

**1. FEES AND COSTS:**

In consideration of Contractor's processing services, Authorized Users will pay monthly, and in arrears, pricing based on the pricing matrix provided in Exhibit E Attachment I.

**2. VISA AND MASTERCARD INTERCHANGE ASSESSMENT RATES:**

The Visa and MasterCard interchange assessment pricing specified is subject to fluctuations. These rates are outside of the control of the State of California and the Contractor. Both increases and decreases in these rates are to be passed on to the Authorized Users of this Agreement in the form of changes in the official interchange assessment rates from VISA and MasterCard by the Contractor. Contractor will send, as promptly as possible, to each Authorized User and to the DGS Contract Manager, notices documenting all pricing adjustments resulting from the official changes in interchange assessment rates. The following sites provide the most up-to-date interchange assessment rates as they occur.

MasterCard Interchange Rates:

[http://www.mastercard.com/us/merchant/support/interchange\\_rates.html](http://www.mastercard.com/us/merchant/support/interchange_rates.html)

Visa Interchange Rates:

[http://usa.visa.com/merchants/operations/interchange\\_rates.html](http://usa.visa.com/merchants/operations/interchange_rates.html)

**3. EQUIPMENT PRICING:**

Contractor will provide equipment and software pricing and specification sheets on an annual basis. After the initial price negotiations are completed, the Contractor will provide proposed price and specification sheets in DGS's electronic format (see Exhibit E -- Attachments II & III) and submit to DGS's Contract Administrator (by email, CD, ftp, or other agreed upon format) by June 30<sup>th</sup> of each year during the term of the MSA. Once these prices are negotiated and approved by DGS, this information will be posted along with the respective contracts on the Electronic Payment Acceptance MSA website. Posting of price lists allows the Authorized Users access to both service and equipment/software pricing so Authorized Users can conduct a complete cost analysis based on their organization's individual requirements. Authorized Users may negotiate lower pricing than the maximums listed on the Contractor's Price Sheet. Please refer to Attachment II for equipment pricing information.

Price declines shall be effective immediately upon any public notification of the decline. All prices quoted shall be firm fixed maximum for the initial price list period. However, should a price decline be announced by the Contractor after contract award, and prior to an Authorized User utilizing the services, then the Contractor shall use the reduced pricing.

**4. CONVENIENCE AND SERVICE FEES:**

- a. Authorized Users, at their discretion, may elect to have the Contractor/**Third Party Service/Convenience Provider** charge a fee to the cardholder (paying parties) for an added convenience to the Cardholder for the use of a Card in a transaction. This fee is commonly known as a convenience fee.

## Amendment 1 of Exhibit E – Fees and Costs

Convenience fees are subject to the constraints of the Associations and card companies and, in some instances, by State regulations and/or laws. Because of these constraints and for the purposes of this MSA, these fees will be classified as follows:

### Service Fee:

- Constitutes a **State or Local Agency's** elected fee charged to the Cardholder for an added convenience to the Cardholder for the use of a Card in a transaction.
- May only be charged by Authorized Users in certain fee programs based on Association Rules, Merchant Category Code (MCC) and the business requirements of Authorized Users.
- Must be paid to and managed by the Contractor/**Third Party Service/Convenience Provider**. Service fee and underlying transaction must be submitted and processed as two separate transactions.

### Convenience Fee

- Constitutes a **Local Agency's (only)** elected fee charged to the Cardholder for an added convenience to the Cardholder for the use of a Card in a transaction.
    - May be paid to or managed by the Authorized User or Contractor/**Third Party Service/Convenience Provider**.
    - May be combined into a single transaction.
- b. Contractor (if Contractor is providing convenience fee services under Exhibit I ) or **Third Party Service/Convenience Provider** (if providing convenience fee services under Exhibit K), as applicable, agrees to all of the following:
- (i) Provide flexibility to assess or not assess a service/convenience fee and support fee policies and variations in service/convenience fees at the individual Authorized User level while remaining in compliance with credit and debit card industry regulations.
  - (ii) Support service/convenience fee assessment by type of payment channel (internet, IVR, etc.) within each Authorized User's agency.
  - (iii) Must not co-mingle service fees with other charges.
  - (iv) Arrange for a unique line merchant description for the Authorized User payment that references the name of Authorized User and a separate unique line merchant description for the Service Fee that references Third Party Service/Convenience Provider and the nature of the fee so that the amounts can be posted on Cardholder Statements and Invoice<sup>1</sup> as separate line items. (Service Fee policy only, and only to the extent consistent with the Association or Payment Network Rules)
- c. Authorized User will:
- (i) Address use of Convenience/Services fees in their individual Subscription Agreement.
  - (ii) Remain in compliance with credit and debit card industry regulations.
  - (iii) Not accept convenience fees directly from cardholder and in turn pay the Contractor.

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<sup>1</sup> Fee information will only be provided on invoice statements when the agency is absorbing a partial portion of the service fee. Authorized Users are not allowed to absorb entire service/convenience fee amounts under this MSA.

## Amendment 1 of Exhibit E – Fees and Costs

- (iv) Not absorb entire service/convenience fee amounts. To absorb **partial** convenience fee, Authorized Users must notify and obtain approval from DGS Contract Administrator.
- (v) Not disadvantage card payments, and specific card brands at the point-of-sale relative to other payment.
- (vi) Agree to further terms and conditions in Exhibit I, when Authorized User designates to assess fees using Elavon's service/convenience fee program. In addition, Authorized User must select services on the Authorized Users Participation Form and the Selected Services Signature Page (see Exhibit D Attachments I and II/III respectively) and execute with signature;

**OR**

Agree to further terms and conditions in Exhibit K, when Authorized User designates to assess fees using OPC's service/convenience fee program. In addition, Authorized User must select services on the Authorized Users Participation Form and the Selected Services Signature Page (see Exhibit D Attachments I and II/III respectively) and execute with signature.

### d. Service and Convenience Fee Pricing/Rates:

- (i) Elavon (only) will establish proposed Convenience and Service fees (for Elavon services described in Exhibit I) on a case by case basis, depending upon each Authorized User 's processing requirements and transaction elements (cards accepted, transaction type, volume, average ticket, etc.) and mutually agree upon such with each Authorized User utilizing Exhibit I services.
- (ii) OPC Convenience and Service Fee rate has already been negotiated for Exhibit K services as described in Exhibit K, Supplement 1.