

**STATE OF FLORIDA
DEPARTMENT OF FINANCIAL SERVICES**

REQUEST FOR PROPOSALS

**DFS RFP 06/07-07
ELECTRONIC PAYMENT RECEIPTS SYSTEM**

**Issuing Officer:
Department of Financial Services
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1	Definitions.....	4
2	Purpose and General Conditions.....	5
2.1	Purpose.....	5
2.2	Issuing Officer	5
2.3	General Instructions and Conditions.....	6
3	Timetable	6
3.1	Release of RFP.....	6
3.2	Last day for written inquiries.....	6
3.3	Written responses to inquiries posted	6
3.4	Response submissions due.....	6
3.5	Posting of intent to award	6
4	Proposal Submissions	6
4.1	Written Questions	6
4.2	Answers.....	6
4.3	Submitting the Proposal Responses	7
5	Technical Specifications	7
5.1	Objective	7
5.2	Legal Requirements	7
5.3	Types of Electronic Payments	8
5.3.1	Debit Cards	8
5.3.2	Interactive Voice Response.....	8
5.3.3	Internet	9
5.3.4	Point of Sale.....	9
5.3.5	Other Electronic Payments	9
5.4	Processing and Settlement	9
5.5	Chargebacks.....	11
5.6	Reporting.....	11
5.7	Convenience Fees	12
5.8	Billing	12
5.9	Systems Requirements	12
5.10	Equipment and Software.....	13
5.11	Security	13
6	Other Requirements	13
6.1	Management.....	13
6.2	Transition	14
6.3	Testing.....	14
6.4	Customer Service	14
6.5	Training and Consultations	15
6.6	Financial Requirements	15
6.7	Pricing.....	15
6.8	Experience/Qualifications.....	16
6.9	Marketing.....	16
6.10	Disaster Recovery	16
7	Contract Terms and Conditions	17
7.1	Entire Contract; Order of Precedence	17
7.2	Term of Contract.....	17
7.3	Transition	17
7.4	Additions, Deletions and Substitutions.....	18

7.5	Department's Data	18
7.6	Vendor Responsibility	18
7.7	Subcontractors.....	18
7.8	Relationship of Parties	18
7.9	Termination Clauses	19
7.10	Limitation of Liability.....	19
7.11	Insurance Requirements.....	20
7.11.1	Vendor's Liability Insurance	20
7.11.2	Worker's Compensation	20
7.12	Conflict of Law and Controlling Provision	20
7.13	MyFloridaMarketPlace – Vendor Registration.....	20
7.14	MyFloridaMarketPlace	20
7.15	Reservations	21
7.16	Participation Agreement	21
8	EVALUTION PROCESS	21
8.1	Technical Evaluation Committee.....	21
8.2	Technical Response	21
8.2.1	Evaluation Criteria of the Technical Specifications	21
8.3	Price Proposal	22
8.3.1	Evaluation of Price Proposal.....	22
8.4	Contract.....	23
	Attachment A - Price Proposal	
	Attachment B - Client References	
	Attachment C - Fiscal Year 2005-2006 Credit Card Activity by Participating Agency	
	Attachment D - Identical Tie Response Certification	

1 Definitions

ACH – Automated Clearing House

Agency - Any official, officer, commission, board, authority, council, committee, or department of the executive branch of State government. Also includes, but is not limited to, state attorneys, public defenders, the capital collateral regional counsels, the Justice Administrative Commission, the Florida Housing Finance Corporation, the Florida Public Service Commission and the judicial branch.

Aspire – New Enterprise Resource Planning (ERP) accounting system. The State of Florida’s future financial system

CFO – Chief Financial Officer of Florida

Customer- Person or entity that is making a payment to an Agency for a fee for goods, services, information, or other amount owed to the State.

Department - Department of Financial Services

F.A.C. – Florida Administrative Code

F.S. – Florida Statutes

FTP – File Transfer Protocol

HTTPS – Hypertext Transfer Protocol

IVR – Interactive Voice Response

Local Government - Municipality, special district, or board of county commissioners or other governing body of a county, however styled, including that of a consolidated or metropolitan government, also any clerk of the circuit court, sheriff, property appraiser, tax collector, or supervisor of elections

Participant – Any Agency or Local Government that signs a Participation Agreement

Participation Agreement – Agreement between the Vendor and a State Agency or unit of Local Government

POS – Point of Sale

RFP – Request for Proposal

Respondent – Entity submitting a reply to this RFP

State – State of Florida

Treasury – Division of Treasury, Department of Financial Services

Vendor – The entity that is chosen to provide the services contained within this RFP.

2 Purpose and General Conditions

2.1 Purpose

The Department is seeking proposals from entities capable of processing credit and debit cards and other electronic transactions for payments made to the State. The Respondent must be prepared to deposit the funds collected in accordance with this RFP in a Qualified Public Depository as defined in Chapter 280, F.S. The Vendor will enter a new contract that will replace the current contract that expires on October 31, 2006. The Vendor must meet or exceed the minimum requirements in Sections 5 and 6 of this RFP. The Vendor is expected to pursue the deployment of innovative, cost-effective and efficient strategies in compliance with industry standards and practices, including protection and security of private information and maintenance of public records. The payments industry will continue to develop and refine electronic payment mechanisms. Consequently, the State shall look to the Vendor for consultation and recommendations on new developments, as the State desires to implement any advances the industry produces that will further increase the efficiency of the electronic payment receipts system.

In 2004, the Financial Services Policy Committee of the Federal Reserve System confirmed that electronic payments exceeded check payments for the first time. During the first part of the current decade, electronic transactions paid to Agencies for goods, services and information increased from 29,419 in FY 2000/2001 to 15,152,523 in FY 2005/2006. These transactions represent payments of \$9,898,880 in FY 2000/2001 that have increased to \$540,244,693 in FY 2005/2006. (Attachment C - Fiscal Year 2005-2006 Credit Card Activity by Participating Agency) Clearly, businesses and consumers are shifting to electronic payments when doing business with the State. The Department believes that these numbers will continue to grow substantially.

2.2 Issuing Officer

The issuing officer is the sole point of contact from the date of release of this RFP until selection of a successful Respondent. All procedural questions and requests for clarification of this RFP shall be submitted to:

Department of Financial Services
Attn: Fran Spivey, Purchasing Agent III
200 E. Gaines Street, Larson Building
Tallahassee, FL 32399-0317
E-mail address: fran.spivey@fldfs.com
Phone: 850.413.2065
Fax: 850.487.2389

2.3 General Instructions and Conditions

PUR Forms 1001, General Instructions to Respondents, and PUR 1000, General Conditions (which, except as modified by the Special Conditions) are incorporated and attached or available online at http://dms.myflorida.com/dms/purchasing/purchasing_forms_and_documents/purchasing_forms

3 Timetable

The following schedule will be strictly adhered to in all actions relative to this RFP

3.1 Release of RFP

August 15, 2006

3.2 Last Day for Written Inquiries

August 18, 2006 by 5:00 P.M. (EST)

3.3 Written Responses to Inquiries Posted

August 22, 2006

3.4 Response Submissions Due

August 31, 2006 by 3:00 P.M. (EST)

3.5 Posting of Intent to Award

On or about September 12, 2006

The Department reserves the right to make adjustments to this schedule and will announce any changes in the schedule or RFP content on the Vendor Bid System http://fcn.state.fl.us/owa_vbs/owa/vbs_www.main_menu.

There will not be a Respondent's conference.

4 Proposal Submissions

4.1 Written Questions

Written technical questions regarding this RFP should be submitted via e-mail or fax by the deadline to the issuing officer listed in Section 2.2. (modifies PUR 1001 ¶5)

4.2 Answers

Answers to the questions received by the deadline stated above will be posted on the World Wide Web, Vendor Bid System ("VBS") at http://fcn.state.fl.us/owa_vbs/owa/vbs_www.main_menu on or about the date listed in Section 3.3.

4.3 Submitting the Proposal Responses

Sealed responses must be received in the Purchasing Office at 200 East Gaines Street, Larson Building, Attn: Fran Spivey, Purchasing Services, Tallahassee, FL 32399-0317 by **3:00 P.M. EST on the date listed in section 3.4.** (modifies PUR 1001 ¶3)

All responses received by the deadline will be opened in the Purchasing Office at that time. The response package shall be clearly marked on the outside with; Proposal Number, date and time of Proposal Opening. The responses must include **ONE ORIGINAL and FIVE paper copy sets of these documents** and an electronic copy on CD using Microsoft Office products.

Attachment A – PRICE PROPOSAL, one paper set of the Price Proposal must be separately packaged and clearly marked. As indicated in the preceding paragraph, an additional electronic copy would be appreciated and should be included in the same package. It must be signed by an officer authorized to bind the Respondent to the terms of this RFP and also reflect that PUR Forms 1001, General Instructions to Respondents, and PUR 1000, General Conditions (which, except as modified by these Special Conditions) are incorporated and attached. (modifies PUR 1001 ¶3)

Identical Tie Response Preference Attachment D: Whenever identical responses are received, preference shall be given to the response certifying in accordance with Section 60A-1.011, F.A.C. and the Florida Statutes. It is optional to include an attached Identical Tie Response Form, if applicable to the Respondent.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

5.3.3 Internet

Individual Agencies host their own web sites and must 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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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

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.

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>.

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?

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.

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.

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

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

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.

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.

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.

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.

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

All fees shall 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.

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.

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.

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.

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.

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.

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.

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

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.

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

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.

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.

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.

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.

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

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.

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.

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.

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.

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.

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.

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.

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 must be directed to those individual sub-accounts. The Respondent must discuss their chargeback process.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.
- The ability to resume standard electronic payment services within 48 hours of the event.
- 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.
- Emergency or back up facsimile numbers
- A process for notifying the Department when the Vendor's ability to do business has been compromised.

7 Contract Terms and Conditions

7.1 Entire Contract; Order of Precedence

The terms and conditions of the Department's RFP and the Vendor's Response are attached as Exhibits A and B and incorporated by reference as if fully rewritten herein. In the event of a conflict between the provisions of the Department's RFP, including addenda and any other provisions that may become a part of this contract, the terms and conditions of this contract and the Department's RFP shall take precedence and govern. In the event that an issue is addressed in the Response that is not addressed in the RFP, no conflict language shall be deemed to occur.

7.2 Term of Contract

The contract shall be in effect from November 1, 2006 through October 31, 2010, unless terminated earlier by the Department or the Vendor under the terms provided herein, subject to annual appropriation by the State legislature. Upon mutual consent, the Department and the Vendor may renew the contract or any portion of the contract for two (2) additional one-year periods or portions thereof. Any renewal is subject to the same terms and conditions as the original contract and shall be contingent upon satisfactory performance evaluations by the Department and subject to the availability of funds. Except as provided in the contract, pricing for services shall not be increased during the term of the contract, including any renewals, if applicable. Any contract resulting from this RFP shall be subject to cancellation by the Department at any time without penalty or cause upon one hundred twenty (120) days written notice to the Vendor.

7.3 Transition

If at any time the contract is cancelled, terminated or expires, and a contract is subsequently executed with an entity other than the Vendor, the Vendor shall be obligated to assist in the smooth transition of contract services to the subsequent entity.

7.4 Additions, Deletions and Substitutions

In the event services are required to be performed or equipment purchased that are not set out in the RFP, but are within the general technical specifications, the Department and the Vendor reserve the right to negotiate the terms covering the required services or equipment by adding or deleting any item from this RFP on a periodic basis as necessary when deemed in the best interest of the Department. The Vendor will be responsible for submitting requests on a timely basis with sufficient documentation to allow evaluation of the request. The Department will consider changes by the Vendor to contract items, provided these revisions are in accordance with the conditions and specifications contained in this RFP. The Department reserves the right to accept or reject changes proposed by the Vendor.

7.5 Department's Data

All data collected, stored and otherwise utilized by the Vendor, in conjunction with the execution of the duties and responsibilities specified in the contract with the Department, shall remain the sole property of the Agency. If at any time the contract is cancelled, terminated, or expires, the Vendor is obligated to return, or make available, all such data to the Agency at no additional cost and in a medium specified by the Agency.

7.6 Vendor Responsibility

The Vendor shall perform its responsibilities with the care, skill, prudence and diligence under the prevailing circumstances as any prudent entity acting in a similar capacity, with the same resources, and familiar with like matters, would exercise in the conduct of a comparable activity.

The Department will consider the Vendor to be the sole point of contact with regard to contractual matters. The Vendor will assume sole responsibility for providing the services offered in this response, whether or not the Vendor is the supplier of said services or any component.

7.7 Subcontractors

The Department expects that services described in the RFP will be performed by the Vendor; however, if the Vendor contemplates the use of subcontractors on any other aspect of the services to be provided, then the name of any such subcontracted firm, names of contact personnel and an explanation of the qualifications of such subcontracted firm including résumés, must be provided prior to the contract being executed. The request to use subsequent subcontractors during the contract period must be submitted to the Department for approval. The Vendor will be solely responsible for all activities of any subcontracting firm.

7.8 Relationship of Parties

In the performance of their respective responsibilities, duties and obligations under this contract, the Vendor and the Department will at all times be performing as independent parties. No act, work, commission or omission by either party, its agents, servants,

Vendors or employees pursuant to the terms and conditions of the contract shall be construed to make or render Vendor or the Department as agent, servant, employee of, or joint venture with, the other.

7.9 Termination Clauses

Either the Department or the Vendor, at either party's sole discretion, may terminate the contract at any time by giving one hundred (120) days written notice to the other party.

In the case of either party's termination of the contract, should the Vendor thereafter fail to perform all services under this contract, the Vendor shall be liable to the Department for any fees or expenses, legal or otherwise that the Department may incur in securing a substitute entity to assume completion of those services.

The Vendor shall also be liable for any legal fees and expenses necessary to enforce payments by the Vendor for those fees and expenses incurred by the Department to secure a substitute provider. In such event, the one hundred twenty (120) days written notice provision set forth in this paragraph shall not apply. The Vendor shall not be required to disclose to the public any proprietary, copy written trade secrets or other materials protected by the law as referred to in Section 119.07, F.S.

In the event the Department or Vendor defaults in the performance of any covenant or obligation contained in this RFP, including but not limited to, the inability or refusal of the Vendor to provide or arrange for the provision of covered services, or in the event of any material breach of any other provision of the contract by the Department or the Vendor where such default or breach is not cured within fifteen (15) days after written notice is given to the defaulting party specifying the nature of the alleged default or breach, then the other party may at its option, upon giving written notice to the defaulting party, terminate the contract effective as of the receipt of said notice.

As provided in Section 287.058, F.S., the Department may terminate the contract immediately in the event that the Department requests in writing that the Vendor allow public access to all documents, papers, letters, or other material subject to the provisions of Chapter 119, F.S., which are made or received by the Vendor in conjunction with the contract, and the Vendor refuses to allow such access.

7.10 Limitation of Liability

The Vendor shall not be liable for any punitive, indirect, incidental or consequential damages other than actual costs paid to obtain similar services consistent with Chapter 287, F.S. The limitations of liability under this contract shall not limit the Vendor's liability for claims for personal injury, or damage to real or personal tangible property caused by the Vendor's negligence or tortious conduct or its employees. The State shall not be responsible for or liable to the Vendor or its subcontractor(s) for any increased costs or damages that may be incurred by the Vendor, as a result of any act or omission of any other vendor to the State. **Notwithstanding the foregoing, nothing in this section will be construed to limit Rule 60A-1.006(3), F.A.C. (modifies PUR1000 ¶21)**

7.11 Insurance Requirements

The Vendor shall maintain such insurance during the course of the contract as necessary to protect such entity from claims filed under the Florida Worker's Compensation laws or from liability claims for damages resulting from bodily injury, death, property damages, personal injury, or products and completed operations liability.

7.11.1 Vendor's Liability Insurance

The Vendor shall maintain general liability coverage for limits of not less than \$100,000 per person, \$300,000 per occurrence. Coverage shall be maintained without interruption from date of commencement of work until date of final payment.

7.11.2 Worker's Compensation

The Vendor shall secure and maintain for the life of this contract, valid Worker's Compensation Insurance as required by Chapter 440, F.S.

7.12 Conflict of Law and Controlling Provision

Any contract resulting from this RFP, plus any conflict of laws issue, shall be governed by the laws of the State. In the event of a conflict in language among the contract, the RFP, or the Vendor's Response thereto, the provisions and requirements of the contract shall govern. In the event that an issue is addressed in the Vendor's response that is not addressed in the RFP, no conflict in language shall be deemed to be present.

7.13 MyFloridaMarketPlace – Vendor Registration

Effective July 1, 2003, each vendor doing business with the State must register in the MyFloridaMarketPlace system, unless exempted under Rule 60A-1.030(3) F.A.C. Information about the registration process is available, and registration may be completed, MyFloridaMarketPlace website (link under **Hot Topics** on the State portal at www.myflorida.com). Interested persons lacking Internet access may request assistance from MyFloridaMarketPlace Customer Service at (866) FLA-EPRO (866.352.3776) of from State Purchasing, 4050 Esplanade Way, Suite 300, Tallahassee, FL 32399.

7.14 MyFloridaMarketPlace

Pursuant to Rule 60A1.030-.032, F.A.C., the Department of Management Services has instituted MyFloridaMarketPlace, a statewide eProcurement System. Unless exempted under Rule 60A1.030-.032, F.A.C., each vendor doing business with the State shall submit reports and be assessed a transaction fee of one percent (1.0%) on its payments under this contract, which the Vendor shall pay to the State pursuant Rule 60A1.030-.032, F.A.C. The Vendor shall receive a credit for any transaction fee paid by the Vendor for the purchase of any item(s) if such item(s) are returned to the Vendor through no fault, act, or omission of the Vendor. (see PUR 1000 ¶15)

7.15 Reservations

The Department reserves the right to reject any and/or all Proposals, or to waive minor discrepancies if it is in the best interest of the Department. The Department may, by written notice, revise and amend the RFP before the due date for the RFP Response.

7.16 Participation Agreement

Agencies desiring to utilize the contract resulting from this RFP will be required to execute a Participation Agreement with the Vendor. The Participation Agreements will require the approval of the CFO. Local Governments may sign the Participation Agreements or a substitute document developed during the contracting period between the Department and the Vendor.

The Participation Agreement will establish the terms and conditions for an Agency's involvement in the Standard Contract between the CFO and the Vendor. The pricing structure contained in the final contract shall apply to all of the Agencies and be available to all eligible Local Governments.

8 EVALUATION PROCESS

8.1 Technical Evaluation Committee

An evaluation committee consisting of at least five members, appointed in writing by the Department, will evaluate the proposals. Each member will evaluate the Technical Specifications Response independently of the others in accordance with the requirements established in the RFP and any subsequent amendments.

8.2 Technical Response

Each committee member will evaluate their copy of the Response independent of the others and provide a score on each section of the Technical Specifications Response, based on the criteria set forth in Section 8.2.1.

The Department reserves the right to determine adequacy of the Technical Specifications Responses, if it determines that it is in the best interest of the State, and reserves the right to reject all Responses and waive minor irregularities. The Respondent must achieve the minimum requirements of the RFP in order to be considered for evaluation.

8.2.1 Evaluation Criteria of the Technical Specifications

Responsive proposals will be scored based on the following:

Point Value

10 Management, Customer Service, Experience, Past Performance

25	Processing, Settlement, Availability of Funds, Reporting
20	Breadth of Integrated Processing Solution Proposals
10	Convenience Fees, Billing, Equipment and Software, and Training and Consultations
10	Certified Minority. If 10% certified Minority or more of the contract is utilized by CMBES, 10 points. If less than 10% proposed percentage multiplied by 100 = score. No CMBE participation, 0 points.
75	TOTAL POINTS FOR TECHNICAL SPECIFICATIONS

8.3 Price Proposal

When the price proposals are opened, the Purchasing Officer will enter the prices from the Price Proposals on the RFP Score Summary Worksheet. Then, using the formula shown on that worksheet, compute the Price Score and enter that value.

The Respondent must complete Attachment A - PRICE PROPOSAL. As indicated in Section 6.7, the responses to the pricing schedules will establish the pricing for the services required in this RFP for the entire term of the contract.

Treasury has developed a comprehensive format in Excel that requires a complete response from the Respondent. The primary document will be Attachment A – PRICE PROPOSAL. All subsidiary attachments to this form will automatically total and transfer the totals to the appropriate line on the PRICE PROPOSAL form. **All items listed within the schedules require a response in the form of a price, “0” for no charge, or “N/A” for not available. The Department reserves the right to determine that the Price Proposal submitted is in accordance with all instructions.**

Except where indicated on a subsidiary attachment, fees or charges for monthly items will be added together and the total will be automatically multiplied by 12 for an annualized price. However, the Total Processing Fees schedule will present an annual price based on the assumptions within the schedule.

As indicated in Section 4.3, the Price Proposal should be signed by an authorized representative of the Respondent. Please include an electronic copy of the PRICE PROPOSAL. The PRICE PROPOSAL should be separate from the Technical Response and appropriately marked.

8.3.1 Evaluation of Price Proposal

The Price Proposals will be evaluated in two parts as indicated in Attachment A – PRICE PROPOSAL. Thirty (30) points will be awarded to the lowest bidder for the Total Processing Fees. Five (5) points will be awarded to lowest bidder for the remainder of the other price schedules. The Respondent is reminded that the dollar and transaction volumes employed in the Price Proposal schedules are based on historical data but do not

represent actual results. As indicated in the RFP, Agency participation in the resulting contract is determined by a cost/benefit study that supports changing from a manual collection to electronic.

The subsequent point structure will be used for scoring the Price Proposals and shall be based on the following formula:

$$A/N \times B = \text{points awarded}$$

A = the lowest proposed cost
N = respondent's price proposal
B = 5 points

$$A/N \times B = \text{points awarded}$$

A = the lowest proposed cost
N = respondent's price proposal
B = 30 points

35 TOTAL POINTS FOR PRICE PROPOSAL

8.4 Contract

The Department will coordinate a contract for signature between the Department and the Vendor that incorporates this RFP and the Vendor's response as soon as possible after the posting of the notice of award on the Vendor Bid System.

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: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone No: _____ Ext: _____
Contact Person: _____
Title of Contact Person: _____

2.

Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone No: _____ Ext: _____
Contact Person: _____
Title of Contact Person: _____

3.

Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone No: _____ Ext: _____
Contact Person: _____
Title of Contact Person: _____

4.

Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone No: _____ Ext: _____
Contact Person: _____
Title of Contact Person: _____

ATTACHMENT D

Identical Tie Response Certification

Preference shall be given to the vendor, in the event of identical tie bids, who (check the applicable block) certifies one or more of the following:

- A. The response is from a certified minority-owned firm or company;
- B. The response is from a Florida-domiciled entity
- C. The commodities are manufactured, grown, or produced within this state;
- D. Foreign manufacturer with a factory in the State employing over 200 employees working in the State.
- E. Businesses with drug-free workplace programs. Whenever two (2) or more solicitation Responses which are equal with respect to price, quality and service are received by the State or by any political subdivision for the procurement of commodities or contractual services, a solicitation Response received from a business that certifies that it has implemented a drug-free workplace program shall be given preference in the award process. Established procedures for processing tie solicitation Responses will be followed if none of the tied vendors have a drug-free workplace program. In order to have a drug-free workplace program, a business shall:

- 1) Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
- 2) Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation and employee assistance programs and the penalties that may be imposed upon employees for drug abuse violations.
- 3) Give each employee engaged in providing the commodities or contractual services that are under solicitation a copy of the statement specified in subsection (1).
- 4) In the statement specified in subsection (1), notify the employees, as a condition of working on the commodities or contractual services that are under contract, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any State, for a violation occurring in the workplace no later than five (5) days after such conviction.
- 5) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community by any employee who is so convicted.
- 6) Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

I certify that this firm complies fully with the above-selected requirements. (If item E above is selected, subsections "1" through "6" have been met.)

Contractor's Name: _____
Authorized Signature: _____