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5. Technical Specifications

5.1 Objective

The State's electronic payment receipts system has been in operation for more than twenty years and has proven to be very successful and well received by the State's Customers who have come to expect the option of paying fees and other charges electronically. The Department desires to continue to expand electronic receipt options especially if the changes do not require an excessive investment in technology or retrofitting of legacy systems by the Agencies. The goal of the Department is to reduce the capital investment by the Agencies and simplify the application of the electronic receipt systems.

As the current provider for the State of Florida, the experience and knowledge gained by Bank of America enables us to provide the best possible solutions to your specific objectives while taking into consideration the associated costs. Additionally, throughout the tenure of being the State's banking services provider, Bank of America has made some important advances in the merchant industry, specifically related to the government sector. One important advance was the purchase of National Processing Inc., the parent company of National Process Company, LLC (NPC). This acquisition gave Bank of America some key advantages that position us to better serve the State, as outlined in the below proposal.

The resulting corporate structure is important to note. As a result of the acquisition, Bank of America changed NPC's name to BA Merchant Services, LLC. (BA Merchant Services), and combined the legacy NPC and Bank of America Merchant Services organizations. BA Merchant Services, LLC is a wholly owned 2nd tier subsidiary of Bank of America, N.A., not a subcontractor.

The services and pricing included in this proposal reflect not only the NPC acquisition but also the result of Bank of America working with several vendors on behalf of our clients to lower overall processing and settlement costs. Cost savings realized by Bank of America have been passed on to the State in this proposal, and Bank of America is committed to passing on cost savings to our customers, including the State, whenever possible in the future. The reduced pricing included in this proposal represents the best pricing available currently and is largely based on per item costs in addition to total volume.

Here are just some of the ways Bank of America has addressed and will continue to address the State's stated objectives:

- Increase the opportunities for utilizing electronic payments including: credit cards (Visa, MasterCard, Discover and American Express), branded debit cards (with Visa or MasterCard logo), ACH Web debit, PIN-based debit and other electronic check methods. Examples include working to expand card acceptance at the County Health Departments, exploring electronic payment options at the Highway

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- Safety field offices, and consulting with the Courts system to identify card payment options.
- Provide opportunities to use multiple payment channels to include Over-the-Counter, Over-the-Phone (on-Behalf-of), Remote Terminal, Web, IVR, and Kiosk options. Some examples: reviewing tax pilot program opportunities for over the counter tax payments, tracking new Contact-less cards technology for future application, and offering wireless point of sale equipment for remote locations.
 - Expand all e-Government revenue streams to offer e-Payment options including: fees, fines, and other new services using a common e-Payment platform.
 - Customize transaction-identifying data fields per Agency e-Government service to accommodate all the unique needs of each department including ad-hoc reporting, improved exception handling and database integration requirements. More automation and integration reduces overall program costs.

In addition, Bank of America and its predecessors have proudly partnered with the State for banking services for over 20 years. Since 2001, we have partnered with the State to provide electronic receipt options specifically to meet the needs of the State for merchant services and an integrated payment solution. Our solutions continue to evolve as Bank of America stands committed to provide the State with state of the art technology and continuing efficiencies and improvements. We feel our partnership is a successful one as we together design systems that bring about efficiencies and process improvements to agencies as well as conveniences to the State Constituents. Bank of America appreciates the opportunity to continue our partnership by responding to this RFP. Our solutions can continue to help the State of Florida achieve your fiscal management objectives. We bring proven networks, platforms, processes and knowledgeable teams to the relationship. Clients receive first-rate solutions without the burden of developing and implementing programs on the own. This is one of the many reasons we were recently Voted #1 Cash Management Bank in the U.S. by Treasury & Risk Management, 2005.

Bank of America understands that meeting your stated objectives will help foster a positive public perception of State of Florida services.

5.2 Legal Requirements

Section 215.322, F.S. authorizes electronic payments to Agencies, and the CFO to enter into contracts for the purposes of facilitating electronic payments. As per this statute, Agencies must demonstrate the feasibility of accepting electronic payments through the presentation to the CFO of a cost/benefit study that illustrates financial benefits and a reduction in manual processes by the Agency. The Vendor must be prepared to offer assistance in the preparation of the cost/benefit analysis through the Vendor's historical experience with similar groups.

Bank of America is familiar with the Cost Benefit Summary document that is required to be completed of Agencies as part of the approval process for implementation of Merchant Services. Bank of America has assisted many of the Agencies with completion of the required fields. We have developed a cost analysis tool to calculate an estimated cost figure, a required field on the Summary, based on an Agency's anticipated volumes. The tool is interactive so various scenarios can be plugged into the template which aids in the cost projection process.

In addition, Bank of America maintains historical information on each State Agency and its related Merchant Services transaction volumes and fees. The State's Merchant Account Manager can direct Agencies where to find information for projecting numbers of transactions and by reviewing historical volumes from like size State agencies. The Cost Benefit Summary form compares the cost to deposit a physical check remittance type versus the proposed cost to process a credit card transaction. We can direct an Agency to their Analysis Statement for the deposit transaction volumes/information for this purpose. Bank of America can assist an Agency with determining their historical expenses in the Bank related areas based on their Account Analysis statements to enable them complete their Summary.

Agencies for the most part are headquartered in Tallahassee, Florida. However, the Respondent should be aware that some of these Agencies have substantial branch, even remote, locations throughout the State that may require POS systems. Please indicate the Respondent's ability to service an extensive branch network.

Bank of America offers POS capabilities and integrated payment solutions to provide convenient payment choices while quickly and efficiently capturing funds wherever an agency or office may be located. Agencies such as Revenue, Parks and Health, to name just a few, are agencies that Bank of America is very familiar with and will continue to work with to this end. The goal is to provide efficient and uniform payment collection for State Parks throughout the State, or at our 67 County Health Departments for instance. We can continue to consult with these agencies to determine the best solution to meet the needs.

As the current service provider, Bank of America has demonstrated our ability to service an extensive and remote network of locations. We currently support over 600 point of sale systems for the State of Florida. We are providing service and support for over 300

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State Agency merchant accounts and approximately 400 non-agency participants under the existing contract.

Bank of America provides a service structure that is designed to provide crucial support to all Agencies regardless of location.

- Our 24 X 7 Differentiated Service Team (DST) is the first line of contact for any Agency experiencing routine issues. This team is selected from all our most senior customer care associates at BA Merchant Services because of their demonstrated ability to deal with the complexities of our large merchant relationships. They are accessible at all hours via a toll free number, (800-228-5882).
- Bank of America associates responsible for the State of Florida relationship are located throughout Florida. Your Client Manager Keith Thompson, Treasury Management Officer Kristin Harrison, Treasury Management Analyst Sallie Crumbaker, Account Manager Michelle Whalen and Business Analyst Jennifer Warner are all based in various parts of the State. Additionally, the Manager of our Government Merchant Services Account Management team Andrea Morris, your Treasury Sales Officer and Analyst, and your Sales and Support Associate Kristin Strum are all located in Tallahassee. This provides easy access to associates dedicated to meeting the banking and merchant needs of the State.
- Bank of America supports a branch network of 754 banking centers all across Florida. This means that in an emergency, a Bank of America associate is likely available to assist.

Bank of America is truly a global company. As such, we are experienced at working with customers from all across the United States - and the rest of the world. We have built our support teams so we can service our clients no matter where they may be based.

[Additionally, any existing State contracts for electronic payment and processing systems that lay outside of the existing CFO contract for electronic payments will be allowed to complete full term. The CFO's policy is to bring all Agencies under this contract that can satisfactorily meet the criteria established in Section 215.322, F.S.](#)

Bank of America continues to offer our support for payment and processing systems that may lie outside of this contract. Today we are working with companies such as Reserve America, Link2Gov, Southern DataCom, Intuition and Verisign to ensure specific Agency contract and processing requirements are fulfilled.

Bank of America's access to multiple networks allows many third party vendors and processors to work with us. This allows existing providers not using the State processing contract to potentially migrate settlement processes to Bank of America without disrupting current contract requirements. Agencies with these outside agreements could then get the benefit of State contract pricing and Bank of America reporting for settlement.

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We appreciate the opportunity to provide advisory services and evaluating whether this contract could meet the needs of the agencies that have in the past needed to go outside of the contract due to previous arrangements or functionality gaps.

While this RFP anticipates innovative responses for electronic payment and processing services, the RFP does not anticipate nor authorize the Respondent to pursue developing or outsourcing entire State business applications.

Bank of America will be the State's sole partner and maintain all of the responsibility to meet the State's needs for the services in the RFP. While we have chosen to partner with providers that the Bank has determined to have top of the line solutions, Bank of America will be responsible to ensure the service and the commitments to the State are met.

Chapter 119, F.S. states that all State records are public; however, some records are exempted and declared confidential. Regardless, all records must be retained in accordance with Chapter 119, F.S. and the Florida Administrative Code.

Bank of America will comply.

Chapter 215.322 (5) F.S. allows Local Governments to receive the same terms as those offered to the State through separate agreements. The Vendor shall make the services provided for under this contract available to Local Governments. Interested Local Governments shall contact the Vendor referencing this contract name and shall be responsible for receipt, acceptance, and inspection of services directly from the Vendor and make payment directly to the Vendor. The Department is not a party to these agreements or any dispute arising from these agreements and is not liable for delivery or payment under any of these agreements. Participation in this contract is accomplished by executing a Participation Agreement with the Vendor.

Bank of America has successfully partnered with local governments throughout the State in providing services under this contract. We hope to be able to continue to market to Florida local governments the incredibly robust and deeply discounted services that are contained in this proposal.

No right or duty in whole or in part of the Vendor under this contract may be assigned or delegated without the prior written consent of the State; provided, however, that the foregoing shall not prohibit the Vendor from assigning this contract or any of its rights and obligations hereunder, nor require the consent of the State, in connection with any change of control, corporate reorganization, merger or consolidation of the Vendor, as long as the Vendor provides prior written notice to the Department of such event.

Acknowledged

5.3 Types of Electronic Payments

5.3.1 Debit Cards

The Respondent must be able to accept and process all existing debit cards with the VISA or MasterCard logo. If the Respondent does not host a debit card program, it must name the service company proposed to handle debit transactions and explain any contractual and working relationships the Respondent has with this company.

BA Merchant Services can accept and process all PIN-based and signature based debit cards branded with the Visa or MasterCard logo issued in the United States. Debit cards with a VISA or MasterCard logo that are signature based will settle through the Visa or MasterCard network, rather than through a debit network.

Should the State wish to expand their online PIN-based debit capabilities, Bank of America supports the following debit networks:

- Maestro®
- STAR (includes WEST, Northeast and Southeast)
- PulsePay®
- NYCE®
- Accel®
- Shazam®
- Interlink®
- AFFN
- Alaska Option

Bank of America supports network priority routing. We take into consideration the network rules and regulations for transaction routing and work with our merchants to maintain compliance with the network rules.

Bank of America Services provides the following PIN-debit services and support:

- Provide dial and host to host authorization connectivity
- Redundant data centers with dual authorization platforms
- Payment funded with credit transactions
- Support network priority routing
- Internet reporting- online and offline
- Reconciliation between merchant & debit networks
- Exception processing (single contact provided for all networks)

- Membership & sponsorship into each debit network
- Customer Service & network compliance & audits
- Encryption Key Security Management (assist in selection of PIN Pads, HSM or ESO's)
- Partner in merchant implementation process

In 2004, we processed in excess of 1.3 billion debit transactions, making Bank of America one of the largest processors of online debit transactions.

Through our state-of-the-art debit-processing platform, Bank of America provides flexible debit processing solutions that help our customers significantly lower their total cost of card acceptance. Using our direct access to all major debit networks, we employ least-cost-routing technology that ensures our customers receive the most cost-effective routing available for each transaction.

For an integrated payment solution, Bank of America has offered Remote Payments Online through our partnership with Princeton eCom with Online Resources (ORCC, formerly Princeton eCom) since 2004. We provide working payment solutions for the Department of Revenue, Florida Department of Law Enforcement, Department of Business and Professional Regulations, Department of Community Affairs, Department of Transportation, Department of Financial Services, Department of Highway Safety and Motor Vehicles, and Department of Environmental Protection. In addition, Agency for HealthCare Administration, Department of Juvenile Justice and two new DHSMV applications are currently in implementation for Remote Payments Online.

As an additional offering to Remote Payments Online (RPO), Bank of America is also presenting Velocity Payments Services (VPS) in partnership with Govolution. VPS is a robust system with added flexibility in meeting the State's needs for processing, while being very complimentary to the RPO product. Both of our integrated payment solutions offer debit card processing with the VISA or MasterCard Logo. Additionally, Velocity Payments Services has capabilities to handle card present processing for integrated reporting.

5.3.2 Interactive Voice Response

The Respondent must provide an IVR System that will be interactive with an Agency's associated data bases and can be accessed through additional languages other than English, but at a minimum Spanish. The system should not require any significant changes in an Agency's operations and be fully functional to allow complete payment transactions. If a Respondent offers this service through a third party, it must be done using a subcontract agreement as the Department will not make separate contract arrangements. The Department must approve any subcontractor. Please describe your IVR platform operation and whether it offers natural language speech recognition.

Bank of America is able to offer the State choice when it comes to the right IVR solution to meet the specific agency or division need. We offer both a Remote Payments Online

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IVR solution (which offers touch tone) as well as a Velocity Payments Services IVR solution (which offers touch tone and speech recognition). This enables Bank of America and the State of Florida the flexibility to provide the agency the best suited service. These services allow for credit card and ACH payments, robust reporting and multi-lingual capabilities. English and Spanish are currently supported although other languages can be requested.

For the Department of Revenue, we will maintain their existing IVR application with our partner Metavante offering our Customer Initiated Payments Solution (CIP). Through CIP, Bank of America is able to continue to support the Department's B2B application that contains 24/7 service as well as zero-out functionality to a CIP operator. This application will remain in effect and offered by Bank of America for Department of Revenue. Any future or additional needs or requirements of Department of Revenue's IVR application will be assessed and determined if CIP is able to accommodate such requests. Hourly programming charges may apply for any changes or additions required by the Department. Please see the CIP telephone service charges as they vary from our RPO and VPS IVR solutions.

Bank of America supports both enrolled and non-enrolled IVR (touch tone) payment capabilities with Remote Payments Online. Bank of America provides Clients with standard scripts for our RPO enrolled and non-enrolled services. Within these scripts the Client is able to customize the service name and other appropriate prompts in accordance with their business rules for the service.

Enrollment allows for the end user to set up a user name and password, maintain the payment account information so it does not have to be re-entered at each visit, set-up reoccurring payments, and review and access previous payments and history. To use this process, an end user must provide Agency-defined authentication information. After the end user has entered the appropriate information and accepted the Terms and Conditions, a series of choices are made available. The end user chooses between proactive payment vs. automatic payment, type of payment account (checking, credit card, etc.), e-mail notification options, etc. For self-enrollment on the IVR the customer will receive a PIN letter accompanied by Terms and Conditions. The PIN letter finalizes the enrollment and the customer is then able to begin making payments.

Within the standard scripts there are multiple options for the customer to opt out to speak to a live operator. In the RPO enrolled model, a customer can be transferred to the Client's Customer Service Call Center.

The Bank of America IVR services can be standalone or integrated with a Web solution. As a standard, Bank of America IVR and Web services are fully integrated. Payments taken via the non-enrollment model on the IVR are reflected on the CSR (Customer Service Representative) tool and can be reviewed and edited by the Client's customer service representative. Payments taken via the enrollment model on the IVR can be viewed and edited on the Web, just as payments taken on the Web can be heard and edited on the IVR.

In addition to IVR functionality, Bank of America offers the ability for end users to call into a live operator to initiate payments. Your customer can call your customer service center to initiate a payment through the Client Console Interface. This tool will allow agency customer service representatives to capture ACH and credit card payments from your customers that result from in-bound and out-bound calls.

Bank of America abides by NACHA requirements and supports the TEL standard entry class code. For payments initiated via the IVR, the authorization of the payment is recorded and stored for two years. For payments initiated by the agency customer service representatives, Bank of America sends a postcard, a letter or e-mail to the customer to confirm authorization or the Agency records the call and stores it for two years. (The Department of Revenue's IVR is under the legacy B2B CIP application and therefore is not governed by the TEL rules and regulations.)

To ensure we meet the needs of the State, the capacity to handle call volume peaks is sized for the heaviest day and hour of traffic.

Through Velocity Payment Systems we also offer a fully integrated IVR module called, our V+TPS module. V+TPS offers both a robust DTMF (Dial Tone Message Format) Interactive Voice Response (IVR) system based on operationally proven hardware and software designs. The system enables and supports the deployment of multiple government services and applications using a common platform. The Velocity Payment System will be utilized for transaction processing, standardization, application integration, and integrated reporting of IVR payments and data. V+TPS's key features include:

- Integrates a natural and intuitive speech recognition interface with powerful text-to-speech tools
- Extends web-based applications and content to phones and wireless devices
- IVR platform is self sufficient, containing all of the technology necessary to successfully interact with customers via speech or touchtone
- System can be configured to permit customers to press a button to speak directly to an administrator within your company.

Additionally, if an agency has its own IVR system and wants a consolidated report of all of your IVR and web payments we can integrate payments made into the Velocity Payment System. Using a message-based programming interface (API) messages are exchanged over the Internet using HTTPS and are encrypted with 128-bit SSL.

5.3.3 Internet

Individual Agencies host their own web sites and should be able to access a gateway provided by the Respondent that will offer a full panoply of electronic payment vehicles that can complete a payment transaction. This RFP anticipates that the Respondent will process VISA, MasterCard, American Express, and Discover cards, as well as, ACH debits and credits and electronic checks. The Respondent's solution for Internet payments must have minimal financial and physical impact on an Agency's legacy system.

Bank of America is able to provide many flexible Internet options to the State for electronic payment vehicles including the **full host, partial, and gateway modes** available to the State today. We are able to process **VISA, MasterCard, American Express** and **Discover** cards, as well as, **ACH**. We take time to work with the agency to understand any legacy systems or how the process is done currently to thoroughly design a solution to ensure minimal financial and physical impact. Both our Velocity Payment Systems and our Remote Payments Online solutions offer web payment services.

Remote Payments Online

Bank of America supports a **fully hosted Internet site** where the end user is provided with a URL that can be passed over with a link from the Agency's Internet site to Remote Payments Online. The Remote Payments Online Web site will be branded to the Agency so that it is a seamless experience for the end user. Once the end user logs into the system, they would have access to view statements, make payments, modify pending payments and view payment history depending on the options the Agency chooses to offer.

For those that want to collect remittance information but not handle the actual payment, Bank of America supports a **partially hosted Internet site** for those Agencies that want to handle remittance information and pass the end user to Remote Payments Online for payment services. They will link the end user to the Remote Payments Online site that is branded to the Agency for a seamless experience and pass the remittance information to Remote Payments Online using a message-based programming interface (API) message exchanged over the Internet using HTTPS encrypted with 128-bit SSL. The end user will then enter the payment information on the Remote Payments Online-hosted site.

In addition, we support a payment **gateway** for Agencies who want to collect all of the remittance and payment information on their Web site and who just require a payment processor. Bank of America supports a service that allows the Client to collect all of the remittance and payment information on their site and then provide Remote Payments Online with the payment information in real-time using an encrypted query string or a form post for added security. In this scenario, the Remote Payments Online system would respond with a confirmation (or alternatively with appropriate error conditions).

In both our fully hosted and our partial gateway modes, the agency can further determine if an **RPO one-time pay or an enrolled feature** best fits their needs. Enrollment allows for the end user to set up a user name and password, maintain the payment account

information so it does not have to be re-entered at each visit, set-up reoccurring payments, and review and access previous payments and history through a web-based form-driven process to enroll themselves. To use this process, an end user must provide Client-defined authentication information at the Remote Payments Online site. After the end user has entered the appropriate information and accepted the Terms and Conditions, a series of choices are made available. The end user chooses between proactive payment vs. automatic payment, type of payment account (checking, credit card, etc.), e-mail notification options, etc. After enrollment is completed, the end user is notified by a welcome e-mail that the enrollment is successful.

Agencies can enroll end users in two ways. First, the Agency can manage the user account entirely and pass a query string via an https Application Programming Interface (API). This secure string allows single sign-on capabilities and provides the end user with access to payment functionality. Second, the Agency can collect the enrollment information and pass it to Bank of America to complete the enrollment process. This can be done in real-time or in a batch process.

Velocity Payment System

The **Velocity Payment System (VPS)** utilizes its V+Link module to link with the customer's hosted business forms and payment pages. V+Link is a message-based programming interface that enables customers to process payments using their existing mainframe and/or customer server applications. The messages are exchanged over the Internet using HTTPS and are encrypted with 128-bit SSL. The VPS handles all connectivity with the card association networks and banking institutions, while departments retain management of all front-facing forms and payment interfaces. V+Link's key features include:

- Secure, encrypted communication between customer systems and VPS using HTTPS
- Message specification that enables all credit card and electronic check (ACH) transactions
- Numeric error codes that enable application developers to write robust error handling

The Velocity Payment System interacts with other systems in a standards-based way. It makes no difference what languages are used as long as they can support HTTP connections and Web Services.

In addition to V+Link, the Velocity Payment system offers the ability to fully host the payment application. You can send us payment information via a billing upload file or send an API with the client and information.

VPS offers multiple payment channels to include Over-the-Counter, Over-the-phone (on-Behalf-of), remote terminal, Web and IVR,

It enables an agency to manage all e-Government revenue streams to offer e-Payment options including: fees, fines, and other new services using a common e-Payment

platform. The enterprise platform can even manage applications utilizing different merchant card service providers and processors simultaneously. This will provide for a seamless migration from one merchant services provider to another.

If the State wants to collect card present transactions they will need to purchase the card readers. This is outlined in the pricing section. No other equipment is necessary to run this service.

Velocity Payments Systems is capable of offering a shopping cart solution, card present processing integration, a convenience fee model, redundancy server capability to minimize maintenance windows for very high volume applications, experience with toll processing, and in some cases, a quicker implementation. VPS is not meant to replace RPO as Bank of America feels that RPO is a proven, excellent integrated payment processing solution that we continue to have great success with. With both RPO and VPS we are able provide the State Agencies even greater functionality and choice of options.

CyberSource

For small, low volume credit card processing only application needs that require little to no configurability, we also offer internet processing options. For an easy to implement, inexpensive, low volume internet solution, we recommend a combination of Bank of America's proven payment expertise and experience with the superior on-going support of CyberSource. Bank of America provides the credit card processing and settlement, while Cyber Source provides a proven on-line payment gateway. This strategic partnership provides the State with a comprehensive, 'off-the-shelf' solution that encompasses end-to-end credit card payment expertise.

BA Merchant Services' Cybersource gateway offers an attractive price point for small volume applications where configurability is not necessary..

Bank of America would welcome the opportunity to discuss Cybersource pricing scenarios. The Bank of America/CyberSource partnership combines the strength and expertise of two globally recognized leaders and puts it to work for Agencies needing a simple internet credit card solution. Additional technical details are available at <http://cybersource.com/bankofamerica>.

It is our intent to work with an agency desiring an integrated payment processing solution and to uncover the needs of any new payment application. From there it would be determined which solution best meets the needs of the agency's new application.

5.3.4 Point of Sale

Several Agencies that participate in the current contractor's payment receipt system receive payments through POS terminals throughout the State. The Respondent must explain and describe their system for processing payments through a POS environment. Additionally, the Respondent must discuss what equipment will be necessary for the Agencies to operate in this POS environment, and whether the equipment is supported by the Respondent. The Department does not expect Agencies to be required to make separate contractual arrangements for the purchase or lease of the equipment. This equipment must be detailed in the Equipment Section of the response to this RFP and included in the Price Proposal.

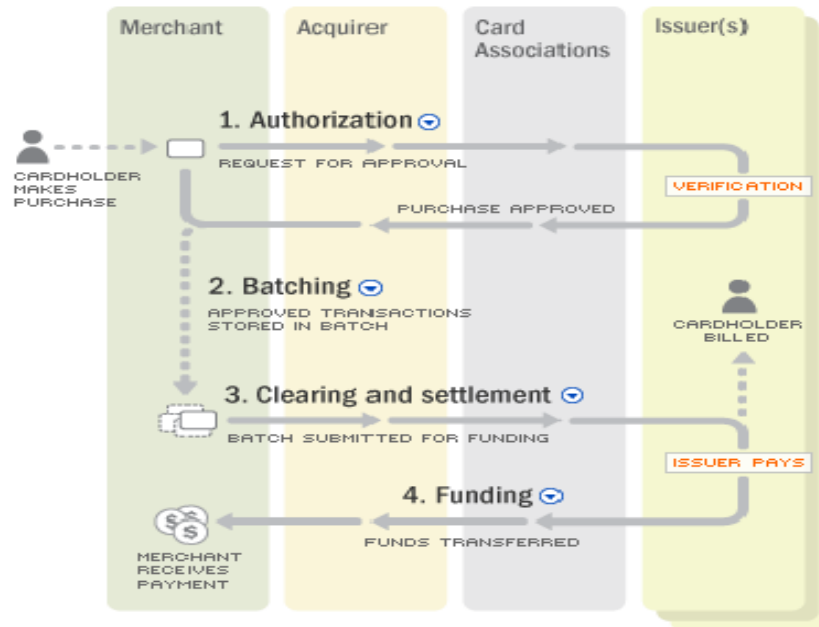
Bank of America supports stand-alone credit card terminals, allowing the state to operate in a standard face-to-face retail environment. Bank of America primarily supports Hypercom and Verifone Point of Sale terminals and PIN-pads. However, many other manufacturers have built applications that are certified for our networks.

If an Agency requires a specific hardware/software solution due to a unique business requirement, we can accommodate most devices on the market today. Our terminal applications include Address Verification (AVS), credit card truncation, CVV2, and some applications can generate reporting by unique identifying numbers input into the terminal such as clerk ID. All Terminal applications offered support additional business, commercial and purchasing card data to ensure best interchange qualification.

Please refer to the "Attachments" section of this response for more product information on our POS equipment offerings.

Bank of America will replace any rented terminal that fails, by shipping a replacement overnight at no charge. Separate contractual agreements for equipment are not required for the State. Equipment that the State purchases from Bank of America will be replaced for the duration of the terminal's warrantee, in the event of a failure.

When settling through a POS System or stand-alone credit card terminal, the verification and authorization of a credit card transaction occurs according to the following chart which includes both the authorization and settlement process. The authorization request is sent through the acquirer (BA Merchant Services) to the Card Associations, and on to the card issuer, who returns a specific response approving or declining the transaction.



Authorization response times through our TSYS Acquiring Solutions platform average 1.7 seconds, from the time the authorization is sent from the network host to the time a response is received back at the host. Full end-to-end response times from an individual POS device will depend on the specific hardware/software configurations.

Type of network connectivity

Authorization response time for direct connections range from 1–2 seconds. Authorization response time for dial-up connections range from 6-12 seconds. Response times reflect full end-to-end performance, including session set-up, protocol, message and response sequence as measured from the terminal. Individual terminal performance may vary based on terminal software efficiencies and modem configurations. No significant response time variances are experienced between peak and non-peak period. This is due to the redundant network architecture through two host processors, which accommodates 100% of transaction volumes through either host.

Velocity Payment Systems POS Integration Capabilities

In addition to stand-alone card terminals described above, V+POS is Velocity’s Virtual Point-of-Sale module. V+POS enables the State to manage their e-Payment transactions from all channels, giving them the ability to research, void, credit, and process transactions. V+POS also enables State agencies with standard dial-up point-of-sale devices to replace them with a robust processing interface that shares the same platform as their other e-Payment transaction channels. V+POS’s key features include:

- Secure, encrypted communication between Web browser and VPS using HTTPS
- The ability for authorized users to process payments from any Internet-enabled computer

- Supports credit card, branded debit card, and electronic check (ACH) payments
- User-defined fields can be set up to collect transaction specific information for easier reconciliation
- Transaction integrity checking that essentially eliminates the risk of double payment

5.3.5 Other Electronic Payments

The State's current electronic payment receipts system extends beyond credit and debit cards and includes electronic checks. The Respondent must provide electronic check and ACH debit and credit capabilities and explain the system for processing these types of payments from authorization through settlement. Additionally, explain if the Respondent's system will require any equipment for the Agencies. Please list this equipment in the Equipment Section of the response to this RFP and include the cost in the Price Proposal.

The Bank of America Remote Payments Online and Velocity Payment Systems solutions support ACH payments. For the purpose of Remote Payments Online and Velocity Payment Systems to accept ACH payment, no equipment would be necessary.

Currently, the following agencies accept ACH payment through RPO today to eliminate paper processing and allow their customers payment choice.

- Department of Revenue
- Department of Community Affairs
- Department of Highway Safety and Motor Vehicles
- Department of Business and Professional Regulation

Bank of America offers the following ACH (and credit card) cutoff times for RPO and VPS solutions:

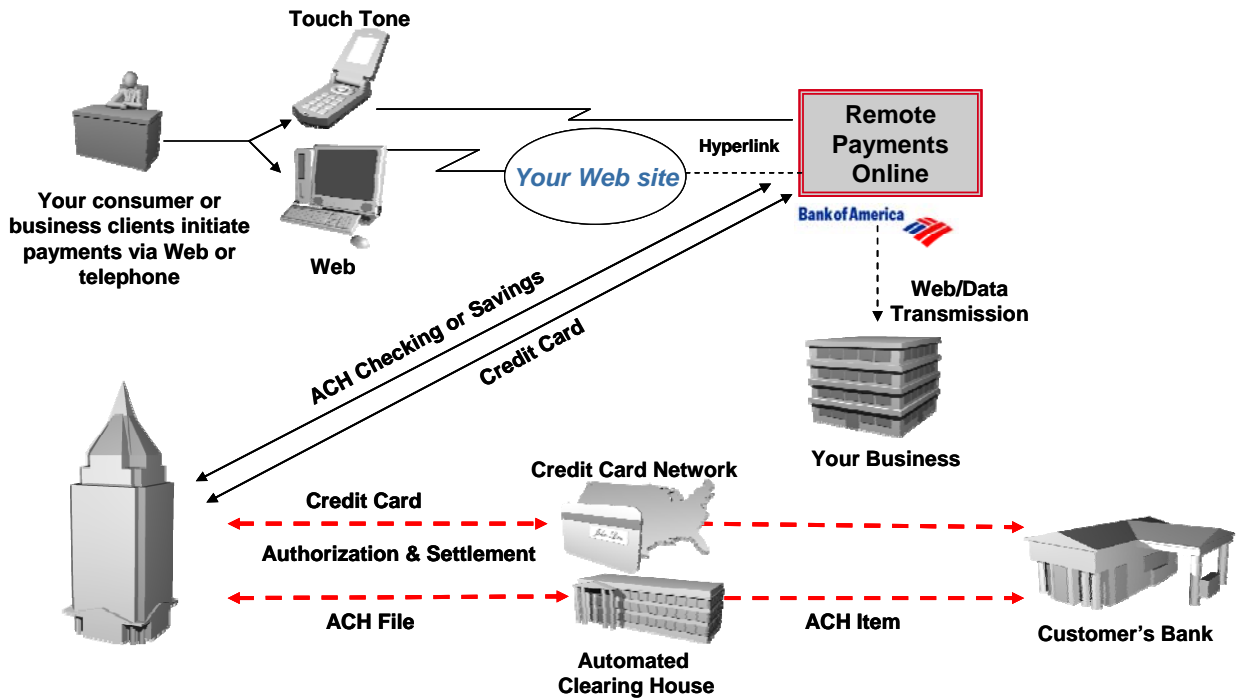
- Credit card payments made through RPO or VPS:
 - 8:00 p.m. Eastern Time / 7:00 p.m. Central Time / 6:00 p.m. Pacific Time
- ACH payments made through RPO or VPS:
 - Richmond - 6:30 p.m. Eastern Time
 - North East – 6:30 p.m. Eastern Time
 - Dallas - 6:30 p.m. Central Time
 - San Francisco - 5:00 p.m. Pacific Time

Please note, if processing both ACH and Credit Card payments, then the cutoff time for both defaults to the ACH processing cutoff time.

For credit card payments not using an integrated payment solution such as RPO or VPS, the cut-off time for payment extends to 1:00 a.m. ET

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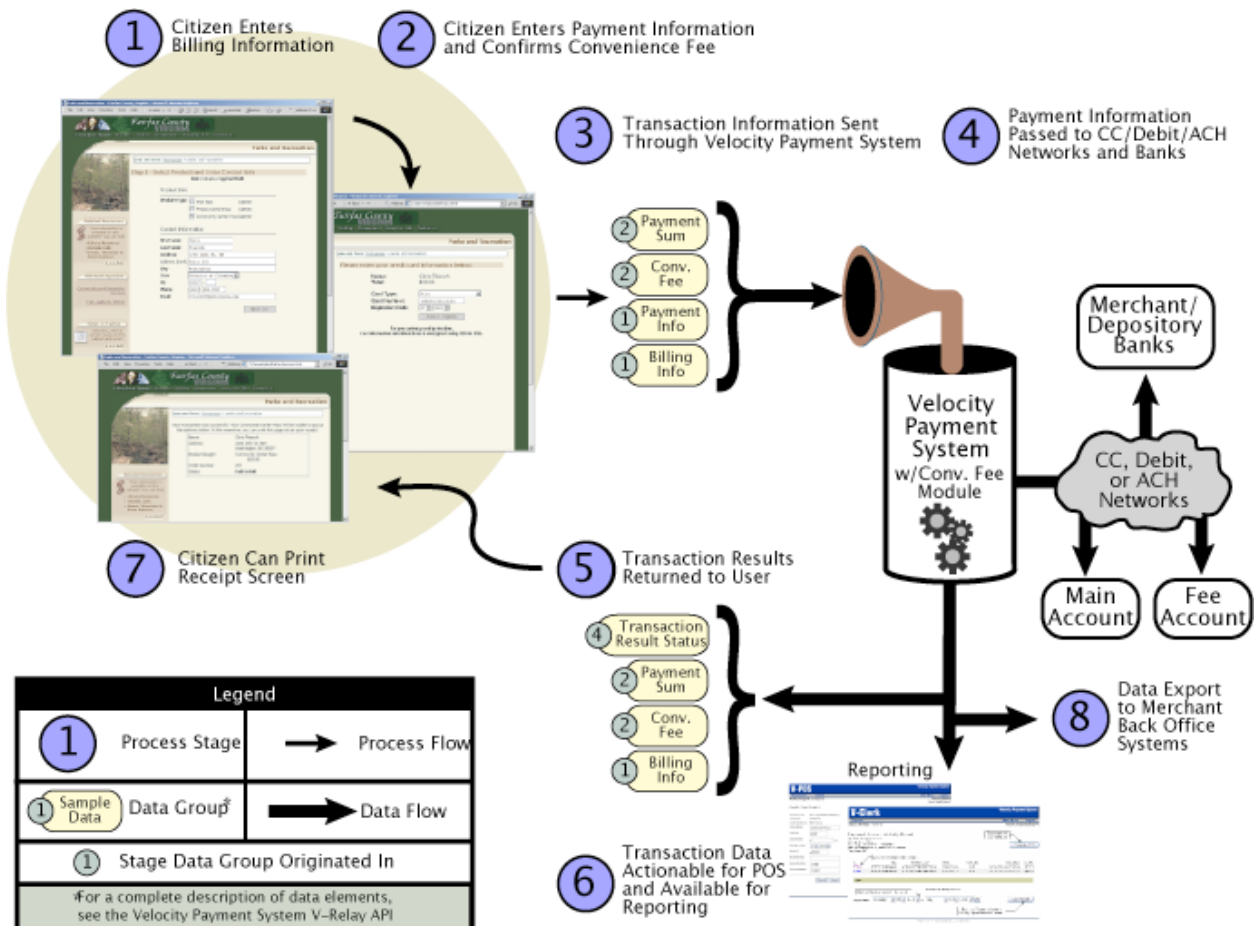
The following diagram displays how the Remote Payments Online processes a typical payment.



Bank of America is able to validate the end user's account number structure by using a MAM file, algorithm or account number structure. The transit routing number is validated in real-time against the Thomson Financial Database. The bank name is returned to the end user on the Web interfaces for confirmation.

Note: The Thomson Financial Database serves as a repository of ACH transaction's ABA and account numbers for all financial institutions.

The following diagram displays how the **Velocity Payment System** processes a typical payment from a State Web site.



Velocity Payment System Flow Diagram

Similarly, the Velocity Payment System will provide both the State and the customer with a real-time response for any ACH transaction submittal. At the time the ACH transaction is submitted for authorization, the Velocity Payment System will perform the Luhn-10 algorithm check to determine if the ABA Routing Number is a valid number. VPS can also integrate with negative check databases depending on the specific requirements of the State.

For both RPO and VPS, Should an ACH attempt not pass format and RTN validations, then the end user will be prompted to correct the information. Should the ACH attempt pass initial validations, but fail upon passage through the NACHA network, the transaction will be reported on in a daily ACH returns file. This information will be made available to the State in RPO and VPS reporting.

Standard ACH Return Codes

As a result of receiving valued client feedback from State agencies, a new function of RPO now available to the State is the ability to **access returned check information through Remote Payments Online**. If an agency or application has a unique company

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ID assigned specifically for RPO ACH payments, your company can determine whether to receive return notification outside of Remote Payments Online as is done today and through Remote Payments Online. This is not available for items that are recleared. If you receive notifications through Remote Payments Online, the ACH return codes in the following table appear. Please refer to the ACH User Guide, found within the “Attachments” section of this response, for further information regarding return processing.

Most Common in Remote Payments Online		Also Used by Remote Payments Online	
Code	Return Reason	Code	Return Reason
R01	Insufficient funds	R06	Returned per ODFI's request
R02*	Account closed	R11	Check truncation return
R03*	No account / unable to locate account	R18	Improper effective entry date
R04	Invalid account number	R19	Amount field error
R07*	Authorization revoked by account holder	R21	Invalid company identification
R08	Payment stopped	R22	Invalid individual ID number
R09	Uncollected funds	R23	Credit entry refused by receiver
R10*	Draft not authorized by account holder	R24	Duplicate entry
R12	Bank branch sold to another financial institution	R25	Addenda error
R13	Non-participating bank	R26	Mandatory field error
R14	Account holder deceased	R27	Trace number error
R15	Beneficiary deceased	R28	Routing number check digit error
R16	Account frozen	R30	RDFI not participate in check truncation program
R17	Bank cannot process draft as presented	R31	Permissible return entry (CCD and CTX only)
R20	Non-transaction account	R32	RDFI non-settlement
R28	Bank routing number in error	R34	Limited participation RDFI
R29	Draft not authorized by account holder	R35	Return of improper debit entry
		R36	Return of improper credit entry

**If you receive these return codes, the account will automatically be placed on hold.

Notification of Change

During the implementation process, if the State has elected to receive return information through Remote Payments Online, you will also receive Notifications of Change. The notification codes in the following table are used for Entry Detail Record Changes. Please refer to the ACH User Guide for further information regarding notification of change processing.

Code	Explanation
C01	Incorrect DFI account number.
C02	Incorrect routing number.
C03	Incorrect routing number and incorrect DFI account number.
C04	Incorrect individual name/receiving company name.
C05	Incorrect transaction code - used savings transaction code instead of checking.
C06	Incorrect DFI account number and incorrect transaction code.
C07	Incorrect routing number, incorrect DFI account number and incorrect transaction code.
C08	Incorrect foreign receiving DFI identification - cross border transactions only.
C09	Incorrect individual identification number.

Non Sufficient Funds (NSF) Tracking

The number of insufficient funds and uncollected returns for a rolling 12 month period is tracked by the application. When the number of NSFs reaches a predetermined limit, the end user will not be able to make a payment with the bank account in question. In the Client Console tool, the CSR will be prompted with a warning screen requiring supervisor approval for continuation. The warning screen will display the number of NSFs the customer has accumulated for that bank account. Requiring a supervisor override is optional. This screen will only appear if this option is selected at implementation.

Duplicate Payment Check

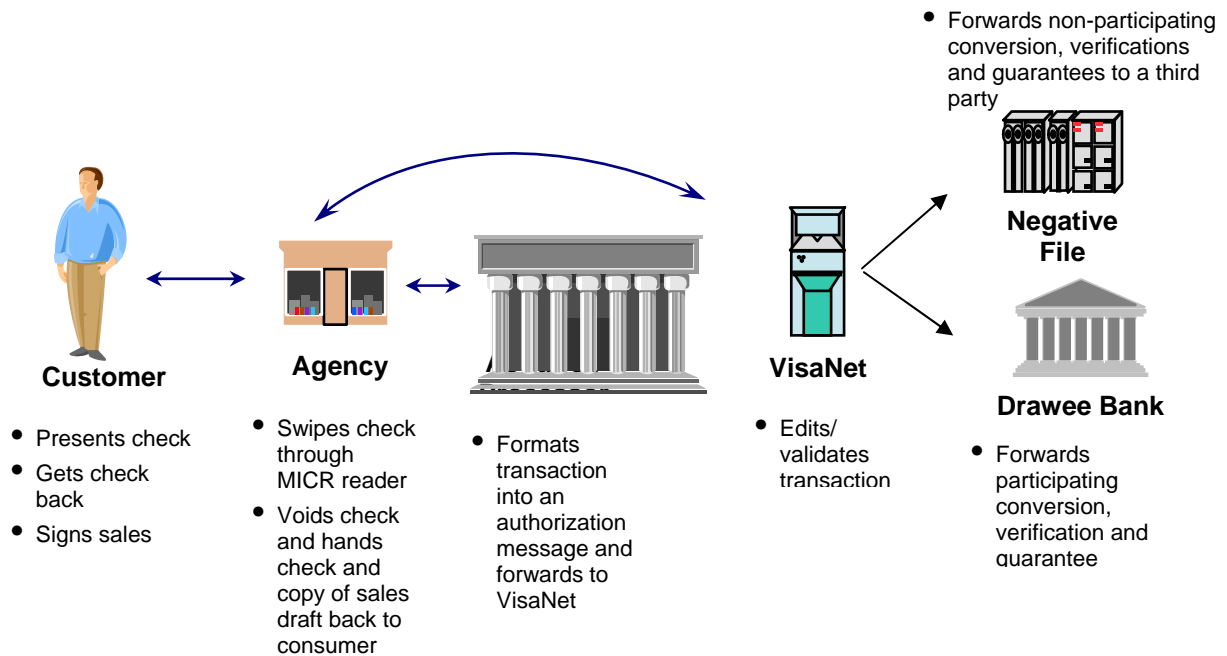
Our applications check for duplicate payments by verifying the account number, payment date and amount. This is applicable for ACH and credit card payments. The CSR is notified of a duplicate pending payment and may either cancel the payment or modify the payment date.

POS Check

In addition to the services already offered to the State of Florida under the current payment and Treasury contracts, Bank of America also offers POS Check. POS Check is a unique check verification and electronic conversion solution for Agencies that may accept large numbers of checks at the counter. The optional check guarantee function

effectively removes check collection efforts from Agencies where bad checks are a problem.

Unique to POS Check is the architecture it uses to verify the validity of the check that is being accepted at the Agency:



POS Check uses the existing Visa/MasterCard check card networks to not only verify the account, but also to check with the participating drawee bank for available funds and place a hold on the account. In this way it works very similarly to a check card purchase. POS Check currently offers real time connectivity to over 30% of the checking accounts in the State of Florida.

How POS Check Works

- The citizen’s check is scanned through the check reading equipment. The POS device electronically captures the data from the check’s MICR encoding. Please refer to the Equipment section 5.10 for applicable check processing equipment and pricing. For POS Check, all that is required is a credit card terminal with a check reader attachment.
- The purchase amount is entered into the terminal along with the required customer identification information.
- The terminal converts the MICR data to a formatted POS Check transaction and sends it to our host for processing.

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- The check is processed and routed to your citizen's bank or a third party check authorizer and an authorization response is forwarded to your terminal.
- A receipt is generated by the terminal. The paper check is voided and returned to the citizen with a copy of the signed receipt.
- POS Check items are then deposited electronically along with credit card transactions during normal end of day processes. Funds are available next business day along with card transactions.
- POS Check activity is integrated in existing BA Merchant Services reporting and billing.

In addition, an Agency can eliminate bad check collection activity by choosing the Guaranty option offered by POS Check. For a percentage of the face value of the check, BA Merchant Services and our third party provider assumes the risk if the transaction does not clear the citizen's bank.

POS Check is a comprehensive program tailored to service every aspect of an Agency's point-of-sale check acceptance requirements. All that is needed is a MICR reader attached to a credit card terminal or integrated point of sale system to send the check directly to Visa for processing. POS Check is a single source for cost-effective check processing. Bank of America welcomes the opportunity to discuss pricing options for POS Check.

5.4 Processing and Settlement

The State requires processing of transactions twenty-four hours, seven days a week by the Vendor through a variety of applications including Point of Sale, Internet, Electronic Checks, and Interactive Voice Response that do not require the State to host payment system software regardless of the technical and physical acceptance methods.

BA Merchant Services consistently documents system availability times in excess of 99%.

Bank of America RPO is able to offer to the State processing availability hours of 24x7x365 minus weekly maintenance windows on Sunday from 12:00a.m. (Midnight Saturday) through 6:00 a.m. Sunday. This maintenance time may not be used every week, but is in place should maintenance be necessary. For the RPO or VPS payment solutions, there is no software necessary.

Velocity Payment Service utilizes redundant servers which enable us to perform maintenance updates with minimal impact to our clients.

The Respondent must process VISA, MasterCard, American Express, and Discover cards and provide transaction, settlement, dispute resolution, and deposit/refund detail information at statewide, agency, division, and program level.

Bank of America can process Visa, MasterCard, American Express, and Discover card transactions. In addition, we can process JCB, Carte Blanche and Diners Cards. We will deposit funds from Visa and MasterCard transactions, while American Express and Discover will each respectively deposit funds from their own transactions into the state's account. These card types may be added at any time during this contract. All settlement data is available in various hierarchal level reporting. We provide transaction, settlement, and deposit/refund detail information at all program levels through a choice of several reporting options.

We use the most advanced Dispute Resolution technology for handling chargebacks and retrievals. This technology has automated and expedited the exception handling process, minimizing chargeback losses and operational costs for our merchants. .

The Respondent shall provide a Daily Settlement Reconciliation File that will enable the State to automatically reconcile the settlement amount to the State's front end processing system. The file's merchant/agency amounts and batch information shall correspond to the daily ACH credits.

Bank of America can meet the Daily Settlement Reconciliation File requirements.

Our reporting capabilities will help reduce your reconciliation efforts and will be an invaluable timesaving tool.

- **Operate in a unique "template-driven" environment** – You determine the important customer-specific remittance information that needs to be captured through our integrated payment solutions when your customers initiate payments over the Web. This template-driven design collects the proper remittance data to

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recognize and apply the payment electronically. One additional benefit is this reduces the cost and time an agency will spend conducting manual account reconciliation processes.

- Seamless and effortlessly updates to your system of record** – Our integrated payment solutions make it easy for you to receive detailed payment information on every payment initiated through the Web or the phone. With the unique template driven format, our integrated solutions will collect and report all pertinent transaction information. You need only download one of the multiple file formats available from the Web site and your internal accounting systems can be electronically updated.
- Reduces man hours spent in reconciliation** - Fundamentally, the flexibility of our solution reporting and its ability to accept multiple payment methods can greatly reduce the manual steps and the time involved in reconciling your system of record.

The Respondent must be able to provide separate ACH batch settlements to individual sub-accounts of the Treasury’s Concentration Account based on merchant, multiple merchant, or terminal ID numbers. Receipts processed each day must be delivered in collected funds to the sub-account. The Respondent must provide the proposed cut-off time for processing daily transactions and indicate when these funds will be available in the Agency sub-accounts.

Regardless of what solution ends the settlement record to Bank of America, settlement received prior to 1:00 A.M. Eastern can be made available on the next business day when deposited into a Bank of America checking account. The definition of “next business day” has two major components. First, business days are considered Monday through Friday, excluding federal holidays. Secondly, deposits must meet the daily network cut off. Bank of America transfers all settled funds via Automated Clearing House (ACH). As a federally chartered bank, Bank of America complies with the ACH NACHA format requirement.

Below is a graph of funding timelines:

Effective Day of Merchant Deposit Funds Availability							
Transaction Day	Mon	Tue	Wed	Thu	Fri	Sat	Sun
Bank of America Deposit	Tue	Wed	Thu	Fri	Mon	Mon	Mon
Non-Bank of America Deposit	Wed	Thu	Fri	Mon	Tue	Tue	Tue

This assumes all transactions are completed and batch closed by 1 AM EST on TSYS Backend. Effective date represents the earliest day that funds are available for use (I.e. withdrawal, investment, interest, offset debits) by the customer.

NOTE: Non-Bank of America deposit customers may not see their funds available on the effective date due to holds or delays at their deposit bank.

Bank of America has developed processes that ensure the proper Federal Reserve timelines are met to allow true “next day funding” to occur. We count ‘day 1’ as the day

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your Agency actually submits the batch. Other providers may claim “next day funding” but often consider ‘day 1’ as the first day after Agency settlement. This may result in an additional 24-48 hour window for funds availability.

We are able to offer the following ACH and credit card cutoff times for RPO and VPS solutions:

- RPO or VPS credit card payments must meet the following cutoffs:
 - 8:00 p.m. Eastern Time / 7:00 p.m. Central Time / 6:00 p.m. Pacific Time
- RPO or VPS ACH payments must meet the following cutoffs:
 - Richmond - 6:30 p.m. Eastern Time
 - North East – 6:30 p.m. Eastern Time
 - Dallas - 6:30 p.m. Central Time
 - San Francisco - 5:00 p.m. Pacific Time

Please note, if processing both ACH and Credit Card payments, then the cutoff time for both defaults to the ACH processing cutoff time.

Of note is the importance of Bank of America’s deposit advantage. This is reflected in the Opportunity Cost of Funds projection. Over a competitor, who cannot provide next day depositing we estimate a \$44,000 annualized cost of funds advantage (The cost of float represents the interest lost because the funds are unavailable for investment). Over six years of the contract this is estimated as an earnings benefit of approximately \$266,000 (based on a conservative interest rate of 3%). Please see the formula below:

This cost is calculated by multiplying the average daily float by the opportunity cost for the time period under consideration.

Total dollar deposit x # of Days of float benefit = "dollar days"

State of Florida average daily credit card/electronic deposits of (\$539,000,000 / 365) = 1,476,712.33

and we can better the competitors by 1 (or 2 days)

The Dollar Days for this calculation are \$1,476,712 x 1 day = \$1,476,712 x
Cost/Benefit of funds = 3% (if higher then the formula will calculate out higher as well) = \$44,280

If advantage over competitor is 2 days then the estimated benefit over the life of the contract is over \$500,000.

The Respondent must possess the capability to assign or accept a unique number that is included with the ACH settlement that allows the identification of the transactions included in the ACH deposit by agency, division, or program level. The number must be provided in the ID=Identification Field of the ACH Detail Record in the standard NACHA format or the position of the corresponding ID=Identification Field in the standard EDI format.

Bank of America can provide an identifying number in the Identification field in the ACH Detail Record as part of the standard NACHA format.

The Respondent must be able to provide an Agency with multiple reporting formats that break down information by agency, division, and program level. Please explain what formats are available through the Respondent's system.

For credit card processing online reporting, Agencies can select the reports most important to them and have them delivered when they need them. The reports can be viewed on line, or exported in PDF, RTF, XLS and CSV formats. Agencies can choose from a standard report or create an ad hoc report. Reports can be generated daily, monthly or within a specific date range for up to 6 months. The reports can be generated for all merchant accounts rolling up to an Agency level or on specific merchant accounts within the Agency level. Below is an example of the available levels for reporting:

- State level
- Agency level
- Divisions within Agencies
 - Associations
- Sections/programs within divisions within agencies
 - Merchant Numbers – 4301xxxxxxxxxxxx
- Individual locations within sections/programs
 - Terminal IDs–Vxxxxxxx

The most common merchant reports are the Deposit Summary Reports. Deposit Summary Reports include:

- Dollar totals by Card Type for sales, credits/returns, etc for all merchant accounts/locations that roll up to an Agency Level
- Transaction count totals by card type for each merchant account/location that rolls up to an Agency level
- Dollar totals by merchant account/location for all accounts that roll up to the Agency level
- Transaction count totals by merchant account/location for all accounts rolling to the Agency level
- Transaction count totals for other electronic payments by merchant account/location for all accounts rolling to the Agency level

Reports are available for viewing online or available to download in the following formats: XLS, PDF, RTF and CSV (Comma Separated Value).

Bank of America's **Remote Payments Online solution** can support the assignment of a key (including a GL number) to a specific payment field that would travel with the

remittance files. The payment data model has a provision for miscellaneous data to be associated with payments. This data includes, but is not limited to, GL numbers, Agency Division Codes, tracking numbers and transaction IDs. The Agency can specify rules (such as Division X payments should be accompanied by code X) that will determine what data will travel with the remittance files.

The Agency can define a hierarchical structure within the application so that a parent organization can view the activities of a subunit. The hierarchical structure can be defined around group, teams and/or divisions.

The Team capability within the application provides an administrator the ability to set up new Team names, assign parent and child relationships to the Team, and also remove an existing Team.

Bank of America offers the ability to deliver automated end-of-day remittance files directly to the agencies. We will support XML, EDI 820, BAI, CSV and fixed file formats. Bank of America can also consolidate the Remote Payments Online data with other Receipts files such as Lockbox.

The **Velocity Payment system** also supports the creation of multi-level hierarchies. The system can support the assignment of a State merchant account to one or many collection applications, depending on the specific requirements of the State. As such, Velocity can assign unique merchant identification and terminal identification numbers to each collection application. Velocity can also support having multiple collection applications assigned to the same merchant account. The setup and configuration of merchant accounts and collection applications are managed using Velocity's Platform Operations Console (V+POC).

The Respondent must assign and record a transaction confirmation number for each transaction. The confirmation number must be provided back to the particular business application in order to identify individual transactions that shall allow an Agency to research each transaction and/or settlement in both real-time and next day activity. Describe if transactions can be accessed by any other identifiers such as batch number, date, etc.

Merchant online reporting provides Deposit Activity reporting down to the transaction level on all batches submitted for settlement for each merchant account/location. The assigned merchant account number drives settlement. Settlements can be listed either separately, by batch or combined into one lump sum. Capture reporting is available the morning after processing. Settlement reporting is available by 8 A.M. the day after processing.

Our online reporting allows the State to choose from captured or settled data, transactional, interchange, or chargeback reporting with a number of search criteria selections such as invoice number, card account number, account deposits, and many more selections. Detailed data is accessible for 6 months while summary data is available for 12 months. For RPO and VPS, a confirmation number will be assigned to both the ACH and Credit Card transactions. These confirmation numbers will travel with the

payment for the end user to see on their statement. The State will also be able to research the transaction using the confirmation numbers.

Other search criteria are available by typing and/or selecting the appropriate information for one of the following fields:

- Account Number
- ACH Payment Account
- CC Payment Account
- Confirmation Number
- Name on Payment Account
- Total Debit Amount
- E-mail Address
- CSR Login ID
- Date

[The Vendor may not debit the Treasury for any fees or charges. Monthly billing/invoicing of fees to each individual Agency will be the responsibility of the Vendor.](#)

Bank of America will comply and can continue to bill the Treasury as we have with the previous contract. For our integrated payment solutions, the agency would receive both a merchant services statement and an analysis statement containing the solution fees and ACH fees if applicable. Our VPS solution can also provide the State a convenience fee model if that is something of interest to the agencies. (If RPO or VPS payment is not received within 90 days of invoicing, the master account is automatically debited.)

[Several Agencies employ multiple collection applications. Please explain the Respondent's reporting ability for separating transactions between the individual applications.](#)

As the incumbent and as a result of our involvement in early phases of the Aspire implementation, Bank of America is already meeting the requirement for separating transactions and is happy to continue to do so. Currently, merchant funds are batched and deposited via ACH to the sub accounts designated by the State. The description of the ACH deposit includes the individual Merchant ID number. The Merchant ID is truncated by dropping the last digit. The deposit is then transferred by ACH to the State's Treasury Concentration Account. Description again includes the individual Merchant ID number. In addition, the OLO (location number of the agency) is also included in the transaction detail of the ACH deposit. This scenario meets the State's need to identify each location processing transactions.

Organizational hierarchy structure for reporting

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Your Remote Payments Online application can be set up to include multiple divisions to accommodate divisional needs inside of an agency or to differentiate between services or products sold. The Agency determines the layout of their application with Bank of America and the number of divisions needed. For example, DHSMV has a separate division inside of their Tax Payer Application for each County motor vehicle and tag office. The information collected and reported is the same for each division, but it allows for hierarchal reporting capabilities to accommodate the agency and the offices. This divisional application option allows for your organization to have four levels of management and receive summary or detailed reporting at each one of those levels.

The remittance file(s) can be set up to be batched or separated by division.

The Vendor shall be required to make changes to the Daily Settlement Reconciliation File to accommodate the implementation by the State of a new accounting system known as Project Aspire. This shall require format, data element and/or field size changes.

Bank of America has already demonstrated our ability and willingness to accommodate changes required under the Aspire Project. In March of this year, Treasury and Merchant Services worked hand in hand in implementing over 300 account number changes required for the new sub account structure. Through Bank of America's long-standing relationship with Aspire, we are familiar with and able to accommodate this. As the State's current provider, Bank of America was pleased to have spent numerous resources to accommodate the reporting needs of the State, including extensive customization.

At the most general level, Project Aspire is intended to ensure that State financial data is accurate, timely, valid, reliable, secure, auditable, relevant and easily accessible. The State's current financial systems no longer support even these basic essentials. Project Aspire is expected to begin implementation in July, 2007. Only a portion of State government will be in this first phase. Consequently, for the following nine to twelve months after implementation, the State will maintain the new accounting system as well as the existing accounting system until all of state government has been converted.

More can be learned about Project Aspire at <http://aspire.dfs.state.fl.us/index.asp>.

Bank of America is able to dually accommodate the State during this time. Our partnership with the Project Aspire team to date has provided Bank of America knowledge and insight of the goals of the project and expertise in how best to work with the State of Florida during this critical transitional time.

5.5 Chargebacks

The Respondent must describe their procedures for a chargeback. Presently, all Agencies receive a chargeback through their sub-accounts in the Treasury Concentration Account. While this method is successful, please provide details of any other options available, including reports provided, as well as on-line Internet access to the appropriate information. The Respondent must adhere to all rules published by VISA and MC. In the response, please indicate what percentage of chargebacks is currently resolved at the Respondent level without requiring the input of the merchant. Additionally, describe how quickly the chargebacks are delivered to the merchant once a cardholder dispute is recognized?

As the second largest bank-owned payment processor in the United States and the sixth largest payment processor worldwide, BA Merchant Services provides our merchants world-class chargeback service. Our chargeback system handles all aspects of the retrieval and chargeback dispute process. State-of-the-art image technology combined with artificial intelligence software provides maximum chargeback protection. Our advanced system enables us to resolve more than 35% of all chargebacks automatically without any intervention from Bank of America or the State. Those that do require Merchant input, 99.9% are delivered within 30 days of the cardholder dispute.

The dispute process for both cardholders and merchants involve two types of requests-retrievals and chargebacks. Outgoing settlement records are systematically matched and attached to every retrieval request and chargeback ensuring validity. Retrieval requests and chargebacks are verified against the credit file to determine if a credit has been processed to the cardholders credit card account.

Retrieval responses and chargeback rebuttals may be faxed directly to the Image System. They are electronically indexed into the system. Sales drafts responding to retrieval requests would be routed to Visa/MasterCard image workstations. Chargeback rebuttals would systemically reopen the corresponding Chargeback file folder for action by investigative staff. This method reduces merchant retrieval requests by approximately 60 percent and allows Bank of America to respond more rapidly to the Chargeback thus improving recovery potential. In addition to the efficient handling of Chargebacks and retrievals, tracking and reporting are key attributes of our Image System.

Retrieval Request Process

- The Cardholder questions a transaction and contacts the issuing Bank. They may request copy of sales draft.
- The issuing Bank requests a copy of sales draft from BA Merchant Services (electronically) through the Card Associations.
- BA Merchant Services receives a copy request and fulfills, or forwards to merchant for fulfillment.

- The merchant receives a copy request and sends related sales draft to merchant bank.
- Customer Service Chargeback representatives screen retrieval request fulfillments and contact merchants to obtain correct/more legible sales drafts to help merchants avoid chargebacks.
- Representatives contact merchants by phone on unfulfilled retrieval requests that are \$1,000 and higher to help merchants avoid fatal chargeback's. (this step is done in addition to the initial retrieval requests and aging reports)
- After screening, Bank of America forwards a copy of the sales draft to the issuing Bank (electronically) through the Card association.
- The issuing Bank receives a copy and forwards to cardholder.
- The cardholder receives a copy of sales draft for review.

Note: a) In some instances, this process can be initiated by the issuing bank, and the cardholder may not be aware that the inquiry is happening. b) The retrieval request does not always result in a chargeback.

Chargeback Process

- The cardholder disputes a transaction and contacts the issuing Bank with disputed information.
- The issuing Bank sends a chargeback to the merchant bank (electronically) through the Card Associations.
- Chargebacks can be auto-resolved without investigator or merchant intervention.
- All information needed to resolve a chargeback is available online when the investigator receives the case.
- Chargebacks print on easy-to-read 8 1/2 by 11 advices which provide extensive information and suggestions on how to remedy the chargeback.
- The merchant bank reviews the chargeback for validity.
- Based on card association chargeback requirements, the merchant bank returns the chargeback to the issuing Bank or forwards it to the merchant.
- Merchant provides remedy to the merchant bank.
- Merchant bank re-presents chargeback to the issuing Bank with appropriate documentation.
- The issuing Bank receives the re-presentment and re-posts to the cardholder account or initiates the pre-arbitration/arbitration process against the merchant bank/merchant.

The CADRE (Chargeback Automated Dispute Resolution) System is the artificial intelligence used by Bank of America in concert with our Imaging system. As detailed above, Bank of America receives chargeback and retrieval requests initiated by the issuing bank, electronically from the Card Associations. These requests are downloaded into the CADRE system. The CADRE system verifies that a transaction record was processed and if a credit has been issued. If no record of a credit exists, and a transaction record was matched to the request, the system will release the request for processing.

- CADRE can be set to produce substitute drafts to fulfill retrieval requests for specific industry types at the merchant's request.
- CADRE can be set to produce aging reports for unfulfilled retrieval requests at the merchant's request.
- CADRE has the capability to capture and attach sales drafts through the signature capture database to fulfill retrieval requests for merchants that participate in signature capture processing.
- Case information is stored as images which can immediately be retrieved and viewed online at a later date.
- Bank of America absorbs the arbitration/compliance filing fees. The only exception is when the merchant requests an association ruling and Bank of America feels strongly or the card associations have advised that the case would be ruled in the issuing bank's favor.
- Bank of America staff has a good rapport with issuing banks regarding arbitration, compliance and good faith collection cases.
- Incoming good faith collections are never accepted without a merchant's approval.
- Second good faith collection notices are sent to issuing banks.
- Special good faith collection guidelines have been established with some issuing banks

Retrieval Requests are sent to the merchant via fax server, mail, or Merchant Explorer. Chargeback's are sent to the merchant via mail or Merchant Explorer.

Bank of America's Award Winning Chargeback Processing Group is the recipient of the following awards:

- Visa Awards
 - Best Chargeback Performance for lowest chargeback-to-sales ratio for eight consecutive years
 - Visa USA's Member Service Quality Award for Distinguished Achievement for award for five consecutive years. This award reflects the best performance in the Lowest Chargeback-to-Sales Ratio AND the ability to

educate our merchants in proper Visa card acceptance procedures to ensure transactions are processed correctly and accurately at the point of sale.

- Recognized for “Best Copy Fulfillment Rate” by Visa for five years. This award reflects the best Acquirer performance in responding to copy requests. Acquirers that educate and monitor their merchants to ensure copy requests are provided help reduce unnecessary and costly Chargebacks and improve performance in this important customer service area.
- MasterCard Awards:
 - Outstanding Chargeback Performance Award. 1995 was the first and only year MasterCard presented this award

Please refer to the “Attachments” section of this response for a listing of specific areas within the BA Merchant Services’ Chargeback Department.

Merchant Explorer

An enhancement Bank of America has developed for this process is Merchant Explorer. Merchant Explorer is a Windows® - based PC product for handling exception processing. It allows the ability to view your chargebacks, retrievals and reversals in a real-time on-line environment. Detailed transactional information can be viewed for assisting in customer service inquires, and provides you the data needed to resolve exception items.

Both credit and authorization detail transactions can be viewed via Merchant Explorer. It also allows you the ability to scan documentation and create images to be sent directly into our chargeback system for each case. The State can view previously scanned images within Merchant Explorer, creating a paperless environment for exception processing.

Merchant Explorer allows a merchant to export data to various systems to create ad hoc reporting. Bar, pie and other graphical charts can be easily created based upon specific criteria selected from the data by the merchant. Additionally, BA Merchant Services has the ability to create custom reports through our Research Department based upon merchants’ user-defined parameters. This service is part of our ongoing commitment to meeting or exceeding a customer’s expectation in merchant processing. Data can be mined through a five-year historical view.

Standard Merchant Explorer reports include the Merchant Number, Store Number and Date Range and are used to balance against merchant deposit reporting.

Here is a sample of a standard report from Merchant Explorer:

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Technical Specifications

Page 1

Merchant Resolution Report - Chargebacks

4/13/2005 11:57:06 A.M

<u>Merchant #</u>	<u>Store #</u>	<u>Case Number</u>	<u>MCC Code</u>	<u>Debits</u>	<u>Credits</u>	<u>Net Amount</u>
00000917						
	00000158	2510131236	5945	\$317.96	\$0.00	
	00001008	2510131339	5945	\$158.99	\$0.00	
		2510131340	5945	\$397.46	\$0.00	
	00085704	2510128209	5945	\$20.53	\$0.00	
				<u>\$894.94</u>	<u>\$0.00</u>	<u>\$894.94</u>
						<u>\$894.94</u>

Merchant Explorer also offers customized reporting that can be created by querying a variety of fields. Merchant can specify the data and layout of reports by:

- Date Range
- Case Type
- Data Element
- Sort Order
- File Type

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Below is a sample of the queries available from Merchant Explorer:

Customize Report

Selection Criteria

Date From: Tuesday 04/12/2005

Date Through: Tuesday 04/12/2005

Merchant #: [Dropdown]

Store #: [Dropdown]

Case Type

- Unresolved Retrievals
- Resolved Chargebacks
- Reversal Denials
- Unresolved Chargebacks
- Unresolved Pre-Arbitration
- Resolved Pre-Arbitration
- Accepted Reversals
- Resolved Retrievals
- Unresolved Reversals

Export to File | Print Report

Delimited By: Comma, Tab, Other: [Text Box]

Close

Report Fields

Available Fields	Selected Fields	Sort By	Order
Case Number	Due Date	Due Date	Asc
Case Type	Tran Amount		
Status	Case Number		
Exception Amount	Invoice Number		
Cardholder Acct Num	Exception Amount		
Issuer BIN ICA	Case Type		
ACQ Ref Num	Age/Day		
Merch Ref			
Merchant Num			
Auth Code			
Tran Code			
Tran Date			
Tran Amount			
Reason Code			
Invoice Number			
Age/Day			
Due Date			
Resolved Date			
MCC Code			
POS			

5.6 Reporting

The Respondent must be prepared to deliver a robust reporting program for the Agencies. This program must exhibit substantial flexibility that will permit the Agencies to select from a full array of reports that can be tailored to fit their individual needs.

Bank of America complies with this request.

These reports must be available electronically. The reports must be accessible through the Internet and downloadable through an Agency's browser and contain sufficient detail to reconcile payments. The Agencies will have different requirements for their reporting. Please explain in what formats these reports can be made available.

BA Merchant Services is greatly enhancing our current offering for online reporting. This new system, Access.net, incorporates the best practices and functionality of several previous reporting tools, while also considering valuable client feedback and in-depth analysis of other offerings throughout the industry.

The resulting online reporting tool will incorporate existing functionality offered through Merchant Services Online (MSO), with several additional capabilities such as: greater access to summary and detail information at various hierarchical levels, with ability to "drill down" into further detail, enhanced chargeback reporting, enhanced interchange reporting and availability of additional data fields with query ability. BA Merchant Services is committed to timely notification of the State regarding the availability and transition of new reporting services, throughout 2006.

Access.net is accessed through a Web browser via a PC with Internet access. In addition to viewing the monthly merchant statement and several standard reports, transactional data can be downloaded in numerous formats allowing the State Agency to create custom reports.

There are over 100 pre-formatted reports in varying frequencies. The data is available for viewing online or can be exported in the following formats: XLS, PDF, RTF and CSV (Comma Separated Value). This will allow the State to store and manipulate the data, as desired. Additionally, the State can schedule output to automatically be delivered to a designated e-mail box.

BA Merchant Services allows access to data for between 6 to 13 months prior. Chargeback data is available for at least 12 months in compliance with card association rules. Monthly statements, which are generated at the end of the month, can be viewed electronically through BA Merchant Services' online reporting and may be downloaded from the web site.

Access.net has querying capabilities that enable the State to produce customized and unique reports within the limits of the available fields that can be accessed. For highly customized reports beyond the transactional data available through online reporting, Bank of America is open to analyzing specific business requirements for State Agencies.

To view a demo of our new merchant reporting web site, please go to www.BAMSAccess.net and use regmdemo for the User ID and password. Once logged in, an overview of the reporting or a detailed user guide can be accessed via the Merchant Toolbox/ Documentation link.

Integrated Payment Solution Reporting

Bank of America's Remote Payments Online supports online real-time reporting via the Web. Bank of America also provides standard online reports. The reports can be modified based on customization that may have been done to the application template fields. In some case, this may require additional programming costs. All of the standard layout template modifications are carried through to the online reports. This includes, but is not limited to, branding, custom colors and fonts.

The Reporting module provides permitted users with access to daily reconciliation reports as well as payment and CSR activity reports.

Payment history reports

The following Payment reports are available in the Administrative Module:

- Completed Transactions (12 months)
- Pending Transactions (6 months)
- Returned Transactions (12 months)
- Cancelled Transactions (45 days)
- Fee Waived (12 months)

The above reports are dynamically produced for the date range specified by the user. The reports may be filtered by Login Id, Team, Payment Method, Product and Division. In addition, each report may be downloaded into Excel.

End user reports

The Payment History report accessed by end users is replicated on the Manage Accounts Module of the Administrative tool. The CSR is able to enter an account number and view all payments initiated through Remote Payments Online.

Activity reports

The daily reconciliation reports provide Agencies with summary information regarding the previous day's transactions. It will display the total number of transactions processed and the dollar amounts associated with them. It displays the amount to be settled in a Agency's bank account for the ACH transactions and the gross amount of credit card transactions to be settled by the credit card processor. This report will reconcile to the dollar amount of the posting file. Returned ACH transactions which before could only be sent to the FLARE system for processing due to the State's requirements, can now be provided in the return reporting through RPO to allow this information to appear on a separate report with details of each return including the reason for the return. The CSR

Activity report displays the payment activity for each customer service representative or agent so that call centers may hold contests and track activity. The information is available for 12 months. For the enrollment service, the Consumer Activity reports track items such as the number of enrollments and payment methods being used. End users using the enrollment model have access to payment history and pending payment reports.

All of the reports can be downloaded (or otherwise delivered) as raw data. This would allow an agency to upload the data into any legacy system or report writing application. To assist with accounting system integration during implementation, the agency can be provided with the option to assign, for example, a GL number, to a specific payment field that will travel with the remittance files.

Bank of America can support the assignment of a key (including a GL number) to a specific payment field that would travel with the remittance files. The payment data model has a provision for miscellaneous data to be associated with payments. This data includes, but is not limited to, GL numbers, Client Division Codes, tracking numbers and transaction IDs. The agency can specify rules (such as Division X payments should be accompanied by code X) that will determine what data will travel with the remittance files.

Because we support centralized, consolidated reporting for all input methods used (i.e. internet, touch tone, voice), they are completely integrated. As a result, reports are built against the comprehensive data set.

In addition, a “parent organization” can view various reports of their “child.” The Team capability within the application provides an administrator the ability to set up new Team names, assign parent and child relationships to the Team, and also remove an existing Team.

Bank of America offers the ability to deliver automated end-of-day remittance files directly to Clients. We will support XML, EDI 820, BAI, CSV and fixed file formats. Bank of America can also consolidate the Remote Payments Online data with other Receipts files such as Lockbox. Sensitive data, including but not limited to, credit card numbers, banking info, etc. can be masked or unmasked depending upon requirements. Depending upon the Agency requirements, we can also generate an empty or null file with appropriate header and trailer or no file if there are no transactions processed during a business day.

In general, data (payment history, statement history, etc.) is available for end users for six months or billing cycles. Offline storage is supported for seven years and is done at an offsite facility using magnetic tape as a storage medium.

V+Clerk is **Velocity Payment System’s** robust and flexible reporting and administrative tool that manages transaction data at the individual department account level. This module enables customers to monitor, track, manage and reconcile all payments processed on the VPS. V+Clerk supports multiple payment applications and provides customers with a single reporting interface for all transactions and financial reporting. Most notable, the module allows users to search queried payments by application-specific

fields such as bill number or account number, enables users to see all payments made with a specific credit card or check, generates for the user on-line check reports that enable the customer to receive checks returned due to insufficient funds, and provides users a transaction summary report which is helpful in monitoring funds settlement for a specific payment application. V+Clerk's key features are:

- Secure, encrypted communication between Web browser and VPS using HTTPS
- Supports all payment applications hosted on VPS
- Enables employee users to save report output in comma-separated values format (CSV)
- Can display customer specific management data for individual transactions in transaction reports

It provides sophisticated, real-time reporting capabilities, accessible through any standard Web browser utilizing our V+Clerk and V+POS modules. Our reports are parameter driven enabling users at both the agency/department and enterprise level to query database based on a range of factors. Departments can run customized reports based on specific payment applications, dates and merchant-specified data, enabling the development of e-commerce payment system policies and standards. The tools will enable officials to view transactions, generate ad-hoc reports and estimate funding. The system also provides interactive drill down capabilities.

All reports enable the user to export to CSV formats for further manipulation in spreadsheets. Additionally, the merchant can extract data from the system through our V+Exchange modules and download into a user's preformatted Excel spreadsheets, or database. Descriptions and samples of select reports of the Velocity Payment System are provided below.

Benefits of these reporting tools include:

- Enterprise control over the reporting and accounting procedures
- Provide the merchant control over all issues relating to cash management: transaction costs, transaction types, collection float, enterprise payment technology, reporting and administrative controls and banks services.
- Aid the merchant's reconciliation processes by allowing administrators to research and locate specific transactions
- Provide finance and administration officials with an enterprise view of the e-commerce system.
- Monitor and control transaction types across all applications on a daily, weekly, and monthly basis.
- Enables e-payment policies and standards on an application basis.

- Allow the State to control use of specific transaction types, specific transaction mechanisms, and ultimately to control transaction costs.

V+Clerk Standard Reports include:

Transaction Journal

- **Transaction Summary Reports** - This report is a summary of all transactions within a given time frame (predetermined or user defined), within a single application, itemized by payment tender. This report is typically used for monitoring cash flows. The Transaction Summary Report can also assist in reconciling payments processed through the Velocity Payment System with bank deposits (totals for a given period grouped by payment tender).
- **Enterprise Transaction Reports** - This report is a summary of all transactions that took place with a given timeframe (predetermined or user defined), throughout the entire enterprise or specific group of applications, itemized by payment tender. This report is used to monitor funds settlement across the enterprise (all e-government applications). This standard report assists in enterprise-wide reconciliation of payments processed through the Velocity Payment System with bank deposits (totals for a given period grouped by payment tender).

Daily Journal

- **Daily Activity Report** - This report is accessed through the Transaction Summary Report allows State administrators to see the individual, drill-down transaction details of the summary reports.

Settlement

- **Settlement Batch Activity Report** – This report allows administrators to view settlement batch activity for credit card, debit card and ACH transactions within given time period (predetermined or user defined). This report is typically used to monitor settlements in order to determine incoming cash flows.

Statistical

- **Payment Account Activity Reports** - These reports enable administrators to create a filtered view of payments using merchant-defined search criteria such as bill number or account number. This report is typically used to aid in researching successful transactions and provide statistics based on merchant-defined data. The Payment Account Activity Report allows administrators responding to customer service inquiries to examine the payment history for a given transaction.
- **Payment Tender Activity Reports** - This report allows administrators to view and examine all payments made with a specific credit card or checking

account to monitor payment activity. The Payment Tender Activity Report allows administrators to respond to customer service inquiries or to view activity history for a given payment tender (credit card number or check account number) to determine what (if any) payments have been issued.

Exception Reports

Administrators can view failed, rejected and voided transactions through the standard reports in V+POS. Administrators can search elements including transaction id, specific date range and type of transaction.

V+Exchange on-demand batch export module can be used to retrieve transaction information for an agency's back-end processing needs. V+Exchange data can be retrieved at whatever time(s) required by the State agencies. If the State agencies intend to retrieve data associated with those transactions submitted for settlement, the agency can submit a V+Exchange data request shortly after the agency's daily cutoff time.

The Velocity Payment System supports the establishment of cutoff times on an application by application basis.

The Respondent, at a minimum, must be able to generate in electronic format by Agency, merchant, multiple merchants, and terminal IDs, daily, monthly, and yearly reports containing the following:

- Dollar totals by card type for sales, returns, etc, rolling up to Agency level
- Transaction count totals by card type rolling up to Agency level
- Dollar totals by location rolling up to Agency level
- Transaction count totals by location rolling up to Agency level
- Dollar totals for other electronic payments rolling up to Agency level
- Transaction count totals for other electronic payments rolling up to Agency level
- Settlement reporting

Bank of America complies with this request.

Additionally, at the Agency level, the Respondent must provide daily transaction detail for deposits and/or refunds, charge backs or other adjustments.

Bank of America can comply with these requirements through our robust reporting systems.

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The Agency shall have the ability to restrict access to electronic reporting and inquiry through administrative rights, password protection, or other processes. Please discuss the Respondent's system for limiting access.

Bank of America's electronic reporting systems are accessible by a secure user-authenticated Internet login. Bank of America adheres to strict guidelines around KYC—"Know Your Customer". Merchants wishing to utilize online reporting are identified using a four step process. After the merchant is identified, they are asked to provide their email address, first and last name and a security code. Users are issued a User ID and a temporary login ID. Upon accessing the reporting system for the first time, the user is prompted to change their password immediately.

Security measures are used to prevent unauthorized user access to either the system or the data. After three invalid login attempts are made, the User ID is suspended, and the Security Administrator must be contacted to reset the User ID. All of these security measures are followed for both the end users within departments and the Information Systems Dept. as well. In addition to having to be authorized, an ID must also be authenticated prior to being allowed access. Passwords are required to meet minimum length, prohibited character strings, combinations of types of characters, non repeated previous passwords and are self suspending for lack of use—which also prevents unauthorized access. Specifically, the access to RPO or VPS for reporting, payment management, account management and administration is by User ID and Password. The client Administrator will have the ability to set up the employees of the company that will be using RPO. As additional security, access to the client console URL is restricted to allow only traffic from the client's sites to the login page.

The State is provided with a single interface to configure its back-office products. For both RPO and VPS, administrators create and manage employee user accounts, and grant user rights. Administrators are able to establish password-protected user accounts for each employee. This application will allow managers to grant employees specific access to individual modules. For example, an administrator may grant a particular user access reporting but only certain reporting capabilities. Once a manager establishes an individual account, only those modules that were activated will appear on their menu. This module is also available on an enterprise-wide level. Enterprise level executives may enable agency-level officials with administrative rights or manage their entire system on an enterprise level.

As indicated in the Section 5.8, the Vendor must provide a monthly bill to each Agency in such detail that the Agency's pre-payment audit can be completed with minimal need to contact the Vendor.

Each Agency will receive a monthly invoice. Prior to receipt of the invoice, Agencies will have access to their monthly statements according to their preference including online. For RPO or VPS users, an additional analysis statement will come separately from the Merchant Services invoice. This analysis statement or invoice will be for the integrated payment solution fees. The volumes associated with this statement can be verified to the transactional reporting in RPO or VPS for auditing purposes.

5.7 Convenience Fees

Agencies are authorized to charge a convenience fee on certain transactions within the parameters established by Section 215.322 (3) (b), F.S., and Rule 69C-4.0045, F.A.C. The Respondent must be able to provide this feature. The Respondent must advise the Department of changes in the convenience fee environment as dictated by the credit card industry and make recommendations that would serve to insure that Agencies remain in compliance with all rules and regulations of the credit card industry.

BA Merchant Services has a dedicated team of individuals focused on the unique requirements of the government sector. Your Merchant Services Government Account Manager is available to consult with any Agency considering offering a citizen funded card payment program. BA Merchant Services will work with the Agency to explain and define each Card Association’s position and how we have successfully implemented these programs. This will assure full compliance with rules and regulations of the Associations.

Visa and MasterCard narrowly define when and how a convenience fee can be applied. Generally speaking, the Card Associations will not permit convenience fees that “disadvantage the brand relative to other payment methods through a single payment stream.” There are differences in their approaches however and BA Merchant Services can assist with developing an acceptance model that best fits the Agency needs.

Both Visa and MasterCard now offer pilot programs for Agencies accepting certain types of tax payments. These pilots recognize that tax collection has many specific requirements and offer some modifications to convenience fee restrictions. These pilots allow tax collection payments to be assessed a ‘service fee’. Your Government Account Manager can assess each Agency’s needs and determine if participation in the Tax Pilot program would be beneficial. We can also assist with the enrollment process to ensure the Agency gets full benefit and is in complete compliance with program requirements.

Your Merchant Services Government Account Manager, Michelle Whalen, will provide notice of any applicable Card Association rule changes.

Convenience Fees and Surcharging Overview (as of August 2006)

<p>Definitions:</p>	<p>Surcharge: An additional charge added onto the transaction amount by the merchant if the customer chooses to pay by card, either credit or online debit. The amount tends to be a fixed amount but is variable based on goods sold.</p> <p>Convenience Fee: An additional charge added onto the transaction amount by the merchant if the customer chooses to pay the merchant in a non-traditional environment, such as a website or an IVR. The amount is generally fixed, but can vary.</p> <p>Service Fee: A percentage based fee charged by a registered tax collection entity as allowed under the Visa Tax Pilot program. Can be assessed in all tax collection channels including face-to-face. Must be processed as a separate transaction from the actual</p>
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<p>Convenience Fee Regulations:</p>	<p>tax payment.</p> <p>Visa: A merchant that charges a convenience fee must ensure that the fee is:</p> <ul style="list-style-type: none"> • Charged for a bona fide convenience in the form of an alternative payment channel outside the merchant’s customary payment channels. • Disclosed to the cardholder as a charge for the alternative payment channel convenience. • Added only to non-face-to-face transactions. • A flat or fixed amount regardless of the value of the payment due. • Applicable to all forms of payment accepted in the alternative payment channel. • Disclosed prior to the completion of the transaction and the cardholder is given the opportunity to cancel. • Included as part of the total amount of the transaction. • A convenience fee may only be charged by the merchant that actually provides goods or services to the cardholder. <p>MasterCard: A merchant that charges a convenience fee must comply with the following:</p> <ul style="list-style-type: none"> • A merchant may not directly or indirectly require any MasterCard cardholder to pay a surcharge or any part of any merchant discount or any contemporaneous finance charge in connection with a MasterCard card transaction. • A merchant may provide a discount to its customers for cash payments. • A merchant is permitted to charge a fee (such as a bona fide commission, postage, expedited service or convenience fees, and the like) if the fee is imposed on all like transactions regardless of the form of payment used.
<p>Summary of Regulations:</p>	<p>In order to comply with both Visa and MasterCard regulations, to charge a convenience fee:</p> <ul style="list-style-type: none"> • The payment channel must be truly convenient for the customer. • The transaction can not be taken in an over the counter, face to face environment. • The fee must be a flat fee. • The fee must be applied to all payment types offered through the same channel. • The merchant can not advertise that the merchant fee

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	<p>will be charged to the cardholder to offset the cost of the discount fee.</p> <ul style="list-style-type: none"> • The merchant must state up front that a convenience fee will be charged to the cardholder and the amount of the convenience fee that will be charged. This allows the cardholder the ability to accept or decline to proceed with the transaction and be assessed the fee. • The amount of the fee must be added to the total transaction. • The fee can not be split out as a separate transaction.
<p>Visa Tax Pilot Program:</p>	<p>Visa has recently extended the Tax Pilot Program and expanded it to include some additional types of tax payments. This pilot program allows government entities to charge a percentage or tiered convenience fee on Visa cards taken when used for specified tax payments. The service fee can be applied to all payment channels. Your Government Account Manager can assist with program qualifications, registration and participation requirements.</p>
<p>MasterCard Expanded Convenience Fee Program</p>	<p>MasterCard now offers expanded convenience fee opportunities to participating, pre-certified government and education entities. Program participants will be able to charge a differentiated convenience fee in non face-to-face environments versus alternative forms of electronic payments (such as ACH and eCheck). The convenience fee can be a fixed flat fee, a fixed percentage, or a tiered fee. Eligible government payments include: courts, fines, taxes and miscellaneous government services. Your Government Account Manager can assist with program qualifications, registration and participation requirements.</p>

Bank of America offers solutions that can accommodate the Agency’s convenience fee if it is determined that they will be charged. This can be accommodated as it is today with RPO. To describe that current process a fee can be charged for a transaction. All monies settle to the agency account.

The Velocity Payment System is able to collect convenience fees on behalf of clients in order to cover the transaction/discount fees associated with Credit Card or ACH transactions over the Web and through an IVR System. In order to accommodate merchants, VPS utilizes a dual transaction method to collect the primary payments and convenience fees separately. Additionally, this method provides card holders detailed information on each transaction in accordance with the various credit card association guidelines.

Under the dual transaction method, the full amount of the payment is initiated by the merchant’s website or IVR system in the first transaction and is processed through the merchant’s processing account then the funds are deposited into the merchant’s

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Technical Specifications

depository account. The second transaction is a convenience fee amount based on the total amount of the payment that is calculated on the merchant's web site or IVR System at the time of the first transaction. This second convenience fee transaction is processed through a separate merchant account, with the funds being deposited into a separate depository account.

The Velocity Payment System can support all convenience fee models allowed by the Card Associations. Additional capabilities can be supported to accommodate future modification of convenience fee restrictions. The Velocity Payment System also supports partial or complete refunding of the convenience fee should the client need to refund the all or part of the original transaction. Should a partial refund need to be issued, the system will automatically calculate the amount of the convenience fee that can be refunded.

5.8 Billing

The Respondent must be able to provide each Agency a monthly invoice detailing all contractual transaction costs (processing, interchange, and other fees) resulting from the payment activity processed for the month. The invoicing system employed by the Vendor must be flexible enough to meet the needs of each Agency. Analysis should be available at each merchant or terminal ID number or location level that will enable the Agency to identify associated expenses. Some Agencies may require that the lower level costs be rolled up to the highest level within the organization. Please provide appropriate documentation illustrating the Respondent's billing process.

As the incumbent, we would be glad to continue the process of monthly invoicing being sent to each agency separately. In fact, we are completing a thorough process to improve and streamline the invoicing process, making it more effective and efficient, taking into account valuable feedback that we solicited and received from our many State clients.

BA Merchant Services' invoicing process can meet the State's need to accommodate breaking out cost down to the merchant level within an agency. Monthly invoices will be sent to a State department or division as directed by the Agency with supporting documentation in the form of a summary report. Prior to the arrival of the monthly invoices, monthly statements are available for reconciliation via several different ways. The State may designate where monthly statements will be sent (merchant location, agency headquarters, etc.) Statements contain a detailed explanation of each Merchant Number's processing activity. Some of the detail contained in the Merchant Number level statement includes:

- the time period for which processing occurred
- the account hierarchy (Merchant number, Association number, "Group 2" number, etc.)
- a summary of the credit card activity by card type
- the number of sales and credits per card type
- the gross and net dollar volume of sales per card type
- the average transaction amount per card type
- the discount rate (or processing rate, which is the amount charged for processing the transactions)
- each deposit amount, gross and net, including the number of transactions in each deposit
- the specific number of transactions and dollar volume that qualified in each Interchange category, with corresponding fees
- the total amount of Interchange charges
- any fees not associated with processing transactions, such as equipment rental

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Technical Specifications

- Visa and MasterCard dues assessments
- the total monthly fees to be paid via invoice

Additionally, statements are available at a summary level for multiple merchant numbers within an agency. Statements are also available electronically and can be downloaded or emailed anytime.

In summary, each agency or division will receive a Merchant Services monthly invoice and supporting documentation which will contain the following details: Account Number (Merch ID), DDA and Tran/RT number, Amount due by Merch ID, Charge date, Merchant DBA name and “Advice Message” (Type of Fee). The report will summarize the total of merchant numbers billed for that agency and the total amount due.

Please refer to the “Attachments” section of this response for a sample invoice statement.

Bank of America will provide a monthly account analysis statement for each agency using Remote Payments Online or Velocity Payment Systems, including a consolidated statement with total volumes, balances and fees for the integrated payment solution services. The analysis statement will provide the agency with a monthly recap for balances and services rendered, including the corresponding volumes and fees. Accompanied with an Account Analysis user guide, the analysis statement will indicate each service used by the agency with the corresponding per item fee, volume, and the monthly charges.

Please see the “Attachments” section of our response for a sample analysis statement.

The Vendor shall not debit the Treasury’s Concentration Account for payment of fees.

Please note that it is the responsibility of the agency to review the analysis statements and pay the invoices on a timely basis to prevent its account from being debited. If the RPO or VPS invoice is not paid within 90 days, the agency will be subject to receive an auto-debit for the amount of the invoice. Any discrepancies or questions regarding charges will need to be addressed by the agency within 45 days of the analysis statement date. Any discrepancies either will be removed from the invoice or credited back to the agency on future analysis invoice

All fees shall be charged on a monthly basis.

Acknowledged

All fees will continue to be charged on a monthly basis.

5.9 Systems Requirements

The Vendor shall maintain an accuracy level of 99.5% or higher for all information transmitted to the Agencies and the Customers' financial institutions. The Vendor will not be responsible for any information transmitted that was based upon inaccurate information from the Agencies or a Customer.

Six Sigma

In mid-2001, Bank of America embarked on a journey to become the world's most admired company. We do this by listening to clients and focusing on what they define as "business excellence."

A Six Sigma process is one operating with less than 3.4 defects per million, or a near-perfect error rate. Six Sigma methodologies provides businesses the tools to improve the efficiency of their processes, resulting in better performance, decreased variance and defects and increased profits, client satisfaction and product quality.

In 2002, we established a cross-functional Service Quality Task Force representing all disciplines involved in service delivery: Product Management, Sales, Implementation and Operations management. This team's work focuses on accuracy, reliability and availability. It tracks Treasury Management performance against our internal metrics and helps to identify and focus management's attention on quality issues. Additionally, we empower every associate with the quality and Six Sigma tools and resources to support them as they focus on improving the quality of processes. Our goal is to be the State's provider of choice and a trusted advisor for financial solutions through easy access to our products and services, efficient processes, elimination of errors and the delivery of innovative new products that reflect the higher standards the State can expect from Bank of America. We believe in holding associates and teams accountable as well we provide for continuous training and reward error-free performance of our service associates.

In addition to our Six Sigma accuracy focus, our commitment to system availability is also something we measure our success against. Our average yearly availability for both Remote Payments Online and Velocity Payment Services is 99.8%.

The Respondent shall describe the approximate completion time to convert an existing Agency's payment system under the current contract, or install a de novo system to an Agency that heretofore did not accept electronic payments. For purposes of this response, the Respondent can assume that the target Agency will be able to meet reasonable deadlines for completing the Respondent's questionnaires and finalizing expectations for the new or converted system. Regardless of methodology utilized for this process by the Respondent, all interfaces to the Respondent's systems shall be easily installed and/or removed into an Agency's systems without major impact on the Agency's systems. The Respondent's systems shall in no way hamper the Agency from using another vendor's services currently or in the future.

As the incumbent, we do not anticipate any requirement to convert an existing Agency's system. Bank of America will comply with the State's requirement that our systems will

in no way hamper the Agency from using another vendor's services currently or in the future.

Those instances where a new process is being implemented will experience the following:

Installation timelines are dependent on the solution that is chosen to best meet the Agency's business requirements. Bank of America will consult with any Agency considering a new card acceptance program to ensure we properly assess the operating environment, Agency requirements, and citizen needs to properly advise the Agency of their options. Once that has been determined, timelines are as follows (assumes agency has fulfilled all notification requirements to DFS):

- Dial Terminal: 5 – 7 business days.
- POS Partner Payment Software: 7 – 10 business days.
- CyberSource Payment Gateway: 7 – 10 business days.
- Remote Payments Online: 6-12 weeks
- Velocity Payment Systems: 4-8 weeks

Implementation

For large scale implementations or conversions, Bank of America would assign an Implementation Specialist.

The State's Merchant Services Account Manager and assigned Implementation Specialist will work with the State in setting up new as well as converting existing locations to Bank of America. They can also discuss available options for credit card processing, review specific credit card requirements, and address any special requests. This may include an inventory of your current equipment and determining if any changes would improve your bankcard processing method or reduce Interchange costs. Implementation schedules and time lines are developed to meet the State's expectations during this conversion. The Implementation Specialist works with the State during the entire conversion through the first merchant statement. They provide weekly updates and work to resolve any issues during this phase. Their goals are based on the success of the State's conversion to Bank of America.

After the initial conversion or installation is complete, on going service is provided by the Differentiated Services Team (DST) located in Spokane, WA. They are one call resolution point for merchant needs and have in place escalation procedures.

Client implementation timeline for Integrated Payment Solutions

Bank of America has completed several new implementations for the State of Florida agencies through a well accepted tool call the CAD (Client Activity Document). These startup forms help Bank of America gather the data and configurations necessary to setup each State application. This document in conjunction with the expertise of a Technical associate dedicated to each project have accelerated the implementation of systems from

first acknowledgement of need to the first live transaction completion through a step by step proven technique.

- Development of Website with template capability
 - Upon completion of the Client Assessment Document, an implementation can be completed in 20 to 90 days. (This is dependent on the availability of the agency personnel to test the application as well as the complexity of the needs of the application.)
- IVR (Touch Tone)
 - Upon completion of the Client Assessment Document, an implementation can be completed in 20 to 45 days.
- Voice (Client Console)
 - Upon completion of the Client Assessment Document, an implementation can be completed in 20 to 45 days

At Bank of America, highly skilled engineers with product knowledge and experience execute each client implementation. Each implementation for either RPO or VPS follows a disciplined development life cycle, which allows Bank of America to quickly move through the implementation phases. The project team comprises of:

- Treasury Sales Officer
- Technical Sales Consultant
- Implementation Coordinator

Additionally we will provide the agencies with detailed APIs that will assist State agency developers in meeting Remote Payments Online service or Velocity Payment Systems message specifications. Should any problems or questions arise during the development period, Princeton Ecommerce and Govolution will provide technical resources to assist Bank of America and the agencies.

Once testing has been completed satisfactorily, the implementation coordinator will coordinate with the State agencies to deploy the tested applications into production in order to meet State-defined schedules.

An implementation is broken down into five unique activities.

- Agency Requirements Gathering – Development of the CAD
 - Interview agency personnel to identify current collection activities
 - Identify current merchant services agreements and contract terms
 - Identify any desired future payment methods, payment methods, and any new collections.
- System Configuration

- Configuration of each individual collection application within the Payment solution.
- Standardized API's will be provided to the applicable facilities.
- Testing and Migration
 - Coordination of the testing of each individual collection application to ensure proper operation.
 - Coordinated migration of each individual collection application into production.
- User Training
 - Coordination of training of agency personnel on payment processes and Point-of-Sale equipment operation (FOR VPS).
 - Training of agency personnel on Remote Payments Online or Velocity Payment System operation.
- Project Coordination and Communication
 - Day-to-day management of the agency implementations.
 - Project risk management
 - Communication between agency and bank team.

In addition to deployed applications, State agencies will be provided with detailed user guides for all modules, training materials, test guides and signed start up forms. Each application will have a secondary test application in a mirror of the production platform to enable training, testing and follow-on work.

We have included within the “Attachments” section of this response for our Remote Payments Online estimated implementation timelines. This RPO timeline assumes a more complex implementation and timelines for implementation are dependent on the State’s ability to work with Bank of America during the CAD development and testing phases of the implementation. Implementation times will vary. We have also included a diagram showing the steps that are performed for a typical Velocity Payment System implementation within the “Attachments” section.

The Agencies' method of communication to the Vendor will be via HTTPS or FTP. Regardless of communication method, the Respondent must describe security technologies sufficient to provide for the confidentiality of the information during the transmission. Any additional software required for security must be provided by the Vendor to the Agencies.

Bank of America acknowledges that communications will be via HTTPS or FTP.

BA Merchant Services

Bank of America utilizes industry encryption standards to protect all sensitive data. System access and data transmission require 128-bit server certificates and requires SSL (Secure Sockets Layer) version 3 using only 3-DES ciphers. This SSL helps the citizen's browser automatically encrypt the information to be transmitted—such as a credit card number—before it gets sent. Then, SSL allows only the recipient's software to decrypt the data.

Additionally for frame relay, TSYS Acquiring Solutions maintains three types of leased-line connections for large volume customers including: circuits connected to TSYS (which utilizes MCI and TNS as backbone providers); circuits connect directly to TSYS Acquiring Solution locations which transverse our firewall-protected “extranet” and transaction processing circuits.

Beyond the secure transaction transmission, strict identity verification, privacy protection, controlled data access and data storage procedures for all information gathered from citizens during a transaction are incorporated. These procedures are developed according to Visa's Payment Card Industry (PCI), Cardholder Information Security Program (CISP), and industry best practice standards.

Integrated Payment Solutions

Bank of America can continue to meet the State's requirements. Please refer to section 5.11 of our response about our security technologies. For the integrated payment solution, no additional software is required

Data is received inside the DMZ (first level of the firewall). Validation is for proper format only. The data is encrypted as it is moved to the database and remains encrypted in storage. It is decrypted in a secure session when retrieved from the database. We use a proprietary encryption algorithm.

We use a secure private connection to transmit to the card processors to ensure the card transaction comes and out securely.

In the case of an API call, the response is part of the same API session as the request so the same security is in effect (HTTPS). Bank of America acknowledges that communications will be via HTTPS or FTP.

5.10 Equipment and Software

The Respondent must be able to provide the necessary equipment and software for electronic payment receipts for existing and future applications on a purchase, lease or rental basis. The contract will require the Respondent to provide a repair and/or replacement program to support the electronic payment receipts system. Describe the service program provided by the Respondent and potential fees associated with the purchase or lease/rental of equipment and/or software. Also, indicate how quickly service can be provided and how quickly equipment and/or software can be replaced. All supplies for terminals and printers should be provided free of charge.

BA Merchant Services provides a variety of terminals on a purchase or rental basis. There is no term for renting equipment and Bank of America handles all maintenance issues, and will swap out a terminal via overnight shipping if it is found to be faulty. Bank of America provides supplies such as printer paper and ribbons for thermal or impact printers at no charge. Additionally, BA Merchant Services provides unlimited point of sale signage for Visa and MasterCard brands at no charge. Each new Agency that is implemented will also receive free of charge a setup kit that contains:

- Equipment instructions
- Equipment installation tip sheet
- List of error messages
- Manual Imprinter Plates
- Manual sales slips for back up
- Terminal face plates for owned equipment
- Stickers for voice authorization
- Merchant information booklet for reference
- Instructions to order additional supplies

Through our own current expanding product set as well as additional capabilities offered by new and existing partnerships, Bank of America can meet the requirements of all State agencies. Below is a listing of terminals with purchase and rental pricing.

Due to the structure of the pricing spreadsheet, we were not able to include additional equipment pricing options. However, we feel that these options are important to the State of Florida and therefore have included the following for your reference.

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BA Merchant Services Equipment Pricing			
Vendor	Model	Purchase Price	Monthly Rental Price
Terminals			
Hypercom	T7Plus	\$275	\$20
Verifone	Omni 3740- DC (IP capable)	\$450	\$29
Lipman	Nurit 8000 Wireless	\$850	\$50
	-Activation Fee (\$40/one time)	N/A	N/A
	- Wireless Fee (\$15 monthly)	N/A	\$15
Printers			
Verifone	P900	\$260	\$15
Pin Pads			
Hypercom	P1300 PIN Pad/S9 PIN Pad	\$80	\$6
Verifone	PIN Pad 1000SE	\$80	\$6
Check Readers/Imagers			
Hypercom	Magtek Check Reader	\$170	\$11
RDM	6014 Check Imager	\$370	\$22

The Velocity Payment System only requires a current standards compliant browser, such as Internet Explorer 5.5, Mozilla Firefox 1+, Opera 8+, or Safari 2+. Typical end-user interaction will be over the internet, system-to-system interaction will be over HTTP POST over SSL or Web Services.

For Remote Payments Online it is recommended that users of Remote Payments Online have computers with the following minimum configuration:

- Pentium II 450 MHz processor
- 800x600 SVGA resolution at 256 colors
- 128 MB RAM
- Internet access, using a 56 KB dial-up modem or better (high-speed connection preferred)

Remote Payments Online does not require special software or plug-ins, just a standard browser. It is recommend that users have Internet Explorer 5.x or higher, running on Windows 98 or newer (Windows XP preferred).

The browser must be configured to support the following features:

- 128-bit encryption SSL
- Java & JavaScript enabled

- Cookies enabled
- Cascading Style Sheets enabled
- Automatically Load Images enabled

5.11 Security

The Vendor shall be required to make certain that the State's electronic payment receipts system is operated through a properly secured technique consistent with industry standards. This must include encryption methods to ensure the confidentiality of information during transit; a means to provide for nonrepudiation of transaction information; and an authentication system sufficient to ensure use of the system is restricted to authorized persons. Usage of the system must create sufficient audit trail to provide the information necessary to identify specific transactions, their source, affect and modification. Please describe your program that ensures the highest level of security for this system.

Providing data security for our clients is one of Bank of America's top priorities. All Vendors selected by Bank of America undergo rigorous security checks and screening to ensure they are compliant with industry standards. We employ security standards on many levels that meet or exceed what would be considered the industry standard. Beyond just the payment receipts system, Bank of America provides for data security throughout the transaction process, front-end and back-end. Our overall approach to data security includes various methods that are deemed necessary, including but not limited to encryption, authentication, password protection, various levels of authorization and restriction, etc. The payment systems provided by Bank of America meet the State's desire for a sufficient audit trail to identify transactions as stated above

As a credit card processor, BA Merchant Services is certified and fully compliant with the Visa and MasterCard Payment Card Industry (PCI) Data Security Standard (DSS). The PCI DSS is comprised of the two programs formerly known as Visa Cardholder Information Security Program (CISP) and MasterCard Site Data Protection (SDP). PCI DSS requires that we allow annual PCI and SAS70 reviews.

Bank of America, N.A. is considered a Financial Institution, as defined by the Federal Financial Institutions Examination Councils (FFIEC), and as such we meet or exceed all data security requirements of the FFIEC. We also maintain a robust data protection policy. Our data security architecture is designed to meet or exceed all federal and regulatory requirements for safeguarding customer data, which includes procedures to validate and test the integrity of data as well as procedures to protect the privacy of customer information.

As a subsidiary of a supervised Financial Institution, BA Merchant Services is also required to allow annual compliance reviews by the Federal Examiners from the Office of the Comptroller of the Currency (OCC) to validate compliance with such applicable acts as GLBA and the Patriot Act. BA Merchant Services takes a defensive, in-depth approach to data security, featuring elements of both preventive and detective controls. Additionally, all systems require that authentication and authorization be validated prior to access being granted.

Internal audits for BA Merchant Services are conducted annually based upon risk, with the schedule updated quarterly as needed. External audits are administered independently by Price Waterhouse Coopers, LLP.

Integrated Payment Solutions

The following information lists the supported Remote Payments Online file transmission methods.

Method ID	Medium	Transmission Protocol	Software	Compression Tool	Encryption Tool
A	<ul style="list-style-type: none"> • Dial-up • Internet • T1 • VPN 	NDM	Connect Direct (NT-based)	In-line compression Pre-compression <ul style="list-style-type: none"> • GZIP • UNZIP 	Secure Plus eBusiness Server (PGP technology)
B	Dial-up	<ul style="list-style-type: none"> • XMODEM • ZMODEM (Local modems)	Kermit (Solaris-based)	Pre-compression <ul style="list-style-type: none"> • GZIP • UNZIP 	eBusiness Server (PGP technology)
C	<ul style="list-style-type: none"> • Internet • T1 • VPN 	FTP	NCFTP (Solaris-based)	Pre-compression <ul style="list-style-type: none"> • GZIP • UNZIP 	eBusiness Server (PGP technology)
D	<ul style="list-style-type: none"> • Internet • T1 	<ul style="list-style-type: none"> • HTTPS • SFTP 	Secure Transport (Tumbleweed) (Solaris-based)	In-line compression Pre-compression <ul style="list-style-type: none"> • GZIP • UNZIP 	SSL eBusiness Server (PGP technology)

E-Business Server (PGP) is Princeton eCom's standard method of encryption. All files will be encrypted. Input files will be encrypted with eCom's public key. When received, eCom will use its private key to decrypt the files. Outbound files will be encrypted with the Client's public key. Upon receipt of the files, the Client will use their private key to decrypt the files.

Remote Payments Online supports DSS and RSA keys and "E-Business Server Version 7.1" purchased from Network Associates and E-Business Server for NT "desktop security" 7.1.

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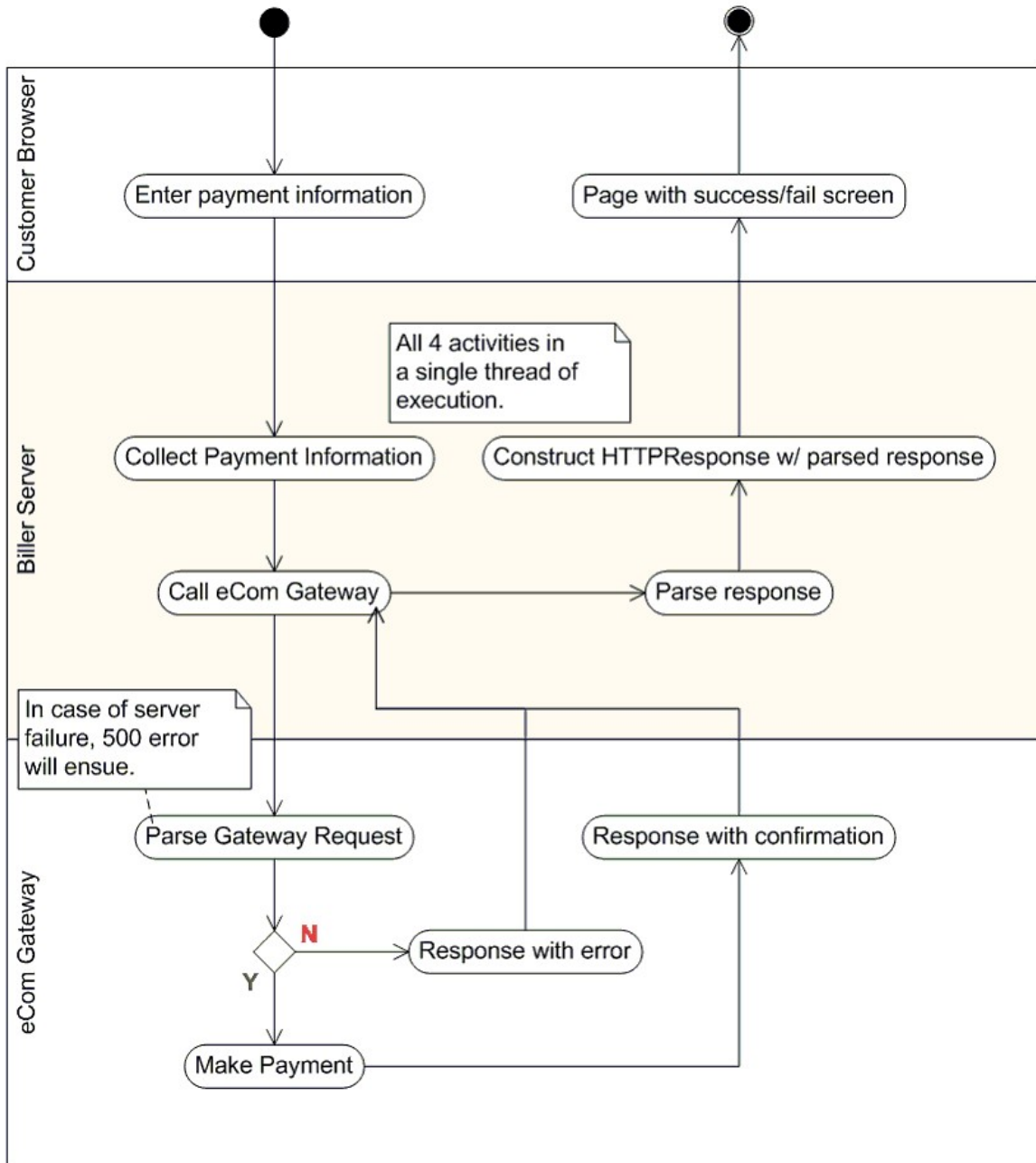
The access to the client console for reporting, payment management, account management and administration is by User ID and Password. The Agency Administrator will have the ability to set up the employees of the company that will be using RPO. As additional security, access to the client console URL is restricted to allow only traffic from the agency's sites to the login page. Oncoming call and the data within the call are secured/encrypted in the form of an HTTPS. Data is received inside the DMZ (first level of the firewall). Validation is for proper format only. The data is encrypted as it is moved to the database and remains encrypted in storage. It is decrypted in a secure session when retrieved from the database. We use a proprietary encryption algorithm.

We use a secure private connection to transmit to the card processors to ensure the transaction comes in and goes back out while still being secure. All transmissions, both credit card and ACH, between Remote Payments Online and authorized recipients are encrypted and signed.

From the point forward after the payment is submitted for storage and archival data is stored encrypted in the database for one year, then moved to offline storage (still encrypted) for six years per regulatory requirements.

Please refer to the diagram below for a handshake process for the calls and responses with the Biller.

Gateway Activity Diagram



Princeton eCom maintains its compliance by having quarterly vulnerability scans performed by Ambrion Trustwave (ATW), a trusted partner of Visa. The PCI/CISP process requires quarterly vulnerability scans, an annual on-site PCI/CISP data security assessment and an annual report of compliance submitted by ATW. ATW performed

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their on-site assessment in December 2005. Princeton eCom has successfully passed all quarterly scans since our annual compliance report in the fall of 2004.

For Velocity Payment Systems, we utilize industry encryption standards to protect all incoming and outgoing sensitive data. All server-to-server authentications over the public Internet to the Velocity Payment System require a 128-bit server certificate. All public or agency administrative access requires SSL version 3 or TLS protocol and 128-bit or higher Triple DES or RC4 ciphers. VPS is also protected by a multi-tiered firewall, intrusion detection system and integrity management software. Administrative VPN access is available to a limited number of Govolution employees through the use of two-factor authentication Federal government FIPS 140-2 Level 2 smart tokens using the 3-DES encryption algorithm. VPS firewalls are configured to only permit traffic to payment processing or reporting servers through SSL ports 443 from the public Internet. Database servers are protected by firewalls below the web perimeter firewalls and do not have direct Internet access.

Beyond the secure transaction transmission, Velocity incorporates strict identity verification, privacy protection, controlled data access and data storage procedures for all information gathered from citizens during a transaction. These procedures are developed according to U.S. Treasury's Financial Management Service (FMS), Visa's Payment Card Industry (PCI) and Cardholder Information Security Program (CISP), and industry best practice standards.

Regarding data access and storage, security is a continuous and integral part of the Velocity offering, from development planning through to maintaining platform operations. The VPS database is protected from external intrusion by numerous firewalls augmented with multi-tiered intrusion detection systems fully monitored by a SANS GIAC security analyst. [<http://www.giac.org/>].

Third party audits are required on a yearly basis to maintain Visa CISP certification http://usa.visa.com/media/business/cisp/List_of_CISP_Compliant_Service_Providers.pdf

Administrative access to the Velocity platform requires two factor authentications using a FIPS 140-2 approved smart token. VPN access also requires two-factor authentication and 3DES or AES ciphers.

Velocity also utilizes a multi-tiered firewall and intrusion detection system. Velocity redacts credit card and ACH account numbers shortly after settlement to limit the amount of confidential data held on the system.

Velocity's payment engine is hosted by Velocity at the SAVVIS Internet Data Center (IDC) in Sterling, Virginia. SAVVIS IDCs are built to meet or exceed accepted industry building standards and local building codes. SAVVIS uses the highest standards for building and designing each data center in order to withstand natural disasters, security breaches (physical and cyber), power outages, and networking and computing failures. Such measures, among others, include mechanical systems with multiple levels of redundancy; a superior cooling system that ensures climate temperatures do not affect computing power; an advanced continuous power supply system that protects against

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degraded commercial power and interruptions; a superior smoke and fire detection system that constantly samples the air for dangerous particles; biometric authentication and round-the-clock surveillance.

The following chart describes a typical SAVVIS data center:

Primary Processing Center - SAVVIS Data Center	
Diverse power distribution	16 – 125 KVA Static switch PDUs
N + 1 mechanical and electrical redundancy	Master label lightning protection system
Single point entry	Transient Voltage Surge Suppression (TVSS)
Employee and visitor log-in required	Standard IEEE grounding system
Surveillance cameras	Multiple 270 Ton air-cooled chillers
Fully addressable fire alarm system	Trending electrical metering equipment
FM 200 in hosting area	Complete facility electrical monitoring
Full smoke exhaust system	Complete building control systems
2200 KW Generator	Remote monitoring capabilities
6,000 gallon Diesel fuel storage	Base-isolated (Earthquake & Vibration Resistant)
40 Hour fuel supply	Seismic zone 4
Multiple 750 KVA UPS modules in an isolated redundant configuration	High wind event resistant

Velocity has been Visa Cardholder Information Security Program (CISP) audited and certified for three years and, and recently completed its third audit using the newer PCI Data Security Standard. This is the culmination of the MasterCard Site Data Protection (SDP) and Visa CISP, which is also endorsed by Discover and American Express.

Our vendors, Princeton eCom and Govolution are PCI/CISP compliant. We are listed as a compliant service provider by Visa.

Any Customer records obtained by the Vendor shall be stored in a location physically secure from access by unauthorized persons. The Vendor shall take every reasonable precaution to ensure that all buildings, rooms, storage areas, and containers (“physical locations”) used by the Vendor providing the products(s) and service(s) under this contract shall be secure with reasonable precaution against damage.

Bank of America and TSYS Processing Solutions have both passed the rigorous security requirements imposed by the Federal Government as part of the process of certifying to handle Federal Government Credit Card processing. Security requirements start with detail at the level of the sturdiness of the doors and the door hinges behind which data files/transmissions/hardware are housed, and progress to computer and file requirements that include 100 percent security backup of transactions. Best Business Practices are being continually upgraded and tested for on-going applicability.

TSYS receives authorization and settlement files and completes the settlement function to BA Merchant Services. TSYS’s authorization and capture centers are located in San Mateo, California and McLean, Virginia. TSYS’s clearing and settlement is located in Columbus, Georgia. Final settlement is received into BA Merchant Services’ in-house processing data centers located in Louisville, Kentucky and Lansing, Michigan. Only

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those with a business need, in order to perform their assigned duties are allowed access to data in a secured environment.

To enter any BA Merchant Services facility, employees must scan their ID badge to allow entry into the building. Upon employee termination, all access (including dial-up access) is immediately denied.

The ACH data centers are secured facilities under 24-hour guard. Admittance to the buildings and the individual functional areas within is controlled by computer-monitored card key access. Personnel are only allowed to enter the premises needed for their specific job assignment. Each building has emergency electrical generation, and in fact regularly runs on its internal power sources during the local utility company's peak times. The building also has battery power for critical facilities, its own water supply, even a heliport, and can be securely sealed to prevent any outside access.

Our contingency sites are capable of handling 100% of the primary production site's volumes without adversely impacting performance. An extensive array of advanced recovery technologies is employed at these sites to shorten the recovery time. Mobile teams are prepared to relocate to the contingency sites as required, equipped with complete job-run scripts and recovery procedures. In addition to the contingency hardware and software, procedures for implementing the ACH services contingency site have been developed and are tested annually.

Our vendors have security measures in place to ensure that the information collected is encrypted and protected from unauthorized use. Our vendors are required to be industry certified, and pass the SAS 70 audits. Bank of America holds all of our vendors to the same stringent standards as we apply to ourselves.

All Customer transactions transmitted over the Internet must be through an encrypted transmission. All Respondent's systems used in conjunction with providing the service to the State shall be protected by industry standard devices (e.g. firewalls, etc) and continuously monitored for unusual access activities using industry standard intrusion detection software and procedures.

Bank of America will comply

Any electronic payment receipt system provided by the Vendor must remain current with changes in the security protocols.

Bank of America will comply

Upon request of the Department, and at the expense of the Vendor, the Vendor shall agree to have annual security audits conducted by a third party who shall be chosen by the Department.

Bank of America agrees to audits of BA Merchant Services' records specific to services defined under this contract to the extent necessary to determine compliance with the terms of the Agreement from time to time, but not more than twice every twelve (12) months. Audit rights may be exercised with reasonable prior written notice, but in no event less than three business (3) days prior notice. Audits can occur only during normal

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business hours, using reasonable care not to cause damage or to interrupt the normal business operation. The State's access will be limited solely to State of Florida data and such systems access as does not compromise the confidentiality of other merchants' information.

Upon proper notice, the Bank would be pleased to arrange access to information pertinent to the State's contract only. The Bank can not agree to allow the Vendor unilateral access to our security systems and procedures for examination due to our internal privacy and security policy.

The Respondent must provide adequate information about the security that is to be used in the proposed system.

Bank of America has strict security measures in place for the protection of merchant and cardholder data. Full cardholder numbers are truncated in keeping with card association and state laws to further protect cardholder identity. Firewalls are in place to meet the State of Florida's standards for processing the State's transactions. Access is allowed on a need-to-know basis and passwords are established by users, changed frequently, and require best practices for acceptance.

We use the latest in Internet security. Bank of America utilizes Cryptographic Protocol, in which each transaction carries its own key, enfolded with it, ensuring that information cannot be used to compromise another transaction making it impossible to break a transaction. We are audited at various times annually by the Federal Reserve, other third parties as well as our internal audit. We can discuss any auditing requirements with each merchant. In addition, we adhere to the security measures prescribed by Visa and MasterCard.

All network devices are manageable devices providing network staff with consistent visibility to remote external devices and alerts in the event of failure. Our 24x7 command center receives immediate notification of all systems failures. Transmission failures are addressed immediately upon notification and are reported directly to you through your Merchant Services Account Manager.

More security information is included in our responses above.

6. Other Requirements

6.1 Management

The Respondent shall designate a primary contract representative in the response and provide a résumé. Additionally, the Respondent shall identify all key departmental representatives that will have responsibility to the State for this contract, e.g. merchant service reps, technology consultants, implementation personnel, etc. Please provide an organizational chart that must, at a minimum, identify these associates and where their positions reside in the scheme of responsibility and authority in the Respondent’s organization. Also, provide all pertinent contact information for these individuals, such as telephone number, email addresses, etc.

At Bank of America, customer service is the cornerstone of each and every relationship. Keith Thompson is the main point of contact for the State as he will oversee and manage the relationship with the State. Bank of America employs a relationship banking team approach that is structured to provide the State with a dedicated support network that ensures that your various needs are met.

We have included below a biography for Keith Thompson.

Keith Thompson	
Bank Title	SVP, Senior Client Manager, Middle Market Banking Division
Location	Tallahassee, FL
E-mail	keith.thompson@bankofamerica.com
Telephone	(850) 561-1728
Biographical Summary	Keith Thompson has overall responsibility for the States relationship with Bank of America. He is the primary contact for strategic matters. He has been with Bank of America and its predecessors for the past nine years and in the financial services industry for the last 20 years. He has offices in both Pensacola and Tallahassee. Keith’s background includes debt structuring, portfolio management and investment banking. He is a graduate of Florida State University with degrees in finance and economics.
Project Role	Client Manager
Project Responsibilities	<ul style="list-style-type: none"> • Responsible for the delivery of a positive and seamless client experience • Lead and coordinate the delivery of the full capabilities of Bank of America • Serve as direct liaison with Bank executive management • Accountable for contract compliance

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Other Requirements

We have included below a list of contact information of the State's relationship banking team.

Treasury Services- Client Management	
<p>Keith Thompson, Senior VP Relationship support Senior Client Manager 100 W. Garden St. Pensacola, FL 32502-5618 (850) 444-7348 Cell: 850-450-4732 Fax: 850.444.0450 keith.thompson@bankofamerica.com</p>	<p>Kristin Harrison, VP Treasury Services including RPO or VPS Treasury Management Sales Officer 315 S. Calhoun St. Tallahassee, FL 32301-1836 (850) 561-1776 Cell: 850-570-7413 Fax 850-561-1965 kristin.harrison@bankofamerica.com</p>
Merchant Services- Government Account Management	
<p>Michelle Whalen, CCM, VP Merchant Services Govt. Account Manager 1201 6th Ave. W. Bradenton, FL 34205 (941) 745-3066 Cell:941-524-6952 Fax: 941.745.3072 michelle.whalen@bankofamerica.com</p>	<p>Andrea Morris, VP Manager, Government Account Management 315 S. Calhoun St. Tallahassee, FL 32301-1836 (850) 561-1774 Fax 850-561-1965 andrea.r.morris@bankofamerica.com</p>
<p>Jon (JD) Wilks, VP (back-up) Sr. Merchant Services Govt. Account Manager 1200 Main Kansas City, MO 64105-2100 (816) 979-5949 Cell: 816.769.3725 Fax: 816.979.5733 jon.wilks@bankofamerica.com</p>	<p>Jennifer Warner, AVP (back-up) Merchant Services Govt. Business Analyst 175 E. Nasa Blvd. Melbourne, FL 32901 (321) 704-1081 Cell : 321.298.2227 Fax: 321.956.0678 jennifer.warner@bankofamerica.com</p>
<p>Differentiated Service Team 1-800-228-5882 dstemail@bankofamerica.com</p>	<p>RPO/VPS Client Support 800.263.8765 M-F 7AM-7PM rpo-support@bankofamerica.com Production off-hours pager 877.371.2442 Off-hours cell phone 904.378.6289</p>

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Other Requirements

Finally, an organization chart has been provided on the following page to identify these associates and there positions.

Bank of America Client Team

Government Banking

Government Treasury Management

BA Merchant Services

Dave Briggs
Senior Vice President
Market Executive

Ken Jensen
Senior Vice President
Treasury Management
Team Leader

Andrea Morris
Manager/Vice President
State and Federal Government
Account Management

Keith Thompson
Senior Vice President
Senior Client Manager

Kristin Harrison
Vice President
Treasury Management
Sales Officer

Michelle Whalen
Vice President
Sr. Government Account Manager

Kristin Strum
Assistant Vice President
Senior Sales Support Associate

Sallie Crumbaker
Officer
Treasury Management
Sales Analyst

Jennifer Warner
Assistant Vice President
Government Business Analyst

Linda Lehmbeck
Global Client Services Advisor
Client Service Center
Government Banking

Julie Gottlieb
Vice President
eCommerce - Implementation
Government Banking

JD Wilks
Vice President
Sr. Government Account Manager

Glenn Davis
Vice President
Technical Sales Consultant
Government Banking

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Other Requirements

In addition, for integrated payment solutions, our partners for RPO and VPS will assign a project team and dedicated project manager to the State of Florida contract. This team will be responsible for working with the Bank of America implementation manager during the implementation periods to define application requirements, configure and deploy the applications, support agency testing efforts, and troubleshoot any issues that may arise during the implementation period.

During the term of the contract, the Vendor shall not substitute the primary contract representative or any of the key departmental representatives without written approval of the Department. The Vendor shall have 10 business days to notify the Department of a change in the designated personnel and provide a résumé of their work experience.

It is our intent that no changes to key team members will be made during the term of this contract. We can agree to give the State written notice, should a key team member need to be changed for any reason. We will then work diligently to find a suitable replacement for the State. Additionally, we would like to clarify that the majority of work to be performed under this contract will be handled by various members of the bank's team, with the Client Manager being the team lead. The size and scope of this contract requires a fully experienced team to meet the State's needs. With that understanding, there are circumstances where the bank has little or no control over an employee who may choose to leave the bank's employment or decides to change jobs. With that said, the State can count on a knowledgeable team of professionals to meet and exceed the State's needs.

During the term of the contract, the Vendor shall be responsible for identifying a Project Manager for conversion or expansion of existing systems or implementation of de novo systems. This individual shall be responsible for planning, coordinating, and successfully implementing all activities associated with the electronic payment receipt systems. As circumstances warrant, the Project Manager may need to appoint project liaisons for individual Agency programs. As required in the preceding paragraph, any changes in the Project Manager or the project liaisons during the term of the contract shall require notification to the Department.

Acknowledged

The Vendor shall be required to submit to the Treasury and the Agency a specific project plan for each project using Microsoft Project 2003 software (or project software approved by the Treasury) during the term of the project.

For the integrated payment solutions, Client Assessment Documents will continue to be provided to the Treasury and Agency as well as work plans that document the implementation process in the Microsoft Office Suite including Excel.

Bank of America has developed startup forms (Client Assessment Documentation) that will need to be completed for each State collection application that will be deployed on the Payment System.

The Department shall appoint a representative from Treasury to coordinate all communication with the Vendor and all affected Agencies.

Acknowledged

6.2 Transition

The Department envisions a seamless transition of the required technical specifications. In order to facilitate a transition, the Respondent shall make all reasonable efforts to complete the transition on a prearranged and agreed to transition plan that will maintain existing performances and provide a minimal amount of disruption. All appropriate expenses related to transition must be reflected in the Respondent's pricing response. The Respondent must discuss previous experience working on a transition of similar scale with a preceding contractor.

Among the many benefits of choosing to stay with Bank of America and BA Merchant Services, is the ability to eliminate the need for a transition and associated costs. Any conversion to another processor would certainly entail both tangible and intangible costs including fees, downtime, man hours, reconciliation efforts, new process design for internal state Agencies, new accounting practices, additional hardware or software, uncertainty in forming a new business relationship, and dis-economies of scale by separating Merchant from the State's overall banking relationship.

Bank of America values our long-standing relationship with the State. Because of this working relationship, we will continue to assess and change product offerings needed to meet the State's electronic payment processing needs with the introduction of a new contract term.

As agencies have needs for a payment solution, we will design and implement that solution. Should an agency need to move from a provider outside of this contract, Bank of America also stands ready to implement the best fit solution from those offered in our response.

6.3 Testing

Whether in transition or implementing a de novo electronic payments system, the Vendor must provide a test setting in a virtually identical environment that the Agency will be operating in. The environment should be parallel production including all external connections, firewalls, and number of server environments. Beta testing must be supported by the Vendor in phases that will ensure operability and desired results in unit, system and acceptance testing and targeted release date. Please discuss your Testing process.

BA Merchant Services can provide a Visa test card number that can be used to confirm clear communication from the host. The provision of test cards for testing POS devices, transaction sets and interchange qualification will be the responsibility of the State. Typically sale transactions are processed for testing with offsetting credits. This allows the individual transactions to move through the system without having to actually move funds.

For the integrated payment solutions, agencies can use and perform tasks in the test environment, known as the UAT environment; identically as they would once the product is launched into Production. The only limitations to this environment are:

- Funds will not be transferred between institutions
- The data in the environment may be limited to a smaller population than in Production

As part of every implementation, Agencies are provided with a fully functional UAT environment. This enables Agencies to perform full application functionality testing prior to rollout to a live customer base. Bank of America also has a great deal of experience in partnering with clients to manage Pilot programs. Remote Payments Online can limit access to certain regions, end user types or IP addresses in order to ensure that only friendly users have access to the system. Also, the application can be paired with defect reporting forms that simplify collecting bug reports and identifying problem areas.

6.4 Customer Service

The Vendor must provide a twenty-four hour, seven day a week customer service program available in additional languages other than English, but at a minimum Spanish. This program must have access to real-time transaction information. Please describe your program with particular reference as whether the service is delivered through an operator attended toll free telephone number, a self-service web site or IVR. The Respondent’s response should include a review of the Respondent’s performance in relation to industry standards for customer service.

BA Merchant Services

Customer Service is provided toll free 24 hours a day, 7 days a week. BA Merchant Services does not out-source Customer Service. Over 280 Bank of America service and support professionals staff our Merchant Support Desk, Risk Management/Fraud Prevention and Implementation teams.

Further, BA Merchant Services has implemented a Differentiated Service Team (DST) dedicated to top tier government clients. Upon entering their merchant account number, the caller is automatically routed to the Differentiated Service Team for immediate, enhanced support and one-call resolution. In urgent or escalated situations, both the State’s Merchant Account Manager, and the State’s Client Manager are available and prepared to assist as well.

Our Support Representatives answer about 3,500 calls per day, most within 30 seconds. Support personnel have on-line access to numerous resources to facilitate quick problem resolution; 96% of all questions are answered on the initial call.

There are specific escalation procedures as well involving Call Center Unit Managers, Site Managers and the State’s Merchant Account Manager, to ensure requests are handled correctly and efficiently.

Please refer to the table below for industry service comparatives.

Bank of America DST Service Team Performance	May	June	July	Industry Standard
Average Speed of Answer (goal 50 sec or less)	20 Seconds	41 Seconds	32 Seconds	60 Seconds or less
Service Level (goal 97%or better)	98.15 %	97.12%	97.93%	95% or Better

Bank of America offers a dedicated customer service team whose sole responsibility is the maintenance and support of the Remote Payments Online service and Velocity Payment Systems. A designee from our Integrated Payment Solution Production Support will serve as the Agency’s point of contact. The Integrated Payment Solution Production Support team is responsible for all aspects of the services and will work with Princeton

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eCom and Govolution and the Client, as appropriate, to address all issues. The Integrated Payment Solution Support Manager will coordinate internal resources to address operational issues as well as application enhancements and alternative solutions.

Escalation procedures are established between Bank of America and the Client for handling any issue that may arise throughout the course of the day. Each issue is assigned a severity level with a corresponding targeted resolution time period. All steps of the resolution are tracked from identification, development/resolution, testing to deployment. As an item moves through the process the next area to which it is assigned receives, an e-mail notification advising the area that it is now their responsibility. The Integrated Payment Solution Production Support Manager assigned to the Client will provide updates throughout the process until the issue is resolved.

Bank of America takes pride in providing higher standards for customer service and support. We provide integrated payment solution production support during business hours as well as after hours to the State. When contacting Integrated Payment Solution Production Support, always send an e-mail to enable the department to track the call. For urgent issues, send an e-mail and the number provided in the table below. The following table indicates contact details and hours of our support.

Contact	Hours	Days	Contact Details
Integrated Payment Solution Production Support	7:00 a.m. –7:00 p.m.	Eastern Time	
	Monday – Friday		
	E-mail:		rpo-support@bankofamerica.com
	Phone:		1.877.263.2334, Option 2
	Fax:		1.704.388.9350
	Operations On Call After Hours and Weekends		
	Pager:		1.866.390.9800
	Mobile Phone:		1.704.965.9607

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Contact	Hours	Days	Contact Details
RPO or VPS Production Support	7:00 a.m. – 7:00 p.m. Eastern Time	Monday – Friday	E-mail: rpo-support@bankofamerica.com Phone: 1.877.263.2334, Option 2 Fax: 1.704.388.9350
Operations On Call	After Hours	After Hours and Weekends	Pager: 1.866.390.9800 Mobile Phone: 1.704.965.9607
Merchant Services Differentiated Service Team	M-F 7AM-7PM		dstemail@bankofamerica.com Phone: 800.228.5882 Fax: 509.353.1289
Merchant Technical Support	24x7x365		800.228.5882

6.5 Training and Consultations

The Respondent must be prepared to provide initial and on-going training for all facets of their electronic payment receipts system. This will include training for any innovative additions or changes to the system that will increase the efficiency and possibly reduce the expense of the Agency's business processes during the term of the contract.

In most cases, Bank of America prefers to provide phone training to each merchant location. This process provides consistent training for each of your existing locations and for any others you may add in the future. We have found this phone training process to be very successful and currently today provide this service to our large market merchants.

Following the RFP process, Bank of America representatives would meet with State personnel and outline areas where training is needed, at different agency levels currently. Then, a detailed plan would be formed and executed to provide the training wherever necessary. This could be accomplished using various methods whether over the phone through our training department, in person, by providing training resource documents and reference materials, etc.

For our integrated payment solutions, training is provided via telephone through both our implementation and support groups for the State Agencies. We are more than happy to provide any additional training needed. Comprehensive user guides are also made available for reference and review.

In addition to training, Bank of America is the only financial institution to provide the State a dedicated Technical Sales Consultant in Glenn Davis. This is part of our technical sales consulting program, a unique team of industry experts that interface with our clients with one mission: to make sure that our clients are exposed to the absolute best solution possible. Glenn is a highly trained technology expert that focuses specifically on banking and financial systems. He has tremendous experience of providing clients with expert level technical consultation. Glenn is available to provide guidance with questions regarding information systems and requirements. He will work with the State's technical team to identify the best technologies and methodologies. The State has experienced this role already with Cindy Hammer's expertise. Glen is dedicated to the receipts process where Cindy is focused on the overall banking services structure. Cindy will continue to stay involved with the State of Florida with Glenn on point for RPO and VPS technical expertise supporting this contract.

The Vendor must develop a program that will keep the Department and the Agencies in this contract abreast of all current regulations of the card associations and, most importantly, any new regulations. Of particular relevance are the Payment Card Industry requirements for security, as well as, any changes in the climate regarding convenience fees.

All state government clients are assigned a Merchant Services Government Account Manager whose responsibility is to ensure they receive up-to-date training and the latest industry-related or regulatory changes. The Account Manager, as needed, will coordinate any additional training.

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The assigned Account Manager is responsible for keeping their clients updated on the latest industry related or regulatory changes. Recent examples include notification of training provided by Visa and MasterCard relating to :

- Protecting consumer data and defense against payment card fraud
- MasterCard PCI Web seminars notice
- Visa and MasterCard with the US Chamber of Commerce – Second annual data security tour dates

We have also provided materials to the State of Florida PCI liaison to assist with his internal procedures and to interested individual agencies who have requested assistance and information.

We provide information on our WEB site (www.bankofamerica.com) and on the merchant statements with notices of on industry related and regulatory changes and/or mandates.

Additionally, BA Merchant Services hosts an annual national customer forum, which includes merchant guests along with representatives of the Card Associations, to cover current topics of interest to your industry.

The Respondent must make training and consulting that is discussed in this RFP part of their pricing consideration. There should be no Agency expense for training and consulting by the Respondent.

Initial and ongoing training and consulting is provided at no expense to the State.

Please describe the training that the Respondent will make available to the Agencies. Also, discuss any initial thoughts about a continuing program for ensuring regulatory compliance by the Agencies.

BA Merchant Services can provide comprehensive training in all Merchant Services subject areas, on several different levels. Since the State of Florida currently uses Bank of America to process transactions, little training would be needed related to the systems and applications the state is currently using. However, with the addition of newer Agencies who elect to accept card transactions in the future, Bank of America will provide training on systems and applications, as well as overall best practices for accepting credit cards. This training is primarily conducted over the phone, but can be approached on a case by case basis to meet the State's needs. Other options include a train-the-trainer scenario, or in-person training with multiple agencies in the form of a conference when necessary.

We will continue the practice of regular update meetings on Association changes and opportunities, as well as written notification to the Office of the State Treasurer and any impacted agencies.

For our integrated payment solutions, our design is done per the agency's or division's specifications. Because we create this in partnership with the State, minimal training is required. Once a design has gone through development, the RPO or VPS implementation

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coordinator will walk through the application via a web cast to the agency personnel to ensure the personnel are comfortable and understand the workings of the application. If any additional training is needed, it can continue or be provided through our RPO/VPS support group. In addition, the agency personnel are able to test the system in both a test and a live environment.

A live demonstration of our services can be provided to the state agencies at no cost.

Employing an experienced Account Management team specializing in State Government accounts, Bank of America demonstrates a consultative approach to managing government entities in particular. This team is skilled in providing our State clients with enhanced, dedicated consultative resources in all of the areas described above. The State will have access to our in-house technical and industry experts as well as those offered by the card associations and our strategic industry partners. All of these resources are made available based on your business requirements.

Following the RFP process, your Merchant Services Account Manager would meet with State personnel and outline areas where training or consultation is needed, at different agency levels. Then, a detailed plan would be formed and executed to provide the training wherever necessary. This could be accomplished using various methods whether in person, by providing training resource documents and reference materials, over the phone, etc. Your State Account Manager, Michelle Whalen, is located in Florida and has been available to travel for training and consultation.

As we have done in the past, we are committed to consulting with various agencies who are contemplating implementing a credit card solution or integrated payment processing solution. For instance, we recently demonstrated this consultative approach with the Dept. of Education, as well as the Dept. of Highway Safety & Motor Vehicles, Department of Juvenile Justice and others by partnering with them and advising them on how best to upgrade and or enhance their payment systems. We look forward to opportunities in the future where we can offer creative solutions and assist the State in achieving its goals for accepting credit cards and ACH payments.

Your State Account Manager is dedicated to keeping the State apprised of any changes in Association regulations, and what impact or opportunity may occur as a result of the changes. We will be available to implement the practice of regular update meetings with on Association changes and opportunities, as well as written notification to the Department of Financial Services and any impacted agencies.

6.6 Financial Requirements

The Respondent must be able to settle all payments to each Agency's individual sub-account of the Treasury's Concentration Account containing sufficient detail for each Agency to identify all debits and credits. All refunds will be directed to those individual sub-accounts. The Respondent must discuss their chargeback process.

Bank of America can continue to provide the Treasury processing for their current FLARE and future ASPIRE systems settlements containing necessary detail to identify activity.

All settled payments and refunds will continue to be deposited to the sub-accounts as designated by the State. All deposits will continue to contain sufficient detail to identify the source of merchant debits and credits in the form of truncated merchant account and agency location numbers.

The overall chargeback process involves the following processes:

- **Retrievals-** The process in which an issuing bank requests a copy of a sales draft electronically through the card association's systems and the acquirer/merchant must provide a copy of the sales draft within the established time frames.
- **Chargebacks-** The process in which the issuing bank electronically disputes a credit card charges that posted to the cardholders credit card account. BA Merchant Services must determine the validity of the dispute based on card association rules and regulations and process accordingly.
- **Representment/Reversal-** The process in which a chargeback is returned to the issuing bank. This process must occur within 41 calendar days, starting with the central processing date of the chargeback in order to meet card association time frames and edit delays.
- **Arbitration-** The process in which the issuing bank disputes the transaction a second time after BA Merchant Services deems the first chargeback was invalid. BA Merchant Services will negotiate each case with the issuing bank attempting an amicable resolution. If unable to resolve, the case will be filed with the card association's arbitration committee for a ruling.
- **Compliance-** A process outside of the chargeback process in which the issuing bank claims the merchant failed to comply with the card association's regulations or the acquirer claims the issuing bank/cardholder has been unjustly enriched by being credited for the same transaction more than once. The process is similar to the arbitration process where BA Merchant Services must verify the validity of the dispute and handle accordingly. If unable to reach an amicable decision, card association intervention may be requested.
- **Good Faith Collections-** The process in which the issuing bank/cardholder or BA Merchant Services/merchant have a legitimate rebuttal to a dispute but

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failed to act within the established time frames. This function is a good faith attempt to supply documentation supporting the claim and request reimbursement from the other member.

Refer to answers provided in section 5.5 for detailed steps surrounding chargebacks and retrievals.

Transactional information appearing on a Customer's monthly statement shall be sufficient so that the Customer can easily determine the source of the charge and be able to contact the Respondent and/or the Agency to discuss any questions.

The statement will contain data that will allow the State's customer to easily identify the source of the transaction, including a customer service number or web address. This transaction detail will alleviate the number of chargebacks and customer disputes.

6.7 Pricing

The Respondent must provide the total price of providing services required in this RFP. This will include a detailed description of all fees and charges for all transactions, reporting, set-up, maintenance, equipment, repair, and other. The Respondent may propose different fees for different types of transactions, however, the Respondent shall charge the same fee structure for each Agency and all application fees and charges shall be expressed as a percentage of dollar volume and/or per unit cost. All development and transition cost shall be built into the Price Proposal. Any charge for services not addressed in the Price Proposal shall not be allowed during the contract duration.

Acknowledged

Any increase in the Vendor's fees proposed by the Vendor during the term of the contract shall be submitted to the Department thirty calendar days before the proposed effective date of the price increase, and shall be limited to fully documented price increases to the Vendor which are demonstrated to be industry wide.

Any increase in the Vendor's fees proposed by the Vendor during the term of the contract shall be submitted to the Department thirty calendar days before the proposed effective date of the price increase, and shall be limited to fully documented price increases to the Vendor which are demonstrated to be industry wide. The State shall have the immediate benefit of any lower Vendor fee rates provided by the Vendor during the term of the contract.

Acknowledged

Changes in Interchange, Dues, and Assessments may be passed on to the State with advance notice to the Department and Agencies in the same manner as indicated above.

Acknowledged

6.8 Experience/Qualifications

The Respondent must have at least five years experience processing the volume of electronic payments presented in Attachment A-2 from authentication to settlement, refunds and reports in the various modes required by this RFP. Please provide appropriate information supporting this requirement.

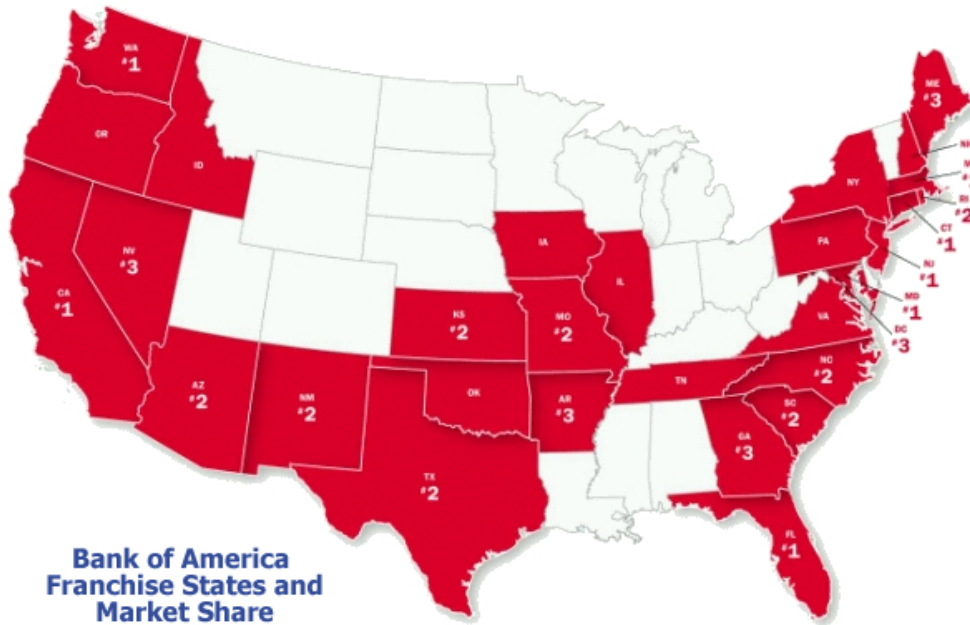
Bank of America pioneered the bank credit card by introducing the BankAmericard in 1958. In 1966, we began licensing other banks to issue the BankAmericard, expanding its acceptance throughout the nation and the world. In 1969, Bank of America transferred BankAmericard's franchise to a consortium of banks, forming what is now known as Visa U.S.A.

In 1983, Bank of America co-founded the Interlink Debit Card Network, allowing customers to use their ATM Cards to purchase goods and services. In 1992, Bank of America transferred this network to Visa International. Bank of America participates as a member of Interlink, Pulse, Explore, Maestro, Accel, and CashStation, and sits on the Board of Directors for both Interlink and Pulse

Bank of America has continued to develop card products for consumers and payment-processing services for merchants, making it easy and profitable for them to accept credit cards, debit cards, purchasing cards, commercial cards and checks. Bank of America is one of the largest Issuers of Bank Cards as well as the second largest bank owned merchant payment processor in the United States. We have been a cornerstone in the industry since its inception and remain firmly committed to it. BA Merchant Services has a solid, well-founded reputation for quality and service. While other financial institutions have sold their merchant portfolio, Bank of America continues to invest in and expand this successful business.

In October of 2004, Bank of America, N.A. acquired National Processing Inc., the parent company of National Process Company, LLC (NPC). NPC was one of the largest merchant acquirers in the country, processing credit, debit, check and gift card transactions for many of the nation's largest national retailers. As a result of the acquisition, Bank of America changed NPC's name to BA Merchant Services, LLC. (BA Merchant Services), and combined the legacy NPC and Bank of America Merchant Services organizations. BA Merchant Services, LLC is a wholly owned 2nd tier subsidiary of Bank of America, N.A., not a subcontractor.

Bank of America Corporation provides a diversified range of banking and non-banking financial services in the United States and in most major global markets.



Bank of America is one of the world's largest financial institutions and the nation's leading depository bank and provider of cash management services serving government entities, individual consumers, small and middle market businesses and large corporations. We offer an array of banking, investing, asset management and other financial and risk-management products and services with a full range of features to help improve the efficiency and effectiveness of our clients' treasury operations. We provide unmatched convenience in the United States to more than 38 million consumer and small business relationships and have relationships with 96 percent of the U.S. Fortune 500 companies and 85 percent of the Global Fortune 500. Bank of America is the No. 1 overall Small Business Administration (SBA) lender in the United States and the No. 1 SBA lender to minority-owned small businesses.

Strong Florida Presence

Bank of America has been designated as a Qualified Public Depository by the State Treasury and in accordance with Chapter 280, Florida Statutes. We are also authorized and licensed to conduct business in the State of Florida and maintain public deposits of approximately \$1.3 billion for the state of Florida and local governments. In Addition, Bank of America maintains a clearing account at the Jacksonville and Miami branches of the Federal Reserve Bank of Atlanta.



Banking on Financial Strength, Leadership and Technology

At Bank of America, we are dedicated to serving the banking, investment and financial management needs of the public sector nationwide. Our history of providing services to the public sector has allowed us to accumulate a breadth of knowledge and insight into the sector. Bank of America is committed to making banking work for customers and clients like it never has before. Enabling customers to do their banking and investing whenever, wherever and however they choose through the nation's largest financial services network, including approximately 5,873 domestic offices and 16,785 ATMs, as well as 30 international offices serving clients in more than 150 countries, and an Internet Web site that provides online banking access to 14.1 million users with seven million active bill payers, by far the largest online banking customer base in the world.

Bank of America has served the government as a distinct line of business since 1982. Today, the bank is a primary provider of financial services, treasury management, lockbox, investment management and electronic transaction processing for the U.S. federal government, numerous state governments, local governments and municipalities, the U.S. court system, and dozens of foreign government entities.

Government clients look to Bank of America for proven networks and platforms, funds-management solutions, and card-based and electronic processing capabilities that reflect the latest in private and public-sector technologies.

As a corporation, we invest constantly to expand our system platforms, improve service delivery and develop new products for government and commercial clients.

In 2003 we were awarded the Treasury Concentration Account bid with the State of Florida, Department of Financial Services. We have served as the Department's depository bank for more than 16 years, and look forward to continuing our longstanding relationship.

Bank of America is prepared to meet the changing needs of the Florida Department of Financial Services. We look forward to continuing our relationship and hope you will consider our experience and desire to continue to provide the services and technology you need as you evaluate our proposal.

Please provide financial information that contains at a minimum audited operating statements and balance sheets for the past five years for the Respondent company, as well as any subcontractors that are contemplated for completion of the requirements of this RFP.

Due to the size of the annual reports, we have included Bank of America's last 5 years of annual reports, as well as any subcontractors that we are contemplating for this RFP, on the enclosed CD-ROM.

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The Respondent must possess all appropriate licenses, bonds, insurance, facilities, equipment, and trained professional personnel to successfully accomplish the requirements of this RFP. Also, the Respondent and subcontractors shall exhibit compliance with all specific industry measures of successful operations.

BA Merchant Services is an Acquirer member of Visa, USA and MasterCard International, and is subject to their rules and procedures. As evidenced by our established, long term relationship with the State, we have been processing transactions for Visa and MasterCard under our membership for many years. We continue to be members in good standing of both Associations. Our membership can be verified by contacting the Associations directly at www.visa.com.

As a fully owned subsidiary of a nationally chartered bank, BA Merchant Services has all required licenses, bonding, facilities, equipment and trained personnel necessary to perform the work as requested by the State.

Each facility is fully insured and all employees are bonded against criminal theft. The State can feel comfortable relying on our associates since we adhere to the following standard security procedures:

- All employees are bonded against criminal theft of client products, property, etc.
- Every facility associate signs a consent form allowing an independent firm to run a criminal and credit background check.
- All new employees undergo an extensive background check including verification of previous positions, educational background, previous addresses and previous names.
- All new employees must also pass drug/alcohol screening as a condition of employment at Bank of America.

Bank of America has proven history to successfully accomplish the requirements of this bid with the State of Florida. While we have chosen to partner with providers that the Bank has determined to have top of the line solutions, Bank of America will be responsible to ensure the service and the commitments to the State are met.

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Please submit five references that may be contacted by the evaluators of the RFP responses. Please provide the information requested on the form in Attachment D – Client References and authorization to contact these individuals. These references must be your largest volume clients with particular emphasis placed upon governmental entities that have similar electronic payment receipt processing needs as contained within this RFP.

Responses by these references will be used in the evaluation process, and the Department reserves the right to reject any proposal predicated upon the information gleaned from these contacts.

As requested by the State, we have included four (4) references on the form provided in Attachment B. We believe the State made an error as Attachment B is the reference form.

6.9 Marketing

Marketing materials used for this program must be approved by the Department. Marketing efforts by the Vendor should be made in a manner that will accurately reflect the requirements, costs and benefits of any changes to an Agency's receipt processing methodology. Further, the Respondent shall not reference this contract without the approval of the Department when offering the service to any other entity not expressly eligible under the terms of the contract.

Bank of America acknowledges that marketing materials need to be approved by the Department and will continue to request such approval on all future materials distributions. We also acknowledge that we should not reference this contract without the approval of the Department when offering the service to any other entity not expressly eligible under the terms of the contract.

As an example of how Bank of America assists the State of Florida in realizing its objective to simplify and expand its electronic receipts programs, we have developed materials with the approval of the Department that are effective in assisting the establishment of new Agencies, and new locations for exiting Agencies. These include required documentation and instructions for new Agencies, added locations, and for Participants to this contract. Included in the package are a cost benefit tool and detailed explanations of equipment pricing with examples to assist with the Cost Benefit Analysis and instructions on how to submit the documents. The process has resulted in less time spent by the Agencies in compiling information to become Merchants and accelerated the approval process (which is tracked internally and submitted for review to the Department to assure timely progress).

In addition, Bank of America has available cost competitive innovative marketing solutions with an advantage to leverage our customer relationships and a base of 25MM non-affiliated and affinity cardholders to market your services through several channels:

- Credit card statement inserts and messages (perhaps for license renewal deadlines, etc)
- E-mail campaigns (perhaps for Department of Education student loan notices)
- Direct mail

These channels can be utilized in total (a "blast" distribution) or intelligently targeted by:

- Cardholder spend

Card portfolio (AAA, University students/alumni, not-for-profit, Spanish speaking, and professional affiliations)

In addition, there is precedent for the card associations to participate with large market segment marketing efforts to promote the usage of Merchant transactions. Bank of America would coordinate discussions with the card associations to determine opportunities for promotion of merchant acquiring with the State of Florida.

Below are steps to help ensure Remote Payments Online or Velocity Payment Systems work for the State of Florida by being used by the agency customers.

- Agency notifies end users of Web, touch-tone and Agency's customer service representative payment capabilities.
- For web payments, depending on mode of service, the end user either logs onto Agency's website or the Remote Payments Online website to initiate payment.
- For Customer Service Representative payments, the end user dials a phone number provided by Agency to initiate payment.
- End user enters required remittance information defined by Agency (i.e. contact name, account number, social security number).
- End user initiates payment via Credit Card or ACH Debit.
 1. If the card option is selected, the end user enters required card information and the transaction is processed through a connection to Bank of America Merchant Services.
 2. If ACH debit is selected, the end user enters required account information (checking/savings account number and ABA) and any other required information to accompany the payment. A batch file is sent to Bank of America for processing.

6.10 Disaster Recovery

The Respondent must have a plan assuring business continuity for the Department in the event the Respondent's ability to perform required services is affected. The following components are considered essential and information regarding each shall be provided to the Department.

- The ability to provide full electronic payment services within the same banking day of any disaster event.

Bank of America understands the need for consistent and reliable systems. To issue the authorization and settlement of transactions, we have alternative procedures during downtime. Our systems provide backup routing and authorization alternatives, ensuring that an authorization response occurs for every transaction. The network routes transactions via multiple paths, decreasing the impact of trouble spots on the network.

The TSYS production servers reside in two separate data centers, San Mateo California and McLean Virginia. All batch and authorization information is replicated real-time between the two data centers. In the event of a loss of one of the data centers, all incoming traffic would automatically be re-routed to the available center. Each center is equipped with three HP K580 class UNIX based servers. The servers are equipped with 3.8 GB of memory and either four or six 240Mhz RISC processors. Two servers are used for front-end transaction processing and the third is used as the back-end Information Server. Each server runs normally at well below fifty-percent capacity (CPU, memory and disk I/O), easily allowing the transfer all work over to a single center if required. All batch and authorization data is ultimately stored in a high-availability Informix Dynamic Server database running on EMC Symmetrix disk arrays. The EMC Symmetrix currently has 1.2TB, hardware mirrored to 600 GB of useable disk space. There is one Symmetrix per coast. Currently the Symmetrix cabinets are half populated, allowing another 1.2TB of disk to be added when additional storage requirements are necessary. All components of the Symmetrix have redundancy, and all I/O channels to the data maintain fail over paths.

Additionally, the settlement team at TSYS has established departmental and specialty teams to identify and execute recovery activities. The TSYS settlement team is also supported by IBM's Business Recovery Services in Atlanta, GA, for operations and functional access in the event of a crisis. The network's current configuration and planned upgrades will provide for dynamic routing and expedient recovery of access. Network connectivity will be restored to critical functions in priority order, including Merchant file inquiry and maintenance. Bank of America has participated in ongoing contingency planning for many years. Each unit is required to establish, maintain, and test an alternative geographically separate site to provide full backup in the event of an emergency. Telephonic systems are installed that automatically switch key services to

alternative sites. Additionally, each unit has a management plan in place to provide for redundancy in all key functions.

BA Merchant Services does a full systems test every six months. All managers have a copy of the complete book detailing procedures and emergency contacts, which is updated formally every six months. Each area has a designated back-up facility, and sizing is monitored against volume each six months. In the event of a catastrophic failure, appropriate activities are switched to the backup facility. A detailed checklist of contingencies, options and notifications is contained in the manual. These plans are audited by Bank of America, independent third parties, and the OCC (Office of the Comptroller of the Currency).

RPO

Disaster recovery is a segment of overall business continuity and that business continuity begins with operational resiliency. To achieve that, the infrastructure at RPO has been architected to afford seamless transition to backup components. Features of this architecture include:

- Redundant servers in critical areas such as web, application, database, parsing, e-mail and file transmission employing full failover capability
- Redundant routers in hot-standby mode
- Redundant ISP providers
- Application distribution and replication among servers to allow for isolation and migration of specific applications to specific server groups
- Mirrored disks in storage units (EMC)
- Disaster recovery testing
- Failover capability for key resources
- Self-healing Cisco-based network with redundant devices and network paths
- Dynamic server arrays with on-the-fly application switching

RPO employs a broad range of disaster recovery processes and procedures ensuring integrity and security of client data and viability of RPO's payment processing functions in the event of a disaster. All of RPO servers and network access points are fully redundant and have multiple entry paths, thereby avoiding a "single point of failure" occurrence in the infrastructure. All components have hot duplicates that are functioning at all times or a secondary (fail-over) component that becomes active automatically. Using Veritas NetBackup, RPO performs daily incremental backup and weekly full backup of production level servers to an AIT2 tape library, set up in a 5-week rotation with vaulted off-site storage. Client data is stored externally to the processors on which the applications are run. This data is stored on fully mirrored, redundant disk arrays

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that also include multiple power supplies and a “phone home” feature to vendor support.

RPO uses an n-tiered application distributed over n+1 server clusters. Each server in a given cluster is a mirror image of the other, containing the sample applications. This allows for the most effective scalability and extensibility. To provide the same security associated with completely dedicated server(s) per client, all clients’ data is stored in a data base system segmented by client.

Disaster recovery testing is performed semi-annually with SunGuard. Each event includes systems and applications, schedules, timings, and specific deliverables of each test. Biller and financial institution applications are typically represented in the suite of tests to be conducted during any one visit to the recovery site.

RPO will provide Bank of America’s integrated payment support team with notification whenever our ability to do business has been compromised so that the Bank can distribute the information as part of their tier one customer support.

RPO business continuity plans are audited by independent third parties, and the OCC (Office of the Comptroller of the Currency).

VPS

VPS’s payment engine is hosted by Govolution at the SAVVIS Internet Data Center (IDC) in Sterling, Virginia. SAVVIS IDCs are built to meet or exceed accepted industry building standards and local building codes. SAVVIS uses the highest standards for building and designing each data center to withstand natural disasters, security breaches (physical and cyber), power outages, and networking and computing failures. Such measures, among others, include mechanical systems with multiple levels of redundancy; a superior cooling system that ensures climate temperatures do not affect computing power; an advanced continuous power supply system that protects against degraded commercial power and interruptions; a superior smoke and fire detection system that constantly samples the air for dangerous particles; biometric authentication and round-the-clock surveillance.

The following chart describes a typical SAVVIS data center:

Primary Processing Center - SAVVIS Data Center	
✓ Diverse power distribution	✓ 16 – 125 KVA Static switch PDUs
✓ N + 1 mechanical and electrical redundancy	✓ Master label lightning protection system
✓ Single point entry	✓ Transient Voltage Surge Suppression (TVSS)
✓ Employee and visitor log-in required	✓ Standard IEEE grounding system
✓ Surveillance cameras	✓ Multiple 270 Ton air-cooled chillers
✓ Fully addressable fire alarm system	✓ Trending electrical metering equipment
✓ FM 200 in hosting area	✓ Complete facility electrical monitoring
✓ Full smoke exhaust system	✓ Complete building control systems
✓ 2200 KW Generator	✓ Remote monitoring capabilities

<ul style="list-style-type: none"> ✓ 6,000 gallon Diesel fuel storage ✓ 40 Hour fuel supply ✓ Multiple 750 KVA UPS modules in an isolated redundant configuration 	<ul style="list-style-type: none"> ✓ Base-isolated (Earthquake & Vibration Resistant) ✓ Seismic zone 4 ✓ High wind event resistant
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Secondary Processing Center

Velocity Payment System also maintains a secure, secondary, back up processing center at our headquarters in Arlington Virginia. To date, we have not experienced outages to our platform requiring use of our secondary center. We credit this to our ongoing monitoring Systems and Operational controls that have enabled us to maintain the highest level of service through redundancy and prevention.

The disaster recovery plans are tested regularly.

- [The ability to resume standard electronic payment services within 48 hours of the event.](#)

Our contingency measures are designed to restore ‘standard’ electronic payment services as soon as possible. The measures outlined in the previous response are meant to incorporate all aspects of the processing cycle from citizen payment through settlement. Redundancy of the various systems ensures we can quickly restore all core processing capabilities. Once the center comes back on-line, the captured data is synchronized and normal production operations resume.

The TSYS Acquiring Solutions operations facility in Tempe, Arizona, incorporates a business prudent disaster recovery environment for all information services-based activities. Copies of all data are stored off-site at a secured and environmentally controlled location. In addition to the Phoenix based off-site data storage capability, TSYS Acquiring Solutions regularly makes “across the network” copies of selective critical data to their operations facility in the San Francisco area. The Tempe facility also includes the use of a state-of-the-art emergency power system, including a battery based Uninterrupted Power Supply (UPS) system for critical building facilities, network components, and staff areas. Switching of all authorization traffic is provided from multiple, redundant processing centers around the world, which are all cross connected via a high speed, redundant, multiple carrier networks.

In the event of a major disaster, TSYS Acquiring Solution’s data center recovery team would move immediately to their standby hot site and begin restoring systems for accounting and merchant files. Visa and MasterCard would stand in for TSYS Acquiring Solutions for authorizations. Incoming and outgoing clearing and settlement would be exchanged with Visa and MasterCard daily with the use of magnetic tapes.

The business continuity plans of RPO and VPS will ensure that standard electronic payment services can be resumed within 48 hours of the event.

In addition to the processes and infrastructure defined above, RPO utilizes the following processes and tools to monitor our infrastructure:

- SNMP tracks the availability and network connectivity of all servers as well as all network devices and other critical system components such as databases.
- SiteScope incorporates scripts to mimic the behavior of a user session to the point of data access providing a continuous review of user experience. RedAlert provides the same type of monitoring.
- Veritas Cluster Manager alerts us to events concerning the health of system components, such as the database connection manager. (Rules are written to affect a "failover" when certain conditions arise.)
- EMC storage units are equipped with a "phone home" capability that runs continuously and from which alerts are monitored by the vendor's technical support team 24X7.
- RPO has custom written a number of scripts that monitor load average, file system capacity, number of processes, log file management functions and other critical operating system components. Each provides alerts via e-mail and/or text pages.
- Oracle Enterprise Manager tracks the number of concurrent processes, locks and lock escalations, dormant threads, poorly performing SQL processes and other database activities.
- DSMETER tracks network login / logout activity and access to shared directories.
- Symantec Anti-Virus software scans all files at open and close and all resident files weekly.
- AuditWizard governs workstation hardware and software installs.
- Monitors have been put in place, either in response to a specific event or in preparation for an upcoming implementation, modification or volume increase. These include:
 - TOP command
 - VMSTAT command
 - Website / application / database response monitors
 - CGI monitor
 - Load monitor
 - Network traces

Proposal for Electronic Payment Receipts System to the State of Florida Department of Financial Services



Other Requirements

- The orders of succession for key managers and staff that the Department regularly works with during the normal course of business. This information would include the successor's name, regular and emergency phone numbers, and e-mail addresses. This list should provide a primary and two back up contacts for each function. The Respondent will provide notification of any changes with thirty (30) days of said change.

Treasury Services- Client Management	
<p>Keith Thompson, Senior VP Relationship support Senior Client Manager 100 W. Garden St. Pensacola, FL 32502-5618 (850) 444-7348 Cell: 850-450-4732 Fax: 850.444.0450 keith.thompson@bankofamerica.com</p>	<p>Kristin Harrison, VP Treasury Services including RPO or VPS Treasury Management Sales Officer 315 S. Calhoun St. Tallahassee, FL 32301-1836 (850) 561-1776 Cell: 850-570-7413 Fax 850-561-1965 kristin.harrison@bankofamerica.com</p>
<p>Kristin Strum (back-up) Senior Sales Support Associate 315 South Calhoun Street Tallahassee, FL 32301 850.561.1735 Fax: 850.561.1965 kristin.i.strum@bankofamerica.com</p>	<p>Sallie Crumbaker (back-up) Treasury Management Sales Analyst 315 S. Calhoun Street Tallahassee, FL 32301 850.561.1828 Fax: 850.561.1965 sallie.s.crumbaker@bankofamerica.com</p>
Merchant Services- Government Account Management	
<p>Michelle Whalen, CCM, VP Merchant Services Govt. Account Manager 1201 6th Ave. W. Bradenton, FL 34205 (941) 745-3066 Cell:941-524-6952 Fax: 941.745.3072 michelle.whalen@bankofamerica.com</p>	<p>Andrea Morris, VP Manager, Government Account Management 315 S. Calhoun St. Tallahassee, FL 32301-1836 (850) 561-1774 Fax 850-561-1965 andrea.r.morris@bankofamerica.com</p>

Proposal for Electronic Payment Receipts System to the State of Florida Department of Financial Services



Other Requirements

<p>Jon (JD) Wilks, VP (back-up) Sr. Merchant Services Govt. Account Manager 1200 Main Kansas City, MO 64105-2100 (816) 979-5949 Cell: 816.769.3725 Fax: 816.979.5733 jon.wilks@bankofamerica.com</p>	<p>Jennifer Warner, AVP (back-up) Merchant Services Govt. Business Analyst 175 E. Nasa Blvd. Melbourne, FL 32901 (321) 704-1081 Cell : 321.298.2227 Fax: 321.956.0678 jennifer.warner@bankofamerica.com</p>
DST Customer Service	RPO/VPS Client Support
<p>Differentiated Service Team 1-800-228-5882 dstemail@bankofamerica.com</p>	<p>800.263.8765 M-F 7AM-7PM rpo-support@bankofamerica.com Production off-hours pager 877.371.2442 Off-hours cell phone 904.378.6289</p>

- **Emergency or back up facsimile numbers**

Acknowledged – Please see the table above.

Both RPO and VPS will be supported by the following:

Support		
Customer Support	Email:	rpo-support@bankofamerica.com
Weekday Support	Hours:	7:00AM – 7:00PM (ET)
	Phone:	800.263.8765
	Rightfax:	404.532.3585
Customer Support On Call **After hours and Weekend (For emergency issues that cannot wait until the next business day)	Hours:	7:00PM – 7:00AM (ET)
	Mobile:	904.378.6289
	Pager:	877.371.2442
Management Escalation Contacts		
David Prince Customer Support Manager	Telephone:	904.987.4590
	Email:	david.prince@bankofamerica.com

- **A process for notifying the Department when the Vendor’s ability to do business has been compromised.**

All network devices are manageable devices providing network staff with consistent visibility to remote external devices and alerts in the event of failure. Our 24x7 command center receives immediate notification of all systems failures. Transmission failures are addressed immediately upon notification and are reported directly to the state through your assigned Account Manager.

A Merchant Services' disaster preparedness plans include required calling tree assignments that ensure information is distributed efficiently to all client support associates. If an event occurs that negatively impacts our ability to conduct business, your Account Manager will be provided details through our planned distribution channels. They will then contact DFS and impacted Agencies to ensure that key personnel are notified of the nature of the emergency and what processing functions have been impacted. Estimated recovery times will be noted and follow up communications will be provided as new information becomes available.

For RPO solutions all network devices are manageable devices providing network staff with consistent visibility to remote external devices and alerts in the event of failure. Our production department receives immediate notification of all systems failures. All systems personnel are outfitted with pagers to receive notifications of anomalies in the infrastructure. There is even a 12:00 pm ET page to notify systems personnel that all is well. In turn RPO support will be notified of any issues. Transmission failures are addressed immediately upon notification and are reported directly to the state through RPO support.

For RPO and VPS solutions, your support team will reach out to the agencies and the contact lists that are associated with the particular applications with email notifications of any important updates. As above, this group has disaster preparedness plan in place to ensure clients are contacted timely.

Attachment B. Client References

The bidder must list four (4) separate and verifiable clients of the bidder's firm. The clients shall be listed on this form. Any information not submitted on this form shall not be considered. The clients listed shall be for services similar in nature to that described in this solicitation. Confidential clients shall not be included. Information on each client must be provided on this page:

1.

Name: State of Washington

Address: General Administration Building, Room 125

City: Olympia **State:** Washington **Zip:** 98504-0202

Phone No: 360.902.8917 **Ext:**

Contact Person: Ryan Pitroff

Title of Contact Person: Outreach Coordinator

2.

Name: State of Arizona

Address: 1700 West Washington Street

City: Phoenix **State:** Arizona **Zip:** 85007

Phone No: 602.604.7852 **Ext:**

Contact Person: Jennifer Verhelst

Title of Contact Person: Assistant Deputy Treasurer, Banking Services

3.

Name: City of Los Angeles

Address: 200 North Spring Street, Room 201, City Hall

City: Los Angeles **State:** California **Zip:** 90012

Phone No: 213.978.1739 **Ext:**

Contact Person: Crista Binder, CTP

Title of Contact Person: Director of Cash Management Services

4.

Name: Manatee County

Address: 4410 66th Street West

City: Bradenton **State:** Florida **Zip:** 34210

Phone No: 941.792.8811 **Ext:** 4964

Contact Person: Barbara Redmond

Title of Contact Person: Customer Service Center Manager

Clarifications and Exceptions

Clarifications

Section 5: Technical Specifications

Item 5.3.2 Interactive Voice Response

By entering into a treasury management service agreement with you, the bank is assuming responsibility for providing the covered services, regardless of any agents, employees or subcontractors (vendors) which the bank may employ in providing the services. In the performance of treasury management services, it is the bank's general practice to retain employees, agents or subcontractors to service any or all of its clients in general rather than to service a particular client. Because the bank has many thousands of clients, it is not practical for the bank to require one or more client's approval of general subcontractor (vendor) agreements. Bank of America cannot agree to limit itself to not subcontract work, or require the consent of a client that in the future we may deem to be in the best interest of the bank. The State's immediate client team will make every effort to notify the State of any subcontractors.

Item 5.11 Security

The bank cannot unilaterally agree to let whomever a client chooses have access to our security systems and procedures for examination. Further, many of our security procedures are not disclosed to clients under any circumstances as this could in fact breach their effectiveness. Upon proper notice, the Bank would be pleased to arrange access to information pertinent to the State's contract only. The Bank cannot agree to allow the Vendor unilateral access to our security systems and procedures for examination due to our internal privacy and security policy.

Section 6: Other Requirements

Item 6.1 Management

It is our intent that no changes to key team members will be made during the term of this contract. We can agree to give the State written notice, should a key team member need to be changed for any reason. We will then work diligently to find a suitable replacement acceptable to the State. Additionally, we would like to clarify that the majority of work to be performed under this contract will be handled by various members of the bank's team, with the Client Manager being the team lead. The size and scope of this contract requires a fully experienced team to meet the State's needs. With that understanding, there are circumstances where the bank has little or no control over an employee who may choose to leave the bank's employment or decides to change jobs.

Item 6.7 Pricing

Bank of America has endeavored to provide the State with a comprehensive fee schedule as directed in the RFP. However, given the number of services and service options available for the products that we offer our clients, it is difficult to determine all price points that may be applicable to the services you select. Therefore, banking services costs

not specifically referenced on the Price Proposal would be applicable and subject to our charges. However, pricing for additional services and options that the State may want to add in the future may be able to be found in our Treasury Concentration Account Contract currently in place with the State or for services not under contract costs can be negotiated at the time of set-up.

Section 7: Contract Terms and Conditions

Item 7.5 Department's Data

Only documentation prepared by the bank especially for and provided to the State will become the State's property. Bank of America's manuals, user guides, software, etc. will remain the property of the bank.

Item 7.7 Subcontractor's

By entering into a treasury management service agreement with you, the bank is assuming responsibility for providing the covered services, regardless of any agents, employees or subcontractors (vendors) which the bank may employ in providing the services. In the performance of treasury management services, it is the bank's general practice to retain employees, agents or subcontractors to service any or all of its clients in general rather than to service a particular client. Because the bank has many thousands of clients, it is not practical for the bank to require one or more client's approval of general subcontractor (vendor) agreements. Bank of America cannot agree to limit ourselves to not subcontract out work, or require the consent of a client that in the future we may deem to be in the best interest of the bank.

State of Florida PUR 1000 General Contract Conditions

Page 4, Item 13. Installation

We may need to furnish equipment as part of providing the services. However, we do not anticipate the need to physically install any equipment in a manner that would encompass alteration, dismantling or excavation at your facilities. If needed, we would primarily provide terminals or terminal applications.

Page 6, Item 19. Lobbying and Integrity –

We are pleased to work with the Customer and the Customers' Inspector General concerning any investigation. However, while Bank of America agrees with the intent of this provision, only business or financial records, documents, or files specifically related to the Customer's Contract would be provided during the course of any such type of investigation. Bank of America is committed to the highest standards of ethical and professional conduct. All employees of the bank are expected to abide by and adhere to the tenets of the Corporation's Code of Ethics.

Additionally, we would like to clarify that our records are generally maintained for a period of seven (7) years from the date of a transaction. Therefore, we are unable to agree to maintain records based upon the date of termination, or final payment, in regard to a particular client contract or agreement. In the case of this RFP, the term is 4 years with an

option by the Department to renew for two additional one-year periods, thus requiring the retention of records for a period of 7 to 9+ years.

Page 11, Item 31. Employees, Subcontractors, and Agents

Bank of America is pleased to work with the State on any necessary background checks. However, we must advise the State that our employee's privacy rights must be maintained.

State of Florida PUR 1001 General Instructions to Respondents

Page 2, Item 6. Conflict of Interest

Given Bank of America is a National Association employing approximately 200,000 associates; it is not feasible for us to be able to notify the State with the name of any officer, director, employee or other agent who is also an employee of the State. However, we can confirm that the immediate Client Team that is assigned to this relationship and services covered under this RFP are not employees of the State. Additionally, given the size of Bank of America, and the fact that it is a publicly traded company; it is unfeasible to commit that during the life of this contract that a State employee will not acquire an interest, directly or indirectly, in the bank or its affiliates. However, no such relationship will impact the quality or level of services and/or products offered under this contract.

Page 3, Item 9. Respondent's Representation and Authorization

The undersigned is not aware of proceedings against, or conviction of, any Bank of America officers, directors, executives, partners, shareholders, employees, members or agents for any "public entity crime" as defined in Section 287.133(1) (g) Florida Statutes. However, Bank of America Corporation has over 288,700 shareholders, and the corporation and its subsidiaries (including Bank of America, N.A.) have over 200,000 employees worldwide, so it is not possible to answer these questions definitively with respect to each category of individual referenced above. Employees of the corporation and its affiliates are subject to a written Code of Ethics (which each employee is required to read and acknowledge in writing) that requires all employees to comply with the law at all times.

Exceptions

Section 7: Contract Terms and Conditions

Item 7.9 Termination Clauses

The bank suggests that all treasury services continue under the current executed General Provisions dated August 2, 2002, which outlines the basis for contract termination and other issues. Because the current Merchant Services agreement on file with the State is outdated in respect to industry rules and regulations, we have enclosed our most recent Merchant Services agreement, which we would be willing to discuss in more detail upon award of this contract. Please keep in mind that as a card service provider, we are governed by Visa and MasterCard industry regulations. Further, as instructed by the State under section 5.5 Chargebacks, "The Respondent must adhere to all rules published by

VISA and MC” one of which is that we must retain our right to immediately terminate a contract under certain circumstances.

Item 7.10 Limitation of Liability

The bank suggests that treasury services continue under the current executed General Provisions dated August 2, 2002, which outlines the basis for indemnification and limitation of liability. Because the current Merchant Services agreement on file with the State is outdated in respect to industry rules and regulations, we have enclosed our Standard Merchant Agreement within the “Attachments” section of this response, which we would be willing to discuss in more detail upon award of this contract. Please keep in mind that as a card service provider, we are governed by Visa and MasterCard industry regulations.

State of Florida PUR 1000 General Contract Conditions

Page 7, Item 20. Indemnification

Page 8, Item 23. Termination for Convenience and Item 24. Termination for Cause

Page 13, Item 41. Modification of Terms

The bank suggests that all treasury services continue under the current executed General Provisions dated August 2, 2002, which outlines the basis for indemnification, contract termination and other provisions.

Because the current Merchant Services agreement on file with the State is outdated in respect to industry rules and regulations, we have enclosed our Standard Merchant agreement, which we would be willing to discuss in more detail upon award of this contract. Please keep in mind that as a card service provider, we are governed by Visa and MasterCard industry regulations.

Bank of America Attachments

- 1. Point-of-sale Equipment offering**
- 2. ACH User Guide**
- 3. BA Merchant Services Chargeback Department**
- 4. BA Merchant Services Sample Invoice Statement**
- 5. Sample Treasury Analysis Statement**
- 6. Remote Payments Online Implementation Timeline**
- 7. Velocity Payment Solution Implementation Diagram**
- 8. Standard BA Merchant Services Agreement**