on the State, and shall in no way alter a specification, term, or condition of the RFP.

H. Bidders' Costs

The cost of developing a proposal is each bidder's responsibility and cannot be charged to the State.

I. Addenda

The State reserves the right to amend this RFP by addendum. OFA will mail formal written addenda to all parties that received the RFP. Should an addendum be issued, OFA will have the addendum sent prior to the bid submission deadline of **September 13, 2001**.

J. Proposal Due Date

Proposals must be received by OFA by 3:00 p.m., Pacific Daylight Time (PDT) **September 13, 2001**. The bidder is solely responsible for ensuring delivery no later than the time specified above. Use of the U.S. Mail or any other service which may result in delayed delivery shall not relieve the bidder from the conditions of the deadline.

K. Proposal Submission

Proposals must be prepared in conformance with the guidelines described in this RFP. Each bidder must mail or deliver an **original proposal and six (6) copies**.

Bidders must submit their proposal and all copies in a sealed envelope labeled "Card Payment Acceptance Services, RFP-DGS-OFA-01-CPAS."

L. Methods to Deliver Proposal

A bidder may deliver a proposal by:

- U. S. mail
- in person
- messenger service or
- overnight mail.

If a bidder chooses any of the last three methods, delivery must be done during the normal business hours of 8:00 AM - 5:00 PM, Monday through Friday.

M. Proposal Submission Location

Department of General Services
Office of Fleet Administration
802 Q Street
Sacramento, CA 95814
Attn: James Sapnaro

N. Proposal Opening

DGS will open all proposals at **3:30 PM** on **September 13, 2001**, at the location shown above. DGS will read aloud the name of each bidder. A list of bidders will be made available upon request.

O. Withdrawal/Modification

After submitting a proposal it may be modified or withdrawn as follows:

- The bidder may modify the proposal by notifying the OFA's Primary Contact Person of its intent to modify and by submitting the modifications in writing prior to the final submittal deadline.
- The withdrawal of a proposal requires written notification to OFA's Primary Contact Person, which must be signed by an authorized individual representing the bidder.

P. Proposal is an Offer

A proposal submitted in response to this RFP is a binding offer.

Q. Proposals are State Property

On the proposal submission date, all proposals and related material submitted in response to this RFP become:

- the property of the State, and
- a public record.

R. Immaterial Defect

DGS may waive any immaterial defect or deviation contained in a bidder's proposal. DGS's waiver shall in no way modify the RFP or excuse the successful bidder from full compliance with the RFP and resulting contract.

S. Subscribers

The below referenced State of California departments, agencies, and political subdivisions of the State may request services from the successful bidder:

- The Executive Branch
- The Legislative Branch
- The Judicial Branch
- Constitutional Officers
- California State Universities
- University of California
- Community Colleges
- Political subdivisions of the State, such as city and county governments and special districts.

The successful bidder(s) will enter into contracts with individual participating agencies. The subscription agreements will incorporate the Master Services Agreement (MSA) between, DGS and the successful bidder(s). Subscription agreements will be executed on a Std. Form 213 or 2. To better meet the specific needs of the subscribing agency, such agreements may vary from the specific terms of the MSA, but those variations may not conflict with or vary the scope of the terms and conditions of the MSA.

T. Use of Employee Names

The successful bidder must agree not to use the names and/or addresses of State, city, county or other public employees for any purpose not directly related to the final contract.

U. Intent to Award

Subsequent to the RFP evaluation, DGS will issue a written "Notice of Intent to Award" to all bidders. The notice will be mailed approximately October 15, 2001. |

Also, the notice of intent to award will be posted on the DGS/OSBCR website. A copy of this notice will be posted at:

Department of General Services
Office of Fleet Administration
802 Q Street
Sacramento, CA 95814

V. Evaluation of Proposals

To evaluate all proposals DGS will organize an evaluation committee. After opening the proposals, the committee will check each proposal in detail to determine its compliance with the RFP requirements. Specifically, DGS will evaluate proposals for compliance with the format requirements outlined in Section III as well as the experience, functional and pricing components as documented and submitted in response to this RFP. Non-responsive proposals will not be evaluated and will be eliminated from consideration.

The evaluation committee will evaluate and score the bidders' qualifications, technical proposals, and price components in accordance with the criteria and weighting described below and in Sections V - XII. DGS may use a professional independent consulting firm which will assist DGS with evaluating the technical and pricing proposals and offer such other advice as the committee deems appropriate on other sections of the proposals. Refer to Section XII, Proposal Evaluation.

W. Award of Contract

DGS will endeavor to award the contract for this RFP to the successful bidder(s) on or about October 22, 2001.

X. No Contract Until Signed

No agreement between DGS and the successful bidder is in effect until a contract is signed by both parties and approved by the DGS, Office of Legal Services.

Y. News Releases

News releases pertaining to any award from this RFP may not be made without the prior written approval of the Department of General Services, Office of Fleet Administration.

Z. Protests

Any bidder who feels aggrieved in connection with this RFP and/or contract award can file a protest. The procedures for filing a protest are explained in California Public Contract Code section 10345. Any protest must be received by the offices referenced below by 5:00 p.m. on the fifth day after the Notice of Intent to Award is posted. Within five (5) days after filing the initial protest, the protesting bidder shall

file with DGS and the awarding agency a full and complete written statement specifying the grounds for the protest.

The written initial protest and written statement must be sent to:

Department of General Services
Office of Legal Services
1325 J Street, Suite 1911
Sacramento, CA 95814
Attn: Protest Coordinator

A copy of the written initial protest and written statement must be mailed to:

Department of General Services
Office of Fleet Administration
802 Q Street
Sacramento, CA 95814
Attn: James Sapnaro

It is suggested that Certified or Registered mail be used to submit the protest. If, prior to the contract award, any bidder files a protest with the awarding agency and DGS against the awarding of the contract, the contract shall not be awarded until either the protest has been withdrawn or DGS has decided the matter.

AA. Proposal Contents/Public Records

Upon bid opening, all proposals will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and may be subject to review by the public. The State cannot prevent the disclosure of public documents.

BB. Priority Hiring Considerations

If the contract resulting from this RFP will have a total contract value of \$200,000 or more, the successful bidder is hereby advised that it will be obligated to give priority consideration in filling vacancies in positions funded by the resulting contract to qualified recipients of aid under Welfare and Institutions Code section 11200. This requirement shall not interfere with or require a violation of a collective bargaining agreement, a federal affirmative action obligation for hiring disabled veterans of the Vietnam era, or nondiscrimination compliance laws of California and does not require the employment of unqualified recipients of aid.

CC. Confidentiality

The successful bidder shall keep the information related to any resulting contract and subcontracts in strict confidence. Other than the reports submitted to the State and participating entities, the successful bidder shall not publish, reproduce, or otherwise divulge any contract, account, or related information, in whole or in part,

in any manner or form, or authorize or permit others to do so. The successful bidder shall take reasonable measures as are necessary to restrict access to all contract, account, and related information while in the successful bidder's possession, to those employees on the bidder's staff who must have the information on a "need-to-know" basis. Additionally, the successful bidder agrees to immediately notify, in writing, the State and participating entity, in the event the bidder determines, or has reason to suspect, a breach of these requirements. Failure to comply with confidentiality requirements may subject the successful bidder to criminal and civil liability.

DD. Alternative Dispute Resolution

In the event a dispute arises with respect to the interpretation or performance of, or the relationship created by, all or any part of a resulting contract, the parties will attempt in good faith to resolve the dispute. If such efforts prove unsuccessful, each party agrees to consider the use of mediation, mini-trial, arbitration or other alternative dispute resolution techniques prior to resorting to litigation. If mediation, mini-trial, arbitration or other alternative dispute resolution techniques are utilized by the parties, each party agrees that no award or decision resulting therefrom shall include punitive damages.

SECTION III
PROPOSAL FORMAT

The contract(s) to be executed must conform to the requirements set forth in this section.

All proposals must be submitted per the prescribed format to facilitate objective review. Any proposal that materially deviates from this format will be rejected without further consideration of its content. Proposals that contain false or misleading statements or that provide references that do not support an attribute or condition claimed by the bidder, may also be rejected. All required cost figures must be clearly stated in the proposal.

A. Cover Letter

The proposal must be accompanied by a cover letter that designates the name, address and telephone number of the person or persons available for contact concerning the proposal, and who are authorized to make representations on behalf of your organization. Each bidder's cover letter must include:

- A summary of the bidder's ability to perform the services described in the RFP.
- A statement that the bidder is willing to perform those services and enter into a contract with the State.
- The cover letter must be signed by a person having the authority to commit the bidder to a contract, the terms and conditions set forth in this RFP, and in the Bidder's proposal. In addition, if the bidder claims a Small Business Preference, a statement to that effect should be included in the cover letter.

B. General Structure

Proposals must include all information requested. Failure to submit all information may result in rejection of a proposal or lower scoring of the proposal.

- Proposals must address each of the requirements noted in this document in the same order as listed to be considered responsive. Proposals should reference each identified requirement (including paragraph number), explaining how the bidder's solution meets the specified requirement.
- Narratives should provide a concise description of capabilities to satisfy the requirements of this RFP. Emphasis should be on clarity, brevity and completeness of response.
- Where practical, each copy of the proposal should be bound or contained in a single volume. All documentation submitted with the proposal should be contained in that single volume.

C. Table of Contents

Include a listing of the main chapters and paragraph headings contained in the proposal, including page numbers.

D. Introduction

Include any introductory remarks deemed appropriate. Briefly discuss such topics as company background, management and facilities, staffing, related experience, and financial stability.

E. Bidder Qualifications

Contractor must, at the time of this proposal, or prior to that time if required by law, be an established business firm with all required licenses, bonding, facilities, equipment, and trained personnel necessary to perform the work, as specified in this RFP. The State reserves the right to require proof of said requirements within ten calendar days from the date of request.

F. Experience

The contractor must have five years of experience in performing credit card acceptance services as described in the RFP for like volumes of payment processing.

G. Bidder's Profile

In this section please describe your company ownership and structure and provide a summary organization chart. Annotate the chart with the number of total staff assigned to each major business function that relates to the State of California credit card acceptance. Please provide additional information on your company as follows:

Annual reports or financial statements for the years 1999 and 2000 and indicate the portion of overall revenues related to your credit card merchant acquirer business.

Briefly describe any other companies under the same ownership and their products and services. Identify any of these companies that provide services directly to your organization which are mission-critical to delivery of the services referenced in this RFP. An example would be an acquiring bank or a processor. Identify and describe any of these companies which provide related services to the same markets that your organization serves. An example is Interactive Voice Response (IVR) services.

Describe all outsourced functions, and identify the company that delivers each service, such as settlement banks or front-end authorization and data capture processing.

Describe the structure and tenure of your relationships with all card associations and debit card networks.

Provide a list of five client organization references. References must be those clients for whom you have provided merchant credit card processing services within the last three years. Please include your two largest customers in terms of transaction volume processed or terminals supported. Your organization must be the primary contractor on all projects for which references are provided.

Also include any government agency references for which you have provided merchant card processing services.

Please provide the following information for each reference:

- Principal contact person and telephone number
- Specific processing services supported
- Customer's industry and geographic market
- Length of time you have supported the customer
- Other factors that you believe are relevant to the relationship with these customers.

H. Contract and Administrative Requirements

Include a precise statement of compliance or exception to each of the contractual requirements as specified in Sections IV of this RFP.

I. Functional and Technical Presentation

Present all aspects and details of the proposed fulfillment of DGS's specific functional, technical, performance and support requirements as delineated in this RFP, specifically Sections VII - X. For ease of evaluation, please refer to the requirements and numbered paragraphs as presented in this RFP. Proposals should reference each identified requirement (including paragraph number), indicating that the specified requirement is currently supported, is planned to be supported, or will not be supported, with a brief explanation as appropriate.

J. Pricing Information

Include a price schedule as described in Section XI, Pricing. Unless otherwise indicated, it is assumed that the cost of all development necessary to meet the stated requirements is included in the pricing. If specific features or functions are not included in this pricing, such items and the associated cost must be indicated and clearly identified. The pricing schedule must depict fully bundled pricing for each level of service indicated.

K. Unique Capabilities

Provide a summary of any unique expertise, products or services that distinguish your organization.

SECTION IV
ADMINISTRATIVE & CONTRACTUAL REQUIREMENTS

Please include a statement of compliance with the following terms and conditions. Please note if a bidder materially alters or takes exception to any of these terms and conditions their bid may be considered non-responsive and will not be scored.

A. Contractual Responsibility

DGS intends to select one or more contractors to supply credit, debit and charge card acceptance services as specified in this RFP. Contractors are contractually responsible for all services provided.

B. Subcontractor

The bidder is the responsible party without recourse to the State regarding settlement and satisfaction of all contractual and administrative issues arising out of subcontracts as a result of this RFP. This includes, but is not limited to, disputes, claims, protests of award, or other matters of a contractual nature.

C. Funds Availability

Any contract(s) awarded under this RFP will be valid and enforceable only if sufficient funds are made available to the State for the fiscal year(s) covered by any contract. In addition, any contract(s) is subject to any additional statutory restrictions, limitations, or conditions enacted by the Legislature or any statute enacted by the Congress which may affect the provisions, terms or funding of any resulting contract(s) in any manner.

D. Prompt Payment Act

With respect to late payment penalties, the California Prompt Payment Act (Government Code Section 927 et seq.) provides that payments on undisputed invoices must be made within 45 days of receipt, or is subject to an interest penalty fee. The penalty is typically calculated at a rate of one (1) percent above the rate accrued on June 30 of the prior year by the Pooled Money Investment Account, not to exceed 15 percent; however, the law provides that the penalty is waived if it amounts to seventy-five dollars (\$75) or less. The provisions of the Prompt Payment Act may not be waived.

E. Phase-In and Phase-Out Services

Prior to contract termination, successful bidder(s) must furnish phase-out services for up to 120 working days. Additionally, the successful bidder(s) must negotiate in good faith a plan with a successor to determine the nature and extent of phase-in, phase-out services required.

F. Applicable Law

Any contracts resulting from this RFP shall be subject to and construed in accordance with the laws of the State of California.

G. Contractor Certification Clauses (CCC 201)

The State of California is engaged in an effort to standardize certain contracting formats and procedures. The enclosed "Contractor Certification Clauses" contain standardized language and conditions that will apply to any contract awarded under this RFP. (For your reference, these clauses are accessible on the Internet at www.dgs.ca.gov/contracts.) Also, a copy may be obtained by contacting the primary contact person.

As part of its proposal, each bidder must sign and return page one of CCC 201, acknowledging its understanding of and agreement to be bound by such terms and conditions if awarded a contract. Please include a statement of compliance with the terms and conditions of CCC 201. If in the state's judgement a bidder materially alters or takes exception to any of the language in CCC 201 their bid may be deemed non-responsive and will not be scored.

H. Payee Data Record (Std. 204)

Each bidder must fully complete, sign, and return the enclosed Payee Data Record (Std. 204) as part of its proposal. **See Attachment 1.**

I. Standard Agreement (Std. 213)

Any bidder awarded a contract pertaining to this RFP will be required to sign a Standard Agreement (Std. 213), which is the contract entered between DGS and the successful bidder for services requested herein. (Additions/modifications may be made to the Agreement prior to execution, depending on the particulars of the successful bidder's proposal.)

Please note that the agreement includes "General Terms and Conditions (GTC 201)," which are incorporated by reference from the Internet at: www.dgs.ca.gov/contracts. If a bidder cannot access these terms via Internet, a copy may be obtained from James Sapnaro at (916) 327-0038. Please include a statement of compliance with the terms and conditions of GTC 201. If in the state's judgement a bidder materially alters or takes exception to any of the language in GTC 201 their bid may be deemed non-responsive and will not be scored.

J. Small Business Preference

Section 14835, et seq. of the California Government Code requires that a preference be given to bidders who qualify as a small business. Those verified as a small business are granted a preference in an amount equal to five percent (5%) of the highest scored bid if the high bid has been submitted by a bidder who is not verified as a small business.

The rules and regulations of this law, including the definition of small business for the delivery of services, are contained in Title 2, California Administrative Code, Section 1896, et seq. A copy of the regulations is available upon request.

A small business is one that meets all of the following criteria:

- Has requested and been verified as a certified small business by the State of California, Office of Small Business Certification and Resources (OSBCR)
- Is not, together with any affiliate(s), dominant in its field of operation
- Is independently owned and operated
- Has its principal place of business in California and its officers or owners are domiciled in California
- Its annual receipts for the preceding three years do not exceed the maximum for the applicable industry group (as established by OSBCR)

For questions regarding small business, and/or to obtain a small business application, contact the OSBCR at www.dgs.ca.gov/osbcr or by telephone at (916) 323-5478.

K. Target Area Contract Preference Act (TACPA)

Government Code Section 4530, Et. Seq., provides that California based companies shall be granted a 5% preference, not to exceed a maximum of \$50,000, whenever a state agency prepares a solicitation:

- For a goods contract in excess of \$100,000 and the worksite(s) is not fixed by the terms of the contract if they demonstrate and certify under penalty of perjury that at least 50 percent of the total hours required to manufacture the goods and perform the contract shall be performed at an identified worksite(s) located in a distressed area.
- For a services contract in excess of \$100,000 and the worksite(s) is not fixed by the terms of the contract demonstrate and certify under penalty of perjury that at least 90 percent of the total labor hours required to perform the contract shall be performed at an identified worksite(s) located in a distressed area

Bidders seeking to obtain a TACPA 5 percent preference must submit a completed STD Form 830 with or prior to their bid that includes the following:

- All appropriate certifications.
- The bidding firm's name and the name of all suppliers and subcontractors that will work with the bidder to fulfill the terms of the contract along with the address(es) of each of the worksite(s) and estimated labor hours.
- County census tract number and block group number.

- Bidder's original signature.
- The bidder must indicate if seeking the additional 1 to 4 percent preference available for hiring persons with a high risk of unemployment, by checking the appropriate box.

A bidder who has claimed a TACPA preference(s) and is awarded the contract will be obligated to perform in accordance with the preference(s) requested, provided that the TACPA preference(s) was granted in obtaining the contract.

Bidders should contact the Office of Small Business Certification and Resources at (916) 323-5478, to determine if the worksite(s) is eligible. Firms receiving TACPA preferences must report their labor hours. Reference the state contract on which the award is based for specific reporting requirements. **See Attachment 2.**

L. Local Agency Military Base Recovery Area (LAMBRA) Act

Government Code Section 7118, et. seq., provides that whenever a state agency prepares a solicitation for a goods or services contract in excess of \$100,000 and the worksite(s) is not fixed by the terms of the contract, a 5 percent bid preference will be granted to California-based bidders if they certify under penalty of perjury that no less than 50 percent of the labor required to perform a contract for goods, or 100 percent of the labor hours required to perform a contract for services are performed at an approved worksite(s) located in a local agency military base recovery area.

Bidders seeking to obtain a LAMBRA 5 percent preference must submit a completed STD Form 832 with or prior to their bid that includes the following:

- All appropriate certifications.
- The bidding firm's name and the name of all suppliers and subcontractors that will work with the bidder to fulfill the terms of the contract along with the address(es) of each of the worksite(s) and estimated labor hours.
- Military Base Recovery Area name(s).
- Bidder's original signature.
- The bidder must indicate if seeking the additional 1 to 4 percent preference available for hiring persons with a high risk of unemployment, by checking the appropriate box.

A bidder who has claimed a LAMBRA preference(s) and is awarded the contract will be obligated to perform in accordance with preference(s) requested, provided that the LAMBRA preference(s) was granted in obtaining the contract.

Bidders should contact the State Trade and Commerce Agency at (916) 324-8211 to identify LAMBRA zone locations. Firms receiving LAMBRA preferences must report their labor hours. Reference the state contract on which the award is based for specific reporting requirements. **See Attachment 3.**

M. Enterprise Zone Act (EZA)

Government Code Section 7070, Et. Seq., provides that California based bidders, shall be granted a 5% preference, not to exceed a maximum of \$50,000, whenever a state agency prepares a solicitation:

- For a goods contract in excess of \$100,000 and the worksite(s) is not fixed by the terms of the contract, if they demonstrate and certify, under penalty of perjury, that 50 percent of the labor hours required to manufacture the goods and perform the contract shall be accomplished at an approved worksite(s) located in an enterprise zone (Gov. Code 7084(a)).
- For a services contract in excess of \$100,000, and the worksite(s) is not fixed by the terms of the contract, if they demonstrate and certify, under penalty of perjury, that 90 percent of the labor hours required to perform the contract shall be accomplished at an approved worksite(s) located in an enterprise zone (Gov. Code 7084(b)).
- Where a bidder complies with Gov. Code Sections 7084(a), or 7084(b), and certifies, under penalty of perjury, to hire a specified percentage of persons living within a targeted employment area, or are enterprise zone eligible employees, those bidders shall be granted additional preferences according to the hiring percentages specified as follows:
 - An additional one percent (1%) preference by certifying to hire employees equal to 5 to 9 percent of the workforce
 - An additional two percent (2%) preference by certifying to hire employees equal to 10 to 14 percent of the workforce
 - An additional three (3%) preference by certifying to hire employees equal to 15 to 19 percent of the workforce
 - An additional four (4%) preference by certifying to hire employees equal to 20 or more percent of the workforce
- The maximum that can be awarded for this and any other provision of law is limited to 15 percent, nor shall the combination of all preferences allowable by law exceed one hundred thousand (\$100,000) dollars.

Bidders seeking to obtain an EZA 5 % preference must submit a completed STD Form 831 with or prior to their bid that includes the following:

- All appropriate certifications.
- The bidding firm's name and the name of all suppliers and subcontractors that will work with the bidder to fulfill the terms of the contract along with the address(es) of each of the worksite(s) and estimated labor hours.
- Enterprise zone name(s)
- Bidder's original signature.
- The bidder must indicate if seeking the additional 1 to 4 percent preference available for hiring persons with a high risk of unemployment, by checking the appropriate box.

A bidder who has claimed an EZA preference(s) and is awarded the contract will be obligated to perform in accordance with preference(s) requested, provided that the EZA preference(s) was granted in obtaining the contract.

Bidders should contact the city or county economic development office or the State Trade and Commerce Agency at (916) 324-8211 to identify enterprise zone locations. Firms receiving EZA preferences must report their labor hours. Reference the state contract on which the award is based for specific reporting requirements.

See Attachment 4.

SECTION V
CONVENIENCE FEES & CARD PAYMENT DEPOSITS

This section contains instructions and descriptions for some specialized needs of California State agencies to accommodate card acceptance. The information you provide will enable DGS to understand and evaluate your capabilities for assessing convenience fees and processing card payment deposits in accordance with the State's requirements. Note that mandatory requirements are designated with an **(MR)**.

The information is to be recorded by you in tables designed to enable an objective evaluation of your services. The tables record information about specific functional and support capabilities. To properly complete these tables:

- Place a check mark in the Currently Available column adjacent to the line item if the function/capability is currently supported.
- For those specific requirements that are not currently available, please indicate whether or not the function will be available by the beginning of 2002. If the requirement will not be available by the beginning of 2002, but will be available at some later date, indicate when the function will be available in the Planned Availability Date column.
- Leave the line blank if the function is neither supported nor planned on being supported. A section area that is not supported nor planned on being supported may result in the bidder receiving a lower score.

A. Convenience Fees (MR)

Convenience fees are assessed to card users (consumers) to offset the cost of card acceptance. Assessment of the fee occurs at the time of the transaction. Individual State agencies, based on their individual requirements, will determine whether or not to pass on the convenience fee on card transactions to the cardholder.

Convenience fees are subject to the constraints of the card associations and card companies and, in some cases, by State regulations. In general, card payments, and specific card brands, may not be disadvantaged at the point-of-sale relative to other payments. All of the following convenience fee types are **(MR)**.

- Convenience fees may be levied as a flat fee and not tied to the amount of the payment transaction.
- Convenience fees may be levied as a percentage of the transaction amount.
- Convenience fees may be levied based on tiered schedule associated with the transaction amount.
- Contractors must support convenience fee policies at the individual agency level.
- Contractors must support convenience fee assessment by type of payment channel (i.e., telephone, over-the-counter) within each agency.
- Contractors must support variations in the convenience fee at the agency level.

Convenience Fee Assessment (All MR)

Functions/Capabilities	Currently Available	Planned Availability Date	Comments
V.1 Assess a flat convenience fee			
V.2 Assess a percentage convenience fee			
V.3 Assess a tiered convenience fee			
V.4 Provide flexibility for each agency to assess or not assess a convenience fee			
V.5 Provide flexibility for each agency to assess or not assess a convenience fee by payment channel			
V.6 Support variations in convenience fees at the agency level			

Card Payment Deposits (All MR)

The State of California has financial and accounting policies and requirements that contractors must comply with under the MSA. These requirements include:

- All participating State agencies are required to open a Zero Balance Account (ZBA) at a selected Centralized Treasury System (CTS) bank to accept card payment transactions. The contractor shall transmit the total amount of the card payment transactions, less the amount of any convenience fees, for each agency to the appropriate ZBA each.
- The contractor may not debit or reduce any payment transactions in the ZBA.
- Discount fees will be paid monthly. Contractors must submit an itemized monthly invoice for discount fees and any other fees to the individual State agency.
- The contractor must transmit timely detailed analysis to each of the participating State agencies, providing sufficient information for each of the agencies to reconcile deposits transferred into its respective ZBA.
- The contractor must provide a directory of representative(s) and phone number(s) to resolve problems and respond to inquiries. Any problems or inquiries regarding the direct reconciliation of an agency's payment transactions, the transfer to the ZBA or any other payment transactions involving the contractor shall be resolved by the contractor within three business days from the date of the original inquiry. Other problems and inquiries will be addressed within one week from the date of the original contact.
- The contractor must identify revenue/payment data according to classification and source identification codes assigned by the State.
- All accounting information must be able to be electronically transmitted to all participating agencies.
- The contractor must provide ad hoc reporting capabilities.

Card Payment Deposits (All MR)

Functions/Capabilities	Currently Available	Planned Availability Date	Comments
V.7 Deposit card transactions, less convenience fee, into agency ZBA			
V.8 Submit monthly invoices for discount fees and any other fees to individual agencies			
V.9 Transmit timely detailed analysis necessary to reconcile ZBA and convenience fee deposits			
V.10 Provide a directory of representatives for inquiry and problem resolution			
V.11 Identify revenue classification and source			
V.12 Electronically transmit all accounting information to the State and participating agencies			
V.13 Provide ad hoc reporting			

SECTION VI
LEVELS OF SERVICE

Due to the diversity of requirements across the over 250 State agencies to be represented by the Master Services Agreement, the following levels of service should be described in the proposal. Support for each of these levels of service must be verified.

A given level of service that is proposed need not match perfectly with the description given to be acceptable for evaluation. For evaluative purposes, however, each proposed service must be categorized into the service level it most closely approximates and the bidder should provide explanatory comments as appropriate to offer a clear understanding of the service to be provided.

A. Manual Processing (MR)

Includes the use of imprinters only, call-in voice authorizations over the telephone, and physical deposit of sales drafts at a bank branch. The cash register operation is separate from the card transaction.

B. Authorization Only (MR)

Includes authorization-only terminals, with physical deposit of sales drafts at a bank branch. The cash register operation is separate from the card transaction.

C. EDC - Electronic Data Capture (MR)

Electronic data capture terminals are used for both transaction authorization and electronic credit draft capture. Electronically stored sales drafts are transmitted to the processor/acquirer. There is no in-person deposit of credit drafts at a bank branch. The cash register operation is separate from the card transaction.

D. Check Authorization Services

Please describe your check authorization services and the type of verification and/or guarantee options available.

E. Electronic ECR/POS Interface

Automated electronic interface with cash registers (point-of-sale) system to support on-line, interactive verification of charges and receipt of approval codes. No in-person deposit of credit sales drafts.

F. PC Interface

State agency personal computers interface by modem with bank computers to provide batched data transmission and storage of sales draft information. The transaction authorization and data capture functions are incorporated in the PC, which acts as the POS terminal.

G. Plural Interface Processing

Routes bankcard transactions to third party processors and charge card transactions directly to American Express or Discover. Identify if plural interface processing is supported. If it is not supported, identify the amount of the fee that will be charged to the agency for forwarding the transaction.

H. Mail Order Telephone Order (MOTO) (MR)

Support of mail/phone order transactions recorded without physical access to the card (no magnetic stripes to be read).

I. Internet Processing (MR)

Support Internet credit card and off-line debit card processing in a fully secured environment.

J. Debit Card Processing (On-line, PIN-based ATM card and signature-based debit) (MR)

The transaction is charged to the cardholder deposit account and funds are guaranteed to the merchant provided the transaction is authorized.

K. Interactive Voice System (IVR) Interface (MR)

Some State agencies use established IVR systems. The contractor will develop and support an interface to the existing IVR system to support electronic card payments via the IVR.

L. IVR Support and Fulfillment (MR)

Some State agencies will require IVR systems provided by the contractor to support card acceptance. The contractor provides and implements IVR systems and support.

Levels of Service

Levels of Service	Currently Available	Planned Availability Date	Comments
VI.1 Manual (MR)			
VI.2 Authorization only (MR)			
VI.3 EDC (MR)			
VI.4 Check Authorization Services			
VI.5 Electronic ECR/POS Interface			
VI.6 PC Interface			
VI.7 Plural Interface Processing			
VI.8 Mail Order Telephone Order (MOTO) (MR)			
VI.9 Internet Processing (MR)			
VI.10 Debit Card Processing (MR)			

Levels of Service	Currently Available	Planned Availability Date	Comments
VI.11 Interactive Voice Response (IVR) Interface (MR)			
VI.12 IVR Support & Fulfillment (MR)			

SECTION VII

CREDIT & CHARGE CARD PAYMENT SUPPORT REQUIREMENTS

This chapter contains the State's functional and technical requirements for credit and charge card payment support. The information you provide will enable DGS to understand and evaluate your capabilities for meeting the State's requirements. Note that mandatory requirements are designated with an **(MR)**.

Please present all aspects and details of the proposed fulfillment of the functional, technical, performance and support requirements as delineated in this RFP. For ease of evaluation, please refer to the requirements and numbered paragraphs as presented in this document. Proposals should reference each identified requirement (including paragraph number), explaining if the proposed system/service currently supports the specified requirement. For those specific requirements that are not currently available, please indicate whether or not the function will be available at some later date, indicate when the function will be available.

A. Card Brand Support (MR)

Credit and charge card transaction authorization, routing and settlement is required for all major card brands and for debit cards:

- American Express
- Discover
- MasterCard (credit and debit)
- Visa (credit and debit)
- Debit Card (On-line, pinned ATM)

B. Retrievals and Chargebacks

Describe your retrieval and chargeback handling support.

- Indicate whether you support document imaging other than facsimile for transmission and response to retrieval requests.
- State your reversal rate (without merchant involvement) in total and by chargeback type over the last twelve months.
- State the average elapsed time from receipt of a retrieval request to merchant receipt.
- Describe any special facilities available to effectively support retrieval and chargeback handling that would be advantageous to the State.

C. Merchant Help Desk

Please describe any Merchant Help Desk services and facilities, including hours of operation, support approaches and service level options. Provide any pertinent performance statistics such as average call response time, number of calls per operator, number of operators, etc.

D. Authorization and Processing

Provide the statistical parameters for your response time for both dial-up and leased lines based on data for the month of December 2000. Express this as a mean in seconds, stated to one decimal place.

E. Authorization and Processing During Downtime

Explain your procedures for authorization and processing during downtime and system outages. Indicate any scheduled downtime, periods in terms of duration and frequency.

F. Interactive Voice Response (IVR)(MR)

Describe the features and functions of your IVR service. If this service is outsourced or provided through a third party, please provide the name of your contractor and the size of their portfolio.

Please describe any interface or implementation requirements or compatibility issues associated with implementing your IVR system for use at individual State agencies.

G. Settlement and Clearing (MR)

Describe your settlement and clearing policies and procedures. Indicate whether these functions are performed internally or outsourced. If outsourced, please provide the name of your contractor and the size of their portfolio.

- Outline your operating schedule for transmission acceptance by days of week and holiday exceptions to standard days.
- Indicate your cutoff time (PST) for same-day transmission to the card associations on weekdays and Saturdays.

H. Convenience Fee Collection (MR)

Explain procedures used for collecting, depositing, and accounting for all convenience fees (see Section V, Convenience Fees).

I. Funding Procedures (MR)

- Frequency
- Computation of amount to be transferred
- Method of transmission of funds
- Reporting format
- Supporting documentation

- Describe your procedures and timelines for depositing funds into the individual agency ZBAs (see Section V, Card Payment Deposits).

J. Agency Fee Collection (MR)

Indicate your willingness to comply with the State's requirement for monthly invoicing for all fees (including discount fees), and your procedures for ensuring compliance (See Section V, Card Payment Deposits). Describe supporting documentation provided with monthly invoices.

K. Reports

Provide a brief but comprehensive review of your reporting procedures and capabilities, with descriptions of the reports, descriptions of report line items and single page examples of each report. The review should include:

- Standard reports
- Special reporting capabilities
- Level of detail available
- Information about retrieval capabilities
- Types of report media used and available (i.e., hard copy, document image, electronic file transmission)
- Access mode (i.e., on-line, real time or PC remote batch)
- Security and access control for both electronic access and hard copy

L. Customer Service

Summarize your customer service practices and procedures including:

- Customer services staffing levels by shift
- Anticipated assignment of customer service representatives to individual State agencies
- Hours of operation
- Response time standards by function
- Location(s) by function
- Customer contact schedule
- Redundancy and backup staff by function
- Problem resolution
- Average time to answer calls

M. Training and Implementation Support

The training and support component is of particular importance to the State as the some of agencies have no experience with card acceptance. Please describe the nature and scope of your training and support capabilities, including any materials or assistance to "market" card acceptance to the State agencies. The State is interested in understanding the level of support that can be expected from

introducing the idea of card acceptance to State agencies through implementation and daily operation and support.

Identify the specific individuals who would support the implementation effort and include their areas of expertise and years of experience.

N. Implementation Schedule

Provide a timeline that describes how you will establish card acceptance by the early part of 2002, including any key dates that require action by DGS or the state agencies. Include the major tasks associated with implementation and the individuals who will be responsible for these tasks.

O. Implementation Support

Please discuss what actions may be required by DGS or the State agencies in preparing for conversion to your system from a POS terminal, telecommunications, technical interface or any other standpoint.

P. Fraud and Loss Prevention Support

Describe your support services for fraud and loss prevention.

Q. American Express and Discover Card Processing (MR)

Describe services available for processing American Express and Discover Card transactions. Please include any requirements or arrangements by DGS or the State agencies that need to be included in American Express or Discover Card transaction processing with your service.

R. System Processing and Response Times

Please indicate levels of system processing, facilities and response times as appropriate for the following:

- Average authorization response time – expressed in seconds
- System reliability – expressed as a percentage of clock time
- Scheduled downtime – frequency and duration
- System redundancy

S. Credit/Charge Card Transaction Set (MR)

The State requires support for the full range of credit/charge card transactions. Please indicate your system and terminal support in the table below:

Credit/Charge Card Transaction Set

Levels of Service	Currently Available	Planned Availability Date	Comments
VII.1 Sales Authorization			
VII.2 Credit (returns)			
VII.3 Pre-authorization			
VII.4 Pre-authorization Cancellation			
VII.5 Post Authorization			
VII.6 Purchase Cancel			
VII.7 Off-line Purchase			

SECTION VIII
TECHNOLOGY & COMMUNICATIONS CAPABILITIES

A. Computer Systems, Facilities and Sites

Please describe your data processing facilities, configurations, and location(s). If there are multiple sites, please explain load allocation and the current capacity loading of each processing facility, and any likely effects on DGS or the State agencies.

B. Hardware, Software, and Operating Systems

Briefly describe the hardware, software, and operating systems that will be used to support the services as outlined in this RFP.

C. Provisions for Normal Operating Problems

Describe provisions for normal operating problems. Summarize the system and facility redundancy strategy in design and in operation.

D. Emergency

Describe provisions for back-up and recovery in an emergency situation or in loss of power circumstances. Please address your ability to operate on a sustained basis independent of public sources of electrical power. Summarize the crisis contingency plans for each processing facility.

E. Communications and Network

Summarize the communications and network architecture you use to provide the services listed in this RFP.

- Indicate the communications and network technical support hours of operation (PST).
- Outline the response time standards supported by your technical operations.
- List the carrier(s) that provide your primary and any secondary telecommunications service.

SECTION IX
TERMINAL SUPPORT SERVICES

A. Terminal Installation and Support (MR)

Individual agency terminal requirements may vary; however, all agencies will require complete "turnkey" terminal installation, training and support services. Terminal lease/purchase/rental, installation and support should be included in the bidder's proposal so that a separate contract for terminals is not required.

Please list all POS terminal equipment manufacturers and models that are available and supported.

B. Terminal Functions

The table below lists a series of POS terminal credit authorization, EDC, and settlement-related functions that facilitate card acceptance. Please indicate whether each of the functions is currently supported through your system and the terminals supported or, if not currently supported, when the function will be supported. Please add any explanatory comments that may be appropriate.

Functions/ Capabilities	Currently Available	Planned Availability Date	Comments
IX.1 Batch entry of off-line transactions			
IX.2 Batch authorizations of off-line transactions			
IX.3 Identify (flag) off-line transactions			
IX.4 Include off-line transactions in batch totals			
IX.5 Recall transaction by sales receipt			

Functions/ Capabilities	Currently Available	Planned Availability Date	Comments
IX.6 Recall transaction by card number			
IX.7 Edit entries (or prompt) for required information			
IX.8 Scroll transaction log			
IX.9 Enter transaction edits/ adjustments			
IX.10 Display stored transaction records			
IX.11 Display magnetic stripe data for stored transactions			
IX.12 Last transaction reprint			
IX.13 Pre-programmed alternate telephone numbers			
IX.14 Automatic download of terminal data			
IX.15 PIN pad support			

Functions/ Capabilities	Currently Available	Planned Availability Date	Comments
IX.16 Smart card/chip card support			
IX.17 Data collection and support for preferential card interchange rates			

SECTION X
SETTLEMENT & DATA TRANSMISSION SERVICES

The table below lists a series of card payment settlement and data transmission functions that facilitate card acceptance and payment reconciliation and settlement. Please indicate whether each of the functions is currently supported through your system and equipment or, if not currently supported, when the function will be available. Please add any explanatory comments that may be appropriate.

Functions/ Capabilities	Currently Available	Planned Availability Date	Comments
X.1 System calculates totals and summaries			
X.2 Support reconciliation of terminal log to paper transactions			
X.3 Multi-point settlement transmissions			
X.4 Host verification of settlement transmissions			
X.5 Host verification of totals			
X.6 Summary of sales and credit transactions for payment			
X.7 Reporting levels and distribution options			

SECTION XI

PRICING

Your pricing proposal will apply to any and all State agencies and other subscribers as stated in Section II, S, Pricing, that choose to engage your services. This approach will prevent the need for additional procurements by individual agencies. However, neither the State nor DGS makes any representation that any State agency will choose to engage the services of any particular contractor under the Master Services Agreement to be established as a result of this RFP. All of the bidder's charges to the State should be included in the pricing quote provided. DGS and the State view the contractor as having the expertise in the field of card payment acceptance and associated requirements and costs. Therefore, the burden is on the bidder to clearly and accurately describe its pricing and the services covered in the proposal.

Note: A list of credit card volumes from State agencies, colleges, and universities covering 1999 and 2000 are set forth in Section XIII for reference. However, neither the State, nor DGS, nor any individual State agency makes any guarantee of the credit and/or debit card volume any contractor may obtain. In addition, an analysis of 2000 volume by bankcard association interchange code for a significant portion of overall bankcard volume and a chart describing the State's chargeback experience are presented.

A. Combined Volume Pricing

Under the Master Services Agreement it is anticipated that the transaction volumes and card activity of all agencies that engage the same contractor will be combined to qualify for any volume discount, or tier-based pricing and fees offered. Please indicate your understanding and agreement to this in your pricing proposal.

B. Term Pricing Schedule

Pricing schedules are to start at the beginning of the contract term and extend for a three-year period. Pricing schedules are to cover subsequent extensions, if any, until the expiration of the entire term of the MSA. DGS understands that quoted fees are subject to change only due to changes in interchange rates and assessments implemented by the credit card associations or debit card networks.

C. Service Level Pricing (MR)

Pricing quotes should be provided for each of the Levels of Service to be made available as outlined in Section VI, Levels of Service.

D. Bankcard Pricing Options (MR)

Discount Rate Quotes

Discount rate quotes should be bundled to include all processing-associated costs including, but not limited to, authorization and capture, the cost of transferring receipts and convenience fees to the ZBAs, interchange rates and assessments charged by the bankcard associations, all related reporting, the cost of bonds, insurance, permit fees, taxes and any other costs associated with providing credit card processing services. The discount rate must reflect all of the vendor's costs to

the state for processing services, excluding terminal rental, lease, or purchase, and must be inclusive of all transaction types. The state recognizes that it may be subject to certain pass-through telecommunications costs should telecommunications services be requested by the State.

- Discount rates must be provided for bankcards (MasterCard and Visa) **(MR)**.
- Please verify that your system supports the preferential rate of the bankcard associations, charge card companies and on-line debit networks.

All discount rate quotes are to be applicable to all current and future card acceptance during the term of the initial Master Services Agreement and any extensions.

Interchange Plus Pricing Quotes

So-called “interchange plus” pricing proposals are also acceptable provided the additional fee above interchange is an all-inclusive, bundled fee amount or percentage which includes all processing-associated costs including, but not limited to, authorization and capture, the cost of transferring receipts and convenience fees to the ZBAs, all related reporting, the cost of bonds, insurance, permit fees, taxes and any other costs associated with providing credit card processing services.

E. Bundled Pricing (MR)

Regardless of the bankcard pricing option selected (discount rate or interchange plus), the State cannot and will not pay incremental fees for chargeback processing, reporting, funds movement, invoicing, service fees for State-owned equipment, file transfers/delivery, per location fees, set-up fees, phase in or phase out fees/costs training fees, per user/workstation fees or similar unbundled charges. Likewise, the state will not accept minimum fees whether expressed on a per location or per agency basis.

For “interchange plus” credit card pricing proposals, bidders are permitted to charge separately for interchange fees and assessments charged by the bankcard associations. For either type of proposal, bidders may provide differential fees for each defined service level as described in Section VI, Levels of Service. Fees may vary by average sale amount. Proposals that are returned with unbundled fees will be deemed non-responsive and will not be evaluated further.

F. Other Card and Check Authorization Pricing (MR)

Fees for American Express and Discover Card processing and for on-line (PIN'd) debit card transactions are to be separately quoted. (The actual discount rates for American Express and Discover Card volume are established independently of this RFP.) Proposed fees for on-line debit card transactions may be either inclusive or exclusive of on-line debit network interchange fees.

Prices for check authorization services and POS terminal pricing may also be provided separately.

G. Funds Availability Option

Indicate any pricing variations associated with funds availability schedules and the options available to State agencies.

H. POS Terminal Pricing

It is preferred that POS terminal pricing be separate. If, however, terminal pricing is included in the discount rate, it must be clearly identified as such. Terminal fees should include a description of the available equipment and any options, as well as purchase, rent or lease options. Include any additional fees associated with terminal maintenance and operation including shipping costs, installation fees, maintenance fees, and any other labor or service fees.

I. Optional Services

Bidders may propose optional services for which separate fees may be charged. However, these optional services must not be services which are integral to the normal, day-to-day acceptance of credit and debit cards by State agencies and any other subscriber using the Master Services Agreement. Proposals that are returned with fees which are integral to the day-to-day operation of credit card acceptance which are not bundled into the discount rate or the interchange plus pricing proposal will be deemed non-responsive and will not be evaluated further.

SECTION XII
PROPOSAL EVALUATION

A. Proposed Evaluation Weighting

The proposal evaluation will be weighted as follows:

- Experience, financial stability and references 20%
- Functionality and technical capabilities 35%
- Pricing 45%

B. Evaluating of Experience, Financial Stability, and References (20%)

An assessment of each prospective bidder's general organization committed to the merchant processing business; the financial stability and viability of the organization; compliance with the State's contract and administrative requirements; experience in the merchant acquirer business in general and with government entities in particular; and customer references.

Refer to Section III, Proposal Format, and Section IV, Administrative and Contractual Requirements.

C. Functionality and Technical Capabilities (35%)

The functional evaluation is based on the material contained in the bidder's proposal and assesses the bidder's ability and commitment to perform card processing services in accordance with the requirements described in the RFP. The requirements include the current functions and services specific to the state as well as characteristics indicative of high quality merchant processing services.

Refer to Section V, Convenience Fees & Card Payment Deposits; Section VI, Levels of Service; Section VII; Credit & Charge Card Payment Support Requirements; Section VIII, Technology & Communications Capabilities; Section IX, Terminal Support Services; Section X, Settlement & Data Transmission Services.

Features and functionality are assigned weight factors in accordance with the relative importance of the item as determined by DGS. Weight factors will be assigned to establish the relative importance of individual features and functionality. An additional weight will be assigned to critical items listed as Mandatory Requirements (**MR**) in the RFP.

1. Each proposal is then rated by the evaluation committee members to establish the relative level of compliance for each listed requirement.
 - The highest rating indicates that the vendor completely meets a requirement.
 - A middle score is assigned if the vendor meets the requirement with some qualification, or less comprehensively than other proposals.

-
- A lower rating is assigned to indicate that the proposal meets the requirements with substantial qualification; if the vendor indicates a commitment to meeting the requirement although some further action or development is necessary for compliance; or if the proposal indicates a less comprehensive approach or capability relative to other proposals.
 - No points are awarded if the item is not addressed in the proposal, or if the vendor clearly does not meet the stated requirements as outlined in the RFP.
2. For each item the weight is multiplied by the rating to arrive at a score for each item. Each item's score is then summed to arrive at a Total Functional Score for each prospective vendor.
 3. The highest scoring vendor is established as the standard, receiving full credit for the 35% of the total evaluation that is assigned to functionality. This establishes the highest scoring proposal with a Relative Functional Score of 35. Other vendor scores are divided by the highest score to arrive at a comparative percentage and their Relative Functional Scores ($x\% * 35$).

D. Pricing (45%)

Refers to the contractor's responses to Section XI, Pricing and is a determination of the projected comparative financial affects of vendors' proposals based on application of each vendor's pricing proposal. The pricing analysis does not project actual costs to the State but provides an objective comparison of vendors' pricing proposals.

E. Additional Payment Options

Additional payment options may be introduced in the future. Therefore, DGS wishes to understand the capabilities of prospective bidders with respect to support for other payment instruments and technologies.

Please add to your proposal a description and explanation of other payment services supported. DGS wishes to understand how these services are supported and would be made available to the State.

Please explain your available services or programs and any business relationships for the delivery of such services as:

- EFT and ACH-based payment services
- EDI support
- ATM support for non-cash services
- Kiosk/customer information terminals
- Gateway services and network access
- Smart cards
- Pre-paid/stored value cards
- Personal check processing
- Internet payments (including SET compliance)
- Other PC-based payments
- Any other ancillary payment support and information services

It would be helpful to understand your organization's experience and capabilities in these areas, as well as programs that are in pilot stages or under development.

SECTION XIII
PAYMENT CARD VOLUMES

SECTION XIII

PAYMENT CARD VOLUMES

VISA AND MASTERCARD VOLUMES FOR 2000			
STATE AGENCY	# OF TRANS	TOTAL SALES	AVG. TICKET
African American Museum	1,209	\$60,920	\$50
Air Resources Board	193	\$52,833	\$274
Board of Equalization (BOE)	2,244	\$4,427,061	\$1,973
BOE - Internet	442	\$909,948	\$2,057
City of Anaheim	65,468	\$6,813,289	\$104
Conservation	2,635	\$85,384	\$32
Education	12,641	\$1,081,325	\$86
Employment Development	2,384	\$387,990	\$163
Energy Commission	552	\$49,358	\$89
Fair Political Practices Commission	3	\$190	\$63
Fish & Game	15,222	\$3,679,949	\$242
Franchise Tax Board	15,559	\$13,363,883	\$859
Franchise Tax Board - Internet	549	\$4,000,423	\$7,292
General Services	8,988	\$3,659,205	\$407
Health Services	4,576	\$405,450	\$89
Highway Patrol	440	\$151,426	\$344
Horse Racing Board	463	\$72,543	\$157
Housing/Community Development	301	\$15,331	\$51
Industrial Relations	120	\$133,480	\$1,112
Insurance	795	\$63,075	\$79
Justice	1,614	\$320,153	\$198
Motor Vehicles	175,977	\$40,096,200	\$228
Motor Vehicles - Internet	112,819	\$20,627,533	\$183
Office of Emergency Services.	672	\$169,397	\$252
Parks and Recreation	4,840	\$125,260	\$26
Pesticide Regulation	1,858	\$111,848	\$60
Prison Industry Authority	2,179	\$1,367,376	\$628
Public Utilities Commission	343	\$33,458	\$98
Real Estate	33,845	\$1,559,764	\$46
Secretary of State	6,441	\$396,638	\$62
State Lands Commission	71	\$77,260	\$1,088
State Parks Merchandise	974	\$40,882	\$42
Student Aid Commission-Ed Fund	7,556	\$3,019,457	\$400
Teachers Credentialing	4,034	\$227,367	\$56
Toxic Substance Control	1,366	\$266,530	\$195
Trade & Commerce	155	\$33,577	\$217
Transportation	58,590	\$3,177,485	\$54
Totals	548,118	\$111,063,246	\$203

SECTION XIII

PAYMENT CARD VOLUMES

VISA AND MASTERCARD VOLUMES FOR 2000			
CALIFORNIA STATE UNIVERSITIES	# OF TRANS	TOTAL SALES	AVG. TICKET
CSU Bakersfield	10,013	\$2,937,112	\$293
CSU Channel Islands	739	\$51,240	\$69
CSU Fresno	9,242	\$1,472,762	\$159
CSU Fullerton	78,964	\$30,271,719	\$383
CSU Hayward	35,811	\$15,443,252	\$431
CSU Humboldt	16,739	\$5,840,486	\$349
CSU Long Beach	74,509	\$29,521,289	\$396
CSU Los Angeles	44,385	\$14,941,599	\$337
CSU Maritime Academy	1,234	\$1,217,742	\$987
CSU Monterey	4,348	\$1,344,300	\$30
CSU Northridge	73,155	\$26,502,492	\$362
CSU Pomona	30,512	\$12,153,357	\$398
CSU Sacramento	47,215	\$19,225,118	\$407
CSU San Bernardino	27,184	\$10,351,544	\$361
CSU San Francisco	63,178	\$29,791,202	\$472
CSU San Jose	7,606	\$418,330	\$55
CSU San Luis Obispo	24,824	\$2,689,442	\$108
CSU San Marcos	9,166	\$3,445,896	\$376
CSU Sonoma	21,446	\$8,755,379	\$408
CSU Stanislaus	10,907	\$3,140,907	\$288
State Summer School Arts	211	\$85,325	\$404
State Teachers-Chancellor's Office	2,109	\$617,218	\$292
Totals	655,498	\$239,634,823	\$366

SECTION XIII

PAYMENT CARD VOLUMES

AMERICAN EXPRESS CARD			
CSU / UNIVERSITY	# OF TRANS	TOTAL SALES	AVG. TICKET
CSU Long Beach	181	\$46,557	\$257
CSU San Diego	18,929	\$3,255,706	\$172
U C Berkeley	11,485	\$5,692,795	\$496
U C Cal Irvine	12,695	\$2,577,103	\$203
U C Davis MC PCC Pharmacy	9,363	\$2,237,855	\$239
U C Los Angeles	71,365	\$17,182,164	\$241
U C Regents, Oakland	54	\$10,840	\$201
U C Riverside (Regents)	1,943	\$149,577	\$77
U C San Diego	15,489	\$1,626,384	\$105
U C San Francisco	7,197	\$1,021,959	\$142
U C Santa Barbara	5,347	\$556,132	\$104
U C Santa Cruz	6,469	\$2,484,068	\$384
Totals	160,517	\$36,841,140	\$230
STATE AGENCY	# OF TRANS	TOTAL SALES	AVG. TICKET
Air Resources Board	11	\$2,795	\$254
Board of Equalization	8,640	\$15,370,824	\$1,779
Employment Development Dept	300	\$119,326	\$398
Franchise Tax Board	19,827	\$18,617,175	\$939
General Services	6	\$4,170	\$695
Motor Vehicles	37,228	\$5,796,502	\$156
Motor Vehicles - Internet	21,613	\$3,367,746	\$156
Parks & Recreation	87	\$3,993	\$46
Transportation	4,166	\$595,688	\$143
Totals	91,877	\$43,878,219	\$478

SECTION XIII

PAYMENT CARD VOLUMES

DISCOVER CARD			
STATE AGENCY	# OF TRANS	TOTAL SALES	AVG. TICKET
Air Resources Board	16	\$4,545	\$284
Board of Equalization (BOE)	840	\$1,582,360	\$1,956
BOE Internet	111	\$151,682	\$1,367
Employment Development	185	\$79,313	\$429
Environmental Health Hazard Assess.	31	\$3,568	\$115
Franchise Tax Board	7,102	\$2,837,522	\$400
Franchise Tax Board - Internet	2,003	\$1,022,101	\$510
General Services	23	\$54,199	\$2,356
Highway Patrol	38	\$14,706	\$387
Horse Racing Board	2	\$175	\$88
Justice	8	\$285	\$36
Motor Vehicles	7,531	\$1,965,385	\$261
Motor Vehicles Fees	12,963	\$47,547	\$4
Motor Vehicles Internet	8,555	\$1,506,853	\$176
Parks and Recreation	220	\$6,380	\$29
Prison Industry Authority	3	\$565	\$188
State Lands Commission	4	\$2,902	\$726
Toxic Substance Control	13	\$492	\$38
Trade and Commerce	12	\$2,230	\$186
Transportation	736	\$61,545	\$84
Totals	40,396	\$9,344,355	\$231

CALIFORNIA STATE UNIVERSITIES	# OF TRANS	TOTAL SALES	AVG. TICKET
CSU Bakersfield	841	\$298,444	\$355
CSU Dominguez Hills	1,860	\$742,883	\$399
CSU Fullerton	2,173	\$1,107,276	\$510
CSU Humboldt	590	\$277,059	\$470
CSU Los Angeles	5,688	\$2,450,922	\$431
CSU Monterey	127	\$64,836	\$511
CSU San Diego	3,147	\$917,243	\$291
CSU Sonoma	782	\$496,851	\$635
CSU Stanislaus	746	\$293,981	\$394
CSU Trustees	77	\$22,305	\$290
Polytechnic - Pomona	7,584	\$782,426	\$103
Polytechnic - San Louis Obispo	446	\$270,756	\$607
Totals	24,061	\$7,724,982	\$321

SECTION XIII

PAYMENT CARD VOLUMES

TOTAL SALES FOR 1999			
STATE AGENCY	VISA & MC	DISCOVER	AMEX
Forestry & Fire Protection		\$528	
Franchise Tax Board (FTB)	\$75	\$1,345,679	\$5,556,846
Employment Development Dept.	\$110	\$276	
General Services	\$3,865		\$960
Motor Vehicles (DMV)	\$7,805	\$1,739,760	\$4,859,020
Transportation	\$14,808	\$31,053	
Public Utilities Commission	\$17,872		\$275,408
Pesticide Regulation	\$25,815		
Fish & Game	\$38,348		
Office of Emergency Services	\$49,172		
Health Services	\$56,595		
Student Aid Commission-Ed Fund	\$57,985		
African American Museum	\$82,941		
Prison Industry Authority	\$111,151	\$118	
Energy Commission	\$112,734		
Real Estate	\$119,330		
Conversation	\$132,807		
Education	\$179,168		
Industrial Relations	\$227,764		
State Lands Commission	\$242,231	\$1,361	
Parks and Recreation	\$638,602	\$7,266	
Toxic Substance Control	\$785,594	\$176	
Highway Patrol	\$807,556	\$9,490	
City of Anaheim	\$1,001,526		
Board of Equalization	\$1,265,650	\$12,495,458	\$2,838,319
Justice	\$1,733,430	\$284	
Trade & Commerce	\$2,127,709		
Horse Racing Board	\$2,440,012	\$375	
Air Resources Board	\$2,442,240		
Secretary of State	\$10,805,037		
Fair Political Practices Commiss.	\$24,498,204		
Environment. Health Hazard Assess.		\$3,226	
Total	\$50,026,135	\$15,634,520	\$13,530,553

SECTION XIII

PAYMENT CARD VOLUMES

STATE COLLEGES & UNIV.	VISA & M.C.	DISCOVER	AMEX
CSU Bakersfield	\$1,736,065	\$294,679	
CSU Chico	\$3,144,242		
CSU Dominguez Hills	\$5,660,519	\$450,985	
CSU Fresno	\$776,914		
CSU Fullerton	\$19,119,887		
CSU Hayward	\$9,546,685		
CSU Humboldt	\$4,091,555	\$284,687	
CSU Long Beach	\$17,817,465		
CSU Los Angeles	\$11,184,392	\$1,793,148	
CSU Maritime Academy	\$654,540		
CSU Monterey	\$623,796	\$47,635	
CSU Northridge	\$16,926,790		
CSU Pomona	\$1,162,052	\$563,875	
UC Riverside			\$114,741
CSU Sacramento	\$14,590,965		
CSU San Bernardino	\$5,316,335		
San Diego State	\$427,570	\$681,415	\$1,950,673
San Francisco State	\$22,839,553		
UC Berkeley			\$465,223
University San Francisco			\$1,439,676
CSU San Jose	\$165,055		
CSU San Luis Obispo	\$420,552		
CSU San Marcos	\$41,800		
CSU Sonoma	\$5,494,999	\$183,412	
CSU Stanislaus	\$2,001,952	\$263,047	
State Summer School Arts	\$48,319		
State Teachers-Chancellor's Office	\$100,665		
CSU Channel Islands	\$975		
UC Los Angeles			\$11,944,766
UC Santa Barbara			\$504,895
UC Regents			\$17,590
UC Santa Cruz			\$1,835,022
UC Irvine			\$1,840,303
UC San Diego			\$1,468,477
UC Davis			\$1,638,232
TOTALS	\$143,893,642	\$4,562,882	\$23,219,598

The following chart contains the interchange code related to over 90% of year 2000 Visa/MasterCard volume processed by various California agencies.

A note of caution: These volumes are present in the aggregate. The interchange distribution may differ significantly for various agencies and should only be used as a general guideline of the current interchange make-up.

**State of California – Volume by Interchange Codes
Calendar Year 2000**

Card Type	Interchange Code	Volume	% of Volume
Visa	CPS Retail 2	\$129,912,748	40.2%
MasterCard	Merit I	73,345,308	22.7%
Visa	CPS Retail	35,405,814	11.0%
Visa	Electronic Interchange Rate	29,975,994	9.3%
MasterCard	Merit 3	23,343,697	7.2%
MasterCard	Standard	9,930,924	3.1%
Visa	Checkcard	7,813,431	2.4%
MasterCard	Corporate – Standard	5,247,977	1.6%
MasterCard	Key Entered	208,446	0.1%
Visa	GSA Purchasing Card Large Transaction	51,453	0.02%
	All Other	8,088,899	2.5%
Total		\$323,324,692	100.0%

SECTION XIII

PAYMENT CARD VOLUMES

This table represents chargebacks related to over 90% of the State's Visa/MasterCard volume for 2000.

Total Overall Sales Volume	Total Number of Chargebacks	Total volume of Chargebacks	Chargeback Percentage
\$323,324,692	949	\$283,375	0.088%