

ADDENDUM TWO

DATE: July 26, 2013

TO: All Vendors

FROM: Mary Lanning/Pete Kroll, Buyers
State Purchasing Bureau

RE: Questions and Answers for RFP Number 4404Z1
to be opened August 5, 2013 2:00 P.M. Central Time

Following are the questions submitted and answers provided for the above mentioned Request For Proposal. The questions and answers are to be considered as part of the Request For Proposal.

QUESTIONS	ANSWERS
<p>1. It is stated in your request under Section IV: PROJECT DESCRIPTION AND SCOPE OF WORK FOR ACH ORIGINATION SERVICES, AA. BUSINESS REQUIREMENTS, 1. CREDIT CARD BUSINESS REQUIREMENTS, a. that "The Credit Card Financial institution/contractor must be a member of Visa and MasterCard Card Associations" and b. "The Credit Card financial institution/contractor must be a financial institution pursuant to Neb. Rev. Stat. Section 77-2301." Since we are not a financial institution, we are not eligible to be a member of Visa and MasterCard Associations. However, we do have a sponsorship agreement with a member bank and that bank will be a direct party to the agreement for credit card services with the State. Is this sufficient to satisfy the requirement?</p>	<p>The Business Requirements state that the bidder must be a financial institution.</p>

QUESTIONS	ANSWERS
<p>2. How many ACH batches/process runs occur on a monthly basis?</p>	<p>Originated batches are run daily and monthly totals for the state agencies average 172,607 transactions. NCSPC average 126,942 monthly transactions.</p>
<p>3. On page 83 the State requests at least 3 references who can attest to the competence and skill level of assigned personnel. May we provide references upon contract award?</p>	<p>No, references must be provided with the RFP response.</p>
<p>4. Since we are bidding on both Merchant Card and ACH, do we provide one proposal which includes 1 Executive Summary, Corporate Overview, Technical Approach and Attachment C (which includes our responses to both merchant and ACH) for a total of 1 response? (not including the copies print services will make)?</p>	<p>If you want to be evaluated on the individual ACH and credit card portion in addition to both then you would include three (3) proposal responses.</p>
<p>5. In the provided analysis statement it shows ACH NOC & Returns being reported in transmission and information reporting. In Exhibit 9 it's only showing one time. Do you currently receive your ACH NOC & Returns via transmission or information reporting?</p>	<p>ACH NOC and returns are received through information reporting.</p>
<p>6. Section IV. Project Description and Scope of Work for ACH Origination Services, J. ACH Origination Services – Nebraska Department of Revenue. Please provide additional detail on what the Department of Revenue ACH Credit Dollar Amounts are being used for.</p>	<p>Department of Revenue ACH Credits would be for individual and corporate tax payments.</p>

QUESTIONS	ANSWERS
<p>7. <u>Page 27 (E) – Ownership of Information and Data - Merchant Processing</u></p> <p>If for example the contractor provided credit / debit card processing software or code for / to the State that would be considered proprietary information (i.e. contractor trade secrets) to us, would it be acceptable for these to be denoted and excepted from being disclosed / published?</p>	<p>Section III, OO. Proprietary Information</p> <p>Data contained in the proposal and all documentation provided therein, become the property of the State of Nebraska and the data becomes public information upon opening the proposal. If the bidder wishes to have any information withheld from the public, such information must fall within the definition of proprietary information contained within Nebraska’s public record statutes. All proprietary information the bidder wishes the State to withhold must be submitted in a sealed package, which is separate from the remainder of the proposal. The separate package must be clearly marked PROPRIETARY on the outside of the package. Bidders may not mark their entire Request for Proposal as proprietary. Bidder’s cost proposals may not be marked as proprietary information. Failure of the bidder to follow the instructions for submitting proprietary and copyrighted information may result in the information being viewed by other bidders and the public. Proprietary information is defined as trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serve no public purpose (see Neb. Rev. Stat. §84-712.05(3)). In accordance with Attorney General Opinions 92068 and 97033, bidders submitting information as proprietary may be required to prove specific, named competitor(s) who would be advantaged by release of the information and the specific advantage the competitor(s) would receive. Although every effort will be made to withhold information that is properly submitted as proprietary and meets the State’s definition of proprietary information, the State is under no obligation to maintain the confidentiality of proprietary information and accepts no liability for the release of such information.</p>

QUESTIONS	ANSWERS
<p>8. <u>Page 32 – Assignment by the Contractor – Merchant Processing</u></p> <p>Depending on the services selected by the State, providers may utilize subcontractors to perform certain services. Such subcontractors have already been selected by the provider, and may be subject to change. So as not to cause any potential disruption in the service for instance (while awaiting proper notification to, and approval by the State), in such a circumstance would it instead be acceptable to the State if there were a provision indicating ‘notification of and approval by the State within a reasonable timeframe; and / or that the State could terminate that particular service if it was not agreeable to the change? Along similar lines, from time to time merchant providers are acquired by other providers. If this were to occur would the State be agreeable to assignment to another firm, and include a similar ‘notification of and approval by the State within a reasonable timeframe’ and / or otherwise have the right to terminate the contracted services if it was not agreeable to the change?</p>	<p>Section III. Q. Assignment by the Contractor</p> <p>The contractor may not assign, voluntarily or involuntarily, the contract or any of its rights or obligations hereunder (including without limitation rights and duties of performance) to any third party, without the prior written consent of the State, which will not be unreasonably withheld.</p> <p>Section III. Q. Assignment by the Contractor</p> <p>The contractor may not assign, voluntarily or involuntarily, the contract or any of its rights or obligations hereunder (including without limitation rights and duties of performance) to any third party, without the prior written consent of the State, which will not be unreasonably withheld.</p>
<p>9. <u>Page 34 Y(3)(i) – Early Termination - Merchant Processing</u></p> <p>Should this say ‘unacceptable’?</p> <p>The State may terminate the contract immediately for the following reasons:</p> <p>(i) second or subsequent documented “vendor performance report” form deemed <u>acceptable</u> by the State Purchasing Bureau.</p>	<p>The correct term is “acceptable”. The State Purchasing Bureau will determine if a performance report submitted by an agency is valid or “acceptable”.</p>
<p>10. <u>Page 38 10(c) – Liquidated Damages – Sending / Receiving of Wires - Merchant Processing</u></p> <p>The RFP references wires. Normally the funding for the credit / debit card transactions would be done via ACH. Wires can be done for additional fee. Does the State have a preference, wires versus ACH deposits? If so, how many agencies / entities would require wires, and how frequently?</p>	<p>The State would prefer ACH deposits.</p>

QUESTIONS	ANSWERS
<p>11. <u>Page 39 (HH) – Invoices – Merchant Processing</u></p> <p>Can the State please indicate how many and which agencies would require monthly invoice billing for merchant card processing fees, versus a monthly debit from the designated bank account for the fees. Which agencies are unable to allow for a direct debit of fees and / or chargebacks?</p>	<p>The following agencies would like their processing fees billed, NE Game and Parks Commission; NE Liquor Control Commission; Historical Society; Division of Communications (OCIO); Camp Ashland; NE Dept of Insurance; Health and Human Services; Brand Commission; Department of Agriculture: Secretary of State; Electrical Division; Real Estate Commission; NE Dept of Roads; NE Lottery; Dept of Economic Development; Chadron State College; NE Building Division; The NE Supreme Court System; Department of Education; Peru State College; and Board Public Accountancy.</p>
<p>12. <u>Pages 72-73 – Invoicing for Chargebacks – Merchant Processing</u></p> <p>Which agencies would require invoicing for chargebacks? Is it possible to indicate how many chargebacks each of these agencies (on average) experiences on an annual basis?</p>	<p>Chargebacks go on the daily report to the Treasury Management Staff with the credits for the day and State Agencies receive an email with the chargeback detail.</p> <p>Please see Exhibit 16.</p>

QUESTIONS	ANSWERS
<p>13. <u>Page 74 -75 (EE – 6) – Merchant Processing - Regarding the ‘Big Game Permit Drawing Applications’,</u></p> <p>what is the third party solution that is being used to capture these payments, and transmit them to the merchant bank? Normally the third party solution is responsible for submitting these types of payments as ‘pre-authorized’ transactions, and then is later able to submit them through to the merchant bank for settlement after they are approved (after the individual is awarded his / her permit during the drawing). A like example that comes to mind is a hotel, the hotel’s software pre-authorizes (via the merchant bank) the guest’s card at check-in (but does not actually put a hard charge on the card), then the third party software sends through the final amount to the merchant bank to be charged when the guest checks out. Could you clarify whether the software (and / or online payment) system being used handles this functionality?</p>	<p>It is the software’s functionality that handles this process.</p> <p>The RFP is hereby amended to include the following: Requirements: The Merchant Bank must have the capability to allow the Merchant to simultaneously process routine electronic credit card transactions and individual “drawing” applicant electronic credit card transactions. The credit card transactions related to the “drawing” applicants will be submitted immediately to the Merchant Bank to determine the validity of each customer’s credit card number and return a confirmation to the Merchant that the charge account is in good standing via a pre-authorization. The dollar amount of each of the “drawing applicant charges would be held in a pending status by the Merchant Bank and would not be auto settled as a part of the credit card business. The Merchant does not want to store credit card numbers, the intended approach is to maintain a database of the internally assigned customer transaction/order ID and related authorization code for those “drawing” credit card transactions flagged as in good standing and in pending status. For those applicants who are randomly selected/drawn and awarded permits during the respective “drawing(s)”, the Merchant will re-submit the customer information to obtain the actual permit fees. A single pre-authorization must allow multiple distinct charges to be submitted against serially. This is for scenarios when a single order is used for multiple draw applications.</p>
<p>14. <u>Page 77 – (PP - Perform Implementation) – Merchant Processing</u></p> <p>This section references an on site implementation / training session. Some implementation functions, such as terminal installations or terminal re-programs, are often not performed on site by the provider. Could the State please elaborate on the type of on site implementation / training services it is interested in having performed in-person?</p>	<p>The State would like the contractor to come on site upon the request of the agency to guide the agency to process credit card transactions, process a return, and instruct the agency on the report options available.</p>

QUESTIONS	ANSWERS
<p>15. <u>TR-2 (b) Online Access for State Agencies to View Daily / Monthly Merchant Credit Card Activity -</u></p> <p>Can the State please verify that it expects to only have access to State agency information .. as opposed to the other (non State) entities' information, since the State would not be responsible for those entities, correct?</p>	<p>Yes, the State would only want access to the State Agency information.</p>
<p>16. <u>Exhibit 1 – Merchant Card Processing (Transaction Count of Credit Card Transactions)</u></p> <p>All Other Entities Under the State Contract (\$234,223,025 – 2012 activity) – Will all of these entities / volumes be required to transition to the new provider, or would it be their option to opt out and remain with the current provider or utilize a provider of their own choosing?</p>	<p>It will be up to the entity if they choose to use this contract.</p>
<p>17. <u>Exhibit 1 – Merchant Card Processing (Transaction Count of Credit Card Transactions)</u></p> <p>The understanding was that the Nebraska.gov piece utilizes another (non State) merchant provider, and that this piece would not fall under this bid and resulting contract. Is that correct? If so, are there any card transaction volumes that were included in this Exhibit that fall under this relationship, that should therefore not be considered in this bid process?</p>	<p>Correct. No.</p>
<p>18. Page # 26 Section III, Terms and Conditions</p> <p>Are the T&C's included in the RFP going to be the final contract if awarded, or the framework to build the agreement?</p>	<p>Section III. A. General, the contract will incorporate the following documents.</p> <ol style="list-style-type: none"> 1. Amendment to Contract Award with the most recent dated amendment having the highest priority; 2. Contract Award and any attached Addenda; 3. The signed, in ink Request for Proposal form and the Contractor's Proposal; 4. Amendments to RFP and any Questions and Answers; and 5. The original RFP document and any Addenda.4

QUESTIONS	ANSWERS
<p>19. Page # 71 and 72 Section CC and DD Does the State expect to continue to their relationship with Official Payments?</p>	<p>The State will consider all options that are proposed in the RFP responses.</p>
<p>20. Page # 90 Exhibit 3 Can the State provide the version of all software and gateways specified in Exhibit 3?</p>	<p>This information will be provided when the contract is awarded.</p>
<p>21. Page # 90 Exhibit 3 What versions are being used for the equipment below, listed in Exhibit 3? AFP – GILBARCO PASSPORT PAYFUSE - API PAYFUSE – API - RETAIL PAYFUSE - VIRTUAL TERMINAL</p>	<p>Payfuse XML API is used for:</p> <p>Permit System NE Game and Parks website: OutdoorNebraska.org This changes to: https://ngpc-permits.ne.gov/NGPC-PS/faces/public/welcome</p> <p>Payfuse – Virtual Terminal</p> <p>Cybersource (Cybersource Payment Gateway Solution (Web-based) for Real Time Credit Card processing) is used for:</p> <p>All ActiveNetwork - http://www.outdoornebraska.org for at home customers (Reservations) This changes to http://www.outdoornebraska.ne.gov when typed in from our computers http://orms.reserveamerica.com for Reservations in office</p> <p>Authorize.Net is used for: http://shopoutdoornebraska.ne.gov/AspDotNetStorefront/ (Catalog) http://shopoutdoornebraska.ne.gov/AspDotNetStoreFront/c-30-nebraskaland.aspx (Magazine) https://shopoutdoornebraska.ne.gov/Apps/BoatReg/ (Boat renewal) http://shopoutdoornebraska.ne.gov/AspDotNetStoreFront/p-591-wildlife-conservation-fund.aspx (nongame donation)</p> <p>AFP – GILBARCO PASSPORT PAYFUSE - API - The fuel system currently utilized at the Lewis and Clark is a Gilbarco -Passport Single Pay Point System (E-POS) system #PA0324PB52D</p>

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<p>22. Page # 90 Exhibit 3 Please confirm that CYBERCASH is currently being used for processing?</p>	<p>Cybercash is not being used for credit card processing.</p>
<p>23. Page # 90 Exhibit 3 What middleware is currently being used for the AMANO MCGANN PAYSTATION 4300?</p>	<p>Payware to Veriphone</p>
<p>24. Page # 90 Exhibit 3 Can the State provide the model number for the MAGTEK CHECK READER and MAGTEK CARD READER 3TRK-USB and what devices or gateways do these connect to?</p>	<p>This equipment is no longer used.</p>
<p>25. Page # 90 Exhibit 3 Are the solutions listed below used for processing? FIRSTPAID GATEWAY IVT FIRSTPAID HEALTHCARE SERVICES WEBXPRESS</p>	<p>These are no longer used.</p>
<p>26. Page # 90 Exhibit 3 Can the State provide additional detail on the 3M LIBRARY BASIC FINES & FEES solution?</p>	<p>This entity is no longer under contract.</p>
<p>27. Page # 90 Exhibit 3 Can the State specify what the equipment stated as "BATCH" in Exhibit 3 refers to?</p>	<p>Batch is used with the State's current credit card processor to enter credit card information to be processed once a month.</p>
<p>28. Page # 90 Exhibit 3 Can the State tell us what the UNIMAG PRO CARD SWIPE solution is currently interfacing with?</p>	<p>The entity is retiring this solution.</p>
<p>29. Page # 90 Exhibit 3 Is the ANYWHERE COM RAMBLER RDR used with Aprivapay?</p>	<p>This is no longer used.</p>
<p>30. Page # 90 Exhibit 3 Can the State provide additional information on the UNIPAYI solution?</p>	<p>See #29.</p>
<p>31. Page # 90 Exhibit 3 Can the State explain what MANUAL/QRG/OVERLAY is used for?</p>	<p>See #29..</p>
<p>32. Page # 90 Exhibit 3 Can the State specify what the equipment stated as "SYSTEM INTEGRATOR" in Exhibit 3 refers to?</p>	<p>See #29.</p>
<p>33. Is the MERCHANT CONNECT MULTI listed in Exhibit 3 Tender Retail's Multi and if not what is the company name for this application?</p>	<p>See #29.</p>

QUESTIONS	ANSWERS
<p>34. It is our understanding that Department of Revenue and Child Support will continue to use Official Payments and the State is looking for a credit/debit card processor. Please verify that this is correct.</p>	<p>The State is looking for a credit/debit card processor and will consider all options that are proposed in the RFP responses.</p>
<p>35. Within Addendum for One 4404 Z1, dated June 17th, the State responded to the following vendor questions in a manner that would suggest a vendor would be disqualified if they were unable to comply. I just wanted to confirm as a yes or no?</p>	<p>Yes, the bidder would be disqualified.</p>
<p>36. Addendum Answer #40. You stated in your request that “The Credit Card Financial institution/contractor must be a member of Visa and MasterCard Card Associations” our parent company is a member of the Card Associations will this be sufficient?</p>	<p>No, unless the parent company is the contractor.</p>
<p>37. As only a banking institution can be a member with the card association, will a vendor who is a registered Merchant Service Provider (MSP) with the bank be considered by the State if the MSP is the primary contractor?</p>	<p>The bank would have to be the primary contractor and the MSP would be a subcontractor.</p>
<p>38. Addendum Answer #41. You stated in your request that “The Credit Card financial institution/contractor must be a member of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA)” our parent company is member of FDIC with this be sufficient?</p>	<p>No, unless the parent company is the contractor.</p>
<p>39. As only a banking institution can be a member of these organizations, will a vendor who is owned by a member bank be considered by the State if the vendor is the primary contractor?</p>	<p>The member bank must be the contractor.</p>
<p>40. Addendum Answer #87. Section UU. (Page 44) Nebraska Technology Access Standards If the financial institutions online system is not ADA certified, will the financial institution bid be thrown out?</p>	<p>See #35.</p>
<p>41. As the terminals manufacturers used are not ADA compliant, of which these terminals are sold and supported by virtually all merchant processors, will this disqualify our vendor response?</p>	<p>See #35.</p>