



Office of the State Treasurer

Request for Qualified Contractors (RFQC) Merchant Services Questions and Answers July 14, 2011

Merchant Card Services

RFQC Document

Official Payments # 1. Section 1.3 Schedule of Events: OST expects to complete the evaluation of submitted documents on or about August 3. What is the expected date for the release of the RFP?

August 17, 2011. (see timeline attachment subject to change).

VitalChek Network Inc #1: Section 2.1.7 – Should the State’s forms count as part of the 20 pages?

The vendors’ responses will be limited to 20 pages (or 10 pages front and back), which include the vendors’ own attachments and exclude the state’s attached forms.

Mandatory Questions

Fifth Third # 7: (*Attachment B, G.1*) “The vendor acknowledges that some of the data it may become privy to in the performance of services under this Contract.” What does the State of Georgia specifically mean by “data”?

The term “data” includes, but is not limited to, proprietary information that the vendor will have access to in performing services for the State, including corporate information, identifying information for citizens, new initiatives, etc. The term is intended to refer to non-transactional data not usually associated with the processing of related payments. All other industry privacy and security standards (including, but not limited to PCI DSS) are expected to be strictly adhered to.

JP Morgan #1: Attachment B, We are willing to discuss and negotiate language around “Indemnification” and “Fault Free Performance”. Will the State be open to negotiating these items, specifically E.6 and G.3?

The State of Georgia can not negotiate the language around Indemnification and Fault Free Performance.

Official Payments # 2. Attachment B. Experience/Performance, Question# B.2 states: "The Vendor must be able to accept payment and credit records directly from the User Entity and/or third party vendors on behalf of the entities as detailed in Attachment F". Does this mean that the successful bidder will accept payment files from third party online vendors currently in place at various Universities and Departments or is this RFQC meant to replace third party vendors?

The intent would be to accept transactions from the current third parties whenever possible. When not possible, the bidder should propose a suitable alternative.

SunTrust Merchant Services #1, Attachment B Mandatory Questions, Understanding that we are required to put a yes or a no to answer the mandatory questions, are we allowed to answer yes with a qualifying statement or explanation?

No explanation is needed for the RFQC process.

Mandatory Scored Questions

Section 3

VitalChek Network Inc #3: Attachment C, Section 3: "Electronic checks" - is it possible to know how many (quantity & value) checks are accepted by the State agencies (monthly or annually) and how many (quantity & value) are returned?

Electronic checks are guaranteed to the state at the point of sale and are not returned. Please see Telecheck attachments A and B.

Section 6

The Section 6 attachment provides the most up to date information and most complete equipment list that OST currently has access to under our existing contract agreement.

Bank of America #1, *Section 6: Transaction Processing*, Which payment gateway is the State currently using to process internet transactions?

Please see Section 6 attachment.

Bank of America #2, *Section 6: Transaction Processing*, Which point-of-sale software or payment gateway is the State currently using to process IVR transactions?

Please see Section 6 attachment.

Bank of America #3, *Section 6: Transaction Processing*, Which point-of-sale software or payment gateway is the State currently using to process Batch transactions?

Please see Section 6 attachment.

Bank of America #4, *Section 6: Transaction Processing*, Which point-of-sale software or payment gateway is the State currently using to process Electronic Cash Register transactions?

Please see Section 6 attachment.

Bank of America #5, *Section 6: Transaction Processing*, Which point-of-sale software or payment gateway is the State currently using to process Telephone transactions?

Please see Section 6 attachment.

Bank of America #6, Section 6: Transaction Processing, Which point-of-sale software or payment gateway is the State currently using to process Mail Order transactions?

Please see Section 6 attachment.

Bank of America #7, Section 6: Transaction Processing, Which point-of-sale software or payment gateway is the State currently using to process Kiosk transactions?

Please see Section 6 attachment.

Section 10

Heartland Payment Systems #1, Section 10.C, Is there a check service currently in place? If so, are you able to provide details on equipment, number of User Entities utilizing the service, and 2010-2011 volume?

Please see Telecheck attachments A and B.

Merchants' Choice Payments Solutions (MCPS) #1: Attachment C, Section 10 Hardware & Software In order to make the conversion and implementation more efficient, would you be open to MCPS providing programmed equipment at no cost?

No pricing information can be included in the RFQC. Prospective vendors should answer all questions as needed without alluding to pricing for services and equipment.

Other Attachments, etc.

Fifth Third # 1: (General) Which vendor does the State of Georgia current use for their online payment collections?

Multiple vendors. Please see Section 6 attachment.

Fifth Third # 2: (General) Which IVR vendor does the State of Georgia use for the IVR system?

Please see Section 6 attachment.

Fifth Third # 3: (General) Which vendor provides Kiosk services for the State of Georgia?

Please see Section 6 attachment.

Fifth Third # 4: (General) Can the State of Georgia provide a list of entities who asses [sic] a convenience fee or any other fee assed [sic] to the credit card payments made online or IVR?

This is a challenging question to answer butt [sic] the list includes various state agencies, colleges, universities, and local governments.

Fifth Third # 5: (General) Can the State of Georgia provide the convenience fee percentage the entities above charge for online payments?

VISA has a flat fee that is charged per transaction, while MasterCard has a tiered fee schedule. Those entities which accept both cards default to the VISA flat fee rate when applying a convenience fee.

Fifth Third # 6: (General) Is the State of Georgia satisfied with their current processor?

The Office of the State Treasurer (OST) is always looking for new effective and efficient cash management methods for the State's cash resources. The use of credit cards, debit cards, and electronic transfers of funds and information is a customary and economical business practice to improve cash management. Due to the upcoming expiration of the State's existing contract, OST is seeking to update these services.

Heartland Payment Systems #2, Attachment G, When "other" is listed under billing method, does that represent a lease?

These are mainly head office numbers that do not have any equipment associated with them. However, there are a few head office numbers that do have equipment listed with them and those head offices are processing transactions under that head office number.

Regions Bank/Elavon Inc. #1: Which transaction types/card brands does the State accept today?

VISA? YES

MasterCard? YES

American Express? YES

Discover? YES

PIN Debit? YES

PINLess Debit? Not currently, but the State would be open to the idea.

E-Check? (POP, ARC, BOC, Verification, Guarantee, etc.)

YES, Guarantee. Not sure what other methods are.

Other- please identify? None that we know of.

Regions Bank/Elavon, Inc. #2: If available, please provide the volume (actual or approximate) by card type (Visa, MasterCard, Debit, etc.) which comprises the total current annual volume provided (\$303,999,731).

Card Type	DBA Name	Net Count	Net Percentage Count	Net Amount	Net Percentage Amount
00001-MC	STATE OF GEORGIA	932,889	21.54%	\$ 70,147,526.44	22.71%
00018-ATM	STATE OF GEORGIA	227,234	5.25%	\$ 8,613,649.28	2.79%
00002-VISA	STATE OF GEORGIA	2,758,782	63.71%	\$ 187,113,261.63	60.57%
00006-AMEX	STATE OF GEORGIA	330,863	7.64%	\$ 35,846,421.11	11.60%
00003-DSCVR	STATE OF GEORGIA	80,437	1.86%	\$ 7,222,820.61	2.34%

Regions Bank/Elavon, Inc. #3: The current annual volume provided (\$303,999,731) is represented as 'card net volume'. If any non-card payments are accepted (i.e. [sic] – electronic check), please provide the applicable volume estimate(s).

Please see Telecheck attachments A and B.

Regions Bank/Elavon, Inc. #4: Relative to Attachment G, please define the difference between Customer Owned and Purchase for the equipment billing method.

“Customer Owned” indicates software/hardware already in place prior to the relationship with the current vendor. “Purchase” indicates software/hardware purchased from the current vendor.

Regions Bank/Elavon, Inc. #5: Relative to Attachment G, it appears that the majority of the current equipment is very dated; many products are 10+ years old. Does [sic] the State and/or participating User Entities intend to continue utilizing the current hardware and/or software in the future or is [sic] the State/Entities interested in upgrading hardware/software? If upgrading, what additional functionality would the State like to gain?

We are looking to the service provider for options and guidance related to these questions. Obviously, where existing equipment is still useful, compliant and represents a cost savings versus having to invest in new equipment, the end-user would most likely prefer to continue using the present equipment.

Regions Bank/Elavon, Inc. #6: Is the State accepting transactions via IVR today? If yes, is the IVR owned/hosted by the state or a third-party? If a third-party, who is the current vendor?

Please see Section 6 attachment.

Regions Bank/Elavon, Inc. #7: Who is the incumbent electronic payments processor for the State and, if under contract, when does the current contract expire?

SunTrust Merchant Services, November 30, 2011.

Regions Bank/Elavon, Inc. #8: Are all current credit card processing applications or gateways in place within the State and/or participating User Entities currently PCI compliant?

To the best of our knowledge, yes. PCI DSS compliance is and will be an ongoing requirement.

Regions Bank/Elavon, Inc. #9: Is [sic] the State and/or participating User Entities PCI compliant?

To the best of our knowledge, yes. PCI DSS compliance is and will be an ongoing requirement.

Regions Bank/Elavon, Inc. #10: If possible, please expand upon any required or desired convenience fee functionality and/or provide additional details relative to the current environment.

• Which User Entities or State Departments currently charge a fee?

includes various state agencies, colleges, universities, and local governments.

• Which transactions are subject to the fee?

Only those allowable by the applicable payment brand regulations.

• What is the amount of the fee and/or how is the fee amount determined?

VISA has a flat fee that is charged per transaction, while MasterCard has a tiered fee schedule. Those entities which accept both cards default to the VISA flat fee rate when applying a convenience fee.

•Which payment types are charged a fee (credit, debit, e-check, etc.) and is the fee consistent by payment type or different?

Convenience fees can be charged for all payments listed in the question, and they should all be consistent.

•If a fee is assessed for credit cards, which brands are accepted (Visa, MasterCard, Discover, etc.)?

The convenience fee model will vary by end user and will be required to comply with industry standards and card payment regulations.

•Is the fee charged/retained by the State/Entity or a third-party (please identify)?

The convenience fee model will vary by end user and will be required to comply with industry standards and card payment regulations.

Regions Bank/Elavon, Inc. #11: Does the State anticipate that any additional State and/or participating User Entities, not currently accepting payments today, will desire to implement a merchant services program for payment acceptance in the future?

Yes, marketing the services to grow the program will be a key requirement of the agreement. These additions of government entities would consist of various state agencies, colleges, universities, and local governments throughout Georgia. Please refer to Section 9 of Attachment C.

Regions Bank/Elavon, Inc. #12: Visa and MasterCard require all acquirers to enter into contracts containing specific provisions with its merchants, provisions which are not included in the form contract and/or which provisions conflict with the terms and conditions of the RFQC. Therefore, will the State agree to include the acquirer's standard terms and conditions as a part of the contract?

The State is inclined to agree with this request. If there is a conflict, we will negotiate this with the vendor on a case by case basis.

VitalChek Network Inc #2: Vendor General Information Form and Mandatory Questions worksheet: Is it possible to obtain these forms in Word Format?

In response to your question, we are attaching a new Vendor General Information Form and Mandatory Questions worksheet, which are editable. If you have already completed the original forms, they are acceptable as well. (See Vendor General Information Form and Mandatory Questions worksheet attachments).

VitalChek Network Inc #4: General: Does the state already have an electronic cashiering system which the vendor would integrate with, or does the state require the vendor to supply an electronic cashiering system.

Refer to Section 10 of the Mandatory Scored Questions. Equipment types and processing methods vary by entity, but there is no "standard cashiering system" in place across the State.

VitalChek Network Inc #5 General: For batch processing, does the state require the processing of checks in addition to credit cards?

Check processing needs vary by participating entity. The vendor should detail its available options for electronic check acceptance as outlined in Section 10 of the Mandatory Scored Questions.

Please note: All questions have been listed verbatim as they were submitted.