



Request for Transaction Fee Exemption (PUR3778)

Date*	2/15/2013
Agency*	Department of Financial Services
Requestor's name*	Fran Spivey
Requestor's e-mail*	fran.spivey@myfloridacfo.com
Requestor's phone number*	413-2065
Vendor Name*	Bank of America, N.A.
Vendor Tax Identification number *	F 94-1687665

Use of this form is not mandatory. However, it is recommended that agencies complete the PUR3778 when requesting a transaction fee exemption under Rule 60A-1.032(2) Florida Administrative Code (F.A.C) in advance of procurement.

For exemptions under paragraphs 1 or 3 of Rule 60A-1.032, complete purchasing form PUR3777.

Submit the completed form to purchasingcustomerservice@dms.myflorida.com.

The DMS Division of State Purchasing will review the request and will communicate the decision within 14 days. Outstanding requests greater than 14 days are approved.

Describe the nature of the transaction and provide justification demonstrating that the purchase is critical to the agency's mission or necessary for public health, safety or welfare. Provide specific details demonstrating that imposition of the fee would prevent consummation of the transaction. Attach all supporting documentation for consideration.

The Division of Treasury, Department of Financial Services has selected by ITN the Bank of America to process electronic payments and provide Visa and MasterCard services to state agencies for the public. This vendor currently holds an extended contract for this service and that contract extension will expire June 30, 2013. The new contract, like the current contract, will be available to units of local government throughout Florida. As of this date, nearly 100 units of local government utilize this contract, and anticipate using the new contract in order to process electronic payments from the public. The numbers of transactions processed by state agencies has risen dramatically each year since FY 2000/2001. Presently, several more agencies are preparing to accept electronic payments in place of checks and cash. The benefits of receiving payments electronically are numerous and result in reduced cost of administration, greater efficiency by the agencies, and increased earnings to the state treasury as funds are received substantially faster than manual payments.

The Division of Treasury respectfully requests that the Merchant Fee portion of this contract be exempted from the 1% fee. These fees will be passed through by the Vendor to the Visa and MasterCard companies and no portion of these fees will be retained by the Vendor. These fees are established nationally by Visa and MasterCard (as they are for American Express) and are assessed to all government accounts at the same rate, regardless of the processor. This effectively results in a sole source and there is no rate competition and the rate structure cannot be adjusted for the 1% fee. This request does not include the processing fees charged by and paid directly to the Vendor.

For DMS only:

Updated 06/2012

Approved	<i>Kelly Ford</i>
Denied	
Further information required	<i>Christina MacCrackin</i>

Comments

2/28/13 - LEFT MESSAGE FOR MS SPNEY REQUESTING ADD'NAL INFO. MORE SPECIFICALLY RULE GOA - 1.032(2)(b), F.A.C.

- HOW IMPOSITION OF TRANSACTION FEE PREVENTS CONSUMMATION OF TRANSACTION
- EXPLANATION OF MERCHANT FEE AND ITS IMPACT ON TRANSACTION FEE IS UNCLEAR.